



Disclosure on Management Approach

Environmental, Health, Safety and Security

As a result of our materiality assessment, employee and contractor safety was determined a material topic for Agrium. This is a material topic at Agrium because we operate in an industry that involves heavy machinery, chemical processes and other workplace situations that have the potential to cause injury.

We continually improve our Environmental, Health, Safety and Security (EHS&S) Management System that addresses safety and health, as well as environmental and security issues. The system is described below. Please also see our DMAs on [Public Safety](#) and [Chemicals and Crop Protection](#).

Plan

Policy Commitments

- Our EHS&S policy was adopted in 1994 and most recently revised in 2014. It commits Agrium to the health and safety of our employees, contractors, customers and neighbors, the security of our employees, products and facilities, and the quality of the environment.

Goals and Targets

- We strive for zero EHS&S incidents.
- Business units set their own EHS&S targets that are aligned with company-wide targets and reviewed by the Corporate EHS&S Department.
- We have a target to reduce our direct North American Wholesale GHG emission intensity 20 percent by 2020 from a 2005 baseline.
- Employee and contractor total recordable injury and environmental incident rate targets are each set and evaluated annually. Performance on these targets is tied to a portion of employee compensation.

Operational Responsibilities

- Corporate EHS&S oversees and audits related company-wide standards, policies and programs, known as the Corporate EHS&S Management System.
- Cross-functional groups develop tools and provide advice to business units on implementation and management.
- Business unit presidents are responsible for implementation of their business-specific systems.
- Our Corporate EHS&S Committee, comprised of senior management representatives, provides governance and direction necessary to meet our environmental performance objectives.
- The Board Environment, Health, Safety and Security Committee has the highest level of direct responsibility for EHS&S at Agrium.

Check

Monitoring & Follow-Up

- We conduct internal business unit-led EHS&S compliance audits at all of our facilities on a three-year cycle. Corrective actions for shortcomings are identified and implemented.
- In compliance with regulations, we monitor and report air quality, water and storm water discharges, and waste generation at specified production facilities.
- We review our performance and report to the Board EHS&S Committee quarterly.
- We conducted an analysis of more than 100 incidents that occurred from 2012-2015 to determine root causes and identify improvements, which has resulted in company-wide programs and facility investments.
- We assess our policy and management approach annually.
- The performance results we achieve provide an indication of the quality and efficacy of our management system.

Do

Strategies & Procedures

- Our EHS&S Management System clearly defines expectations, requirements, practices and procedures in more than 20 standards.
- Each year we identify, review and prioritize our risks and develop related mitigation plans.
- We track and investigate incidents and near misses to identify root causes, and accordingly implement corrective actions.
- We employ water recycling and energy efficiency programs.
- To minimize offsite releases we use secondary containment and remote emergency shutoff valves.

Training & Awareness

- We provide ongoing EHS&S training sessions to employees that include environmental awareness and incident prevention training.
- We promote commitment and awareness to EHS&S through our President's Awards and communications.
- Our training systems include comprehensive checklists and training matrices for onboarding employees and refresher training for keeping competencies current.

Adjust

Changes to Systems to Improve Performance

- In early 2016, our CEO, **Chuck Magro** announced a new safety vision and strategy called *Commitment to Zero*.
- We modified and expanded our key EHS&S performance indicators in 2015 to focus additional attention on serious events. The new indicators will be tracked starting in 2016.
- We have improved our process safety management practices in order to reduce the number of incidents.
- Each business unit has developed a 5-year improvement plan.
- We have a five-year sustaining capital plan (2016-2020) for each of our plants and plan to spend approximately \$1.5 billion to ensure these facilities are operating at peak reliability and energy efficiency.