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Good morning. It is my pleasure to represent PotashCorp in this discussion about communications and the fertilizer industry.

It's an issue that we have taken very much to heart at Potash Corporation and we believe that it is one of the most important and immediate challenges all of us face today. In the past, we could keep our heads down, focus on production without attracting attention and assume our right to conduct business. Being industrious and inconspicuous were the only qualifications we required.

Well, the world has changed. Today we need to continually earn and renew our right to do business. We can no longer take for granted our license to operate.

Our companies have faced increasing scrutiny. It started with motivated critics and environmental activists and it has spread to the general population. Now it is up to each of us – not just to answer our critics, but to measure up to the expectations of the general public.

Each of us can make a difference. We are all boats on the same water. If we raise the level of trust that people have in our industry, we all benefit. But when one of us lets that level slip, the rest of us sink a little lower as well. When you leave this session today, I hope you will be thinking of ways to raise us all higher.

Our challenge is two-fold:

- Number one: we must educate people about the value of our products and the important role that we will play in agricultural production and environmental preservation in the years ahead;
- And number two: we have to increase our commitment to being good corporate citizens. We are not evaluated on a single bottom line of profitability any longer. We are now judged by our social impact and environmental performance as well.

There is a common thread that ties these two challenges together and that is the need for better communication. We have an important story to tell – about what we do and how we do it. The time to address these challenges is today.

Many of us have spent our entire working lives in the fertilizer business. We earned our stripes during the period when our industry operated in virtual anonymity. We were like our farmer customers — doing our jobs out in the field, away from the eyes of others.

That all changed in the 1980s. We did such a good job of increasing crop yields that people in North America and Europe began to take their food supply for granted. And everyone in this room knows the old saying: when you don't have enough food, you have only one problem; when food is plentiful, you will find many other problems.

This happened around the same time that people became more aware of environmental issues. Our industry got caught in that wave of activism. Instead of being congratulated for increasing food production, fertilizer producers were linked to — even blamed for — environmental damage.

Still, we believed that the problem would pass, that the truth would come out and that the need for food would supercede claims against our industry. Instead, the criticism became more pronounced. Fertilizer was blamed for everything from global warming to hypoxia to deformed frogs and other environmental problems. The criticism spread like the wildfire of misinformation that moved too quickly for us to contain. Even Third World countries, where people desperately need our products to grow food, questioned the environmental impact of fertilizers.

History has taught us that the public will accept the risk associated with a product, if they believe the product has benefits that offset the risk. By way of example, I will point to the fossil fuel industry. People understand that burning oil and gas to operate cars presents some degree of environmental impact. They also accept that to eliminate all cars from the streets carries a much greater social and economic impact.

But as important as our industry is, we did not create that same sense of public acceptance of fertilizers. We can only conclude that we did not do enough to promote the benefits of proper fertilization. The public — now well fed and environmentally focused — has lost its sense that our products are essential.

This issue goes hand-in-hand with another reality: the public expects all companies to reduce their environmental footprint. They expect us to take responsibility for our products from the cradle to the grave — from the time we manufacture them until the moment they no longer exist. The court of public opinion holds us to an increasingly higher standard. The bar has been raised and — to protect our right to do business — we must comply.

These were the issues PotashCorp identified when we conducted a risk assessment of our company in 2000. That left us with a decision to make. We could stand by our traditional approach, like a 1950s Hollywood hero, hoping the strong, silent type would win in the end. Or we could stand up and take center stage, defending our industry and doing the things the public has asked of us.

It shouldn't be hard to figure out which path we have taken. Over the past year, PotashCorp has worked diligently to promote the benefits of the fertilizer industry. At the same time, we have been increasing our focus on the key areas of social responsibility — safety, health and environmental stewardship.

That approach is commonly known as sustainable development. In simple terms, it's called doing the right thing.

Today we'll review the steps we have taken at PotashCorp, including our multi-layered campaign about the benefits of fertilizer and how our approach to sustainability supports our business plan. We believe this direction is imperative for the future success of our company and ours industry.

In developing our Fertile Minds campaign, we conducted research to identify what people knew about our business. To say the least, the results were alarming. The majority of people we interviewed didn't know where crop nutrients came from or what impact they had on the soil. What alarmed us even more was that lawmakers in the United States had little knowledge of our business. The people who dictated when, where and how we operate, just didn't understand what we do.

- The majority of lawmakers grouped fertilizers with pesticides and herbicides, noting that all are potentially harmful to the environment;
- More than 60% didn't know where phosphate comes from, and more than 70% didn't know the origins of potash or nitrogen;
- The good news was that nine out of 13 senior staffers of members of Congress agreed that the benefits of fertilizer outweighed the risk. The bad news: nine out of 13 could only cite higher yields as a benefit.

The challenge before us was obvious. We could not, however, embark on an unchecked spending spree of mass-market advertising. As we all know, the fertilizer sector has adjusted for trough earnings in recent years and fiscal restraint has been required.

The solution had to come from within. It had to come from the grass roots level. It had to start with our employees and our customers. We needed them to become our advocates, explaining our position and winning public sentiment one town-hall meeting and one letter-to-the-editor at a time.

We knew we could depend on the people who understood our industry to defend it. We have a great deal to be proud of and the people close to our business recognize that. But we could not send them into a war of words without arming them with the facts.

So in July of 2001, we organized the first Fertile Minds Ideas Expo in San Antonio, Texas. We identified 20 common misconceptions about fertilizer and invited eight of the brightest minds in agricultural science to explore the real facts about these issues. In addition, 250 people who work in our business attended, participating in this discussion as straight, simple and honest answers were developed that debunked old myths.

Following this symposium, we created a video that captured the highlights of the conference. This enabled more people to access the information and to share with people in their own communities. To date, we have shipped more than 4,000 copies of that video.

We also use the video as a tool to establish a series of mini-expos, recreating the conference for smaller groups across North America. We already have plans in place to conduct at least 20 mini-expos in 2002, with a total estimated audience of more than 10,000 people.

Just this month, we released a CD-ROM that contains all the highlights of the Ideas Expo and more information about the many benefits of fertilizer. Later this spring, we will release our Grass Roots Starter Kit, providing customers with brochures and other materials they can distribute in their communities to support our industry. And in July, we will host our second Fertile Minds Ideas Expo.

While we have focused on the grass roots, we haven't forgotten our friends in Washington. In your kits today, you will find samples of our Fertile Minds brochures and advertising we placed in major news magazines in the Washington area. We wanted lawmakers to understand that the soil needs to be fed to stay healthy; we told them about our commitment to environmental responsibility; and we showed them how fertilizers have contributed to the protection of wetlands and wildlife habitats. We mailed legislators the full package of information and, earlier this month, we hosted a Fertile Minds Mini Expo for legislative staffers of Congressional members.

It is all part of a bigger initiative to illustrate to our employees, our customers and our communities – and even our critics – that we play a vital role in the development of our planet. Our products increase food production without increasing the land needed for agriculture. They allow us to protect wildlife habitats. They enable us to replenish soil nutrients for generations to come. We want our stakeholders to understand that we are operating responsibly and that the benefits of our industry far outweigh the risk.

This brings me to the second challenge we face: the need to operate with the guidelines of sustainable development in mind. That means doing the things that earn us the right to operate today and in the future.

So PotashCorp created a new executive position – Vice President of Safety, Health and Environment. I am proud that one of our long-time employees stepped forward to accept that role. One of his first objectives was to establish umbrella guidelines that all our facilities in five countries will follow. We won't operate to the lowest regulated standard in any one country; we will live up to the highest standards established by our own company. Our goals are simply stated: no harm to people, no accidents and no damage to the environment.

That is a lofty ambition for a company that conducts mining, manufacturing and transportation operations. We recognize that the potential for accidents exists. By always working to improve our operating practices – and ensuring we keep the public informed about the steps we have taking – we are building good will in the communities where we operate. It is like putting money in the bank for a rainy day. Although we work hard to make sure it does not happen, we know that some day we might have an accident at one of our facilities. If we prove to our communities that we are making every effort to keep our operations safe today, we believe that they will give us the benefit of the doubt if we have an accident tomorrow.

That's why we have dedicated ourselves to becoming a best practices company – one that continually strives to implement the highest standards in our industry. We made that commitment to our stakeholders in our 2000 Annual Report and we stand by it today.

Our best practice philosophy includes regular assessments of external perceptions, which are then measured against a cost-benefit analysis for the company. This brings us to the notion of the triple bottom line – one that measures social and environment performance, as well as profitability.

As our business has become more global, we have accepted the need for global responsibilities. As a measuring stick, many companies have turned to the Global Reporting Initiative, or GRI, which can be found online at www.globalreporting.org.

The GRI is a long-term, multi-stakeholder project developed to create globally applicable reporting standards for economic, environment and social performance. This allows anyone to measure the performance of a company against common standards and guidelines.

To a larger degree, the success of our sustainability and best practices initiatives comes down to the subject that bring us together today: communication. There is an expectation that we will open up our companies to the public; to show them how we operate; to show them our strengths and our weaknesses. When we are open, honest and transparent, we can win their support.

This should not come as a surprise. As a publicly traded company, we learned long ago that the most effective way to build relationships with investors was to share information. The market discounts for uncertainty, which can carry a hefty price. Operating in a transparent matter gives shareholders confidence in our company, which makes more likely to give us the benefit of the doubt in down times.

The same holds true in the area of corporate social responsibility. We must move toward sustainable development that includes greater transparency in how we run our operations.

For some, it is difficult to leave behind the closed-door, produce-and-deliver mindset of yesterday. Why take on all the extra reporting responsibilities?

The benefits are both tangible and intangible. They can be found in public support and they can be found in improved performance. Sustainable development takes us to the next point on the business curve, lifting us forward on the shoulders of a bigger and more supportive public.

Taking on this extra work does not necessarily mean extra expense. In many circumstances it means smarter spending and increased profitability. We have seen a similar story in our safety performance. When we increased standards, it did not drive up costs. It led to fewer lost-time accidents and, consequently, more productive employees.

Having the public on our side is critical to our business success. We can point to countless examples of industries that were unable to manage public expectations and suffered greatly for it. You might recall the case of StarLink corn, a genetically modified hybrid, that found its way into some Kraft and Kellogg's products two years ago. When discovered, they faced real financial and public relations pressures – even though there was no evidence that StarLink presented any danger to customers. Products were recalled and plants were shut down. The total cost, financially and in good will, was enormous.

This type of situation can be avoided – through education and communication. That means we need to develop relationships with our stakeholders and cultivate those relationships on an ongoing basis. People need to know we will be visible and accessible – in good times and in bad. We must remember that good communication is a two-way process that includes listening as well as speaking. When our stakeholders are telling us their concerns, we must listen openly and determine whether adjustments are needed to meet the expectations of our communities.

As I close today, I encourage you to embrace evolution we are seeing in our industry. It is an opportunity to get better; to advance the cause of the fertilizer industry and to improve our business performance.

We have been challenged by our critics and we are addressing that challenge by providing more information about the benefits of our products.

The next step is to challenge ourselves from within. We have to invest in sustainable development practices. We must work to meet the expectations of our stakeholders on a social level, an environment level and an economic level.

Our communications efforts will play a major role. If you believe in our industry, you will open your doors. You will share information. You will help move the fertilizer industry forward, improving the way we do business and the results of our business.

This is a necessary evolution, one that will change people's perceptions of the fertilizer industry. By accepting this change today, we will ensure the survival of this most important industry for generations to come.

Thank you.