

## to our stakeholders



*Mike Wilson*  
*President & CEO*  
*Agrium*

Agrium, like everyone else, is striving to balance long and short-term objectives. We need to provide acceptable returns to our shareholders while building a company that will provide valuable goods and services long into the future — all the while, striving to make a positive social, environmental and economic impact. We believe this balance is achievable.

This report is structured around stakeholder engagement because we believe the only way to achieve sustainability is by listening to you. We engage with groups and individuals to enrich Agrium, in every sense of the word. You'll read in the program descriptions and stories that follow how stakeholders have helped us to: maximize our positive community impacts and minimize our negative environmental impacts; stimulate local economies; understand what makes working at Agrium rewarding; and generally keep matters in balance.

In the two years since our last sustainability report, we have significantly strengthened our financial viability. Through the growth of our Retail business, increased potash production capacity, expansion of our specialty products business, and by increasing our ability to distribute products in key markets, we have improved our ability to serve customers throughout the value chain. We continue our transformation from a regional North American nitrogen fertilizer company into a diversified agricultural retailer and global nutrient supplier.

While this might sound like a message more appropriate to a financial annual report, it is essential we maintain a strong financial position to enable continual improvement in environmental protection, community and employee development, human rights and product stewardship. If we are not financially successful, it is difficult to be successful in other respects.

You will see throughout this report references to ongoing programs, progress on challenges mentioned in our previous report and performance comparisons with prior years. While we might not show improvement in every area, our commitment to improvement is unwavering.

This report communicates both our sustainability achievements and areas for improvement. Some of the highlights from the past two years include:

- The employee recordable injury rate has decreased 30 percent since 2003 (p. 22).
- Annual charitable contributions have increased by more than \$200,000 since 2003 (p. 16).
- We have demonstrated our commitment to expanding production of environmentally smart nitrogen — ESN® (p. 8).
- We commenced investigations of alternative feedstocks to reduce our dependence on natural gas (p. 29).
- In 2005 we were identified as one of the Best 50 Corporate Citizens in Canada (p. 39) and one of the Top 100 Employers in Canada (p. 21).

However, we also realize there are areas for improvement:

- Contractor recordable injuries remain high (p. 22).
- Regretfully, we experienced an employee fatality in 2004 and one during the first half of 2006. This is unacceptable and I assure you that our commitment to our employee and contractor's safety is a top priority.
- Fines and penalties for environmental infractions were significant in 2005 (p. 36).
- Energy use and intensity has trended upwards (p. 35).

No one can find a healthy balance on their own. I invite you to become engaged with Agrium by letting us know how we can improve. A variety of feedback mechanisms are available as noted on the back inside cover of this report. I value your input and look forward to receiving your suggestions for improving our performance.



Mike Wilson  
President & CEO