

Agrium Inc.
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Canada

21 March 2017
Brussels

To the attention of Richard Downey
Vice President, Investor/Corporate Relations and Market Research

Regarding Agrium Inc's phosphate imports from occupied Western Sahara

Dear Mr Downey,

Thank you for your correspondence of 27 September 2016. Western Sahara Resource Watch is writing to solicit your take on Agrium Inc.' 2016 imports of phosphate rock from Western Sahara so that we may correctly reflect your stance in our upcoming annual report on the contentious phosphate trade from Africa's last colony. While we would appreciate your confirmation of those figures, we take note from your previous letters that you cannot accommodate such a request.

Our research indicates that Agrium Inc received 10 shipments of phosphate rock sourced in Western Sahara during the year 2016. We would estimate the total volume purchased by the company in 2016 to be around 556,000 tonnes, corresponding to a market value of around US \$64 million. While we would be grateful for your confirmation of these figures, we take note from your previous writings that you cannot accommodate such a request.

In our previous communications to Agrium, we've explained our reasons for considering such imports to be void of any legal ground, politically off beam and ethically indefensible. We take note of Agrium's commissioned assessment of the firm's impact on human rights in Western Sahara, carried out by Norton Rose Fulbright Canada LLP. The content, analysis and methodology of the assessment is a clear sign that we agree to disagree, but one that also begs many questions.

Our main concern with Agrium's approach to the territory itself, which is also reflected in the opinion of Norton Rose Fulbright, is that it fails in all regards to address the legal status of the territory, and the rights that the people of the territory have as a consequence of being from such a territory.

The methodological flaw in that report is serious, and it does not answer the questions we have raised with you. The analysis specifically underlines that it "is beyond the scope of this Assessment" to conclude whether or not Morocco is the administering power of Western Sahara.

Yet, the report on several occasions touches upon on this very point, as if the authors have already concluded that Morocco *is* the administering power:

"The more relevant question is whether mineral resource activities in a Non-Self Governing Territory by an administering Power are being conducted in regard of the needs and interests of the people of that territory. [...] As a result, the Reviewers conclude that there is no indication of cause or contribution to a negative human rights impact by the Supplier Relationship on this basis alone"

As Agrium should perfectly know, Morocco *is not* the administering power of Western Sahara. This is also clearly addressed in the same 2002 legal opinion that the analysis so selectively misrepresents.

Additionally, the highest court of the European Union, the Court of Justice of the European Union (CJEU), concluded in December 2016 that any trade or association arrangement with Morocco could not be applicable to Western Sahara, since Western Sahara is not Morocco. The people of the territory, the Court argued, ought to be considered a third party to any EU-Morocco deal, and therefore their declared consent is an absolute requirement for any such deal to be applied to Western Sahara. You will find the judgement here: <http://www.wsrw.org/a105x3695>

We are concerned to observe that Agrium fails to assure itself of the Saharawi people's consent with regard to its imports of phosphate rock from their homeland. The matter of consent constitutes the essence of our repeated requests to you, as raised in our letters of 8 April 2013, 17 October 2013, 5 February 2015, 26 January 2016 and 11 July 2016.

We note that Agrium still has not engaged in dialogue with us on the matter as to what steps it has taken to seek the consent of the people of the territory.

We would be grateful to learn;

1. Whether Agrium agrees with the CJEU that Western Sahara is not part of Morocco?
2. Whether Agrium agrees with the CJEU and International Court of Justice that Morocco has no mandate to administer Western Sahara?
3. What steps Agrium has taken to assure itself of the consent of the Saharawi people regarding the phosphate rock the company has imported from their territory?
4. We note in the Norton Rose Fulbright analysis that "Communications were also had with Western Sahara Resource Watch ("WSRW") (which facilitated interviews with the above noted organizations). [...] The responses and viewpoints expressed were considered in this Assessment and are summarized below." We would like Agrium to please provide WSRW with the minutes of the alleged communications that are said to have been taking part between Norton Rose Fulbright and our association, as well as those of interviews with third parties which our association is said to have facilitated.

If the position of Agrium is to be reflected in our upcoming report, we would need an answer before 30 March 2017.

We remain of the view that Agrium should not import phosphate rock from Western Sahara while the final status of the territory is pending. Until that time, the only responsible option for a private company is to stay clear from the territory. In the long run, this will benefit the entire region, and not just the few who at present profit from the unlawful and unethical taking of Western Sahara's resources.

We will come back to you later with a longer comment to the analysis and what we believe are serious flaws.

Please do not hesitate to contact us should you have any questions. We look forward to hearing from you.

Sincerely,

Sara Eyckmans
Coordinator
Western Sahara Resource Watch
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