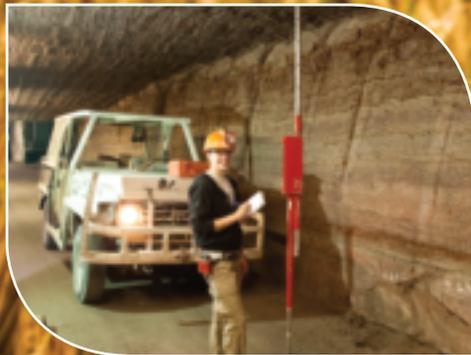
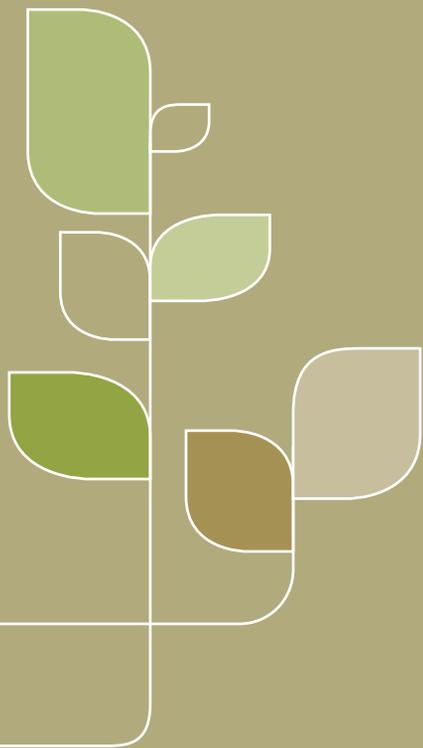


growing
responsibly 
2008-2009 Sustainability Report



Agrium®



Message from the President	4
About Agrium	6
About this Report	7
Governance and Management	8
Respecting Stakeholders	12
Global Issues for a Global Company	16
Addressing Sustainability along the Value Chain	19
Mining	20
Production	24
Distribution	28
Sales	30
End Use	33
Performance	37
Content Indexes - UNGC and GRI	43
Recognition	46

growing responsibly



Agrium provides the products, services and culture that help people grow. Growth is important, but not at any cost to the planet or society. We're helping growers grow healthy plants in environmentally and socially responsible ways. And as our company grows, we integrate our commitment to responsibility into our new businesses and communities.



Message from the President & CEO



"Knowing that we're a part of the essential activity of growing food for a growing population around the world not only inspires us, it fills us with a sense of responsibility."



Michael M. Wilson

If there has been one constant at Agrium in the past two years, it's growth. We've not only grown through business acquisitions and joint interests, we've also grown organically through the development and expansion of successful product lines and facilities.

In the midst of such growth it would be easy to become complacent about ensuring our values are upheld in all of our businesses. You might have noticed that Agrium doesn't always opt for easy. All of our businesses, new or old, must adhere to the same comprehensive policies and standards, whether it's in employee practices, ethical conduct, environmental protection, or safety. As we grow, we are doing so in a responsible manner. We often instill a stronger commitment to communities, employees and the environment in our new businesses than was evident before.

While the growth of our company is exciting, we're even more energized by the growth that our customers achieve. Knowing that we're a part of the essential activity of growing food for a growing population not only inspires us, it fills us with a sense of responsibility. The chief of the United Nations' Food and Agriculture Organization believes the world must double food production by 2050 to head off mass hunger. We believe that Agrium has a significant contribution to make toward this vital goal.

At times throughout history, agriculture has had negative impacts on the environment. Equipped now with environmentally sensitive products and improved knowledge of sustainable practices, we want to make sure

that while growers strive to feed society, they have the capability to do so in a responsible manner. Accordingly, we've increased production of our controlled-release nitrogen products, intensified our efforts in safe handling of our products, and expanded our sharing of information about nutrient stewardship, all aimed at protecting the environment.

As a result of the growth of our company and our involvement in industry partnerships, we're bringing responsible practices and products to Africa, Asia and other developing areas. Much of our work on responsible growth is done away from the spotlight, through community investments and public policy discussions. Our participation in the United Nations Global Compact clearly demonstrates to our employees, communities, suppliers, customers, and to the public, our deep commitment to continually improving our own environmental, human rights, labour rights, and anti-corruption performance.

Although sustainability is a broad issue, it also touches individuals. You will read throughout this report how we strive to respect stakeholders—from our focus on employee and public safety, to engaging community members on issues that matter to them, to working directly with customers to help them improve their performance.

At Agrium we interact with stakeholders every day. We value our relationships and strive to understand stakeholder needs. Accordingly, we asked a broad range of stakeholders to review a draft of this report and tell us how

Sustainability in 2008-2009

Highlights

- Following up on a commitment made in our previous sustainability report, we have set performance targets for reducing greenhouse gas emissions (p. 17) and increasing community investments (p. 11).
- Our employee injury rates are their lowest ever, even while integrating acquired companies (p. 40).
- In 2009, we established an Inclusive Workplace Council (p. 13).
- We launched two flagship community investment programs – Millennium Promise (p. 17) and Caring for Our Watersheds (p. 18).

we could improve it. In addition to working directly with community members, we asked Canadian Business for Social Responsibility to engage an employee, investors, and representatives from industry associations and environmental non-profit organizations. Their input was crucial to improving this report. We are looking into the possibility of establishing a more formal stakeholder panel to provide input on sustainability issues throughout the year. We encourage readers to continue providing input by using one of the feedback mechanisms noted on the final page.

In our 2007 Sustainability Report we made a commitment to develop new sustainability targets. I'm proud to announce that we have developed targets for reducing greenhouse gases and for increasing our community investments.

Following significant research of opportunities for reducing greenhouse gases, and in recognition of the fact that we have already made significant strides on this issue, we are committed to reducing our greenhouse gas intensity (amount released per tonne of production) from our North American production facilities overall by 10 percent from 2005 levels by 2020. You can read more

Disappointments

- Our Kapuskasing phosphate mine experienced a clay slide that required immediate and longer-term attention (p. 22).
- Fines and penalties for environmental infractions remain too high (p. 39).
- As Agrium has grown we have found it difficult to keep up the proportionate amount of our charitable donations (p. 41).
- Tragedy struck on May 11, 2010, when an employee at our Vanscoy mill operations was fatally injured. We are determined to learn from this regrettable incident to protect the lives of our employees. We will share with our employees the key learnings from our investigation.

about our greenhouse gas reduction efforts and how we plan on meeting this target later in this report.

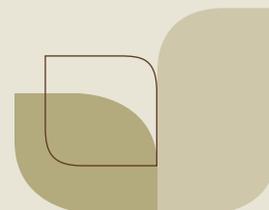
With the recent business growth at Agrium we have found it difficult to keep up the proportionate amount of our charitable donations. We want to invest in organizations and activities in a strategic fashion rather than simply writing more cheques. We have committed to donating \$7 million per year by 2015. This will result from a significant increase in the 2010 budget and planned 10 percent increases per year after that. Our focus will increasingly be on flagship programs such as *Caring for our Watersheds* (see p. 18), among others.

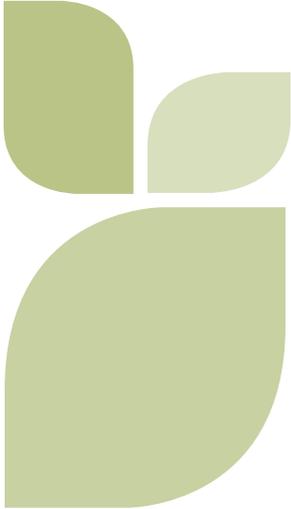
To me, it is extremely satisfying to play a pivotal role in feeding the world. And as Agrium continues to grow responsibly, we're doing our part to make sure that food, fiber and fuels are grown responsibly.



Michael M. Wilson

President & CEO





About Agrium



Agrium Inc. is a major retail supplier of agricultural products and services in North and South America and a leading global producer and marketer of agricultural nutrients and industrial products. Agrium produces and markets three primary groups of nutrients: nitrogen, phosphate and potash, as well as controlled-release fertilizers and micronutrients.

Agrium is incorporated under the Canada Business Corporations Act. We are headquartered in Calgary, Alberta, and are listed on the Toronto and New York stock exchanges under the symbol AGU. As of December 31, 2009, Agrium had a market capitalization of more than \$9.6 billion, and 157 million shares outstanding.

How We're Structured

Our **Wholesale** unit operates in North America and Europe. We also have joint interests in nitrogen production facilities in Argentina and Egypt. We produce, market and distribute crop nutrients for agricultural customers around the world. We also market directly to forestry and industrial customers.

Our **Retail** unit provides our own and other suppliers' crop nutrients, crop protection products, seed, services and other products directly to growers through more than 800 retail branches in North and South America. Our farm retail branches operate under the names Crop Production Services in the U.S. and Canada, and Agroservicios Pampeanos in Argentina, Chile and Uruguay.

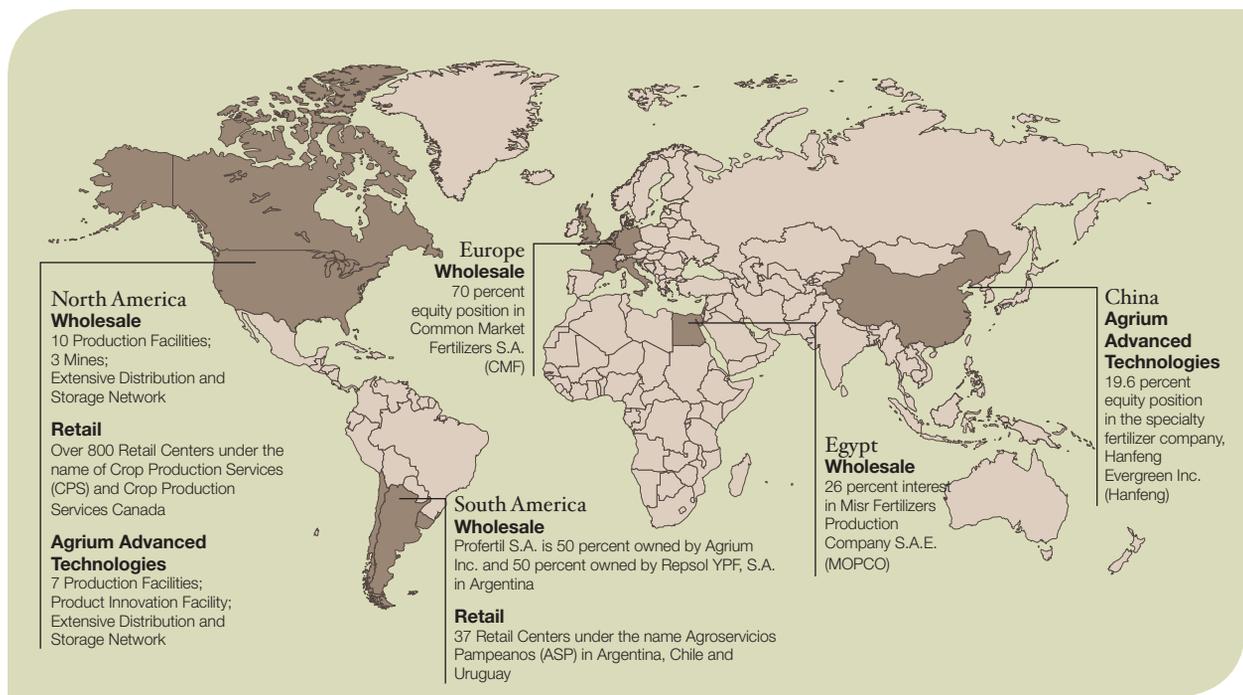
Our **Agrium Advanced Technologies** unit produces and markets controlled-release nutrients, micronutrients and plant protection products for sale to the agriculture, professional turf and ornamental markets primarily in North America.

A variety of corporate functions provide support and services to the three business units. The corporate functions also provide oversight from a functional perspective and coordinate company-wide governance and strategy.

Operational Highlights 2008-2009

The major changes that took place in 2008-2009 as part of our strategy to diversify globally throughout the value chain included:

- acquiring UAP, nearly doubling the size of our retail sales and distribution network, and adding three chemical formulation plants;
- acquiring a 70 percent equity position in Common Market Fertilizers S.A., one of Western Europe's largest fertilizer distribution companies. Europe will be a key end-market for product from our Egyptian nitrogen facility;
- exchanging our interest in our Egyptian greenfield project for a 26 percent interest in Misr Fertilizers Production Company S.A.E. (MOPCO), an operating Egyptian nitrogen facility. The facility is currently undergoing expansion that will triple its size;
- expanding our retail operations in Texas and New Mexico with the acquisition of 24 retail branches and 45,000 tonnes of fertilizer storage capacity from Agrilience, and in Western Canada with the acquisition of 23 retail outlets;
- completing an expansion of environmentally smart nitrogen (ESN[®]) production capacity at Sylacauga, Alabama and started construction of a new ESN[®] coating facility in New Madrid, Missouri; and,
- progressing on our Vanscoy, Saskatchewan potash mine expansion to an annual 2.8 million tonnes capacity by 2015.



About this Report

- To aid in keeping this hardcopy report concise, we provide relevant policies and more detailed information concerning our sustainability efforts on our website (www.agrium.com/sustainability). This icon  indicates that additional information on a specific subject is available on our website.
- This report covers performance for the five years ended December 31, 2009, unless otherwise noted, for Agrium Inc. and its subsidiaries in which we have a majority position. Any exceptions are explicitly noted with the relevant data.
- We publish a sustainability report every two years. This is our fourth report. We plan on publishing key performance data on our website in alternate years.
- References to “Agrium” or “the company” mean Agrium Inc. and its subsidiaries, unless the context indicates otherwise.
- Performance data for the companies we acquired in 2008 or 2009 is provided for the year after acquisition forward.
- All financial data is reported in U.S. dollars, and product and environmental data are presented in metric units. Please refer to our 2009 Annual Report for more details on our financial performance. 
- We have used the Global Reporting Initiative’s (GRI) *Sustainability Reporting Guidelines*, the International Fertilizer Association reporting guidelines, and stakeholder input to establish the content of this report. We engaged numerous stakeholders during the development of this report, and we received input from community members, industry representatives, an environmental advocacy group, and employees.
- The accuracy of this report is of vital concern to us and our stakeholders. Senior management and relevant functional specialists have reviewed all information in this report, and believe it to be an accurate representation of our performance. Agrium undertakes a variety of internal and external assurance activities on data and information that is used in this report, including audits on financial, environmental, health and safety performance, management systems and compliance. Our Internal Audit function also conducted a review of this report.



governance and management



We strive to ensure our corporate governance practices provide for effective stewardship in all targeted areas of sustainability.

We have adopted numerous governance and management practices to ensure continual improvement on sustainability issues.

Governance

Our Board of Directors views effective corporate governance as an essential element for the ongoing sustainability of Agrium and its operations. We continue to develop our corporate governance practices to ensure that we meet regulatory requirements, and in consideration of recommendations from institutional shareholders and interested stakeholders. We evaluate our mechanisms on an ongoing basis and strive to ensure our corporate governance practices provide for effective stewardship in all targeted areas of sustainability.

Our corporate governance practices are described in our: Corporate Governance Guidelines; Management Proxy Circular; Charters for the Board of Directors and the Committees of the Board; Terms of Reference for our Board Chair, Committee Chairs, Individual Directors and the Chief Executive Officer; Code of Business Conduct & Ethics; Corporate Disclosure Policy; and Audit Committee Whistleblower Procedures. 🌱

Among other topics, these documents address:

- Agrium's governance structure, including committees of the Board;
- independence of Board Directors and Chair;
- mechanisms for shareholders and employees to provide input to the Board;
- the linkage between executive compensation and Agrium's performance;
- processes to ensure conflicts of interest are avoided;
- processes for determining qualifications of Board members;

- Board procedures for overseeing sustainability issues; and,
- how the Board's performance is evaluated.

The Board committee most involved in sustainability issues is the Environment, Health, Safety and Security (EHS&S) Committee, which meets quarterly.

Management Approach

The strategic management of sustainability is shared among numerous corporate groups: EHS&S, Human Resources, Corporate Relations, Investor Relations and Legal, among others. These groups monitor best practices, develop policies and standards, and support business units. The daily management of sustainability commitments and implementation of programs is guided by business unit leaders. The Corporate Social Responsibility Committee and the Corporate Environment Committee, both with Senior Leadership Team membership, set priorities, monitor performance, and investigate long-term targets in conjunction with the corporate groups.

Our approach incorporates the precautionary principle, management systems, regular audits, and corrective action tracking. Our company-wide risk management system provides a process through which identified risks can be stored, classified, prioritized, and responsibly assigned. We employ about 90 control systems to achieve reliable and enhanced business management. We regularly conduct entity-level assessments that address key management system components (e.g., planning, responsibility, programs, monitoring, reporting).

For more specific explanations of our high-level management approach on the environment, employee practices, community engagement, societal issues, and product responsibility, please visit our website. 🌱



The disclosures on management approach (DMA) included on our website list our specific policies, responsibilities, training, monitoring, and other management considerations for each topic.

Policies

Recognizing that Agrium has distinct business divisions and operations in several countries, we empower divisions to set policies to address specific regional or cultural variations. However, to instill a consistent “tone from the top”, we have designated 16 entity-wide policies, including: our Code of Business Conduct and Ethics (Code); Delegation of Authority; Anti-fraud; Diversity; Harassment and Workplace Violence; Political Donations; and EHS&S; among others. The Code is our means of management oversight for ensuring ethical behaviour. Among other

issues, it addresses: conflict of interest, fair dealings, gifts, legal compliance, and confidentiality. We require all employees to annually acknowledge their compliance with the Code. Employees can use a confidential, anonymous hotline to report suspected breaches of the Code. Our legal department follows up on all calls and reports quarterly on all investigations to the Audit Committee of the Board. To make sure our policies are followed, corporate groups work with business units to develop implementation and training tools.

Commitments

One of our management tools is to make commitments to ourselves and to our stakeholders. Once we make commitments, we develop plans to achieve them, and track our performance to ensure progress is made.

A Management System Example

Agrium stewards to an integrated EHS&S management system, which includes a policy and system documenting EHS&S management and performance expectations for Agrium facilities worldwide.

Our business units, and where appropriate, individual facilities, augment these requirements with system controls necessary to manage the risks unique to their operations. Business unit personnel conduct regular, rigorous compliance and systems audits.

The Corporate EHS&S group is responsible for oversight and governance, maintaining integrated systems, performance monitoring and assuring systems compliance at the business unit level. In addition, each business unit has established an EHS&S organization.

Annually, we review our EHS&S Policy for relevance and modify it as necessary.

Continual improvement and performance monitoring are effected through four technical committees, two management committees and the Board EHS&S Committee. These committees meet at least quarterly to monitor performance against annual and longer-term performance goals, to discuss plans and strategies for addressing weaknesses in our processes, and to evaluate opportunities for improving our systems.

Ron Wilkinson presents the Wholesale EHS&S Award to the staff at our Bainbridge, Georgia Distribution Terminal.



Here is an update on the commitments we made in our 2006-2007 Sustainability Report:

Commitment	Update
Set additional sustainability targets by 2009 year-end	Targets for reducing greenhouse gases and increasing charitable donations have been set (p.5). Additional targets are currently under consideration.
Improvements in focus areas from employee survey	Based on our employee survey, there have been increases in satisfaction in the areas of: Employee Engagement, Teamwork, Supervisory and Leadership, Understanding of Compensation and Benefits, and Confidence in Leadership.
Invest additional resources in employee learning and development	Although 2007 figures were estimated and 2009 figures were measured, we believe the substantial increase in funding for learning and development reflects our commitment to employees.
Increase absolute and relative amounts of funds donated to non-profit groups	We have committed to donating \$7 million per year by 2015. This will result from a significant increase in the 2010 budget and planned 10 percent increases per year after that.
Reduce environmental events by 25 percent from 2006-2009	We have reduced our environmental events by 35 percent from 2006 to 2009.
Reduce greenhouse gas emissions	We have reduced our absolute greenhouse gas emissions by eight percent from 2007 to 2009.
Improvements in energy efficiency	We launched an Emission Reduction and Energy Conservation program for manufacturing sites in 2009. The program encourages employees to bring forward their best ideas for projects.
Business units will revise and implement their own EHS&S management system by 2008 year-end	Our Business Units have revised, and are working to implement their EHS&S management systems. Business Unit EHS&S systems are modeled after our Corporate EHS&S management system but are specific to their own operations.

We routinely set internal targets, not just for financial performance, but for sustainability issues as well. For example, to encourage uncompromising safety performance we include safety performance in the compensation calculation of senior management (directors to CEO), except Retail, which has its own safety incentive program.

Ensuring Consistent Standards in all our Operations

Every year we become a more global company. Growing responsibly means that as we acquire new facilities worldwide we take reasonable steps to ensure they meet our standards. To do so, we undertake many measures.

- We apply practices consistently across all operations through the implementation of 16 entity-wide policies.
- EHS&S management system integration at new facilities begins promptly after acquisition. Following implementation,

we conduct a management system audit to ensure compliance, consistency and proficiency.

- We provide anti-corruption training for senior management in high-risk areas.
- We conduct country risk assessments for new ventures. We take security, corruption, human rights and sustainability risks seriously and, in certain cases, we will choose not to invest in certain jurisdictions regardless of potential returns.
- We will often post a few expatriate employees at new international operations to ensure operations are consistent with our corporate standards. However, we strive to have our international operations run by local citizens. For example, we have no expatriates in our Argentine operations.
- Although we do not have operational control over our joint interests in Egypt and China, Agrium executives sit on the joint interest Boards and have a direct influence over standards that are adopted.



respecting stakeholders



Stakeholder engagement invigorates us to tackle new challenges in ways that will move society forward. It is at the heart of sustainable development. Respecting the needs and interests of stakeholders at every stage of our operations helps to ensure our continued success. Our plan to establish a standing stakeholder panel will enable us to further understand areas where we can concentrate our efforts.



We categorize our stakeholders into five primary groups: communities, employees, customers, owners, and society. In this way we feel that all of those who have an affect on Agrium, or can be affected by our activities, are considered.

You will see discussion of how we are addressing stakeholders' concerns throughout this report. For example, in the Sales and End Use sections, we describe our interactions with customers. The Production section highlights some of our community interactions. But there are some stakeholders who do not fit neatly into just one or two of the sections of this report. The following paragraphs describe how we respect these stakeholders.

Employees

Agrium's impact on our employees' overall well-being can be considerable as we develop and implement talent management programs, policies and practices. We strive to create a safe work environment free from harassment and violence, and where all employees feel valued and are engaged in the implementation of company strategies.

Though the economy stumbled in parts of 2008 and 2009, the demographic challenges of attracting and retaining the right talent are still present for Agrium. In addition, we need to attract and retain new types of talent to support our growth. Here are some of the ways we're attracting, retaining and respecting employees.

Inclusive and Dynamic Workplaces

- Our direction is broader than diversity—which is often about quotas—it is about inclusion. We define an inclusive workplace as “a respectful climate where we value diversity, leverage all talents, and strive to recognize and develop each person to their full, unique potential in creating business success.” Our goal is inclusion on many levels: social (e.g., race, age), values (e.g., personality, attitudes, culture), and information (e.g., knowledge, education, global experience). A diverse workforce allows us to better understand and communicate with a diverse population, thereby giving us a distinct advantage when creating and marketing

our products. In 2009, we established an Inclusive Workplace Council.

- Our recent acquisitions have brought significant organizational change to Agrium. To ensure that Agrium employees work as a cohesive unit, we introduced programs in 2009 to reinforce Agrium's organizational culture. Although each of our business units might operate slightly differently to serve the unique needs of their customers, all units are expected to align with the five elements of our Formula for Success: results orientation; ownership mindset; integrity; capacity for change; and inspired leadership.

Development

- We have a structured annual succession planning process focused on actively accelerating the development of leaders through targeted developmental opportunities.
- Agrium looks for, and develops, leaders who excel in four areas of leadership: thought; people; results; and personal. Our Leadership Development Framework includes new competency models with tools (e.g., online resource guide, 360° feedback – from subordinates, peers, supervisors and self) to enhance leadership capabilities. We also host an annual Leadership Forum.
- Our learning programs are not homogeneous; they are customized to the individual. We invested more than \$8.3 million in 2009 for employee learning and development, which is equivalent to \$742 per year per employee.

Financial Security

- We conduct regular reviews and analyses of our Total Compensation program to ensure our offering to employees is competitive in the markets where we compete for talent.



■ We maintain defined benefit and defined contribution pension plans in Canada and the United States. The majority of employees are members of defined contribution pension plans. As of the last actuarial valuations, our defined benefit pension plans are approximately 99 percent funded.

See our Disclosure on Management Approach for Employee Practices on our website. For insight into our employee safety performance, please see p.40. In the past two years we have developed an office safety handbook, a revised Drug and Alcohol policy, a pandemic preparedness plan, and an enhanced EHS&S audit process.

Communities

As we engage with community leaders and residents, we identify what works well and opportunities for improvement. When we expand or close a facility, we work to include the community residents in this process through discussions with community advisory groups, community meetings and open houses, and through periodic media releases. We also work with local industry and government where appropriate. On an ongoing basis we conduct door-to-door visits with neighbours of our production facilities,

and offer tours at many of our facilities to students, customers and other groups.

We continue to convene Community Advisory Panels (CAP) for our Redwater and Fort Saskatchewan, Alberta facilities. The CAPs provide a forum to jointly discuss and identify solutions to local issues. We also collaborate with other industry, community residents and governments on emergency preparedness committees.

For a description of many of our community and charitable collaborations, and for our Disclosure on Management Approach to Community Engagement, please visit our website.

Owners

Agrium's owners are interested in protecting and growing their investments. As a result, they are interested in receiving timely, complete and accurate information, and knowing that risks are appropriately managed. We engage with our owners in a variety of ways (e.g., conference calls, an annual conference, meetings) to inform them of our progress and to understand their concerns. Owners are also able to contribute to company decision-making through their participation in our Annual General Meeting. Owners are free to present resolutions

On June 6, 2009 Agrium's Borger Nitrogen Operations (BNO) and the City of Borger, Texas dedicated the renovation of Hughes Park. The dedication included a barbecue with more than 100 people and BNO recognition from the City of Borger. The renovation started in the winter of 2008 and was completed in May 2009. BNO replaced or renovated the basketball court, exercise stations, benches, tables, barbecues, and the park walking path. The park was renovated to be handicap accessible.



for a vote. In 2009, a shareholder group put forth a resolution asking us to explain to shareholders our education initiatives, research and development efforts, and commitments to reduce or mitigate the environmental impacts of fertilizer run-off. The resolution was withdrawn after the group received a detailed briefing on our efforts to educate and inform users regarding appropriate application of fertilizers. These efforts are further described in the End Use section of this report. In addition to timely release of regulated financial reports, we see this sustainability report as an important means of engaging owners and providing them with information they might need to make or reaffirm an investment decision.

During 2009, Agrium undertook efforts to acquire CF Industries to complement our position across the agricultural value chain. In early 2010, we terminated our offer. In respect of our shareholders, we apply a disciplined approach to employing capital and will continue to pursue other acquisition opportunities that fit with our objectives.

Suppliers

When our suppliers succeed, we succeed. If feasible, we source as much of our supplies as possible from local suppliers. We review the environmental and safety performance of our suppliers, and in many cases provide input and training that help them improve performance in these areas. Read on pg. 32, how we ensure the quality of third-party products for resale in our retail outlets.

Society

We work with industry associations and multi-stakeholder groups to create effective stewardship programs that are science-based. We constructively engage with governments to help develop solutions to emerging regulatory issues. At times we are asked by governments to participate in roundtables and sometimes we proactively initiate discussions with governments to provide ideas on how the industry can self-regulate and work with stakeholders to improve performance. We also work with non-governmental organizations (NGOs) through our industry associations and multi-



Agrium engages with many groups, including:

Industry Associations

- Canadian Fertilizer Institute (CFI)
- The Fertilizer Institute (TFI)
- International Fertilizer Industry Association (IFA)
- International Plant Nutrition Institute (IPNI)
- Crop Life America
- Agricultural Retailers Association

Non-profit Organizations

- Progressive Agriculture Foundation
- Ducks Unlimited
- United Way
- Millennium Promise

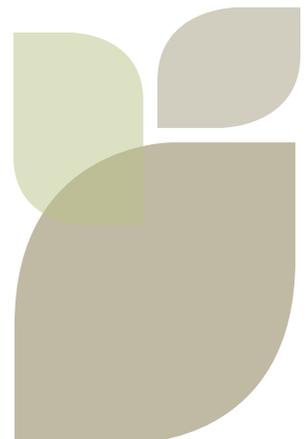
Farming Groups

- Canadian 4H Council
- Grain Growers of Canada

stakeholder groups. We plan to expand direct engagement with NGOs in the coming years.

See our *Disclosure on Management Approach for Societal Issues* on our website.

For examples of how we are interacting on specific societal issues please see *Global Issues for a Global Company* starting on p. 16.





global issues

for a global company



Increased agricultural yields start a chain reaction that translate into better income security, better nutrition, access to health facilities, and educational opportunities.

Many of the issues we address in subsequent sections of this report are of a local nature. But we also face several challenging issues of a global nature. As a global company we feel we are well situated to make significant contributions to a more sustainable world.

Food Security

Agrium plays an integral role in helping to provide healthy food to a growing world. Food is the one product that takes priority over all other commodities. Consumers can postpone buying a new television, automobile or appliance, but food sustains life and is an important component of economies in wealthy and developing countries alike. Food riots in Africa, Bangladesh and Haiti in 2008 are testament to the importance of meeting increasing demands for food.

To continue feeding our growing world, farmers are being asked to increase production on their land while minimizing environmental impacts. Agrium is supporting this effort by working with researchers to grow more food through the use of best management practices and new technologies like controlled-release fertilizers. Controlled-release products time the release of nutrients to match the needs of the plant. These products limit the number of required applications to the crop, saving energy and time, minimizing loss to the environment, and boosting yields.

Nowhere is food security more tenuous than in Africa. We realize that food security can lead not only to improved nourishment, but more broadly, improved quality of life. In 2009, we entered into a partnership with the non-profit group Millennium Promise to address food security head on. Millennium Promise is dedicated to achieving the United Nations' Millennium Development Goals—global targets for reducing extreme poverty and hunger by half while improving education, health, gender equity and environmental sustainability by 2015. Through the partnership, Agrium has agreed to invest significant funds and in-kind assistance such as bagging and shipping donated fertilizer. Pilot projects will run in 2010 in Nigeria and Kenya, where over 5,000 household farmers

will have access to increased crop inputs, and where increased food production will improve food security for their households. Increased agricultural yields start a chain reaction that translate into better income security, better nutrition, access to health facilities, and educational opportunities. We are hopeful that the partnership will expand into additional countries in subsequent years.

The role our products play in sustainability—from food production to soil replenishment—is outlined in detail on our website. 

Climate Change

Greenhouse gases are released through the production, distribution and use of our products. In the development of our climate change strategy, a variety of stakeholders have been engaged to identify internal and external opportunities to reduce emissions, enhance energy security and improve our industry's competitiveness. Critical stakeholders in this engagement are governments and industry associations, with whom we work to help develop policies and regulations that are effective, efficient and fair.

Internally, Agrium's climate change strategy focuses on the production stage of our business. Production is estimated to account for more than 95 percent of Agrium's emissions. While considerable reductions have already been achieved through early action, we have committed to reduce our North American production emissions intensity overall (amount released per tonne of production) by 10 percent by 2020. This reduction is from a 2005 baseline and will be achieved through energy efficiency improvements, nitrous oxide (N₂O) emission reductions, and carbon dioxide (CO₂) capture for enhanced oil recovery (EOR). Please see the Production section of this report for more discussion of our internal greenhouse gas reduction efforts.



Summary of Agrium's Climate Change Strategy

Location of Reduction	Focus Areas	Status
Inside Our Operations	N ₂ O Emissions Reduction	Identified two U.S. projects
	Energy Efficiency Improvements	Developed inventory of potential projects
	CO ₂ Capture for EOR	Borger, Texas – 188,000 tonnes CO ₂ in 2009 Redwater, Alberta – roughly 245,000 to a potential maximum of 550,000 tonnes a year of CO ₂ emissions by 2013
Outside Our Operations	New Technologies	Marketing ESN [®] , which can reduce nitrous oxide emissions in the field, and the required volume of fertilizer due to improved nutrient efficiency.
	Aggregation of Farm Offsets	Purchased an offset aggregation business in 2010; business aggregated about 260,000 tonnes CO ₂ in 2009
	Participate in Offset Markets	Purchased 25,000 tonnes of farm offsets in 2009
	Support Grower GHG Reductions	Supporting 4R Nutrient Stewardship System that reduces nitrous oxide emissions by helping growers adopt region-specific best management practices Helping to develop nitrous oxide reduction protocol, which is in its final phase of approval in Alberta, Canada

Some of our actions generate greenhouse gas reductions outside our own operations. Our efforts in this area include developing new products that reduce greenhouse gas emissions from farming activities, and our aggregation business that collects greenhouse gas offsets from growers for sale to large emitters. We also support grower efforts to reduce greenhouse gases through the development and implementation of best management practices. Although some of these actions do not directly benefit Agrium, we believe they are important in achieving societal and customer benefits. These efforts are outlined in the End Use section of this report.

Our response to the Carbon Disclosure Project includes comprehensive information on our greenhouse gas risks and opportunities, emissions, and governance, and will be posted on www.cdproject.net later in 2010.

Protecting Watersheds

Excessive nutrient application can eventually result in damage to water bodies and wildlife habitat. Through our agronomists and certified crop advisors we consistently communicate to customers the need to adopt best management practices that focus nutrient use on the 4Rs – applying the right form of product at the right rate, right time and right place. Following the Global 4R Nutrient Stewardship Framework minimizes nutrient releases into the environment. 🌱



Wetlands play an integral role in intercepting nutrients and improving water quality. Accordingly, we are directing significant community investments to programs that protect wetlands. During 2008-2009 we contributed more than \$400,000 toward habitat restoration and conservation in the Canadian prairie provinces. 🌱 These projects are particularly innovative. Our partner, Ducks Unlimited Canada, will use our funds to purchase degraded but strategic land, restore it to its rightful ecological function and at time of resale, place perpetual conservation easements or long-term agreements on all or most of the land. The net proceeds of the resale of the land will be reinvested in new conservation lands.

Our *Caring for our Watersheds™* program partners with communities to create focused solutions to local watershed issues and encourages environmental stewardship by students. 🌱 The program challenges students to think about their local watersheds and to spell out ways they can protect this essential asset. It encourages creativity, and financially rewards students and schools for the solutions they identify. Finalists who implement their ideas are eligible for additional funding. The program currently operates in Southern Alberta, Central Alberta, Saskatchewan, Manitoba and Colorado. The goal is to also offer the program in South America, China and Europe.

Addressing Sustainability Along the Value Chain



Agrium is the only publicly traded company that is integrated from mining the raw materials for fertilizer production through to selling to growers. As a result of this market diversity, we have been able to improve financial sustainability over the years. At the same time, we have been able to understand and serve our customers with diverse products and services, and our broad knowledge of agriculture and horticulture.

Because we are involved in the full life cycle of our products and services, we are in the enviable position of identifying and addressing environmental issues in a holistic manner. From product design to production to application in the field, we can see where efficiencies lie and why it's important to encourage and practice nutrient stewardship with our customers. If we were only a fertilizer manufacturer, our goal might be to just sell more fertilizer. But because we also sell seeds, plant protection products and agricultural services, our objectives are geared toward helping growers succeed in an environmentally responsible manner.

Our widespread network of production sites, distribution hubs and retail branches results in a more efficient and responsive means of getting products to our customers. This network also protects Agrium should local weather, pest and economic conditions cause swings in supply and demand.

Our broad network also means that we have a significant economic presence in hundreds of rural communities. We keep in mind that we often offer employment and business opportunities in areas where few prospects exist. Our community investment and engagement activities reflect this reality. We also realize that safety is an important issue beyond our facility gates, such as at storage sites and on the farm.

From our vantage point, seeing the big picture, and being a part of what goes into feeding the world, enables us to make unique contributions to sustainable development.

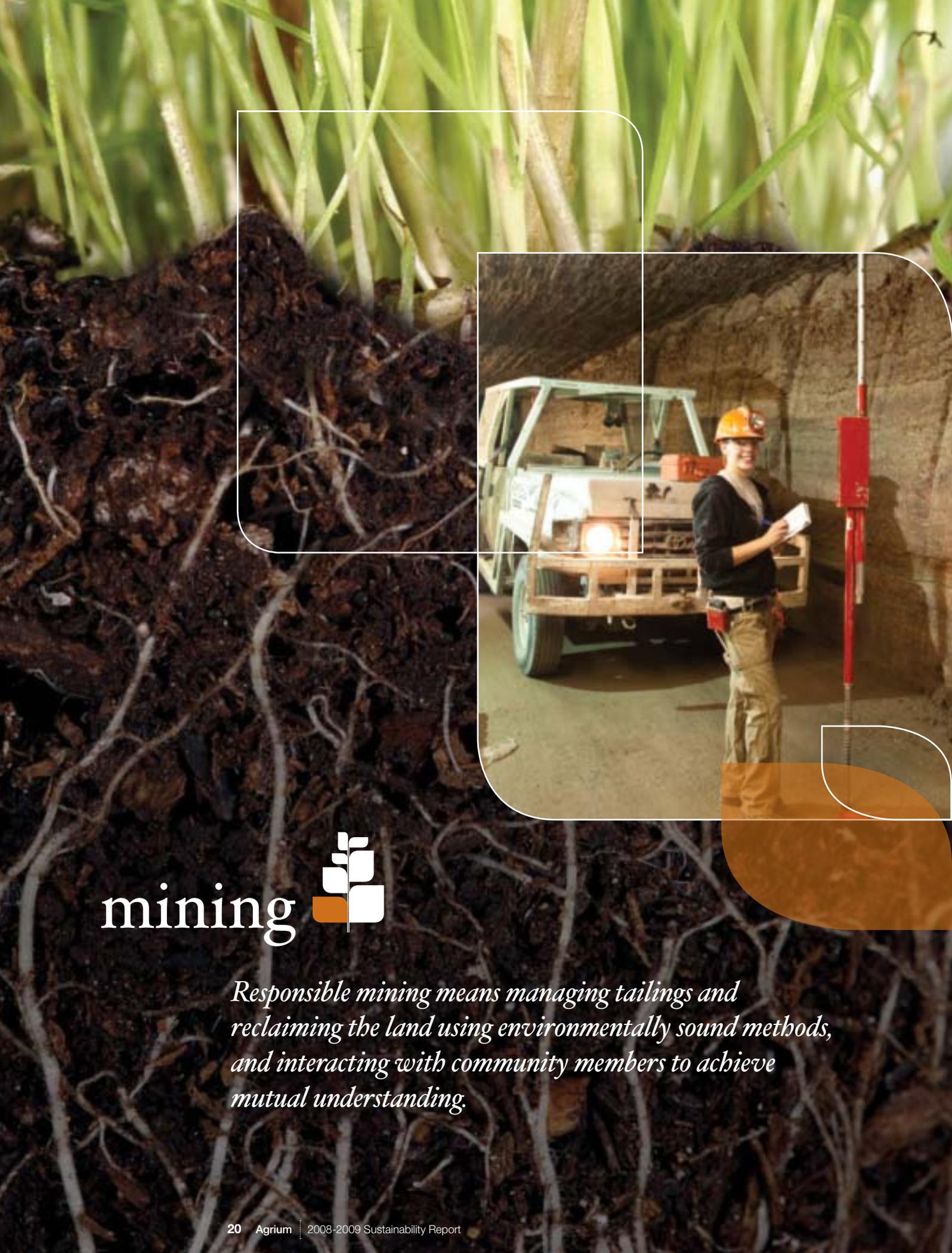
Working Toward Sustainability

We work with regulators and industry experts to extract raw materials in a manner that will minimize long-term environmental impacts and enable reclamation of the land. In our production processes we continually work to maximize energy efficiency and reduce emissions. We work with customers, carriers and government to continually improve the safety and the effectiveness of our distribution system. Finally, we work with growers to ensure our products are applied using best management practices to improve performance.

In the following sections you will read how we are addressing sustainability issues at every stage of the value chain:



Mining — **Production** — **Distribution** — **Sales** — **End Use**



mining

Responsible mining means managing tailings and reclaiming the land using environmentally sound methods, and interacting with community members to achieve mutual understanding.

We own two phosphate mines and one potash mine. The primary raw material for nitrogen fertilizers is natural gas, which we purchase from local suppliers.

- *The Vanscoy potash mine, which we are currently expanding, is located 32 kilometres southwest of Saskatoon, Saskatchewan. The mine covers approximately 77 square kilometres, about one kilometre below the surface.*
- *Our open-pit phosphate mine and mill operation at Kapuskasing, Ontario supplies high-quality phosphate rock to our Redwater, Alberta facility.*
- *Our Conda fertilizer production facility is located north of Soda Springs, Idaho and the open-pit phosphate mine is located 24 kilometres north of the production facility.*

Reclamation

Anyone who has ever seen an open-pit mine will tell you that it causes environmental and land disturbances. Reclamation begins at the first stage of mining and is ongoing during mining. Reclamation plans are developed at the outset and are approved by governing agencies. Topsoil is removed and stockpiled for later use. The overburden is removed to expose the phosphate ore beds. The overburden is placed in existing open pits to backfill them as much as possible. Re-contouring and re-vegetating the backfill and roads complete the reclamation process. Re-vegetation includes seeding and planting with local species so the area can be used as grazing land for livestock and as a home to a variety of wildlife. Several years of monitoring are needed before reclamation can be considered successful.

Tailings Management

The mining and processing of potash and phosphate rock produces large volumes of tailings that may cause a variety of adverse environmental effects if not managed and disposed of in a safe, stable and environmentally sound manner.

Tailings produced by our Vanscoy potash operations are a mixture of salt particles, fine clay and brine and are a waste product of the potash milling process. The tailings are pumped in a slurry to the tailings management area where the salt and clay

solids are allowed to settle, and some brine is reused in the mill. Surplus brine is pumped 1,675 meters below the surface into a formation that contains natural brine. Annual salt production is approximately 3.5 million tonnes per year. A portion of the salt (approximately 350,000 to 400,000 tonnes per year) is marketed for use as a cattle feed supplement, highway and road de-icing and stabilizing agents for road construction. Approximately 650,000 tonnes per year of salt is pumped below surface as brine. We are committed to minimizing the amount of salt tailings stored on surface by employing selective mining techniques to increase the grade of potash ore brought to the surface.

Since 2006, we have been developing and implementing a long-term plan for the tailings management area to ensure it can handle the volumes of material generated over the next 70 years of operation. The plan specifies a reconfiguration of the tailings management area, including a new brine pond, new clay storage, and an expansion of the salt storage area.

Reconfiguration began in 2009 and will continue into 2011. 🍂

At our phosphate mines, to expose the ore we extract significant amounts of overburden (e.g., clay), which we either place directly into the adjacent mined-out areas, or stockpile in specially engineered areas. Water from the tailings area is tested and treated prior to release to surface waters.



Clay Slide at Kapuskasing Mine

In May 2009, a section of the clay stockpile area at our Kapuskasing mine failed, resulting in the movement of a large quantity of clay. This event disturbed 0.14 square kilometers of land, and altered the flow of Cargill Creek, resulting in the loss of some fish spawning habitat for nearby Lake Pitama. Our onsite Emergency Operations Centre coordinated response work with industry experts and government officials. A pumping system, sediment screens and continuous monitoring were put in place to contain erosion and ensure an adequate water level in the lake. To compensate for the loss of fish habitat, we will reconstruct and relocate the altered section of Cargill Creek in 2011, effectively restoring the natural flow of water for Lake Pitama.



Environmental Clean-up

Through past acquisitions we have inherited several dormant mines and facilities that were operated years ago. Current laws oblige one or more of our subsidiaries to participate in cleaning up contaminated lands at mines that we now own or lease but did not operate.

Nu-West Industries, Inc. (Nu-West), a wholly owned subsidiary of Agrium Inc., is performing site investigations at some closed phosphate mines and remediation activities at a mineral processing facility near Soda Springs, Idaho. Selenium, a trace mineral that is essential for optimal human health, but becomes toxic at higher concentrations, has been found to be leaching from reclaimed waste rock areas, including at six inherited mine sites. Detailed investigations and analyses are underway at three of the six mine sites, and a proposed clean-up plan has been submitted to state agencies for the former phosphate processing plant. Additional study will be required at the sites to determine the appropriate clean-up

plans. In 2010, under the oversight of the Idaho Department of Environmental Quality, Nu-West will complete the second of a two-year clean-up of the above closed mineral processing facility. Since 1996, Nu-West has spent almost \$12 million on investigation and clean-up activities at all of these historic sites. We believe that other parties, including the U.S. government, may be wholly or partly responsible for conducting or paying for the remediation and reclamation of some of these historic sites. Consequently, Nu-West has filed a lawsuit against the U.S. in Idaho to advance joint remediation efforts.

Viridian Inc. (Viridian), a wholly owned subsidiary of Agrium Inc., is managing investigative and clean-up actions at two former mineral processing sites near Lynn Lake, Manitoba. At the former Fox Lake Mine site, Viridian is treating acid mine drainage to meet downstream water quality standards. We spend \$500,000 to \$1 million annually operating the treatment plant at Fox Lake. Viridian also spent \$1.5 million on capital in 2008 to substantially modernize that plant. We have made significant additional investment

into researching alternatives for the long-term closure of this site. Viridian is also investigating and cleaning up the East Tailings Management Area (ETMA) under a cooperative agreement with the Manitoba Government. Ongoing investigation and incremental clean-up activities at the ETMA cost between \$1 million and \$1.2 million per year.

Community Relations

In late 2008, we announced that we plan on expanding our Vanscoy potash facility to keep up with increased demand. Despite the economic downturn during the past two years, major capital projects in Western Canada still face competition for labour, engineering and specific equipment. As the Vanscoy facility is located in a rural area, we are cognizant of how a major expansion could affect the local socio-economic fabric. As is standard practice with changes to any of our facilities, we will consult extensively with nearby stakeholders and strive to procure labour and materials regionally. We intend to use open houses, our website, and even going door-to-door to understand stakeholder needs. The Vanscoy expansion would not be completed until 2014.

Aboriginal Relations

Open communication and mutual understanding are essential ingredients to developing partnerships with community members. This is especially important with Aboriginal communities near our Kapuskasing phosphate operations. Due to the geographic locations of our other facilities, Agrium has limited impact on Aboriginal lands and peoples.

Aboriginal interests and concerns with our Kapuskasing operations are often environmentally related, therefore our environmental specialist is the main point of contact. Our approach to Aboriginal engagement is to develop a working relationship that includes communication, transparency and sharing information of mutual interest. We take an informal approach and plan frequent communications regarding developments and activities that may affect the interests of our neighbouring Aboriginal communities. People that are familiar with our operations are better able to provide input and to participate as the need or opportunities arise.

Lending Land

Agrium agreed to allow the Rural Municipality of Vanscoy to place a lagoon on our property for a recent upgrade of its sewage treatment facilities. We also donated \$83,000 to support the upgrades.





production

Our Community Outreach Program requires major production facilities to develop a community outreach plan and to provide timely information.

From 12 major production facilities in North America, Argentina and Egypt, we have the capacity to produce, market and distribute more than eight million tonnes of fertilizer products annually. This includes more than five million tonnes of nitrogen, two million tonnes of potash, and one million tonnes of phosphate. We also operate three formulation facilities that produce our proprietary adjuvants, herbicides, insecticides and fungicides.

Greenhouse Gases

Our largest production sources of greenhouse gases are our nitrogen production facilities. Key initiatives of our climate change strategy include reducing emissions through process and energy efficiency improvements, mitigating emissions through abatement of N₂O, carbon capture and storage, and offset purchases.

Energy Efficiency Improvements

About 60 percent of the natural gas required to produce nitrogen fertilizer is used to obtain the hydrogen required to produce ammonia. Emissions related to this process cannot be reduced given current economically viable technologies.

The remaining combustion natural gas can be managed to reduce CO₂ emissions by improving energy efficiency, and through other emission reduction opportunities. Government-sponsored studies estimate for the Canadian industry that a further three to five percent reduction in combustion emission intensity may be attainable. We have established an Emission Reduction and Energy Conservation project team to identify and evaluate opportunities at our production facilities.

In an effort to reduce production costs, Agrium has already implemented a number of efficiency and emissions reduction projects, including:

- installing efficient product dryers at Vanscoy, reducing energy use by 13 percent;
- de-scaling heat exchangers at Redwater, reducing natural gas use by 114 million cubic feet; and,
- building a co-generation plant (power and steam) at Carseland, Alberta.

Nitrous Oxide Abatement

One of our greatest immediate opportunities for reducing greenhouse gas emissions is the implementation of nitrous oxide abatement technology at two of our U.S. sites. This technology converts N₂O emissions to nitrogen and oxygen. Nitrous oxide has a global warming potential that is about 300 times more potent than CO₂.

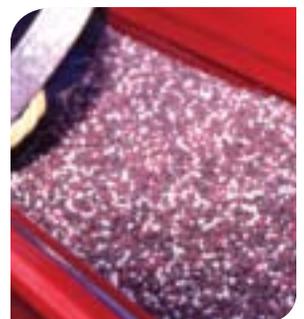
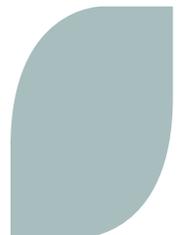
Carbon Capture and Storage

Carbon capture for enhanced oil recovery is another significant opportunity for reduction. This entails capturing CO₂ at our production facilities where it is purified and transported to an oil field. It is then pumped under high pressure into the reservoir. The CO₂ mixes with the oil remaining in the reservoir, causing it to become more mobile. Producing wells pump the oil to the surface where the CO₂ is separated from the oil and re-injected underground.

At our Borger, Texas operation, approximately 163,000 tonnes of CO₂ were captured for EOR in 2008 and 188,000 tonnes in 2009. We recently signed an agreement to capture roughly 245,000 to a potential maximum of 550,000 tonnes a year of CO₂ emissions from our Redwater, Alberta facility, depending on production, to supply Enhance Energy's EOR projects in Alberta. This project is targeted to become operational in late 2012 or early 2013.

Regulatory Compliance

Our Alberta facilities that emit more than 100,000 tonnes of CO₂ equivalent greenhouse gases per year are required to decrease their emissions intensity by 12 percent relative to their 2003-2005 average baselines. If a company is unable to decrease its emissions



intensity through increases in operational efficiency, it is still able to comply with the Alberta requirements by contributing to the Climate Change Emissions Management Fund at a current cost of \$15 per tonne of CO₂, or by purchasing qualifying offsets from other sources in Alberta. We have three facilities in Alberta that fall under these regulations. Our Carseland facility actually produces credits because it includes a natural gas cogeneration facility that captures waste heat for more efficient operations.

The financial impact of this legislation on Agrium is expected to range between \$1 million-\$3 million a year. Regulatory options being considered by Canadian and American federal, provincial and state regulators currently lack sufficient detail to assess their potential financial and operational impacts on Agrium. We are currently tracking the development of mandatory reporting requirements in several jurisdictions for greenhouse gas emissions amounts.

Other Environmental Issues

In addition to greenhouse gases, our production facilities are large sources for many other environmental indicators.

- Our processes generate air emissions such as nitrogen oxides, sulphur oxides, volatile organic compounds and particulates.

We have invested in and maintain pollution control equipment to reduce these emissions and ensure regulatory compliance. Current and planned emission reduction and energy conservation initiatives will further reduce air contaminant loading from our production facilities.

- We use water in some of our production processes for formulating the products, and some for cooling. In some locations we use wastewater from municipal treatment plants as cooling water, and in most locations we recycle our cooling water.
- Our wastewater and surface runoff water is either collected in ponds, or directly discharged. The water is tested, and if necessary, treated prior to reuse in the plant, or discharged to publicly owned treatment works, surface water, or onsite underground injection wells.
- We generate hazardous and non-hazardous wastes at our production facilities, which are managed and disposed in accordance with regulations. A by-product at our phosphate production facilities in Conda, Idaho and Redwater, Alberta is phosphogypsum. Agrium and the phosphate fertilizer industry have investigated marketable uses (e.g., road construction, building material, fill, additive to highly saline soils, composting manure

Greenhouse Gases from Nitrogen Production

Inputs



Natural Gas CH₄



N₂ from Atmosphere

Production



at feedlots) for this waste, but currently no viable market exists to handle the significant quantities of phosphogypsum we produce. This by-product is mixed with water to form a “slurry” and is pumped into a phosphogypsum pond. The solids settle out, the clear water is drained to a cooling pond, and then returned to the plant for reuse. As the phosphogypsum ponds fill, containment dikes are raised. In new ponds a liner is placed under the pond to protect groundwater. Also, local air and water monitoring is conducted. The phosphogypsum management process is described more fully on our website. 🌿

Please see p.38-39 for our environmental performance data.

Community Interactions

Our production facilities are often located in industrial areas, but in some cases are close enough to residences that concerns over dust, noise and traffic can arise. At our Redwater production facility, we have invested in noise abatement structures and equipment over the years. In consultation with community members and officials, we have changed trucking routes and timing to reduce impacts on residents.

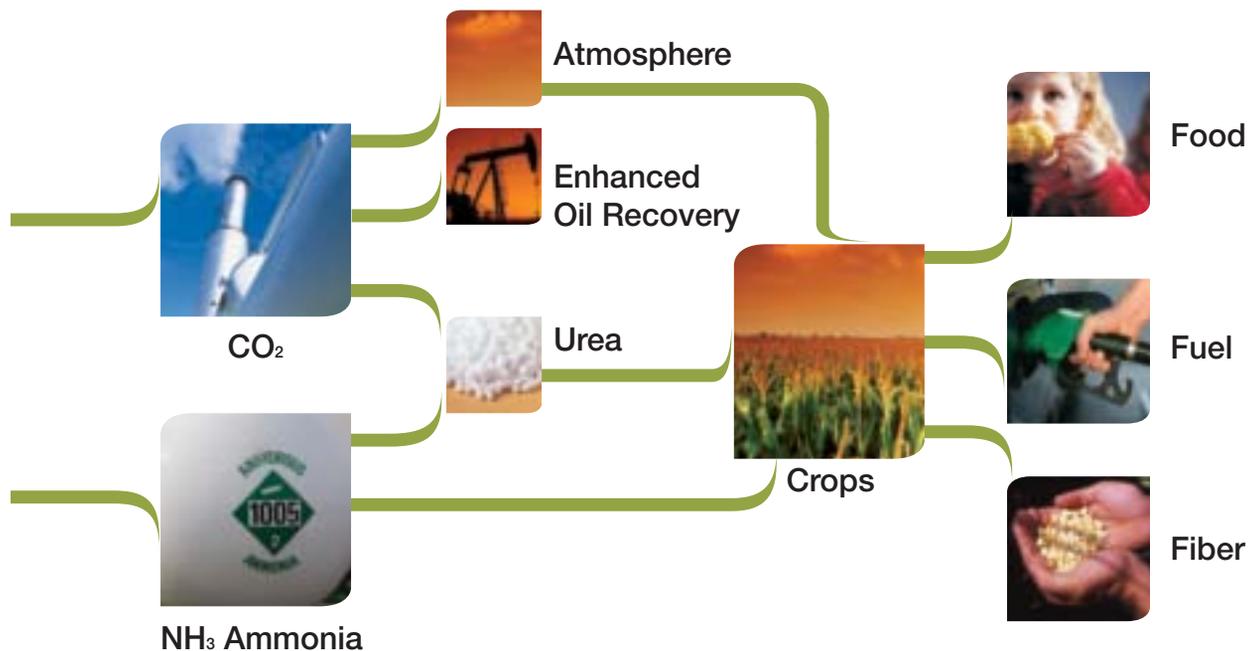
Our Community Outreach Program requires major production facilities to develop a

community outreach plan and to provide timely information to the community. We annually conduct door-to-door visits, phone interviews, or community meetings with neighbours of our production facilities. We offer tours at many of our facilities to students, customers and other groups. In addition, we employ Community Advisory Panels for two of our production facilities. All of our production facilities have emergency response procedures that dovetail with the communities’ response abilities. Also we conduct specialized emergency response training for local fire departments adjacent to many of our shipping routes.

For a more detailed account of our interactions and impacts in communities where we have production facilities, please visit our website. 🌿

Process Safety

Most safety programs focus on the prevention of personal injuries. This will always be a focus for Agrium. However, in the past few years we have increasingly focused on improving the integrity of process systems at our production and other sites. Process safety is targeted at managing hazardous operating systems. Process safety management standards and audits are consistently applied throughout all of our manufacturing and distribution facilities across North America.



This illustration does not include transportation, distribution and field greenhouse gas emissions.



distribution

Moving products from production facilities to the customer is critical to our success. If doing this requires too much movement, then we increase costs, energy and the greenhouse gases associated with our products.

With more than four million tonnes of storage capacity, and our fleet of over 3,600 leased railcars, we distribute more than 13 million tonnes of our own and third-party products annually. We operate 148 terminals and 18 distribution centers in North and South America and Europe. Our strategically located storage facilities enable us to serve our customers during the peak spring and fall application seasons.

Reducing Our Products' Carbon Footprint

Moving products from production facilities to the customer is critical to our success. If doing this requires too much movement then we increase costs, energy use and the greenhouse gases associated with our products.

Speed and reliability are key factors, especially during application seasons that can be as short as eight weeks. Larger storage facilities allow us to deliver product efficiently, cutting costs and minimizing transportation and handling. We also manage our products' carbon footprint by maintaining multiple supply points throughout our network and by primarily using rail, one of the most carbon efficient means of transportation.

Safe Transportation of Ammonia

Although ammonia is a natural and nutritional substance, it is also toxic if inhaled at certain concentrations. We take care in the design and maintenance of our facilities, equipment, and selection of carriers to ensure this risk is appropriately managed. For example, we recently completed process hazard

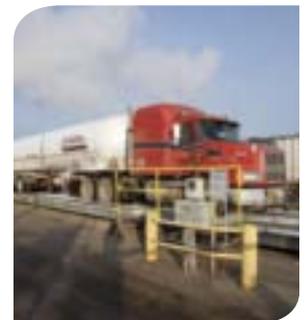
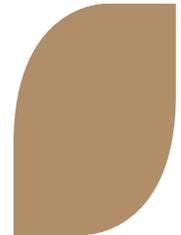
assessments on some of our ammonia terminals. Our ammonia rail car fleet is seven years old on average, compared to the typical life span for this kind of rail car of 30 years.

We regularly work with industry associations, government and carriers to develop handling standards to address the risks associated with ammonia releases. Recently, we provided input on new ammonia tank car standards. In anticipation, we have established our own interim standards to become compliant ahead of the new, more stringent regulations.

After contributing in 2006-2007 to the development of the Canadian Ammonia Code of Practice, we have now implemented the Code in all of our Canadian operations. For all of our product shipments, including ammonia, we have emergency response procedures and capability in place through employee teams and third-party specialists.

We are focused on non-accident releases (NARs) of ammonia. NARs occur during filling, dispensing and at other times during shipping. We anticipate that our training programs, shipping procedures and preventive maintenance will translate into continued reductions of anhydrous ammonia NARs from railcars.

Members of our Transportation Emergency Response Team come from various Agrium facilities in Alberta, Saskatchewan, and Manitoba, and respond to incidents across North America. Although responding to transportation incidents is a special focus of the team, it also responds to incidents at production and customer facilities.





sales 

We continually use technology to improve our products for the benefit of our customers and the environment.

Our 800+ retail farm branches provide crop inputs to growers, including fertilizer, crop protection products and seed, whether sourced internally or from other manufacturers. We also provide crop consulting and application services. We sell controlled-release fertilizers, micronutrients and other specialty products for grains, fruits, vegetables, professional turf and home use. Our acquisition of UAP in 2008 nearly doubled the size of our retail network and increased our product diversity and geographic reach.

Sustaining Growers

Running a farm is no easy business, especially with the extreme volatility of crop and input prices over the past few years. Price is not the only way to minimize costs. We strive to minimize the overall cost of our products where possible by streamlining distribution, offering lower cost alternatives and generics where beneficial, and lowering product use levels through the implementation of best management practices.

We recognize that the well-being of growers is sometimes dependent on financial flexibility on our part. We offer financing to many of our customers. We are also doing more forward selling to customers than in the past. When growers are able to lock in crop prices (e.g., for their 2010 crop), they also want to lock in costs. We are able to offer crop inputs at current prices for future delivery.

Another primary way we help growers increase crop production economically is through customized programs and services. For example, our NutriScription service analyzes growers' soil, plant tissue, and weather data, and provides a fertility prognosis with specific nutritional recommendations. To date, NutriScription has more than 600 regionalized recommendations on over 150 crop and turf varieties, and we continue to expand the database with new recommendations.

Sustaining Smaller Communities

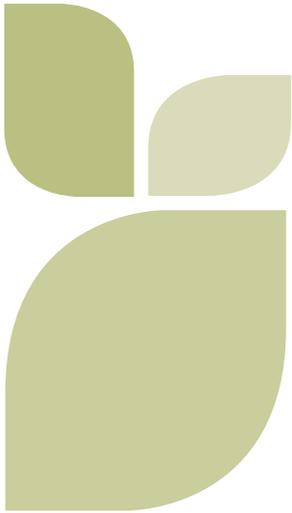
Our retail outlets are often located in smaller rural communities. We offer employment and other business opportunities in areas where sometimes few prospects exist. Our support to these communities is evident in the fact that more than 90 percent of our community donations are made outside of our North American headquarters locations (i.e., Calgary, Denver).

Providing Information about Products

New legislation in Europe (i.e., REACH, CLP) requires chemical manufacturers, including those who make, import or sell fertilizers there, to undertake detailed environment, health and safety studies on their products, and to produce safety data sheets for customer use. The European legislation requires that the manufacturer also be responsible for their products to their final use, meaning that the manufacturer must take into consideration how the product will be used, and provide guidance on measures to prevent unacceptable exposures to people or the environment. One way that Agrium has prepared for this legislation, which comes into effect in 2010, is by participating in the Fertilizer and Related Materials Consortium of manufacturers and suppliers.

We post material safety data sheets and product fact sheets online for easy access by users. 





Environmentally Friendly Products and Services

We believe that as long as the 4Rs are employed, our fertilizer products do not pose a significant threat to the environment. We continually use technology to improve our products for the benefit of our customers and the environment. This is especially true of our controlled-release nitrogen fertilizer ESN®. We are currently developing our Precise® line of controlled-release pesticides. With controlled-release, more of the product enters the crop and less is lost to the environment.

As a significant retailer of seed, we also market improved seed varieties with new traits that reduce the requirement for chemical inputs such as herbicides.

To manage pesticide use, staff at our retail branches advise growers on an approach known as integrated pest management. When making recommendations, our retailers will determine if the disease, weed or insect pressure has reached a threshold that makes a treatment economical. Our agronomists assess crop production problems and prescribe responsible actions,

including mechanical or biological controls, monitoring, and if warranted, pesticides.

By analyzing yield, soil and plant tissue tests, and weather and crop scouting data, our agronomists and certified crop advisors are able to help growers make better decisions. This advice helps to optimize inputs to reduce overall costs and nutrients lost to the environment.

Ensuring Product Quality and Responsibility

As the biggest retailer of crop inputs in the United States, we purchase numerous products from third-parties for resale at our outlets. Unlike our own products, we have less control over the quality of third-party products. One way to ensure product quality is to purchase and distribute crop protection products that are U.S. Environmental Protection Agency (EPA) registered. We have communicated our corporate responsibility values with our major suppliers and are working with them to understand and confirm their commitments to our standards. We perform analyses of third-party products to ensure compliance with stated specifications.





end use



*We work with researchers
and growers to develop
best management practices that
promote sustainability.*



Our customers use Agrium products and services on farms and golf courses, and in orchards and greenhouses. Industrial uses of our products include urea for producing resins in the lumber industry, potash for recycling aluminum, and phosphates for extinguishing forest fires. We advise our customers on how to use Agrium products in safe and environmentally responsible ways.

Best Management Practices

We believe that following the 4Rs—applying the right form of product at the right rate, right place and right time—can result in significantly reduced environmental impacts from fertilizer use, while supporting growers' economic and social goals. Best management practices (BMPs) are utilized within each of the 4Rs.

Agrium has been a major contributor to developing the Global 4R Nutrient Stewardship Framework. The system has been adopted by the Canadian Fertilizer Institute in Canada, The Fertilizer Institute in the United States, the International Plant Nutrient Institute, the International Fertilizer Industry Association, and in 2009, the Association of American Plant Food Control Officials. These associations are now working with researchers, governments and NGOs to establish educational programming, best practice research and measurement systems to support long-term implementation. *For more information on our work with industry associations on the 4R system please see our website.* 

We are continually working with researchers and growers to develop BMPs that support the 4Rs. Agronomists work with growers to identify the practices that best fit their soil, climate and farming operation. Ensuring unique and appropriate BMPs for each situation improves performance and grower adoption. Commonly used BMPs include: soil testing to optimize nutrient rate; controlled-release fertilizers or split applications to match nutrient availability with crop need; and, banding and buffer strips to keep nutrients in the right place. In addition to addressing environmental protection, BMPs contribute to the economic strength of farmers. By maximizing crop yields while optimizing crop inputs, many BMPs help ensure the economic well-being of our primary food producers. We invested more than \$400,000 annually in 2008 and 2009 for the development of BMPs.

Agrium provides a number of services that support BMP implementation on the farm. For example, when we apply inputs for farmers, we use global positioning systems to help determine variable rates for application, and adjustable spray nozzles



to minimize drift of chemicals onto adjacent vegetation or land.

Conservation Stewardship Program

The U.S. Department of Agriculture and the Natural Resources Conservation Service created the Conservation Stewardship Program (CSP) in 2008 to encourage growers to adopt environmentally sensitive practices. CSP provides incentive payments for producers who participate in one or more of 80 different conservation practices. One of the environmental issues addressed through CSP is water quality, including fertilizer used on crop and pasture lands. To improve water quality, CSP offers a payment program for farmers who use controlled-release or slow-release nitrogen, like Agrium's ESN®. Agrium launched an extensive communications campaign endorsing the CSP in 2009.

Criminal Misuse of Fertilizer

Ammonia can be used to produce crystal methamphetamine, and ammonium nitrate can be used to make crude explosives.

We have worked with non-profit groups to increase awareness about ammonia safety and with industry associations, law enforcement and government agencies to determine how our industry can protect ammonia from being used illegally. To support this effort, Agrium conducts risk assessments of our ammonia storage facilities and implements relevant security measures, which can include fencing and locking.

In 2005, we announced that we would no longer manufacture ammonium nitrate for agricultural use, in part due to the risk of criminal misuse for making crude explosives. In 2007, we began limiting the sale of third-party ammonium nitrate to blends or custom-applied product, with all product applied by our staff. Our long-term goal is to phase out carrying agricultural-grade ammonium nitrate entirely. While we still manufacture explosive-grade ammonium nitrate for industrial markets, all shipments of this product are closely monitored to reduce the risk of criminal misuse.



Promoting Farm Safety

Agrium is a major sponsor of the Progressive Agriculture Safety Day. The program guides and provides the resources that communities in the U.S. and Canada need to organize one-day safety programs that are fun, interesting and promote safe farm practices for children. While the basic program reaches children between the ages of eight to 13, safety days may also be conducted for four to seven-year-olds, or even for the entire family. With Agrium's direct support, this program will be expanded to Argentina in the near future.





Reducing Greenhouse Gases at End Use

Greenhouse gas emissions from farming activities can be reduced through the use of best management practices. A tonne of greenhouse gas reduced on the farm can offset a tonne produced elsewhere. Agrium collects farm offsets for sale to large emitters, purchases offsets to reduce our own emissions, and supports the development of related protocols and technologies for growers.

Farm Offsets

Agrium owns Crop Reduction Offset Projects Ltd. (CROP), a greenhouse gas aggregation business in Alberta. CROP purchases offsets from growers, who have reduced emissions through the use of BMPs on their farms — providing growers with increased revenues. In 2009, CROP aggregated about 260,000 tonnes of CO₂ equivalent offsets from growers, and sold these offsets to companies who wanted to reduce their emissions.

Creating New Reduction Tools

Before an offset can be generated, a protocol must be developed to ensure the offset is real and verifiable. Agrium is supporting the farm offsets market by working with stakeholders to develop a nitrous oxide emissions reduction protocol. This protocol defines the BMPs growers can use to reduce nitrous oxide emissions associated with nitrogen fertilizer applications on the farm. The protocol is based on the 4R nutrient stewardship system. When completed, this protocol will increase nutrient use efficiency, reduce nutrient losses to the environment, and provide the foundation for additional offsets, further contributing to growers' economic viability.

Researchers estimate that implementation of this protocol could reduce field emissions of nitrous oxide by 15 to 25 percent, without reducing yields. Theoretically, if growers of Canada's top five crops followed the protocol, it is estimated that this would result in an annual reduction of 2.7 to 4.5 million tonnes of CO₂ equivalent. Additional research will be conducted to further quantify and improve the effectiveness of this protocol.

Agrium provides BMPs that growers can use to reduce nitrous oxide emissions. Our controlled-release products generally increase yields and reduce nitrous oxide emissions per unit of nitrogen applied. Our retail group also provides growers with soil testing and variable rate application technologies that can help reduce emissions.



performance



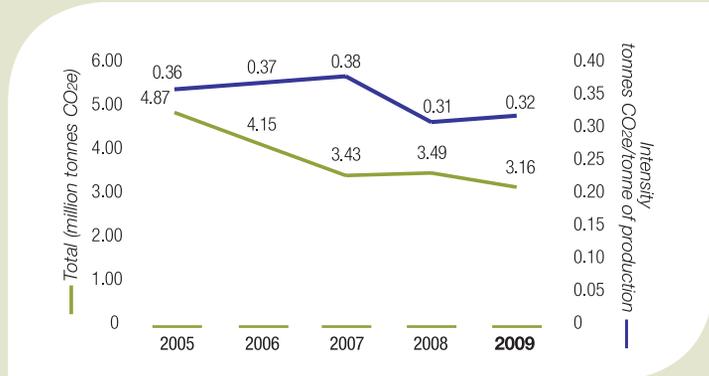
Transparency not only holds us accountable to our stakeholders, it motivates us to improve our environmental, social and economic performance.

Environmental Performance



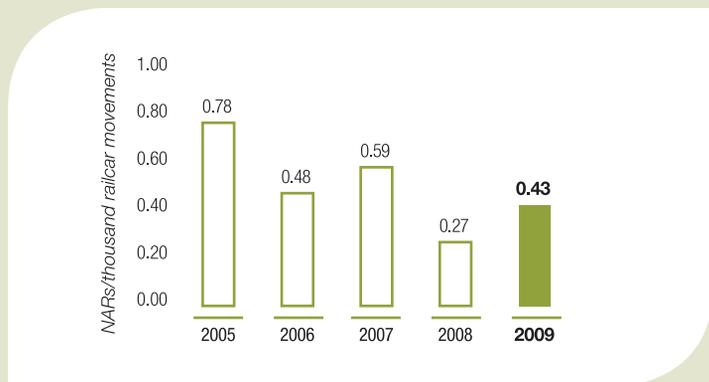
Greenhouse Gas Emissions

Our absolute greenhouse gas emissions have decreased by approximately eight percent from 2007 to 2009. This occurred primarily as a result of shutting down our Kenai facility in late 2007. Our greenhouse gas emissions are reduced through the consumption of CO₂ in the production of urea fertilizer and at some locations we sell CO₂ to other industries. For more details on our greenhouse gas reduction efforts, please see p. 18. The figures do not include emissions from our Profertil joint interest or our retail facilities.



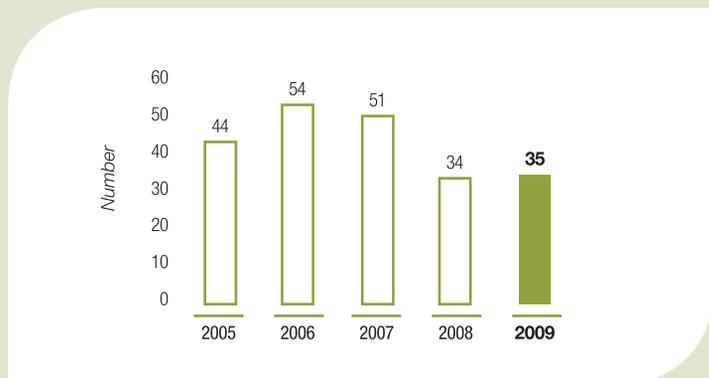
Non-accident Ammonia Releases

Non-accident releases (NARs) of ammonia occur during filling, dispensing and at other times during shipping. Our training programs, shipping procedures and preventive maintenance have resulted in a 27 percent reduction of NARs since 2007.



Environmental Events

Environmental events (i.e., spills, unplanned air releases, non-compliances, enforcement actions) decreased 31 percent from 2007 to 2009. This reduction is due in part to identifying root causes of events, from which effective corrective action can be implemented to reduce recurrence of similar incidents.



The following indicators are also tracked and managed by teams throughout Agrium.

Indicator ¹	Units	2005	2006	2007	2008	2009
Emissions ²						
Criteria Air Contaminants	tonnes	13,860	12,891	12,199	12,593	10,745
Other Air Emissions	tonnes	5,851	5,797	5,500	4,590	4,249
Water Pollutants ³	tonnes	3,449	3,248	3,287	2,402	2,874
Water Use ⁴	million m ³	22.9	22.0	19.0	22.6	18.7
Hazardous Waste ⁵	tonnes	8,204	7,040	4,798	6,599	10,495
Non-hazardous Waste	tonnes	111,939	57,050	13,963	20,180	12,786
Energy Use ⁶						
Total	terajoules	136,575	113,630	105,442	96,552	90,042
Intensity	gigajoules/tonne of production	10.1	10.1	11.6	8.5	9.1
Fines and Penalties ⁷	\$	297,887	206,841	1,119,928	810,241	830,507
Environmental Remediation Liabilities	\$ million	108	117	69	135	140
External EHS&S Audits	number	231	290	212	186	566

- Does not include statistics for Retail facilities for air emissions, water pollutants, water use, non-hazardous waste, and energy use. Nor does it include statistics for our AAT facilities for non-hazardous waste and water use. We estimate that these figures would be insignificant relative to our company totals.
- Agrium reports emissions to the Canadian National Pollutant Release Inventory and United States Toxic Release Inventory. Air emissions have decreased since 2007, primarily due to the Kenai facility shutdown in late 2007. These figures do not include retail and terminal sites, but we estimate that the total covers more than 95 percent of Agrium's emissions. Criteria Air Contaminants include CO, NOx, SOx, VOCs and particulates reported under NPRI.
- Approximately 90 to 93 percent of our wastewater discharges go directly to the environment. Approximately seven to 10 percent of our discharges must be disposed of through deepwell injection. All discharges are monitored to ensure they meet regulatory requirements.
- In previous sustainability reports, we reported water withdrawals under the heading of 'water use'. To more accurately reflect our actual use of water, we now report the difference between water withdrawals and water returns. Figures for 2005 to 2007 were restated using this calculation methodology.
- Does not include Retail figures for 2005 through 2008. In 2009, hazardous waste was more than double that handled in 2007 primarily due to catalyst disposal and recycle activities at the Redwater and Carseland facilities. These activities generally occur every three to four years. Agrium typically recycles between 40 to 60 percent of our non-hazardous waste and approximately 40 to 70 percent of our hazardous waste streams.
- Electricity use is included in these figures. Energy use varies with production mix and total production. Our energy use has decreased by about 15 percent since 2007, again because of the Kenai shutdown. Energy intensity is a direct function of product mix. A higher ratio of nitrogen to overall production will increase intensity. Almost 95 percent of our energy use is from natural gas. We calculated the gigajoules derived from natural gas using the "higher heating value" calculation methodology.
- Fines and penalties settled in a particular year often relate to activities arising in prior years. Data from our retail division includes all fines and penalties. All other data is specific to environmental fines and penalties.

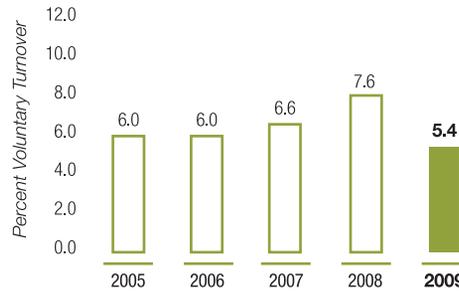


Social Performance



Voluntary Turnover Rate

This indicator tracks resignations and retirements. Our performance compares favourably with an industry average of nine percent for 2009.



Inclusiveness

We track the percentage of women at various levels within Agrium. A change in the number of positions for the Board of Directors and senior management since 2007 caused the percentage changes in those categories.

All claims of alleged discrimination reported through our formal channels to the company have been investigated. Each has been resolved, with the exception of six ongoing matters.



Safety

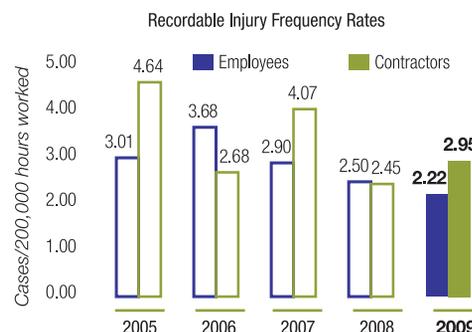
Our employee and contractor lost time injury frequency rates have both declined since 2007. These figures do not include contractors to Retail and AAT.

In 2009, we reduced our employee recordable injury frequency to its lowest rate ever – a reduction of 23 percent since 2007. We also reduced our contractor recordable injury frequency by 27 percent between 2007 and 2009.

Our commitment to workplace inspections, incident reporting and stewarding to annual performance improvement goals have helped us achieve these improvements.

Following an extensive internal review of safety data, we have modified 2005 and 2006 figures for employee lost time injury rates, and employee and contractor recordable injury rates.

During the past five-year reporting period, we experienced one fatality (2006). Additionally, an employee at our Vanscoy facility was fatally injured in May 2010.



The following indicators are also tracked and managed by teams throughout Agrium. The “-” signifies that the indicator was not measured for a particular year.

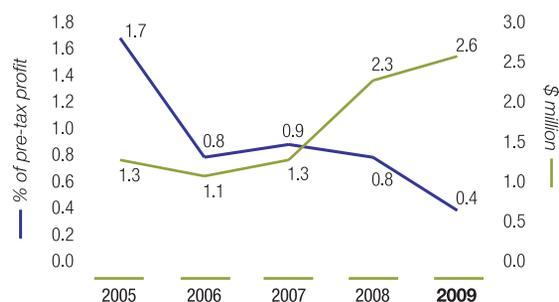
Indicator	Units	2005	2006	2007	2008	2009
Employees	number	4,719	6,554	6,618	10,975	11,153
Employee learning and development	\$/employee	479	-	300	740	742
Employee survey scores for two key questions: ⁸						
Information the Senior Leadership Team communicates is reliable and trustworthy	percent	-	79	-	-	82
Incentive programs motivate me to give “that little bit extra”	percent	-	63	-	-	66
Employees covered by collective bargaining or belonging to unions	percent	-	-	7.4	4.7	4.7
Breaches of customer privacy	number	-	-	0	0	0

8. We conduct a *Voice of the Employee* survey approximately every two years.

Economic Performance

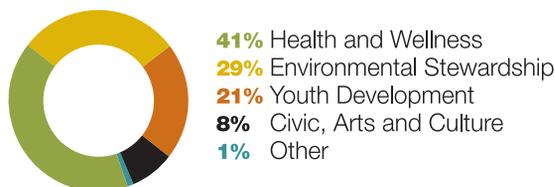
Community Investment Amounts

In 2008, we gave \$2.3 million, which was equivalent to 0.8 percent of pre-tax earnings based on a five-year rolling average. In 2009, our community investment increased to \$2.6 million, but our percentage dropped to 0.4 percent of pre-tax earnings. This is a result of a year of low earnings dropping off and a record high year being added to the five-year average.



In 2009, we supported more than 800 charities. Our donations were distributed to organizations committed to improving conditions in the four focus areas shown in the pie chart.

2009 Donations by Focus Areas



Economic Performance



Economic Value Generated and Distributed

Beyond the financial relationships we have with our owners, employees, suppliers, communities, and others, our operations contribute to other socio-economic dimensions of well-being. Although they cannot be measured by dollars, opportunities for human development, certainty through long-term agreements, and improvements to infrastructure are all important impacts Agrium has on our stakeholders.

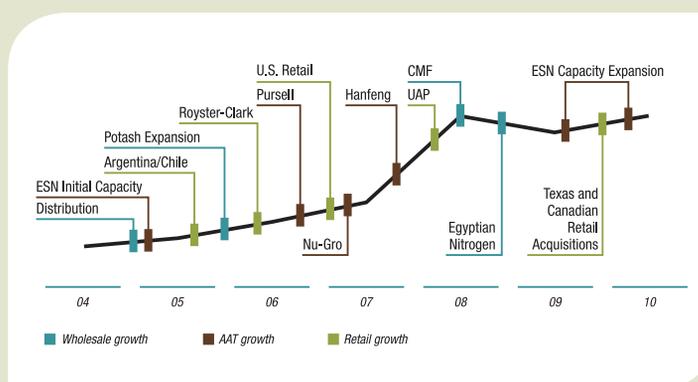
Indicator	Units	2005	2006	2007	2008	2009
Net Sales	\$ million	3,294	4,193	5,270	10,031	9,129
Distributions						
Expenses ⁹	\$ million	2,589	3,723	4,268	7,599	8,243
Taxes ¹⁰	\$ million	185	149	137	377	491
Community Investments	\$ million	1.3	1.1	1.3	2.3	2.6
Dividends and Interest Paid	\$ million	63	75	84	110	124
Retained Earnings	\$ million	584	602	1,024	2,313	2,662

9. Sum of cost of product sold, selling, general and administrative, which includes employee wages and benefits.

10. Corporate income, property, sales, excise and production taxes.

Growth Across the Value Chain

Strong financial management and growth across the value chain enable us to undertake community investment and environmental initiatives year after year, without compromising their funding.



The following indicators are also tracked and managed by teams throughout Agrium. See our Annual Report at www.agrium.com for more information on our financial performance.

Indicator	Units	2005	2006	2007	2008	2009
Political donations ¹¹	C\$	5,800	3,600	36,200	4,250	9,525
Financial assistance from government	\$ million	-	-	9.8	0	0

11. Agrium makes political contributions in support of the democratic process in Canada.

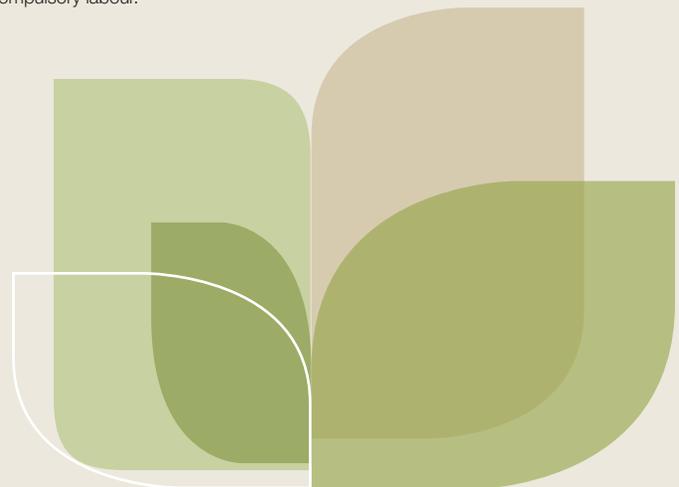
Content Indexes

United Nations Global Compact

Agrium became a signatory to the United Nations Global Compact in April 2008. This global network is an ideal avenue for sharing and learning about best practices, and for continuing to engage in open dialogue with our stakeholders. Global Compact participants are expected to share with their stakeholders, progress in aligning our business practices with the 10 Global Compact principles. The following table signifies pages in this report that include descriptions of activities that address the 10 principles. For more information on the United Nations Global Compact, please visit www.unglobalcompact.org.

Indicator	Principle	Pages
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	40-41
Principle 2	Businesses should ensure that they are not complicit in human rights abuses.	11
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	41
Principle 4	Businesses should support the elimination of all forms of forced and compulsory labour.	*
Principle 5	Businesses should support the effective abolition of child labour.	*
Principle 6	Businesses should support the elimination of discrimination in respect of employment and occupation.	13; 40
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	17-18; 34-36
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	11; 17-18; 21; 25-26; 32; 34-36
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	17-18; 25; 32; 35
Anti-corruption		
Principle 10	Businesses should work against all forms of corruption, including extortion and bribery.	10-11; 42

* Agrium has no specific policies or programs on forced, compulsory, or child labour, but adheres to related laws where we operate. We do not operate in locations where there might be significant risk of incidents of child or compulsory labour.





This report has been prepared using the G3 version of the Global Reporting Initiative's (GRI) *Sustainability Reporting Guidelines*. The GRI is a multi-stakeholder process and independent institution. The Guidelines are for voluntary use and are applicable to all types of companies worldwide for reporting on economic, environmental, social and governance topics. We self-declare this report as achieving Application Level B. For more information on the GRI, please visit www.globalreporting.org.



Category	Description	GRI Indicator	Publication*	Pages
Strategy and Analysis	CEO statement	1.1	SR	4-5
	Key impacts, risks and opportunities	1.2	SR	13-14; 17; 19; 21; 26-27; 42
Organizational Profile	Company name	2.1	SR	6
	Primary brands, products, and/or services	2.2	SR	6; 31
	Operational structure	2.3	SR	6
	Location of headquarters	2.4	SR	6
	Countries where Agrium operates	2.5	SR	7
	Nature of ownership and legal form	2.6	SR	6
	Nature of markets served	2.7	SR	6-7; 31; 34
	Scale of the reporting organization	2.8	SR	6-7
	Significant changes during reporting period	2.9	SR	6
	Awards received	2.10	SR	46
Report Profile	Reporting period	3.1	SR	7
	Date of most recent previous report	3.2	SR	7
	Reporting cycle	3.3	SR	7
	Contact point for questions	3.4	SR	47
Report Scope and Boundary	Process for defining report content	3.5	SR	4-5; 7
	Boundary of report	3.6	SR	7
	Limitations on report scope or boundary	3.7	SR	7; 39-40
	Basis for reporting on non-wholly owned operations	3.8	SR	7
	Data measurement techniques and the bases of calculations	3.9	SR	11; 39
	Explanation of information restatements	3.10	SR	39-40
	Significant changes in measurement	3.11	SR	39
	List of GRI indicators addressed	3.12	SR	44-45
	Policy and current practice on external assurance of report	3.13	SR	7
	Governance	Governance structure, including major committees under the Board	4.1	PR
Independence of Board chair		4.2	PR	16
Independent, non-executive directors on Board		4.3	PR	16
Mechanisms for shareholder participation		4.4	PR	B-1
Link between compensation and Agrium's performance (including social and environmental performance).		4.5	SR	11
Processes for the Board to avoid conflicts of interest		4.6	PR	C-5
Process for determining qualifications and expertise of Board members for guiding Agrium's sustainability strategy		4.7	PR	21
Mission and values statements, internally developed codes of conduct or principles and policies		4.8	SR	9-10
Organizational structure for economic, environmental and social management		4.9	PR	30-31

Category	Description	GRI Indicator	Publication*	Pages
	Processes for evaluating Board performance, particularly with respect to economic, environmental, and social performance	4.10	PR	20
Commitments to External Initiatives	Application of the precautionary principle	4.11	SR	17-18; 29; 35
	Externally developed economic, environmental, and social charters, principles, or other initiatives	4.12	SR	43
	Association memberships	4.13	SR	15
Stakeholder Engagement	Stakeholder groups engaged	4.14	SR	4-5; 7; 13
	Basis for identification and selection of stakeholders with whom to engage	4.15	SR	13
	Approaches to stakeholder consultation	4.16	SR	5; 12-15; 17; 23; 27
	Key topics and concerns raised through stakeholder engagement	4.17	SR	5; 7; 14-15; 27
Economic	Economic value generated and distributed	EC1	SR	42
	Financial implications of climate change	EC2	SR	26
	Coverage of defined benefit retirement plan obligations	EC3	AR	119
	Significant financial assistance received from governments	EC4	SR	42
Environmental	Disclosure on Management Approach – Environment		Web	
	Direct energy consumption by primary source	EN3	SR	39
	Indirect energy consumption by primary source	EN4	SR	39
	Total water withdrawal by source	EN8	SR	39
	Habitats protected or restored	EN13	SR	18; 21-23
	Total direct and indirect greenhouse gas emissions	EN16	SR	38
	Initiatives to reduce greenhouse gas emissions and reductions achieved	EN18	SR	17-18; 25; 29; 36; 38
	NO, SO, and other significant emissions	EN20	SR	39
	Water pollutants	EN21	SR	39
	Total weight of waste by type and disposal method	EN22	SR	39
	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	EN26	SR	17-18; 29; 32; 34-35
	Environmental non-compliance and fines	EN28	SR	39
Social	Disclosure on Management Approach – Labour Practices		Web	
	Workforce profile	LA1	SR	41
	Employee turnover rate	LA2	SR	40
	Percentage of employees covered by collective bargaining agreements	LA4	SR	41
	Standard injury and lost day rates and fatalities	LA7	SR	40
	Training per employee per year	LA10	SR	41
	Gender diversity	LA13	SR	40
	Total number of incidents of discrimination and actions taken	HR4	SR	40
	Disclosure on Management Approach – Society		Web	
	Participation in public policy development	SO5	SR	15; 17; 29; 35
	Contributions to political parties	SO6	SR	42
	Disclosure on Management Approach – Product Responsibility		Web	
	Breaches of customer privacy	PR8	SR	41

* Publications

AR 2009 Annual Report
PR 2010 Management Proxy Circular
SR 2008-2009 Sustainability Report
Web www.agrium.com

Recognition

Another measure of our performance is how others rank and rate us, and whether we are recognized with awards. Please see our website for a complete listing of sustainability-related awards we received in 2008-2009. 

- Agrium was named one of Alberta's Top 50 Employers in 2008 and 2009. Employers are evaluated on work atmosphere; benefits; vacation; communications; skills development; community involvement; and other criteria.
- Corporate Knights magazine named Agrium as one of the Best 50 Corporate Citizens in Canada in 2009.
- Mike Wilson, Agrium's CEO, was honoured as Business Person of the Year in 2008 by Calgary Inc. magazine for his accomplishments in diversifying the company, building a strong management team, and acquiring several large companies making Agrium a strong, vibrant international corporation.
- Also in 2008, Agrium's CFO, Bruce Waterman, was named Canada's CFO of the Year as voted by a committee of business leaders and awarded by PricewaterhouseCoopers LLP, Financial Executives International Canada, and Caldwell Partners International.
- In 2009, Leslie O'Donoghue, Agrium's Chief Legal Officer, was honoured as one of Canada's Most Powerful Women Top 100, and Top Dealmaker of the Year.
- In relation to corporate governance, Agrium outperformed all of the companies listed on the S&P/TSX Composite Index with a 100 percent rating on the Institutional Shareholder Services' Corporate Governance Quotient rating system. As well, Agrium received a 9.5 (out of 10) from Governance Metrics International, the independent, corporate governance research and ratings agency.

Feedback

We welcome and value your feedback on this report and our sustainability initiatives.

If you have any questions, comments or concerns, please contact us:

By E-mail: corprel@agrium.com

By Mail: Agrium Inc.
Corporate Relations
13131 Lake Fraser Drive S.E.
Calgary, Alberta
T2J 7E8

By Phone: 403-225-7000

By Web: www.agrium.com/sustainability/2009_sustainability_report/feedback.jsp

Advisory

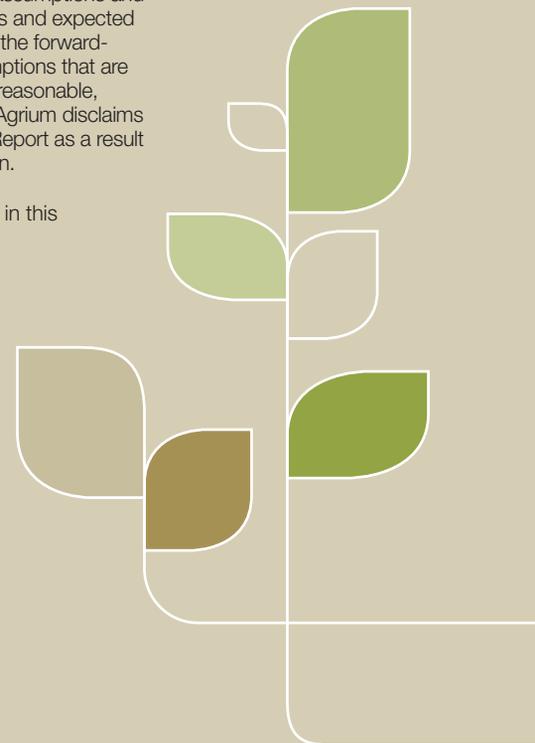
Certain statements and other information included in this Sustainability Report constitute “forward-looking information” within the meaning of applicable Canadian securities legislation or constitute “forward-looking statements” within the meaning of applicable U.S. securities legislation (together, “forward-looking statements”). All statements in this Sustainability Report, other than those relating to historical information or current conditions, are forward-looking statements, including, but not limited to, estimates, forecasts and statements as to management’s expectations with respect to, among other things, business and financial prospects, future trends, plans, strategies, objectives and expectations. Such forward-looking statements involve known and unknown risks and uncertainties as well as various assumptions and business sensitivities, including those referred to in the MD&A section of the Corporation’s most recent Annual Report to Shareholders as well as those risk factors described in the Corporation’s most recent Annual Information Form, which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, estimates, forecasts and statements as to management’s expectations with respect to, among other things, business and financial prospects, future trends, plans, strategies, objectives and expectations, general economic, market and business conditions, governmental and regulatory requirements and actions by governmental authorities, including changes in government policy, changes in laws or regulations and the interpretation thereof. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. All of the forward-looking statements contained herein are qualified by these cautionary statements and by the assumptions that are stated or inherent in such forward-looking statements. Although we believe these assumptions are reasonable, undue reliance should not be placed on these assumptions and such forward-looking statements. Agrium disclaims any intention or obligation to update or revise any forward-looking statements in this Sustainability Report as a result of new information or future events, except as may be required under applicable securities legislation.

We have posted a table on our website  that outlines forward-looking statements contained in this sustainability report and provides key assumptions and risk factors.



By choosing a 50 percent recycled and 30 percent post-consumer fiber instead of virgin paper for the Sustainability Report, the following savings to our natural resources were realized:

Trees Saved	7
Waterborne Waste Reduced	9 kg.
Wastewater Reduced	11,577 litres
Solid Waste Reduced	153 kg.
Net Greenhouse Gases Prevented	302 kg.
Energy Saved	5,099,739 BTUs





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