PotashCorp

2003 SUSTAINABILITY REPORT

POTASHCORP 2003 SUSTAINABILITY REPORT

From the Ground Up

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About PotashCorp

PotashCorp is the world's largest integrated producer of potash, phosphate and nitrogen. The company meets the needs of customers around the globe for fertilizer, animal feed supplements and products used by industry.

PotashCorp products help to feed the world. They replenish the nutrients that are lost at each harvest. They also bring a better quality of life to people through proper nutrition and freedom from food shortages. As a vital link in the world's food chain, sustainability is at the heart of PotashCorp's work.

The company's approach to sustainability is built on respect for the environment and strong relationships with all key stakeholders. Values, goals and expectations have been clearly defined and a framework that requires commitment from all levels of the company has been established. For PotashCorp, sustainability is essential to corporate success today and into the future.

About This Report

The purpose of the report is to outline progress made in 2003 on the journey toward sustainability and to present plans for the future.

The report describes the management and governance systems that have been put in place to guide and implement the commitment to sustainability.

In three sections of the report, detailed performance data have been provided to illustrate economic impacts and achievements, social performance, and safety, health and environmental performance. Wherever possible, this information reflects the guidelines established by the Global Reporting Initiative (GRI). Except where noted, all dollar figures are stated in US dollars.

For each performance area, goals and targets for 2004 have been specified.

Company vision, values and goals are global and apply to all operations around the world. At the same time, PotashCorp recognizes that in order to succeed, achievements must be local. For this reason, information and vignettes on performance at individual facilities is presented so that readers can gauge local achievements.

This report is dedicated to the men and women of PotashCorp, represented by the employees whose faces appear throughout this document. Because of what they do for their customers, their communities and the environment every day, sustainability is advancing from the ground up.

A MESSAGE FROM THE

President and CEO

To Our Stakeholders:

Sustainability continues to be at the heart of PotashCorp's vision and values. Showing leadership in sustainability is central to the continued growth and success of our company.

Although 2003 was a challenging year for PotashCorp, I am pleased to report that we made solid progress on our continuing journey toward sustainable business practices. This report shares with you our accomplishments, our challenges and our plans for the future.

Among our achievements:

- Our governance practices were recognized as the best in Canada by the Rotman School of Business at the University of Toronto.
- We achieved the best safety performance in the company's history.
- We exceeded our environmental targets.
- We completed a security vulnerability analysis at all of our nitrogen operations.
- We strengthened our engagement with our stakeholders, and used their feedback to improve our business.
- We produced our first sustainability report, which was highly rated by a number of external organizations.

These achievements demonstrate the unwavering commitment of our senior management team to our sustainability goals.

One example of how PotashCorp's value system is closely aligned with sustainable performance measures is our overriding emphasis on safety. Whenever our Board of Directors meet, safety is always the first topic for discussion during the operating division reports. In addition, each year the Compensation Committee of the Board establishes a list of criteria against which my performance is measured. Number one on that list is always safety.

Further underscoring our commitment to being a sustainable enterprise are the four senior executives who make up our Sustainability Committee. They have a mandate to oversee the development of a sustainability framework for the company and provide annual public reporting. One of our committee members has specific responsibility for safety, health and the environment. Together, we are taking steps to ensure that we have

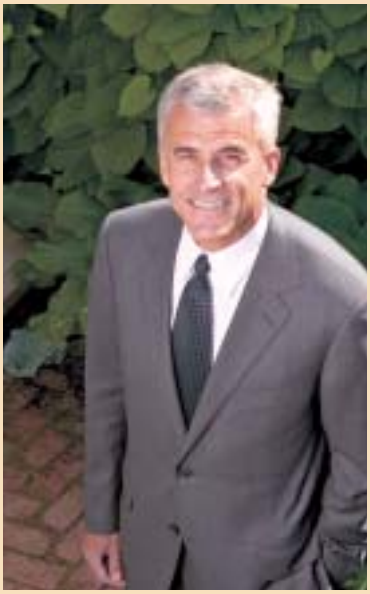
the business practices that enable sustainability to take root in PotashCorp and flourish from the ground up.

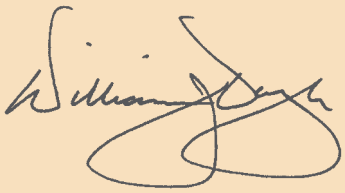
Management is setting the course for our sustainability journey, but nothing is achievable without the strong support of employees throughout the organization. I thank them for their efforts over the past year. Our company's achievements are their achievements.

Our sustainability report is not merely an opportunity for us to reflect and report on what we have done. Rather, it is a business tool that affords us the opportunity to look forward, to share our goals and plans for the future. After all, planning for tomorrow is what sustainable development is all about.

We recognize that there is still much to do. You will see in this report that we have adopted a more comprehensive range of sustainability goals and targets for 2004. We are also taking steps to ensure that integrated management systems are in place to help us achieve these goals. Our Chief Operating Officer is visiting all of our facilities in 2004 to speak with employees about their role in sustainability. As a part of that process, he is outlining new sustainability targets for each plant.

I am confident that these initiatives will lay the foundation for continued and significant progress in the years ahead.





William J. Doyle
President and CEO
PotashCorp
July 25, 2004

Turning Vision into Action

PotashCorp's Vision

We see PotashCorp as a long-term business enterprise providing superior value to all our stakeholders. To achieve this, we believe we need to be the sustainable gross margin leader in the products we sell and the markets we serve. We constantly link our financial performance with areas of extended responsibility: safety, health and the environment, our economic and social stakeholders, and all who depend on us.

One of the principal mandates of the Sustainability Committee is to oversee the development of a sustainability framework at PotashCorp. We are pleased to share our progress and plans in this area.

Sustainability considerations are now embedded in our corporate vision as we believe our financial performance is explicitly linked to stakeholder engagement. Our core values of safety, integrity, listening, sharing, accountability and continuous improvement lend further support to our vision of PotashCorp as a sustainable enterprise.

Our specific commitments to sustainability are included in our Code of Business Conduct, which stresses the following.

- Our goal is no harm to people, no accidents and no damage to the environment.
- We are committed to fairness in the workplace.
- We respect the rights, culture and dignity of all workers.
- We engage in dialogue and build relationships with many different groups.
- We support the communities where we live and work.

In recent years we introduced a number of management systems to provide guidance to managers and employees who are responsible for implementing these commitments. For example, we adopted a corporate disclosure policy long before it was required to ensure that all shareholders were given equal access to information. We implemented a comprehensive purchasing policy that links our procurement, in part, to considerations of local community development. Our Safety, Health and Environment (SHE) Management System, and an accompanying set of expectations, encompass the complete spectrum of safety, health and environmental risk management at PotashCorp.

These management systems are serving us well. The achievements that we document in this report are a testimony to their effectiveness. More recently, we have devoted significant time and effort to developing a set of Key Performance Indicators (KPIs) for our company, which will soon be implemented. We believe it's significant that PotashCorp's KPIs place stakeholder engagement and safety and environmental performance on an equal plane with our financial metrics.

As we look into the coming year, our main sustainability challenges include the following.

- Enhancing the safety of our workplaces.
- Keeping the company on its long-term growth path.
- Maintaining the support of our communities.
- Ensuring the security of our facilities.
- Continuing to reduce our environmental impact.
- Meeting customer expectations.
- Preserving our reputation for integrity with our stakeholders.

We know we have the support and commitment of all PotashCorp employees in addressing these challenges. Our near-term aim is to provide them with a compass to guide their decision-making. The result should be a process for integrating sustainability issues more effectively into our business strategies.

It was no small surprise to discover that our initial sustainability report was a powerful tool for change. The reporting process forced us to research and measure all areas and impacts of our company as never before. What emerged was not merely a sustainability report, but also a strategic tool for better managing our company. It's a tool that is in constant use, guiding our decisions and actions with a new discipline — sustainability.

As we move forward, we are taking steps to transform our vision into action. In doing so, we aim to ensure that PotashCorp is a long-term business enterprise that provides superior value to all stakeholders.

CLOCKWISE FROM TOP

Donald R. Roberts
Vice President, Safety, Health and Environment

Betty-Ann Heggie
Senior Vice President, Corporate Relations

Barbara Jane Irwin
Senior Vice President, Administration

James F. Dietz
Executive Vice President and Chief Operating Officer

PotashCorp's SHE Management System

PotashCorp's SHE Management System sets out 88 expectations to guide the implementation of the SHE policy. These are grouped into 13 areas:

- Leadership and accountability
- Risk assessment and risk management
- People, training and behaviors
- Work with contractors and service providers
- Facilities design and construction
- Operations and maintenance
- Management of change
- Information and documentation
- Customers and products
- Community and stakeholder awareness
- Emergency management and crisis communications
- Incident analysis and prevention
- Assessment, assurance, compliance audit and continuous improvement

Governance Structure and Management Systems

This section provides an overview of the corporate framework that PotashCorp has put in place to support its commitment to sustainability and to manage its sustainability performance.

Governance and Sustainability

For PotashCorp, governance, value creation and sustainability are intimately intertwined. The governance system deals with roles and relationships among management, the Board of Directors, shareholders and other stakeholders. Good governance recognizes that responding to stakeholder interests is essential for a successful business. Equally, when governance fails, the repercussions are felt across a wide range of stakeholders, including, but not limited, to shareholders.

To be sustainable, a company must clearly define the roles and responsibilities of its board and management, as well as its relationships with its stakeholders. PotashCorp has been recognized for its leadership in governance, and is committed to remaining a leader.

PotashCorp continues to strengthen its business practices for implementing its commitment to sustainability and managing its performance. Its governance practices, management systems and efforts to engage stakeholders are designed to embed sustainability within the company. This corporate framework enables sustainability to take root and flourish from the ground up.

GOVERNANCE AND SUSTAINABILITY AWARDS IN 2003

- The Rotman School of Business at the University of Toronto recognized PotashCorp as having the best corporate governance practices in Canada.
- The Canadian Institute of Chartered Accountants recognized the PotashCorp website as the best forum for electronic disclosure and gave the company an Award of Excellence for corporate reporting.
- PotashCorp's sustainability report was recognized by Stratos Inc. as seventh best in Canada.
- PotashCorp's sustainability report won the Corporate Social Responsibility (CSR) Report category in the 2003 annual PR News Corporate Social Responsibility Awards, a recognition of the benefits of the reporting process.

Structure and Governance

PotashCorp continues to develop best practices for supporting its commitment to sustainability.

Role of the Board of Directors

The Board of Directors is responsible for supervising the successful management of PotashCorp's global business, including its commitment to sustainability. It has the authority and obligation to protect and enhance the assets of the corporation in the interests of all shareholders.

In pursuing the best interests of the corporation, the Board considers PotashCorp's employees, customers, investors, suppliers and the communities and environment where it does business; it recognizes that all are essential to a successful business.

In 2003, the Board adopted a comprehensive statement of governance principles that addresses a range of Board issues, including Board Independence and Integrity; Functions of the Board; Selection and Composition of the Board; and Board Committees. Governance principles can be found at www.potashcorp.com

The Board has adopted a charter that sets out its responsibilities and the limits to management's responsibilities. The Board is specifically charged with:

- oversight and approval on an ongoing basis of the corporation's business strategy;
- appointment of the Chief Executive Officer and monitoring his or her performance;
- approving the appointment of all corporate officers;
- establishing standards for management and monitoring performance; and
- approving procedures for strategy implementation, for identifying and managing risks, and for ensuring the integrity of internal control and management information systems.

GOVERNANCE PRINCIPLES — HIGHLIGHTS

Board Independence and Integrity: Each Director must possess and exhibit the highest degree of integrity, professionalism and values. All non-employee Directors will be independent, and no more than two employees shall serve as Directors at any time. All members of the Audit, Compensation, and Corporate Governance and Nominating Committees shall be independent.

Functions of the Board: The Board has adopted a charter that sets out its responsibilities and the limits to management's responsibilities.

Selection and Composition of the Board: All Directors are elected each year by the shareholders at the annual meeting of shareholders. The Corporate Governance and Nominating Committee is responsible for recruiting and proposing new nominees for Directors. In addition, shareholders may suggest nominees for election to the Board by submitting names and supporting information to the Corporate Secretary.

Board Leadership: The Board has determined that the corporation is best served by dividing the responsibilities of the Board Chair and Chief Executive Officer. The Board Chair is independent and chosen by the full Board.

Performance Evaluation and Compensation: The Board has adopted policies requiring annual Board and Committee assessments. The Board is assessed against its charter. The Board believes that the economic interests of Directors should be aligned with those of shareholders. To achieve this, all Directors must acquire 1,000 shares of stock within their first 10 months of service. They also are required to hold shares and/or Deferred Share Units equal to five times their retainer by the end of their third year.

Meeting Procedures: Directors are expected to attend all meetings of the Board. The Board has a policy of holding one meeting each year at a PotashCorp production facility. Site visits by the Board and meetings with senior management of the facility are incorporated into the itinerary.

Board Committees: The Board has established the following committees: Executive; Audit; Corporate Governance and Nominating; Compensation; and Safety, Health and Environment. Each committee has a charter. Committee members and committee chairs are elected annually by the Board.

Evaluation of Chief Executive Officer Performance; Succession Planning: The Compensation Committee annually reviews the Chief Executive Officer's performance in light of previously established goals and objectives. The Board has responsibility for ensuring that a succession plan is in place, both for the Chief Executive Officer and for other management.

Access to Management and Outside Advisors: All Directors have unfettered access to management of the corporation. The Board and its committees have the right at any time to retain independent outside legal, financial or other advisors.

Options: The corporation has adopted a policy of not reissuing or repricing stock options after their grant.

Communication from and with Shareholders: Any security holder may contact the Board by e-mail at directors@potashcorp.com or by writing to the Board in care of the Corporate Secretary.

All committees of the Board have responsibility for sustainability issues in the respective areas they oversee. This approach ensures that all aspects of sustainability can be addressed on an ongoing basis. For example:

- The Corporate Governance Committee identifies individuals qualified to become members of the Board consistent with criteria approved by the Board, and recommends director nominees for each annual meeting of shareholders. The committee also develops and recommends to the Board of Directors corporate governance principles applicable to the corporation and is responsible for leading the annual review of the Board's performance.
- The Compensation Committee's purpose is to carry out the Board's overall responsibility for (i) executive compensation (including philosophy and programs); (ii) management development and succession; (iii) Board compensation; and (iv) broadly applicable compensation and benefit programs.
- The Audit Committee assists the Board in fulfilling its oversight responsibilities for (i) the integrity of the company's financial statements; (ii) the company's compliance with legal requirements; (iii) the independent auditor's qualification and independence; and (iv) the performance of the company's internal audit function and independent auditors.
- The mandate of the Safety, Health and Environment Committee is to review and, as appropriate, recommend changes to the safety, health, environmental and security policies of the corporation and monitor compliance with such policies and applicable legislation and regulations.

Board Composition and Expertise

PotashCorp's Board is composed of 12 members. It has a diverse membership; Board members are residents of Canada, the US and the Dominican Republic. Women total 25% of the Board's membership.

All Board members are independent Directors with the exception of the President and CEO. The Board's definition of an "independent" Director is one who has no material relationship to the corporation. An affirmative determination of the independence of each Director or nominee is made in accordance with the rules of the New York Stock Exchange.

Although Directors may be elected to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the corporation and its shareholders are the paramount considerations at all times.

Directors receive training to fulfill their obligations. The Board has adopted a New Director Orientation Policy designed to provide each new Director with a baseline of knowledge about the corporation, which will serve as a basis for informed decision-making. The orientation program is tailored to the needs of each new Director, and consists of a combination of written materials, one-on-one meetings with senior management, site visits and other briefings and training as appropriate.

The Board recognizes the importance of ongoing director education. Each year, to facilitate ongoing education, the corporation will fund the attendance of each Director at one seminar or conference of interest and relevance, and will fund the attendance of each Committee Chair at one additional seminar or conference.

IN 2003, ALL BOARD MEMBERS RECEIVED A PRESENTATION ON THE COMPANY'S SUSTAINABILITY INITIATIVE AND WERE ALSO PROVIDED WITH AN EXTERNAL EVALUATION OF SUSTAINABILITY PROGRESS.

Risk Management

Risk management is an important element of sustainability. A company is only as sustainable as its ability to withstand events that challenge its prosperity.

PotashCorp's approach to risk management begins with an identification and analysis of the specific risks it faces. These are ranked in order of risk magnitude, according to their likelihood of occurring and the significance of the consequences. Tier I risks are ranked highest; Tier II risks are considered less likely or of less consequence.

Management reports annually to the Board on the nature of the risks faced by the company, the risk mitigation and risk management.

RISK MANAGEMENT AT POTASHCORP

Tier I Risks	Risk Mitigation
Reputation Risks	• leadership in corporate governance • timely and complete disclosure • best practices in production • crisis communication program
Commodity Price Volatility Risks	• product and sales diversity • alternate product sourcing • natural gas hedging • long-term natural gas contracts
Foreign Country Risks	• financial hedges available for exchange rates • political risk insurance
Access to Capital Risks	• maintaining strong cash flow • maintaining a conservative balance sheet • management credibility through disclosure and transparency
Security Risks of Certain Products	• increased security measures at all plants
Information Systems Risks	• securing of data with modern systems of access and protection • regular backup • backup site availability • appropriate insurance
Workplace Safety and Health Risks	• structured risk assessments • permits to work • written procedures • safety audits • process hazard analysis
Human Resources Risks	• being an employer of choice • benefit cost controls

Codes and Policies

PotashCorp has embedded sustainability considerations into its vision. The company constantly links its financial performance with areas of extended responsibility: the environment, its economic and social stakeholders and all who depend on it. This vision is supported by PotashCorp's core values of safety, integrity, listening, sharing, accountability and continuous improvement.

Core values may be found at www.potashcorp.com/governance/code_of_conduct

The company's sustainability commitment is supported by specific codes and policies:

- PotashCorp's Code of Business Conduct sets out the company's specific commitments to sustainability.
- The Safety, Health and Environmental Policy commits PotashCorp to reduce waste, emissions and discharges and to use energy efficiently at operations. It also requires the company to produce quality products that can be used safely by customers. The policy provides a framework for continuous improvement in safety and environmental performance through the involvement of everybody who works for PotashCorp.
- PotashCorp's Respect in the Workplace Policy spells out the basic standards of conduct that all employees must follow to respect the dignity of colleagues, customers, vendors and people in the community. The policy forbids any unwelcome conduct based on an individual's race, color, religion, gender, national origin, age, disability or sexual orientation.
- PotashCorp adopted a comprehensive Purchasing Policy in 2001 that links its procurement to sustainability considerations, such as implications for local community development and the safety, health and environmental performance of the supplier.

These codes and policies apply to all of PotashCorp's operations in all countries where it operates.

Organizational Structure

Responsibility to oversee, implement and monitor PotashCorp's sustainability commitment rests with senior management. The CEO is accountable to the Board for the company's sustainability performance.

The COO and three other senior executives compose the Sustainability Committee, which has the mandate to oversee the development of a sustainability framework for the company and provide public reporting on sustainability.

MANDATE OF SUSTAINABILITY COMMITTEE

- To oversee the development of a sustainability framework at PotashCorp.
- To take responsibility for public reporting on sustainability.
- To foster the sustainability process within PotashCorp.
- To report to other members of senior management and the Board on the company's progress in implementing sustainable business practices.

PotashCorp has a Vice President with responsibility for safety, health and the environment (SHE).

The company created a Director-level position with responsibility for People Development, including performance management, succession planning, career development and corporation-wide training coordination.

Stakeholder Engagement

PotashCorp recognizes that stakeholder engagement is a key performance driver for the company and that the company's ability to deliver long-term results is dependent upon having the confidence of its employees, customers, investors, suppliers and communities.

Major Stakeholders

PotashCorp identifies its key stakeholders as those who are essential to a successful business.

Major stakeholders include employees, customers, investors, suppliers, communities where the company operates, regulators and critics.

Approaches to Consultation

One of PotashCorp's core values is that it listens to all stakeholders.

The company undertakes many types of stakeholder engagement. These include customer surveys, meetings with investors, investor surveys, employee consultation, community meetings, political engagement, and responses to criticisms of commercial fertilizer use in modern agriculture.

Examples of Dialogue with Key Stakeholders

The following examples illustrate the types of interaction the company has with various stakeholder groups and how the information has shaped corporate decisions.

Customers: PotashCorp conducts an extensive, one-hour interview with more than 100 of its top customers at least every two years. The objective is to gauge their level of satisfaction with the company at every point of contact — from sales, to order entry, to production, to delivery. These interviews provide valuable information on how to better meet customer needs. For example, after PotashCorp asked its customers how it could improve communications with them, a customer website was developed. The company has also increased its focus on product quality in response to customer feedback.

The customer perception survey conducted late in 2003 also demonstrated that sustainable practices influence customers' buying decisions. Among PotashCorp's four customer groups, 94% of those surveyed ranked environmental performance as important. Economic and social criteria were also cited as significant purchasing factors. This feedback reinforces that PotashCorp's commitment to sustainability provides a clear opportunity for competitive advantage.

Investors: The company's engagement with investors occurs during one-on-one meetings, analyst conferences and conference calls. Feedback is ongoing throughout the year and is an important factor in decision-making. For example, PotashCorp asked its major investors for a good comparison

group against which to evaluate its performance. When investors recommended the Dow Jones US Basic Materials Index, the company adopted this as the benchmark for setting its incentive compensation targets.

Communities: During 2003, PotashCorp attended, participated in or held more than 1,300 public forums. These meetings promote healthy dialogue and help the company to better understand and respond to stakeholder concerns. The long-standing commitment to community engagement contributed to community support for two major capital projects in Aurora, North Carolina, and a first-ever "Life of Mine" permit at the White Springs, Florida, facility.

Employees: PotashCorp will be conducting its first employee engagement survey in 2004. The survey is designed to be fully web-based and interactive. The company is working with a third-party organization, the Corporate Leadership Council, to conduct the survey and to ensure the confidentiality of responses. Survey results will impact future planning and initiatives regarding current and future employees.

Critics: The use of commercial fertilizers in modern agriculture is under increasing pressure due primarily to environmental concerns. These concerns are often based on misconceptions and inaccurate information. Some critics call for the complete rejection of high-yield agriculture itself. The consequences for sustainable food supplies would be devastating: two billion people would starve. PotashCorp responded with a public education program called Fertile Minds, a science-based education program that separates myth from reality with respect to the use of commercial fertilizers.

Political engagement: PotashCorp engages elected officials and those with regulatory authority through meetings, financial contributions by a US subsidiary's Political Action Committee (funding and contributions limited to the US only), and in writing. The successful efforts to bring about changes to the resource tax structure in Saskatchewan contributed to PotashCorp's decision to expand the Rocanville mine in that province.

FACES OF POTASHCORP

JERRY WERNER
Office Supervisor
PCS Phosphate Weeping Water

When the Weeping Water phosphate feed plant hosted a PotashCorp Board meeting, Jerry made sure the company's directors had the opportunity to go beyond the basic tour and could meet with front-line workers. Jerry understands the communications needs of the Board better than most; he sits on his local high school board and is a member of the Chamber of Commerce.

Overarching Policies and Management Systems

PotashCorp has in place management systems to execute its commitment to sustainability and to manage its sustainability performance.

Precautionary Approach

From the company's perspective, the key element of the precautionary approach is the idea of prevention rather than cure. In other words, it is more cost-effective to take early action to ensure that irreversible environmental or social damage does not occur.

PotashCorp's approach to product responsibility stresses that its products are assessed for safety, health and environmental hazards and risks prior to marketing and distribution.

- Assessments of new products are conducted to identify safety, health and environmental hazards and risks associated with normal use and foreseeable misuse.
- Periodic reassessments are conducted for all manufactured and rebranded products. This includes a review of any adverse effects reported or experienced by those handling these products.
- Up-to-date information on safety, health and environmental hazards and risks related to the use, storage, handling, transport and disposal of products is available to the workforce, customers and others.

PotashCorp also recognizes that environmental protection no longer focuses on production processes alone, but must cover the product life cycle. Its sustainability initiatives are responding accordingly.

Voluntary Standards

All PotashCorp facilities adhere to the company's Safety, Health and Environment Management System which incorporates many of the ISO 9000 and 14000 principles. The company believes its management system enables it to achieve high SHE standards with efficiency and effectiveness. In addition to following PotashCorp's management system, two production sites — Lima, Ohio and Augusta, Georgia — are ISO 9001 certified because they serve industrial customers. Lima is also registered as an ISO 14001 production site.

The ISO 9000 standards are primarily concerned with "quality management." This means that the plant has put in place management systems that ensure it meets the customer's quality requirements and applicable regulatory requirements, while aiming to enhance customer satisfaction and achieve continual improvement of its performance. The ISO 14000 standards are primarily concerned with "environmental management."

PotashCorp has taken a leadership role in the fertilizer industry by working with The Fertilizer Institute (TFI) to establish the TFI Security Code of Management Practices. The code recommends the use of a risk-based approach to identify, assess and address security vulnerabilities. The company also is active on several TFI task forces, including those addressing the safe storage, handling and use of ammonium nitrate, and the criminal misuse of anhydrous ammonia to produce methamphetamine.

The company conducts security vulnerability assessments at each of its US facilities and in Trinidad based on the Center for Chemical Process Safety model.

Memberships in Business and Industry Associations

PotashCorp has membership in several industry and lobbying associations. Among them are The Fertilizer Institute in the US, the Canadian Fertilizer Institute and the International Fertilizer Industry Association.

POTASHCORP'S MEMBERSHIP IN KEY INDUSTRY AND TRADE ASSOCIATIONS

- The Conference Board
- The Corporate Leadership Council
- National Association of Corporate Directors
- American Society of Safety Engineers
- The Fertilizer Institute
- Canadian Fertilizer Institute
- International Fertilizer Industry Association
- Potash & Phosphate Institute
- International Feed Industry Federation
- Saskatchewan Potash Producers Association
- Saskatchewan Mining Association
- New Brunswick Mining Association
- Point Lisas [Trinidad] Energy Association
- Trinidad and Tobago Chamber of Industry and Commerce
- Council for Sustainable Florida
- Florida Minerals and Chemical Council
- Florida Audubon Society
- Louisiana Chemical Association
- Process Gas Consumers Group
- The Fluid Fertilizer Foundation
- Canadian Industrial Transportation Association
- National Industrial Transportation League

As a member of these and other associations, the company actively supports political and public policy advocacy efforts.

Managing External Impacts

PotashCorp is committed to developing programs and procedures that enable the company to better manage its economic, environmental and social performance from its upstream suppliers to the downstream impacts created by its products.

In seeking to promote social responsibility and good safety and environmental performance throughout its business, the company works with suppliers and contractors to support human rights standards and sound environmental practices in the supply chain.

Producers are now expected to be accountable for their products. As a primary manufacturer, PotashCorp has direct control only at the front end of the process. The company must rely on its partners on the retail distribution side for down-stream accountability. PotashCorp looks for credible

organizations it can trust, partners who share its values and commitment to responsible fertilizer use and who will build long-term relationships with their customers and communities. This is one way the industry can protect its license to operate.

PotashCorp has instituted programs to minimize any negative impacts to the environment and society that could be caused by its operations and products. The company's programs and procedures continue to evolve as opportunities for improvement are identified.

Sustainability Programs and Procedures

PotashCorp's management systems continue to evolve in response to the challenge of developing good sustainability practices.

Targets: For many years the company has had targets for economic and safety, health and environmental performance. It is now setting additional annual goals and targets related to other areas of sustainability. These are designed to:

- continue to move the company forward toward its long-term goal of no harm to people, no accidents and no damage to the environment;
- improve the socio-economic well-being of its communities; and
- maintain its leadership in corporate governance.

2003 Goals and Targets, and company performance measured against them, are listed in the 2003 annual report, available at www.potashcorp.com/investor_relations/investor_briefcase

Expectations: Under the SHE Management System, an accompanying set of expectations outlines requirements for managing:

- safety and accident prevention;
- plant and equipment integrity;
- pollution prevention;
- energy conservation;
- personal, occupational and environmental health;
- personal/physical security;
- product stewardship; and
- sustainable development.

Training: SHE training is long standing. It is designed to ensure that PotashCorp's workforce has the required skills to competently perform its tasks in a safe, secure, healthy and environmentally sound manner. Training is evaluated to determine its effectiveness. New or transferred employees, contractors and other visiting personnel undergo appropriate site orientation/induction training that covers SHE rules and emergency procedures.

Training has recently been initiated to increase the understanding of sustainability among PotashCorp's managers, including a larger working group comprising the Sustainability Committee and other members of senior and middle management.

Communications: Senior management has promoted sustainability within the organization and to external audiences. For example, PotashCorp CEO Bill Doyle addressed an international conference in Rome in 2003 regarding sustainable food production.

Best Practices: The company's Best Practices Program takes safety, environmental, community outreach and production processes that are uniquely successful at some PotashCorp facilities and develops them as company-wide best practices.

Performance Monitoring and Review: PotashCorp has a process whereby assurance is regularly provided to the President and CEO confirming the effective implementation of the SHE Commitment and Expectations. Annual self-assessments against the SHE expectations are carried out by each facility, along with the requisite external corporate SHE assessments.

The Safety, Health and Environment Committee of the Board of Directors annually reviews Environmental Compliance Audits and the safety, health, environmental and security policies and performance of the company.

Looking Forward

PotashCorp is committed to continuous improvement. To that end, it sets new goals and targets each year to improve its sustainability performance. The corporate goals and targets for governance, stakeholder engagement and management systems for the next 12 months are set out in the following table.

POTASHCORP SUSTAINABILITY GOALS AND TARGETS

Goals	Targets
Structure and Governance	
To be a leader in corporate governance.	• Conduct a review of governance policies and principles to identify most recent best practices. • Take a leadership role in establishing a Saskatchewan Chapter of the Institute of Corporate Directors and share knowledge and experience on corporate governance issues.
Stakeholder Engagement	
To have effective stakeholder engagement processes.	• Survey each of the company's major stakeholder groups to measure the effectiveness of current engagement levels, and to solicit feedback. • Deliver one or more presentations to external audiences regarding sustainable development and its value to society.
Management Systems	
To establish plant-level sustainability targets.	• PotashCorp's Chief Operating Officer will visit all the company's facilities to speak to employees about their role in sustainability and to outline sustainability targets for each plant.

GOVERNANCE AND MANAGEMENT GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Governance Structure		
GRI 3.1	Governance structure of the organization, including major committees under the Board of Directors that are responsible for setting strategy and for oversight of the organization	The Board of Directors is responsible for supervising the successful management of the corporation's global business. It has the authority and obligation to protect and enhance the assets of the corporation in the interests of all shareholders. In pursuing the best interest of the corporation, the Board considers PotashCorp's customers, employees, suppliers and the communities and environment where it does business, recognizing that all are essential to a successful business. In 2003, the Board adopted a comprehensive statement of governance principles. For more information, visit www.potashcorp.com/governance Two committees of the Board have special responsibility for sustainability issues: the Corporate Governance and Nominating Committee and the Safety, Health and Environment Committee. More information is provided on page 7.
GRI 3.2	Percentage of the Board of Directors that are independent, non-executive directors	The Board is composed of 12 members: 11 are independent Directors; the other Board member is the President and CEO. The Board's definition of an "independent" Director is one who has no material relationship to the corporation. An affirmative determination of the independence of each Director or nominee is made in accordance with the rules of the New York Stock Exchange. The basis for such determination is disclosed in the corporation's annual proxy circular.
GRI 3.3	Process for determining the expertise Board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities	Although Directors may be elected to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency but rather the best interests of the corporation and its shareholders. The Corporate Governance and Nominating Committee conducts an annual review of the Board's "needs matrix." The review includes considerations of whether the matrix requires revision and whether there is the appropriate mix of talent on the Board. The Board has adopted a written New Director Orientation Policy designed to provide each new Director with a baseline of knowledge about the corporation. The Board also facilitates ongoing director education.
GRI 3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental and social risks and opportunities	PotashCorp's approach to risk management begins with an identification and analysis of specific risks it faces. These are ranked by level of risk. Management reports annually to the Board on the nature of the risks faced by the company, the risk mitigation and risk management. See page 40 of the PotashCorp 2003 Annual Report for more information. The report is available on-line at www.potashcorp.com/investor_relations/investor_briefcase
Executive Compensation and Sustainability Performance		
GRI 3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals (e.g., environmental performance, labor practices)	A position description for the Chief Executive Officer has been developed and approved by the Board. The Compensation Committee, in consultation with the Chief Executive Officer, establishes goals and objectives for the upcoming year. In evaluating the CEO's performance, the first metric reviewed by the Compensation Committee is improvement in safety at the company's operations. Safety and environmental performance also are factors in determining bonus awards to eligible managers at production sites.

GOVERNANCE AND MANAGEMENT GRI PERFORMANCE TABLE

Performance Indicators	PotashCorp 2003 Performance
Organizational Structure	
GRI 3.6 Organizational structure and key individuals responsible for oversight, implementation and audit of economic, environmental, social and related policies	PotashCorp has established a Sustainability Committee to oversee the development of a sustainability framework and take responsibility for public reporting on sustainability. The company has a corporate Vice President with responsibility for safety, health and the environment, and security. More information is provided on page 10.
Codes and Policies	
GRI 3.7 Mission and values statements, internally developed codes of conduct or principles, and polices relevant to economic, environmental, and social performance and the status of implementation	Sustainability considerations are embedded in PotashCorp's corporate vision and supported by specific codes and policies. PotashCorp's vision, values, codes of conduct, and specific policies that shape its sustainability performance are summarized on page 9.
Shareholder Resolutions	
GRI 3.8 Mechanisms for shareholders to provide recommendations or direction to the Board of Directors	The corporation has a process for security holders to communicate with the Board. Further details can be found on page 25 of the corporation's 2003 proxy circular. The Canada Business Corporation Act (section 137) provides a mechanism for shareholders who meet basic eligibility criteria to submit proposals for consideration at the corporation's annual meeting of shareholders. More information is provided in the corporation's proxy circular.
Stakeholder Engagement	
GRI 3.9 Basis for identification and selection of major stakeholders	PotashCorp identifies key stakeholders as those who are essential to a successful business. Major stakeholders include employees, customers, investors, suppliers, local communities, regulators, and also critics.
GRI 3.10 Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	One of PotashCorp's core values stresses that the company listens to all stakeholders. The company undertakes many types of stakeholder engagement. These include customer surveys, meetings with investors, investor surveys, employee consultation, community meetings, political engagement and responding to criticisms of commercial fertilizer use in high-yield agriculture. More information on the nature and frequency of these consultations and surveys is presented on page 10.
GRI 3.11 Type of information generated by stakeholder consultations	Examples of types of information gathered from stakeholders include investor perceptions about PotashCorp, customer satisfaction and customer needs. More information is provided on page 10.
GRI 3.12 Use of information resulting from stakeholder engagements	Examples of how stakeholder feedback is processed within the company and how it has influenced specific decisions on policy or operations are provided on page 10.
Overarching Policies and Management Systems Precautionary Approach/Approach to Risk Management	
GRI 3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organization	PotashCorp's approach to product responsibility stresses that its products are assessed for safety, health and environmental hazards and risks prior to marketing and distribution. The company completes risk assessments and manages risk through the use of appropriate mitigation measures. For more information, see page 11.

GOVERNANCE AND MANAGEMENT GRI PERFORMANCE TABLE

Performance Indicators	PotashCorp 2003 Performance
Voluntary Standards	
GRI 3.14 Externally developed, voluntary economic, environmental, and social charters, sets of principles or other initiatives to which the organization subscribes or which it endorses	PotashCorp facilities adhere to the Safety, Health and Environment management system that incorporates ISO 9000 and 14000-type guidelines. PotashCorp subscribes to and endorses The Fertilizer Institute's Security Code of Management Practices.
Memberships in Business and Industry Associations	
GRI 3.15 Principal memberships in industry and business associations, and/or national/international advocacy organizations	PotashCorp has memberships in a number of industry and lobbying associations. A listing can be found on page 12.
Managing External Impacts	
GRI 3.16 Policies and/or systems for managing upstream and downstream impacts, including supply chain management and product stewardship	PotashCorp is committed to developing and supporting programs and procedures that enable the company to better manage its economic, environmental and social performance from its upstream suppliers to the downstream impacts created by its products.
GRI 3.17 Organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities	PotashCorp's activities result in many positive benefits, particularly to the communities where it conducts business and to the end users of its products. Impacts are managed through sustainable business practices throughout the organization, educational programs addressing responsible product use, and stakeholder engagement, particularly with respect to social and environmental issues.
Major Operational Decisions	
GRI 3.18 Major decisions during the reporting period regarding the location of, or changes in, operations	Major operational decisions included the purchase of a 26% interest in Arab Potash Company in Jordan; the sale of the potassium nitrate operation at Yumbes, Chile; the opening of an expanded purified phosphoric acid plant in Aurora, North Carolina; the indefinite shutdown of nitrogen production at Memphis, Tennessee; and of ammonia and nitrogen solutions production at Geismar, Louisiana. For more information, see PotashCorp's 2003 Annual Report.
Sustainability Programs and Procedures	
GRI 3.19 Programs and procedures pertaining to economic, environmental and social performance	PotashCorp's 2003 Annual Report sets out sustainability goals and targets for 2004. The targets are designed to: • continue to move the company closer to its goal of no harm to people, no accidents and no damage to the environment; • improve the socio-economic well-being of local communities; and • be a leader in corporate governance. Senior management is leading a number of initiatives aimed at promoting internal communication and training about sustainability. Safety training is of long standing. See page 58.
Certification	
GRI 3.20 Status of certification pertaining to economic, environmental, and social management systems	All PotashCorp facilities adhere to the company's Safety, Health and Environment Management System which incorporates many of the ISO 9000 and 14000 principles. The company believes its management system enables it to achieve high SHE standards with efficiency and effectiveness.

Economic Performance

A Cdn $112 million expansion project currently under way at PCS Potash Rocanville, with roughly 30 companies employing more than 120 tradespeople, will pump more than $78 million directly into the Saskatchewan economy, including nearly $6 million into the local businesses of Rocanville and neighboring communities.

ECONOMIC IMPACT *felt for miles* ACROSS THE PRAIRIE.

Ask folks having lunch at The New Oil Can Diner or Yang's Apollo Café, or anywhere else in town what Rocanville would be like without PCS nearby. You're likely to get the same response.

"Without PCS, Rocanville probably wouldn't be. Or if it were here, it'd be just slowly drifting away."

That's an answer you'll get from people like former mayor Vern Dauncey, a prominent businessperson who runs the town's car dealership; Isabelle Maynard, Rocanville's recreational director; or Ross Strong, former shop foreman of Goodman Steel Fabricators.

With 324 employees, PCS Potash Rocanville mines, processes and ships nearly two million tonnes of potash annually. The site's rich ore seam rests nearly 3,200 feet below the surface of the southeastern Saskatchewan prairie. Underground mining operations branch out in all directions, running for miles.

This facility, in operation since 1970, is more than just the most efficient potash mine in the world. It is the underpinning of the economy for the dozens of small communities that dot the prairie back up on the surface: Rocanville, Moosomin, Welwyn, Langenberg, Churchbridge, Elkhorn, Spy Hill, Tantallon, McCauley and St. Lazare, to name just a few.

Steve Fortney, General Manager, PCS Potash Rocanville, estimates that wages from the facility in 2003 put roughly Cdn $18 million into the pockets of employees who live within a 45-mile radius of the facility. Overall, he figures the mine spends Cdn $65 million each year to operate — the majority of which stays in the province — and pays $2 million in municipal taxes. PCS Potash Rocanville is expected to generate substantial economic impact on local businesses and the citizens of Saskatchewan for several more generations.

Any discussion of the effects PotashCorp's Rocanville operation has had on the town uncovers layer after layer of examples. "There're just so many things, the more you sit here thinking about it, the more you realize just how important PCS is to us. The pool, the ice rink, the golf course, a new fire hall. These things wouldn't happen without the economic life we get from that company," says Vern Dauncey.

"It's brought so many young people here who have families with kids in school. We probably would have lost our high school if PCS wasn't here. That's major," says Ross Strong, who proudly tells of his three children who graduated from that high school and went on to university.

While farming is still an important part of the culture, it is a decreasingly reliable source of income for the smaller farmers of the area. Wheat and barley prices haven't been strong enough to sustain many family farms.

Vern Dauncey, proudly standing among his inventory of cars and trucks, operates one of the few thriving auto dealerships for miles around.

"Canola, lentils, that's okay. But more and more, we need both industry and agriculture. And we're fortunate we have both. In fact, a good number of farmers work at PCS. Those farms would be gone if they couldn't supplement their income working at PCS. So it keeps family farms going," says Dauncey.

Adding to the economic benefits of the mine's routine operation is an expansion project currently under way at the Rocanville facility. This project will pump about Cdn $78 million into the province's economy. Roughly 30 companies employing more than 120 tradespeople from throughout the region have been brought in for the expansion. This project is not only a significant capital improvement for the facility, it also is a tremendous economic boost for the town of Rocanville. That impact, like all economic impacts generated by this PCS operation, has a ripple effect that radiates out to the dozens of nearby communities.

The infusion of this number of temporary workers creates some challenges for the town, but they are the kind of challenges people love to have. Isabelle Maynard, the town's recreational director, has been very busy coordinating housing and other services for the many contractors in town. Thanks in part to Isabelle's work, many businesses in town recognized the need to extend hours to serve the visiting workers.

"I was in the market yesterday at 6 p.m. and it was full of guys getting supplies for the week," she explains. "You never used to see that."

Mr. Dauncey adds with a salesman's smile, "I leased two trucks to guys working on the construction. To me, that's huge."

A great deal of effort and pride also goes into keeping the town's Main Street vital. A couple of years ago residents realized they needed a pharmacy in town. After some research, a few pharmacies in Regina and Saskatoon were contacted with an offer to establish a franchise in a newly built retail space right next door to the local medical center. Super Thrifty Drugmart took them up on their offer and moved in. To date, that pharmacy has done so well that it recently purchased the building.

When you speak to people around town about having PCS nearby, there is a recognition that beyond the flow of money into local bank accounts and cash registers, there is also an economic value in having a skilled workforce minutes away. "With all of the training they receive, I know if there was an emergency, those guys would be here in a heart-beat. Our community couldn't afford that kind of training," says Dauncey.

To truly understand the economic impact PotashCorp has on the dozens of small towns that surround each of its facilities, it's useful to think about the way Ross Strong sums it up. "For a town like us, PotashCorp isn't just a livelihood. It keeps us alive."

Economic Performance

This part of the report describes PotashCorp's economic impact on its key stakeholders and discusses the company's strategies for sustainable economic viability and performance.

The Importance of Economic Sustainability

Sustainable economic performance and growth are the foundation for PotashCorp's ability to generate long-term value for all stakeholders, including shareholders, customers, employees, suppliers, communities and host governments.

The company is in a commodity business. To be sustainable, it must take a long-term view. This means managing natural resources responsibly, as well as maintaining the respect and support of all stakeholders. The company must also take steps to minimize the inherent volatility of its business and position itself as the gross margin leader in the products it sells and the markets it serves.

In achieving sustainability, PotashCorp is able to contribute to the prosperity of society at the local, regional and national levels by providing ongoing direct and indirect employment to employees and suppliers. Economic sustainability also provides the basis for paying taxes and royalties to governments.

PotashCorp's Strategies for Economic Sustainability

While PotashCorp's economic performance is influenced by many factors, three are of particular importance: the company's position in the market; its cost position; and its capability to access capital.

The company strives to reduce the volatility in its business with a "potash first" strategy, because potash is the most stable of the three nutrients. To that end, PotashCorp seeks to be the industry's low-cost global potash supplier on a delivered basis. It supports its business strategy by leveraging the strength of its low-cost gas for ammonia production in Trinidad, as well as its specialty phosphate products.

PotashCorp aims to maximize gross margin by focusing on the right blend of price, volumes and asset utilization. Business growth is generated by enhancing the company's position as the supplier of choice. Acquiring low-cost, high-quality capacity that complements existing assets and adds strategic value further strengthens the company's capability for sustainable economic performance.

FACES OF POTASHCORP

AUDREA HILL
Senior Director
Natural Gas and Hedging
PotashCorp Northbrook

Audrea follows the natural gas market and negotiates PotashCorp's futures contracts, allowing the company to better stabilize its cost for natural gas. In 2003, she provided a significant economic benefit to the company by responding quickly to a gas price spike and recommending the immediate liquidation of PotashCorp's futures contracts.

Market Positioning

With many years of high-quality deposits of potash and phosphate, as well as long-term gas contracts for nitrogen production in Trinidad, PotashCorp has an asset base that is unmatched in its industry.

In potash, the company has the largest capacity in the world, with 72% of the world's excess capacity. In nitrogen, it has the third largest capacity on a global basis. It is ranked fourth in phosphates.

PotashCorp takes ongoing action to ensure that existing and new operations have low production costs. As a result, it enjoys a strong market position in each of its core businesses.

Competitive Assessment: Potash is the cornerstone of the company and provides the best opportunity for growth. Not only is PotashCorp the world's largest potash company, it is also a low-cost supplier with abundant capacity. With the rest of the potash industry now operating close to full capacity, PotashCorp is in a good position to use its excess capacity to capture growth in demand, especially in the developing world. Increased volumes will lower unit costs.

In phosphate, the company tries to maximize the benefits of its long-term rock position, multi-year mining permits and high-quality ore. Together these enable low-cost production and product diversity. Product diversification has allowed PotashCorp to shift some of its high-quality phosphoric acid to animal feed and industrial production. These are important niche markets where margins are more stable than those for phosphate fertilizer. The company supports this strategy with specialized sales teams to sell each product line in North America.

Nitrogen is a regional business for PotashCorp. North America is the company's primary market, which it supplies through a combination of Trinidad production, US production and volumes purchased for resale, always seeking the source of supply with the highest margins. PotashCorp is able to serve its customers from this flexible supply base through its multiple port facilities, a warehouse and distribution network, dedicated sales and customer service teams and associated infrastructure.

Decommoditization: PotashCorp's decommoditization strategy is designed to smooth the highs and lows of commodity cycles and wrap earnings around a rising trend line as a way of building a sustainable enterprise.

For example, in potash, the company matches its production to market demand. In phosphate, the emphasis is on product diversification to access specialty and high-margin products. In nitrogen, the company capitalizes on its superior natural gas position in Trinidad and serving industrial customers from its US production.

As a result of these initiatives, PotashCorp is adding balance to its business and providing the potential for more attractive and stable margins.

Production Efficiencies: PotashCorp's cost advantages come from access to low-cost, high-quality reserves and feedstocks, giving it a strong

cost position in each of its three nutrients compared to other world competitors.

Low-Cost on a Delivered Basis: However, as a producer of bulk commodities that are traded in large volumes around the world, success also requires an efficient transportation system. PotashCorp operates its own transportation department, with a distribution network of approximately 175 terminal and warehouse facilities and a fleet of approximately 6,000 railcars.

The ability to deliver from the company's diverse locations contributes to sustainability because it permits freight-logical supply decisions that should support margin expansion.

Market Potential: PotashCorp is well positioned to benefit from long-term growth in its markets.

In recent years, world grain production has fallen behind consumption, reducing grain stocks. In response, with limited acreage, fertilizer use needs to be increased to improve food productivity.

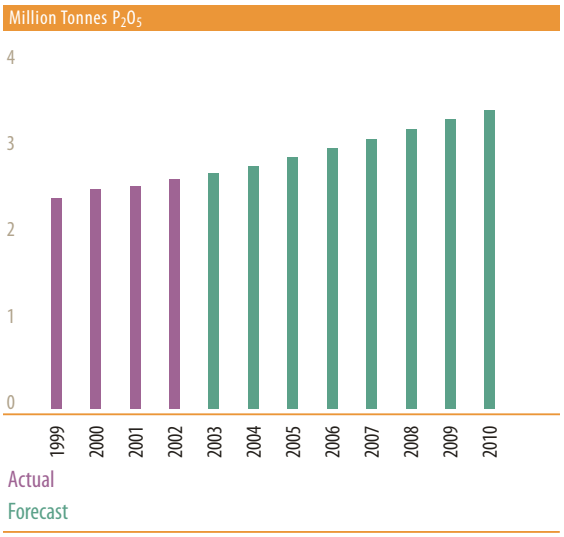
The underlying markets for fertilizer continue to grow as the world needs more food for its growing population. Fertilizer demand is also being fueled by changing diets in developing nations where people are increasing their consumption of high-protein foods like meat, milk and eggs. Because animals eat more grain than humans do, there is a growing demand for fertilizers to produce more grain.

The industrial phosphate business, where the company's products are used for food and technical processes, is also growing. Current projections are for a growth rate of 3% annually.

Meeting Customer Needs

Customers are the lifeblood of PotashCorp's business. In a mature and competitive marketplace, price competitiveness, product quality and customer service are the basis for customer retention and market growth. With all customer transactions, PotashCorp seeks the opportunity to have "the last look at the business."

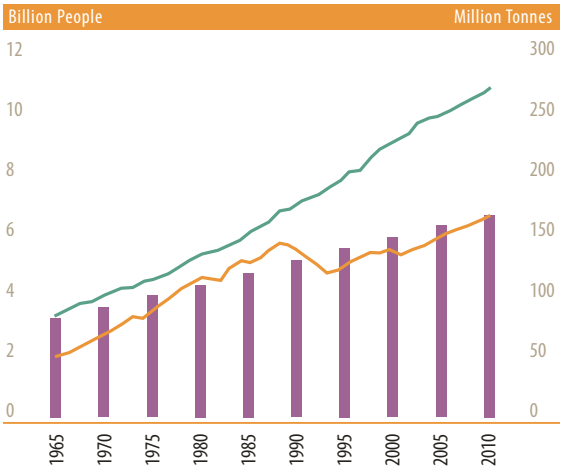
WORLD DEMAND FOR TECHNICAL AND FOOD PHOSPHATES



PotashCorp's high-quality phosphate rock gives it a competitive advantage by allowing the company to economically provide products used by industry for food and technical purposes. Demand in this specialty market has an annual projected growth rate of 3%.

Source: BSC

WORLD POPULATION VS FERTILIZER AND MEAT CONSUMPTION

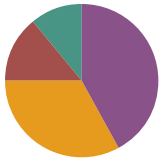


Demand for fertilizer continues to grow as the world's population increases and developing nations improve their diets with high-protein foods which require greater amounts of grain.

Source: United Nations, FAO, IFA, Fertecon

TOP PURCHASING CRITERIA

Price	42%
Quality	33%
Delivery	14%
Customer Service	11%

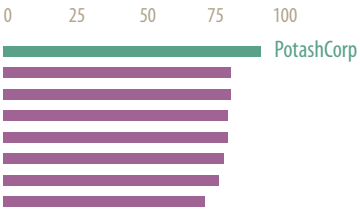


Beyond price, customers said in a recent survey that quality is the most important factor driving their buying decisions.

COMPARISON OF QUALITY RATINGS OF COMPETITORS

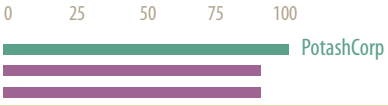
Approval Percentage

Fertilizer



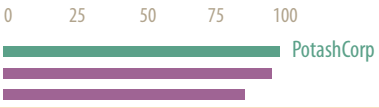
In a recent customer survey, the quality of PotashCorp's fertilizer products ranked first over its seven competitors.

Animal Nutrition



Customers recently surveyed about the quality of PotashCorp's animal nutrition products ranked them above the company's two competitors.

Purified Phosphoric Acid

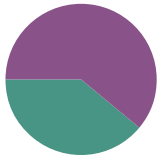


In a recent survey, customers ranked PotashCorp's purified phosphoric acid products as having higher quality than its two competitors.

Industrial Nitrogen

Rank your current level of satisfaction with the Industrial Nitrogen group's product quality.

Very Satisfied	61%
Satisfied	39%



Customers recently surveyed about PotashCorp's industrial nitrogen products were all satisfied with its quality, and 61% stated they were very satisfied. Nearly all said that PotashCorp was their sole supplier of nitrogen products.

Supplier of Choice: PotashCorp seeks to become the preferred supplier — the supplier of choice — to high-volume, high-margin customers with the lowest credit risk.

It conducts regular customer satisfaction surveys across all operating and sales divisions. In December 2003, an independent research firm interviewed more than 120 of the company's largest customers. As is typical in a commodity industry, price was listed as the top purchasing criterion. However, beyond price, customers named "product quality" as the single most important factor influencing their buying decisions. Also important were "service quality" issues, such as delivery and customer service.

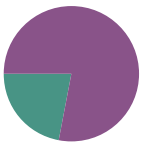
The same research indicates that PotashCorp is rated as having the highest product quality in every market in which it operates.

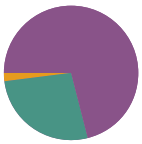
Customers were also asked whether a company's sustainability performance affected their purchasing decisions. About three-quarters indicated that they give consideration to a company's economic and safety, health and environmental (SHE) performance in deciding whether to do business with it.

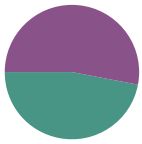
SUSTAINABILITY'S ROLE IN CUSTOMER BUYING DECISIONS

Percentage of Respondents

Does a company's safety, health and environmental (SHE) performance affect your decision to do business with it?	Yes	78%
	No	22%
Does a company's financial health over the long term affect your decision to do business with it?	Yes	71%
	No	27%
	No response	2%
Does a company's social performance, in terms of community relations, or employee relations, affect your decision to do business with it?	Yes	53%
	No	47%







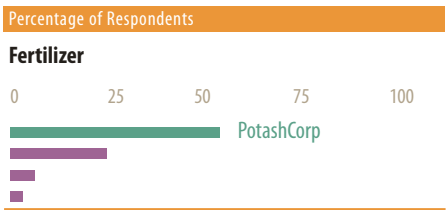
PotashCorp's customers share the company's belief in the benefits of sustainable business practices, and often consider economic, social and SHE performance in their buying decisions.

These findings support PotashCorp's sustainability program and the strategy of pursuing markets that require the company's more stringent specifications in both product quality and service. This effort has been rewarded through contracts tied to costs plus a margin, or non-cyclical premium pricing, which in turn provides insulation from the cyclicality of commodity pricing. It helps leverage PotashCorp's competitive advantage and increase margins.

Sales are followed with full-time customer service. Dedicated sales teams for each product category (fertilizer, feed and industrial) help to increase customer knowledge and provide maximum value. These direct customer contacts are supported with regular newsletters, market updates via the web and informational mailings. The result is that PotashCorp is perceived as the company that does the best job communicating with its customers.

The company also responds to specific customer requirements. For example, in China there is a strong preference for red potash products, such as those produced at Allan, Saskatchewan. In Brazil, granular potash to blend with other nutrients is a key customer demand.

CUSTOMERS RANK BEST COMMUNICATORS



In a recent customer survey, PotashCorp fertilizer customers named the company the best communicator among competitors.

FACES OF POTASHCORP

NORMA DEAVER
Investor Relations Coordinator
PotashCorp Saskatoon

PotashCorp's annual report, sustainability report, news releases and other materials require planning, coordination and review to ensure stakeholders receive timely and accurate information. Norma is one of the tireless individuals behind this extensive process.

Access to Capital

PotashCorp needs capital to grow. The company's access to capital is enhanced by demonstrating how its strategies result in superior financial performance. Investors are kept informed about performance and governance issues, and are provided timely, transparent disclosure.

Financial Strength: The pressures of recent years have pushed the fertilizer industry toward consolidation. PotashCorp has the financial strength to explore acquisition opportunities as they arise and the cash flow to pay down debt quickly.

Over the last five years, despite weak markets, the company generated $1.6 billion in cash flow from operations. These resources have been used, in part, to finance expansions and acquisitions. Over the last six years, more than 90% of acquisitions have been potash, the nutrient with the best growth potential.

In 2003, the company acquired 26% of the shares of Arab Potash Company (APC) for approximately $173 million. This investment in APC allows the company to benefit from transportation logistics.

The company strives to keep its debt-to-capital ratio between 35% and 40%. Its strong balance sheet provides a solid base for acquisitions. Few other fertilizer companies have the borrowing power to take advantage of the available opportunities.

Investor Relations: Strong relations with investors are an essential part of ensuring the company's future. Maintaining good relationships with the investment community can serve to increase the trading multiple and reduce the cost of capital.

Relationships with the investment community are a priority. The company makes deliberate efforts to explain its strategies and to provide transparent disclosure and timely information. Surveys within

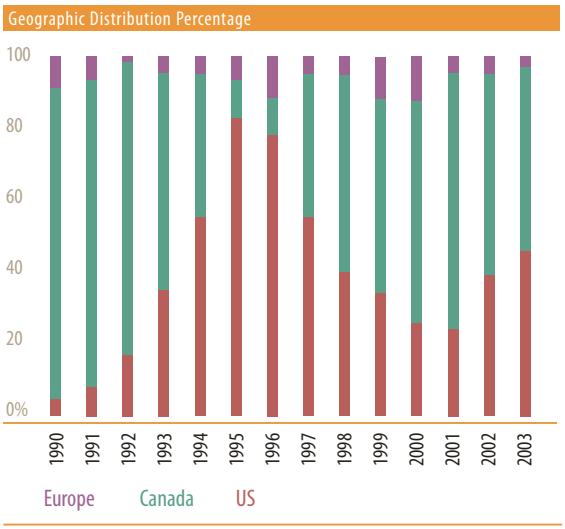
the financial community in Canada and the US are conducted annually to gauge perception of the company. PotashCorp representatives talk to investors often and openly to reduce uncertainty and explain plans for adding value to their investment. Forward earnings guidance is provided so that investors have realistic expectations on which to base their decisions.

The investment community values these efforts, rewarding PotashCorp with higher multiples than its peers. Over the last 10 years, the stock price has consistently outperformed other fertilizer companies listed on the New York Stock Exchange, as well as the larger group of companies in the Dow Jones US Basic Materials Index. In addition, the company has earned investment-grade bond ratings from Moody's, Standard & Poor's and the Dominion Bond Rating Service.

As a Canadian company that trades on stock exchanges in Toronto and New York, PotashCorp is required to follow both Canadian and US accounting standards. It considers its stewardship and disclosure responsibilities in both countries a high priority and strives for transparency in all reporting to stakeholders. For example, the company began to voluntarily disclose stock option expenses in the notes to the quarterly statements in 2002. In 2003, it recognized the cost of the 2003 option grant and will be reporting all future stock option expenses in its financial statements. The company also has elected to recognize the cost of stock options in its financial statements for US reporting purposes, even though most US companies are waiting until it becomes a requirement.

Ownership Profile: As a basic materials business that sells its products primarily in the commodities market, institutional ownership is much larger than retail ownership. Institutional shareholders own 93% of all shares. Shareholders are primarily from the US and Canada.

POTASHCORP SHARE OWNERSHIP



Historically, US ownership of PotashCorp stock rises and falls with grain prices.

PotashCorp's Economic and Financial Impact

This section describes PotashCorp's economic impact on its customers, suppliers, employees, providers of capital, and host governments and communities. Additional information about its economic and financial performance can be found in the 2003 annual report.

Sales and Markets

In North America, PotashCorp sells its fertilizer products to retailers, cooperatives and distributors that provide storage and application services to farmers, the end users. Offshore customers are governments and private importers that tend to buy under contract, while spot sales are more prevalent in North America.

Fertilizers are sold primarily for spring and fall application in both northern and southern hemispheres. Potash, phosphate and nitrogen are also used as inputs for producers of animal feed and industrial products. Feed and industrial sales are more evenly distributed throughout the year than are fertilizer sales and are primarily by contract.

NET SALES BY BUSINESS SEGMENT

$ Millions

	2003	2002	2001	2000
Potash	619.1	544.5	531.8	582.1
Phosphate	781.9	636.8	653.6	785.2
Nitrogen	1,064.8	747.4	895.4	870.4
Total	**2,465.8**	**1,928.7**	**2,080.8**	**2,237.7**

Source: PotashCorp

GROSS MARGIN BY BUSINESS SEGMENT

$ Millions

	2003	2002	2001	2000
Potash	203.7	218.0	248.1	307.4
Phosphate	(16.5)	41.9	64.5	76.8
Nitrogen	193.2	47.4	94.7	104.7
Total	**380.4**	**307.3**	**407.3**	**488.9**

Source: PotashCorp

In 2003, PotashCorp sold goods worth almost $2.5 billion, an increase of 10% since 2000. The increase resulted from higher potash sales, a sharp increase in nitrogen prices, and a significant gain realized on the sale of natural gas hedges.

Nitrogen products account for the largest share of company sales (43%), followed by phosphate (32%) and potash (25%).

The company's potash-first strategy is reflected in its historical results. The five-year average shows potash generating 26% of net sales but producing 64% of gross margin. In comparison, phosphate and nitrogen combined generated 74% of total net sales but 36% of gross margin.

North American markets account for the bulk of PotashCorp's net sales. In 2003, the US alone accounted for 94% of nitrogen, 75% of phosphate and 35% of potash net sales.

Offshore markets are very important for potash net sales, accounting for 54% of the total. Brazil, China, Japan, Malaysia and Indonesia are the main offshore markets for potash. Offshore markets also

EFFICIENCY CREATES OPPORTUNITY

Capital improvements at PCS Lima are projected to generate savings of nearly $8 million a year.

Often fixing an immediate problem does more than maintain the status quo: it opens up new opportunities.

In 2002 and 2003, rising natural gas prices had left PotashCorp's Lima, Ohio nitrogen plant at a competitive disadvantage. Costs at the site needed to be reduced by $10 million to keep the plant viable.

PotashCorp's management sat down with the plant's operator, BP Chemicals, to identify the cost reductions necessary to keep the site from closing. The effort was an exceptional example of stakeholder collaboration. Not only were PotashCorp and BP able to identify cost reductions that saved nearly 200 jobs, but the savings gave Lima a competitive edge. With its financial footing now firm, capital improvements were made to ensure the site's long-term viability.

"Once you get your fixed costs in line and show that you can make money, spending on variable cost improvements becomes easy to justify," says Don Johnson, PotashCorp's General Manager at the plant. In April 2004, PCS Lima underwent 10 days of extensive maintenance at a cost of $2 million. During this time, capital projects begun in 2003 and others initiated in 2004 also were completed. These projects cost an additional $8.3 million and will generate annual savings of $7.9 million, primarily through improved energy efficiency.

The long-term view and cooperative spirit used to address Lima's cost challenge resulted in a more competitive and modern operation. Customers, employees, investors and contract employees are pleased with the results.

account for 16% of PotashCorp's phosphate net sales, with China and Brazil the main overseas markets. Offshore net sales of nitrogen products are very small.

Goods and Services Purchased

The total value of goods, materials and services purchased by PotashCorp in 2003 was just over $1.6 billion. This represents a more than $400 million increase over 2002, and is largely attributable to higher natural gas costs, increased phosphate production volumes and the strengthening of the Canadian dollar.

Production feedstocks such as ammonia, sulphur and natural gas account for the major part of PotashCorp's annual procurement.

Other major goods, services and materials purchased include energy, materials for maintenance and repair, and services provided by contract employees.

Total additions to property, plant and equipment were $150.7 million in 2003. Of this amount, 75% was used for sustaining current operations, with the balance used to finance facility expansions.

GOODS, SERVICES AND MATERIALS PURCHASED*

$ Millions

	2003	2002	2001	2000
Potash	277.8	214.1	182.3	157.6
Phosphate	563.9	358.8	358.8	472.1
Nitrogen	724.5	562.1	681.3	650.3
Corporate	35.8	28.9	40.6	46.9
Total	**1,602.0**	**1,163.9**	**1,263.0**	**1,326.9**

**Does not include capitalized items.*

Source: PotashCorp

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

$ Millions

	2003	2002	2001	2000
Potash	50.9	35.5	34.7	45.5
Phosphate	51.0	126.3	61.1	104.5
Nitrogen	44.1	47.0	413.8*	23.0
Corporate	4.7	3.4	4.1	12.6
Total	**150.7**	**212.2**	**513.7**	**185.6**

**Includes approximately $384.0 million for the buyout of Trinidad leases.*

Source: PotashCorp

INVESTMENTS IN OPERATIONS ARE INVESTMENTS IN COMMUNITIES

Over the last few years, eastern North Carolina has seen plenty of activity at PotashCorp's Aurora phosphate operations. The $54 million construction of a defluorinated feed phosphate (DFP) plant and an $84 million expansion of the company's purified phosphoric acid production capabilities brought significant economic benefits to the region. In addition to the construction jobs and related capital spending, these projects underscored the company's long-term economic commitment to this phosphate-rich area.

The nearly $140 million in capital improvements at Aurora created 40 permanent jobs. That fact doesn't go unnoticed by North Carolina officials. They estimate that for every job added at Aurora, 2.5 additional jobs are created in the eastern part of the state.

The purified phosphoric acid expansion provided work for 113 contractors over 50 weeks. The DFP plant brought in an average of 65 contract workers during the 65-week construction period. Benefits for the surrounding communities include an increase in local tax revenues of $800,000, due to the two capital improvement projects.

PotashCorp's leadership position in the global phosphate industry is demonstrated by strategic capital investments like those recently completed at Aurora. The new DFP plant and the purified acid expansion advance a decommoditization strategy that yields long-term economic benefits to customers, employees, investors, suppliers, the community and other interested stakeholder groups.

PCS Aurora has undergone nearly $140 million in capital improvements in recent years, creating 40 permanent jobs in the process.

Local Purchasing

PotashCorp balances cost, proximity and performance in determining its supplier base.

It recognizes the value of local suppliers that have materials, services and personnel readily available at competitive rates. Fostering a support base of nearby suppliers also helps sustain the local economy.

Under its purchasing policy, PotashCorp's purchasing managers are directed to choose vendors that offer an optimum combination of 18 criteria, including competitive prices; excellence in safety, health and environmental performance; reliability and reputation; contribution to local economy and accessibility. The policy became effective in December 2001. Since then, each site has been developing its own procedures to implement this policy.

LOCAL PURCHASING

	2003	2002
% of Total Purchases* Made Locally	52%	55%

Prior to 2003, PotashCorp did not track local purchasing. Identifying local purchases was a direct result of the reporting process for the company's 2002 Sustainability Report.

**Excluding raw materials and energy*

Source: PotashCorp

POTASHCORP PRODUCTION ASSETS 2003

Potash	• Five mines and mills, and mining rights to potash at a sixth location, in the province of Saskatchewan • One mine and two mills in the province of New Brunswick • One plant in Chile that produces sodium nitrate, potassium nitrate and other products
Phosphate	• A mine and processing facility in the state of North Carolina • A mine and processing facilities in the state of Florida • A processing facility in the state of Louisiana • Phosphate feed plants in five US states and one in Brazil • Two industrial phosphoric acid plants in the states of North Carolina and Ohio
Nitrogen	• Four plants in the states of Georgia, Louisiana, Ohio and Tennessee • Large-scale operations in Trinidad

PotashCorp has also begun to measure the percentage of local purchasing across its operations. Excluding raw materials and energy that are not available locally, assessments in 2002 and 2003 indicate that over 50% of remaining purchases are made locally.

Employment

PotashCorp has employees in six countries. More than half of the workforce is in the US, followed by Canada (35%), Trinidad (8%), Chile (2%) and Brazil (1.5%). The company has three employees in Jordan.

Between 2000 and 2003, the workforce in the US declined from 3,051 to 2,639. This was largely the result of steps to improve the company's cost position through workforce reductions and facility shutdowns. Affected production sites include Memphis, Tennessee; Geismar, Louisiana; Kinston, North Carolina; Davenport, Iowa; White Springs, Florida; and Aurora, North Carolina.

The workforce in both Canada and Trinidad increased slightly over the period and held stable in Brazil. There has been a significant decline in employment in Chile following PotashCorp's 2003 decision to sell its interest in PCS Yumbes. By the end of 2003, approximately 111 employees had left the company, with the remaining workforce expected to leave by the end of 2004. PotashCorp has ensured that all contractual and legally required termination benefits will be paid.

EMPLOYEES AND PAYROLL

	2003	2002	2001	2000
Canada	1,692	1,687	1,654	1,641
United States	2,639	2,823	2,705	3,051
Trinidad	395	397	336	354
Chile	99	218	220	215
Brazil	76	74	82	77
Jordan	3	0	0	0
Total Employees	**4,904**	**5,199**	**4,997**	**5,338**
Total Salaries* ($ Millions)	**237.4**	**234.1**	**239.5**	**252.0**

**Does not include benefits.*

Source: PotashCorp

Most PotashCorp facilities are located in small towns or remote locations. The company recognizes its responsibilities as a dominant employer in these areas and provides competitive compensation in terms of both wages and benefits to its employees. In 2003, PotashCorp's total worldwide workforce payroll, including benefits, was $352.1 million.

Interest, Dividend Payments and Retained Earnings

Over the last five years, the company rewarded shareholders by repurchasing more than $130 million in shares and paying more than $250 million in dividends. Long-term investors have enjoyed a cumulative return of 629% in the 14 full years since the company became publicly traded, compared to the industry average of 89% over that same period. Dividend payments totaled $52.3 million in 2003. In July 2004, the company announced a stock split and dividend increase.

In 2003, PotashCorp had $91.3 million in interest expense. Of this, $87.7 million was interest on long-term debt; the rest was interest on short-term indebtedness.

Retained earnings declined from $641.4 million at the end of 2002 to $462.8 million at the end of 2003. The net decline in retained earnings was $178.6 million, mainly as a result of the writedowns and charges relating to the Yumbes, Geismar and Memphis operations.

USE OF CASH

$ Millions

	2003	2002	2001	2000
Dividends	52.3	52.0	51.9	51.9
Additions to Other Assets	32.7	36.0	45.9	56.4
Investments	178.3	23.2	130.4	0.0
Additions to Property, Plant, Equipment	150.7	212.2	513.7*	185.6

**Includes approximately $384.0 million for the buyout of Trinidad leases.*

Source: PotashCorp

Taxes and Subsidies

PotashCorp's annual tax bill was more than $115 million in 2003. The majority of taxes paid ($97 million) went to provincial and federal governments in Canada. Potash profits tax, surtax and base payment tax together totaled almost $55 million. PotashCorp does not receive subsidies at any of its locations.

Details regarding taxes paid in Canada, the US and other jurisdictions are set out in the following table.

TAXES PAID

$ Millions

	2003	2002	2001	2000
Canada				
Income Taxes	21.4	(1.2)	37.8	7.8
All Other Taxes	21.3	16.4	16.6	20.6
Potash Profits Tax, Surtax and Base Payment Tax	54.7	64.7	66.3	75.3
Canada Total	97.4	79.9	120.7	103.7
United States				
Income Taxes	1.2	1.3	0.3	1.1
All Other Taxes	16.9	15.3	16.7	18.1
US Total	18.1	16.6	17.0	19.2
Trinidad				
Income Taxes	(0.6)	2.7	2.2	3.1
All Other Taxes	0.0	0.0	0.0	0.0
Trinidad Total	(0.6)	2.7	2.2	3.1
All Other Countries				
Income Taxes	0.8	1.6	1.2	1.4
All Other Taxes	0.1	0.0	0.0	0.0
Total	0.9	1.6	1.2	1.4
Total Taxes				
Income Taxes	22.8	4.4	41.5	13.4
All Other Taxes	38.3	31.7	33.3	38.7
Potash Profits Tax, Surtax and Base Payment Taxes	54.7	64.7	66.3	75.3
Total Taxes Paid	**115.8**	**100.8**	**141.1**	**127.4**

Source: PotashCorp

Community Contributions

In 2003 PotashCorp contributed more than $1.7 million in cash and non-cash donations to local communities and other worthy causes. Charitable donations in cash totaled almost $1.2 million in 2003. Over $500,000 in non-cash charitable donations were provided by the company and its employees.

PotashCorp's community contributions are described in greater detail in the Community Relations segment of the Social Performance section of this report.

CHARITABLE DONATIONS

$ Millions

	2003	2002
Charitable Cash Donations	1.1	1.0
Charitable Non-cash Donations	0.6	0.7
Total	**1.7**	**1.7**

Source: PotashCorp

FACES OF POTASHCORP

TOM THOMAS
Manager, National Accounts
PCS Sales

Tom is often at his desk in Newcastle, Indiana at 4:30 a.m., getting a head start on his day. He frequently has breakfast with local farmers to get the real story about what's happening in the fields. By the time the company's competitors turn on their computers, Tom has already given PotashCorp a competitive advantage.

ARK EXHIBIT BRINGS HERDS OF NEW VISITORS TO SASKATOON ZOO

The Saskatoon Zoo's latest arrival, one of a pair of visiting snow leopards.

Company sponsorship of the PotashCorp Ark exhibit at the Saskatoon Zoo is attracting both four-legged and two-legged newcomers to Saskatoon. The Ark is designed to house visiting pairs of animals from distant regions of the world.

It is estimated the new attraction could boost the number of visitors to the zoo by 10%. With an additional 4,000 visitors from Saskatoon and 2,000 visitors from elsewhere in the province, the economic impact of the Ark sponsorship means more than $400,000 to the local economy on an annual basis.

The first visiting animals at the Ark are a pair of snow leopards from Central Asia. Access to exotic animals in Saskatchewan is of particular value to students of the Western College of Veterinary Medicine who provide care for the animals and are able to study a wider range of species up close. But beyond this unique benefit, the Ark offers exciting new recreational opportunities to the public as it adds to the vitality of the provincial economy.

Construction of the exhibit followed a multi-year pledge for $250,000 by PotashCorp in the spring of 2002.

Looking Forward

PotashCorp is committed to sustainable economic performance that will enable it to meet the expectations of its key economic partners. PotashCorp has set the following economic goals and targets for the next 12 months.

POTASHCORP SUSTAINABILITY GOALS AND TARGETS

Goals	Targets
Customers	
To meet customer needs and expectations.	• Continue to be the preferred supplier as measured by customer surveys. • Reduce the number of customer complaints by 5%. • Begin monthly customer surveys conducted by the customer service department.
Employees	
To ensure that employees share in the company's economic success.	• Reinstate a company contribution to the employee savings plans that includes a performance contribution, subject to the achievement of key business performance measures. • End wage freeze for management employees and senior executives.
Suppliers	
To promote sustainability by leveraging supplier relationships.	• Identify key supplier relationships that have potential for broader engagement across the company.
Providers of Capital	
To meet the needs and expectations of providers of capital.	• Maintain the positive perceptions of the financial community, as measured by investor surveys.
Communities	
To improve the socio-economic well-being of local communities.	• Align charitable donations with sustainability priorities. • Survey community leaders regarding their perceptions of the company.

ECONOMIC GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance		
Customers				
EC 1	Net Sales	Net Sales in 2003	$ 2.5	billion
		Breakdown of Sales by Major Product		
		Potash	25%	
		Phosphate	32%	
		Nitrogen	43%	
EC 2	Geographic breakdown of markets by volume	Potash Markets	35%	US
			6%	Canada
			59%	other
		Phosphate Markets	75%	US
			19%	Canada
			16%	other
		Nitrogen Markets	94%	US
			1%	Canada
			5%	other
Suppliers				
EC 3	Cost of all goods, materials and services purchased	Total Cost of Goods Purchased	$ 1.6	billion
		Principal Inputs: Natural gas and Sulphur		
		Key Suppliers: BP Energy Company, BP Sulphur, Duke Energy Trading and Marketing, ExxonMobil, Husky Oil, ICEC, Koch Sulfur, PDVSA, Sequent Energy Management Ltd., Shell Canada, The Natural Gas Company of Trinidad and Tobago Ltd.		
EC 4	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements	Typically, 98% of payables are current (i.e., payable within 30 days of the invoice date) and 2% are delayed. Delayed invoices are normally due to disputes on quantity, price or delivery.		
Employees				
EC 5	Total remuneration to employees	Total Compensation Including Benefits for 4,904 Employees	$352.1	million
		Country Breakdown of Employment		
		US	2,639	
		Canada	1,692	
		Trinidad	395	
		Chile	99	
		Brazil	76	
		Jordan	3	

ECONOMIC GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance	
Providers of Capital			
EC 6	Distributions	Total Debt Interest Expense	$ 91.3 million
		On short-term debt	$ 3.6 million
		On long-term debt	$ 87.7 million
		Dividend payments	$ 52.3 million
EC 7	Increase/decrease in retained earnings at end of period	Net Change in Retained Earnings	$ (178.6) million
Public Sector			
EC 8	Total sum of taxes of all types paid broken down by country	Total Taxes Paid	$ 115.8 million
		Country Breakdown	
		Canada	$ 97.4 million
		US	$ 18.1 million
		Trinidad	$ (0.6) million
		All other countries	$ 0.9 million
EC 9	Subsidies received broken down by country or region	No subsidies were received.	
EC 10	Donations to community, civil society and other groups broken down in terms of cash and in-kind donations (In-kind/non-cash = computers, office equipment, number of volunteer hours, etc.)	Total Charitable Donations	$ 1.7 million
		Charitable Cash Donations	$ 1.1 million
		Charitable Non-cash Donations	$ 0.6 million


Grammar
a back pain, so he
back of the class.
Sentences

Social Performance

To the children of the California Government Primary School in Point Lisas, Trinidad, PotashCorp isn't the world's largest producer of N, P and K. It's the place where some of their "teachers," like Dyan Nelson, come from — the place that's always doing something to help their school.

ON AN ISLAND
it's easy to see

THAT WE ARE ALL ULTIMATELY
in the same boat.

The California Government Primary School is a simple, two-story cinderblock building just north of Point Lisas, Trinidad — about 30 minutes south of Trinidad's capital, Port of Spain. Compared to what you would expect to see in most primary schools in the US or Canada, it's a world away.

Although Trinidad and Tobago boasts a literacy rate of nearly 99%, among the highest in the West Indies, the austerity of this school, with an enrollment ranging between 100 and 150 students, belies that remarkably high standard. It can only be through the sheer dedication and resourcefulness of the school's principal and 15 teachers that they overcome the severe deficiency of learning materials.

That's why Principal Kathleen Augustine-Crichlow is so thankful for the support her school receives from the nearby PCS facility.

"We wouldn't even have enough paper to make it through the year without help from our friends up the road at PCS," Mrs. Crichlow says, her face looking both pleased and pained about that fact.

She can barely contain her pride as she eagerly invites visitors upstairs to see their computer lab. In this sparse room with its three workstations, the children learn basic computer skills such as word processing, as well as play educational computer games. The computers and printers in this room were donated by PCS.

Ian Welch, Managing Director at PCS Nitrogen Trinidad, explains that the site's longstanding relationship with the California Government Primary School became a bit more formalized several years ago. At that time, he had just returned from a company Best Practices workshop where another plant manager had described his adopt-a-school model. Mr. Welch was convinced he could implement the same approach in Trinidad. He was right. In fact, the plant's success at spearheading a local adopt-a-school program inspired other companies in the area to launch similar programs. Says Mr. Welch, "These children are after all, our children and our future."

Beyond the physical support PCS routinely provides to the school, such as the newly built water tanks and a recently installed fence that keeps the goats out of the children's vegetable garden (sometimes), PCS employees are fixtures in the school. On any given day, people like Dyan Nelson, an environment, health and safety specialist at the plant, can be found visiting with the children. Besides her planned work covering environmental and safety issues, she'll often just jump in to help with whatever they're challenged with at the moment. Ask a young girl sitting with her who Miss Nelson is and you get an unequivocal, smiling answer: "She's our teacher."

These young children — some of whom live without electricity or indoor plumbing — are clearly eager to

Children in and around Point Lisas, Trinidad, benefit from the many PCS Nitrogen Trinidad programs and sponsorships focused on education.

learn. They take the job of learning seriously — and with an impressive and contagious amount of spirit.

The commitment to education is a strong and recurring theme at PCS Nitrogen Trinidad. Beyond the partnership with the California Government Primary School, there is an ongoing relationship with a number of nearby technical and secondary schools.

Walking through the facility, one might pass a group of young men from a local technical school involved in hands-on fire safety training. Or you may just as easily find a group of girls from a local high school working in the facility's chemistry lab. These students may eventually be hired by PCS, but they are just as likely to be recruited by another industrial company in the area.

Julia Gomes, Human Resources Manager at PCS Nitrogen Trinidad, explains the nature of training and hiring in the area. "Even though these young people may be hired away by other companies after they graduate, we are very committed to education and training. We know it's good for everyone to have a capable workforce, no matter who they work for."

It's difficult to understand the culture of Trinidad without understanding the significance of the island's annual Carnival celebration. Much more than a mere festival, it is the nation's most revered tradition and as such, a profound source of cultural pride.

The pageantry of this two-day outpouring of energy and artistry is reflected in the costumes and the infectious sounds of steel pan orchestras. With such a deep connection to the steel pan as the national instrument and the steel pan band as a national institution, PCS's sponsorship of two steel pan orchestras is no trivial matter. In Trinidad, it is a tradition for local companies to support a steel pan orchestra, and PotashCorp sponsors one of the most renowned — The Starlift Steel Orchestra. The Starlift Steel Orchestra dates back to the 1950s, with some original members still going strong.

Trinidad is an island about the size of the state of Delaware, located between the Caribbean Sea and the Atlantic Ocean, northeast of Venezuela. On it live just over one million people. Yet the country is one of the most culturally diverse and prosperous in the Caribbean. The nearly 400 people of PotashCorp's Trinidad nitrogen facility understand the critical role their company plays in the welfare and future of its people.

As a people of an island nation, they know that no company is an island. This understanding is at the heart of how PotashCorp is engaged in the Trinidadian society, and how PotashCorp engages with the people of all the communities worldwide in which it operates.

Social Performance

This part of the report describes PotashCorp's social performance among stakeholders, and strategies to strengthen those relationships.

The Strategic Importance of Social Sustainability for PotashCorp

Social sustainability is a priority for PotashCorp. A strong commitment to society helps it build trust with its stakeholders. By increasing participation and dialogue with the people affected, the company is able to cement long-term relationships with employees, business partners and communities.

PotashCorp works in collaboration with many key stakeholders — the communities where it does business, its suppliers and customers, and the employees who make the company run. These are important relationships — not only in economic terms, but because they help guide the company's values and principles and make it accountable to society.

Strong social performance contributes to PotashCorp's ability to attract and retain a productive workforce, build strong and efficient operations, and earn the respect and goodwill of key internal and external stakeholders.

Strategies for Social Sustainability

PotashCorp's commitment is fostered by specific strategies to implement social sustainability. These focus on its employees, its communities and its respect for human rights within the company and society at large.

Being an Employer of Choice

The company's ability to attract and retain talented and committed employees is essential to its long-term success.

PotashCorp provides employees an attractive working environment, free from discrimination and governed by fair and safe working practices. Through socially responsible labor practices, the company strives to be an employer of choice for employees who want long-term careers with a progressive company.

Earning the Support of Communities

Healthy communities are important to strong and efficient operations. PotashCorp's commitment to local programs and initiatives builds goodwill toward the company and support for long-term growth.

In every community where it has operations, the company is actively involved in supporting local causes that improve the overall quality of life. Community involvement takes the form of monetary donations, as well as volunteering expertise, material and time.

FACES OF POTASHCORP

MARILYN MILLAR
Manager, Health and Welfare Plans
PotashCorp Northbrook

Marilyn has played a key role on the team that is putting in place human resources policies that meet the needs of employees in five countries.

Respecting Human Rights

Respect for fundamental human rights earns the respect and support of employees, the communities where the company operates, and society at large.

PotashCorp has introduced policies and procedures that reflect a commitment to human rights inside and outside the company. Two principal policies define its vision, guidelines and rules regarding human rights.

- The Statement of Core Values and Code of Business Conduct establish comprehensive guidelines for how all PotashCorp employees will conduct business with the highest ethical, moral and legal standards. The company recognizes that it is judged not by what it says, but by what it does. The full text of this publication can be found on the company's website at www.potashcorp.com/governance/code_of_conduct/
- The Respect in the Workplace policy spells out the basic standards of conduct that all must follow. The policy is based upon respecting the dignity of colleagues, customers, vendors and community residents, and covers the actions of all employees, supervisors, officers, directors, vendors, customers and agents of PotashCorp regarding such issues as discrimination, harassment and other forms of unacceptable behavior.

PotashCorp's Social Performance in Review

This section describes the impact of PotashCorp's social sustainability initiatives, with particular focus on the company's workforce and the communities affected by its operations.

Note that the discussion of safety and health performance and the approach to product responsibility are set out in the Safety, Health and Environmental Performance section of this report.

Employment

Workforce Characteristics: At the end of 2003, PotashCorp had 4,904 full-time regular and 777 contract employees in its global workforce. PotashCorp has production operations in five countries: the US, Canada, Trinidad, Brazil and Chile. (The Economic Performance section provides employment breakdown by country on page 30.)

The vast majority of these workers are full-time, hourly employees. Only 14% are temporary or contract employees. Most contract employees work for the nitrogen operations where maintenance and other responsibilities are outsourced. In addition, the Trinidad operation hires employees in training roles on a contract basis before they become a part of the full-time workforce at the site.

On average, almost 70% of the workforce in the company's operating divisions consists of hourly employees. There are proportionately more hourly employees in the potash division than in either the phosphate or nitrogen divisions.

In 2003, PotashCorp took another step forward in the globalization of its potash business with the purchase of 26% of Arab Potash Company (APC) in Jordan. This ownership position entitles the company to nominate individuals for the top four management positions, subject to APC Board approval. The 13-member Board of APC, which has three Directors nominated by PotashCorp, is responsible for managing the company on behalf of its shareholders.

2003 NUMBER OF EMPLOYEES BY STATUS

Division	Regular Employees	Contract Employees
Potash	1,643	153
Phosphate	2,172	22
Nitrogen	656	584
Sales/Admin.	433	18
Total	**4,904**	**777**
Percentage	**86%**	**14%**

Source: PotashCorp

2003 BREAKDOWN OF HOURLY EMPLOYEES BY OPERATING DIVISION

Division	Total Regular Employees	Hourly Employees	Hourly Employees as % of Total Employees
Potash	1,643	1,203	73%
Phosphate	2,172	1,540	71%
Nitrogen	656	375	57%

Source: PotashCorp

FACES OF POTASHCORP

ALTON ANDERSON
Assistant Controller
PotashCorp Saskatoon

Alton's enthusiasm and commitment to teamwork were instrumental in implementing a company-wide transition to a new financial system.

PotashCorp is bringing operational, sales and marketing expertise to APC, as well as management guidance.

Employment Creation and Turnover: Between 2000 and 2003, PotashCorp's workforce declined by over 400. This was largely the result of steps taken to improve the company's cost position through workforce reductions and facility shutdowns.

The workforce in both Canada and Trinidad increased slightly over the period and held stable in Brazil.

On average, employee turnover across the company was 5.9% in 2003.

Layoffs: In 2003, adverse business conditions necessitated several decisions that resulted in layoffs. When forced to lay off employees at specific locations, PotashCorp's severance packages varied but were always in excess of legal requirements.

The company takes a flexible approach to layoffs to take advantage of any potential opportunities for employees. If an employee has the skills for a job opening at another nearby company site, he or

she is offered that position. If the layoff cannot be avoided, a severance package is provided. Severance is determined by base salary and years of service with the company. Outplacement services are provided for those employees who would benefit from this type of assistance.

- The phosphate feed plant at Kinston, North Carolina, was shut down in February 2003, resulting in the loss of 21 jobs. Kinston employees were offered positions at the nearby Aurora operations and 8 elected to accept the job transfer. The others received severance packages commensurate with their base pay and years of service.
- Faced with high US natural gas costs and low product margins, the company indefinitely shut down its Memphis, Tennessee nitrogen plant and suspended production of ammonia and nitrogen solutions at Geismar, Louisiana in June 2003. As a result of the shutdowns, 187 employees were terminated. Employees affected by the cutbacks received severance packages and had their health benefits extended.
- The decision by PotashCorp to sell its interest in PCS Yumbes in Chile resulted in the layoff of 111 employees in 2003, with the remaining 113 to be laid off by the end of 2004.

These actions were accompanied by broad cost-cutting measures across the company. Members of executive management took a 10% pay reduction. Board members agreed to a voluntary reduction of 10% in their annual retainer. A salary freeze for middle management was introduced and the temporary elimination of company contributions to employee savings plans was implemented.

Employee Benefits: In each country where PotashCorp operates, benefit programs complement and supplement those benefits provided or mandated by the government. Benefit programs are designed to be attractive and competitive in local labor markets.

For example, in Canada, PotashCorp sponsors a flexible benefits plan that offers employees different levels of medical, life and disability coverage. The plan is funded by company and employee contributions, depending on the cost of the benefit level elected by the employee. Similar programs are in place in the US and other countries where PotashCorp has facilities.

Differences in benefit plans are the result of different government policies, entitlements and competitive practices in the various countries.

Labor Management Relations

PotashCorp has 23 locations, including its Corporate Centers in Saskatoon, Saskatchewan (Canada) and Northbrook, Illinois (United States). Thirteen of these sites are not unionized.

The company has various policies and procedures in place to ensure that all of its employees are treated with respect, work in a safe and discrimination-free environment and receive fair and competitive compensation for their labor.

Several PotashCorp locations have training programs to help management and supervisory personnel develop their interpersonal and communications skills. These skills are viewed as essential to maintaining harmony in the workplace and helping all employees to better understand the company's goals and objectives.

Unionization: PotashCorp fully respects workers' rights to organize and enter into collective bargaining relationships.

Some employees belong to unions in the United States and Canada. There is no union membership at the company's operation in Trinidad. All Brazilian employees, including management, are considered union members by Brazilian law. Under Chilean law, two or more employees may elect to bargain collectively. More than half of the hourly employees in Chile have chosen the collective bargaining process.

In 2003, the number of grievances by unionized employees totaled 125. The grievance rate peaked in 2000 at 4 per 100 employees. By 2003, it had declined to 2.5 per 100 employees.

UNION MEMBERSHIP

	2003	2002	2001	2000
Union Members	1,639	1,621	1,412	1,662
Total Employees	4,904	5,199	4,997	5,338
Unionization as % of Total	**33%**	**31%**	**28%**	**31%**

Source: PotashCorp

Employee Information and Consultation: PotashCorp's policy is to inform employees of changes in the workplace through employee meetings and direct correspondence.

In 2003, several decisions were made that necessitated layoffs in the US and Chile. The announcement of layoffs at Geismar, Memphis and Kinston involved a general meeting with employees led by senior executives. Employees were told why the layoffs were necessary within the larger context of the long-term viability of the company.

In addition, one-on-one meetings and Q&As with human resource personnel were held to answer an individual's specific questions about his or her situation.

The decision to freeze wages (for certain groups of employees) and temporarily suspend the company match for employee savings plans was communicated through a letter from the CEO to every employee. As opportunities arose, the CEO participated in employee meetings.

Ongoing communication with employees occurs through newsletters, bulletin board postings and an employee intranet website that was introduced in 2001 and now covers all US and Canadian sites. Due to information technology restrictions, operations in Trinidad and Brazil are not on the company's internal network and therefore do not have access to the intranet website.

In addition, several divisions and plants maintain separate intranet sites with specific information about their operations. Since intranet access is limited for employees working in mines, the company provides written copies of all postings for these employees and continues to explore additional communication vehicles for internal communications.

GRIEVANCES BY UNIONIZED EMPLOYEES

	2003	2002	2001	2000
# of Grievances	125	172	163	212
Union Membership	1,639	1,621	1,412	1,662
Total Employees	4,904	5,199	4,997	5,338
Grievance Rate (per 100 employees)	**2.5**	**3.3**	**3.3**	**4.0**

Source: PotashCorp

PotashCorp senior management conducts periodic employee meetings at the company's various offices and plants. In addition, the CEO participates in each plant safety milestone celebration held throughout the year.

Training and Education

Training is a critical element of most technical jobs at PotashCorp. A well-trained workforce performs more productively and safely. PotashCorp invests in training for these reasons and because it believes that employees will stay with a company that helps them build a career.

2003 TUITION REIMBURSEMENTS

Country	# of Employees	Total Disbursements
United States	72	$136,418
Trinidad	68	$40,394
Canada	32	$14,036
Total	**172**	**$190,848**

Source: PotashCorp

Employees receive an average of 60 hours of training annually. The primary areas/categories of training are safety, skill development (including apprenticeships), crisis management and communications, and emergency response.

The company also pays tuition costs for employees to further their education. Tuition reimbursement is available for selected courses, including bachelor's and master's degree programs, which will enhance an employee's ability to advance his or her career.

FACES OF POTASHCORP

SHIRLEY DILGER
Manager, Human Resources
PCS Phosphate White Springs

When an accident left a White Springs worker seriously injured, Shirley assisted the family with accommodations near the hospital and organized 24-hour vigils to ensure a co-worker was at the hospital at all times.

Diversity and Opportunity

The PotashCorp workforce is predominantly male. This is largely due to the prevalence of mining and manufacturing jobs, which historically have been filled by men. Company policy supports non-discrimination on the basis of gender.

The company's policy does not allow racial discrimination in the hiring or promotion of employees. With operations in five countries, PotashCorp has not specifically tracked the racial makeup of its workforce.

2003 POTASHCORP US EMPLOYEE DEMOGRAPHICS

White	83.4%
Black	15.4%
Hispanic	0.7%
Asian	0.3%
American Indian	0.2%
Total	**100%**

Source: PotashCorp filings with the US Equal Employment Opportunity Commission

Diversity on the Board of Directors: There are 12 people on the Board of Directors. Women currently compose 25% of all Board members.

The Board of Directors has representatives from three countries: eight are Canadian residents, three are US residents and one is a resident of the Dominican Republic.

Diversity in Management: Across the company, women represent 10% of the group of 220 managers who are eligible for the annual bonus plan.

Women hold 31% of the key senior management positions at PotashCorp.

Human Rights

Key Policies and Procedures: The company's Code of Business Conduct and Respect in the Workplace policy provide clear guidance and rules that promote respect for human dignity and human rights.

The Code of Business Conduct requires each director, employee and representative of the company to conduct business with integrity and show respect for human dignity and the rights of the individual wherever business is done. The code is enforced at all levels and violations can result in dismissal.

The Respect in the Workplace policy spells out the basic standards of conduct that everyone must follow to respect the dignity of colleagues, customers, vendors and people in local communities.

Investment and Procurement Decisions: PotashCorp is increasingly involving its suppliers and vendors in its strategic vision. The quality of these business partners is evaluated on the basis of specific purchasing criteria, the Code of Business Conduct and the Respect in the Workplace policy, all of which require vendors to adhere to certain standards. As such, human rights issues are taken into consideration when making contracting or purchasing decisions.

STRENGTHENING THE COMMUNITY STRENGTHENS THE WORKPLACE

The people of PotashCorp's PCS Phosphate Joplin, Missouri feed plant participate in a wide range of community activities that are essential to sustaining a positive social environment. Equally as important, these activities build strong connections between the people of Joplin and the PCS facility.

One vivid example of this community involvement is the plant's role as a friend of McKinley Elementary School, a school of about 226 students some seven miles from the facility. On one occasion in 2003, McKinley teachers used a $1,400 PCS Phosphate Joplin donation to purchase school supplies for students whose families could not afford to provide them. The company also contributes to other school projects, including "Newspapers in Education," in which the plant contributes to the cost of having the *Joplin Globe* delivered to the school. This program helps kids connect to their community and the world by learning about local, state, national and world current events.

McKinley Elementary students say "thanks" to PCS employees.

Joplin employees also volunteer to read to the children during class time, as well as to participate in numerous other school functions and events. For example, during the winter holiday season, the plant purchases a book and a sweatshirt for each child, the only gifts that some of the students may receive. The company also purchases books for students just prior to summer break.

In times of tragedy, Joplin employees are there to answer the call for help. The plant contributed to the Red Cross Relief fund and provided labor and equipment for clean up after a tornado struck Carl Junction, Missouri, in May 2003. Carl Junction is just 10 miles north of the plant.

In these ways and many others, employees of the PCS Phosphate Joplin plant show their understanding that a workplace is only as strong as the community around it.

Freedom of Association: PotashCorp acknowledges and respects a worker's right to freedom of association. This guarantee is in place in the Respect in the Workplace policy.

Child Labor and Forced Labor: PotashCorp forbids the use of child labor and forced labor in its operations.

Indigenous Peoples: PotashCorp does not currently have a specific policy on indigenous relations. The company does not mine on land claimed by indigenous peoples, nor has it entered into contracts with governmental authorities that require indigenous hiring or contracting.

Society and Community

Community Relations: PotashCorp is a vital member of many communities in the countries where it has operations.

PotashCorp keeps the lines of communications open with local officials and interested residents and organizations so they can understand how the company impacts their community. At many plants, there are annual open houses or facility tours. Company-wide, PotashCorp hosted or participated in about 1,300 community meetings in 2003.

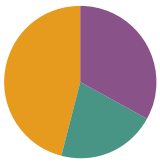
Community Contributions: PotashCorp supports numerous charitable causes through corporate grants, matching contributions and in-kind donations.

In 2003, corporate grants totaled $785,091. Recipients are determined by the Donations Committee, which meets quarterly to review requests for financial assistance.

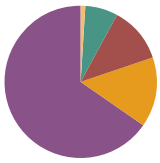
The company encourages a culture of community involvement through its Matching Gift Program. Under this program, PotashCorp matches an employee's annual contributions to charitable organizations up to a limit of $3,000 per employee. In addition, it matches employee contributions to United Way organizations in the US and Canada. In 2003, PotashCorp's matching donations (under the Matching Gift Program and the United Way) totaled $360,244.

2003
CASH AND NON-CASH DONATIONS

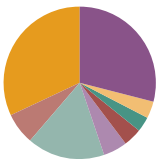
Total Donations			
Non-cash Donations	$	563,701	33%
Matching Donations	$	360,244	21%
Corporate Grants	$	785,091	46%
Total	**$**	**1,709,036**	**100%**



Matching Donations			
Arts/Culture	$	4,348	1%
Education	$	25,372	7%
Charities	$	41,451	12%
Local Community	$	54,833	15%
United Way	$	234,300	65%
Total	**$**	**360,304**	**100%**



Corporate Grants			
Education	$	228,648	29%
Arts/Culture	$	28,575	3.6%
Health Care	$	24,844	3.2%
Charities	$	31,345	3.9%
Sports	$	40,649	5.1%
Local Community	$	129,685	16.5
Industry Related	$	52,610	6.7%
Major Commitments	$	248,735	32%
Total	**$**	**785,091**	**100%**



Source: PotashCorp

PotashCorp and its employees also provide community support through volunteerism and non-cash donations of goods and services. These donations were valued at almost $564,000 in 2003.

Scholarships: PotashCorp supports individual educational endeavors by providing college scholarships for selected children of its employees at all locations worldwide.

Scholarships awarded by PotashCorp in 2003 totaled $169,000, with 24 one-time $1,000 Divisional scholarships and 48 Corporate awards of $3,000 annually over four years.

All scholarship winners receive the same Divisional or Corporate monetary award, regardless of their country of residence.

Bribery and Corruption: Bribery and corruption are explicitly forbidden in the company's Code of Business Conduct. The code states that PotashCorp will never offer, pay, solicit or accept bribes in any form, either directly or indirectly. This includes those transactions sometimes known as "facilitation payments."

Political Activity: Given PotashCorp's significant role in the business of modern agriculture, it is important for the company to participate in business discussions and public policy debates. Through active trade association memberships and public affairs activities, the company tries to take a leadership role in many of these discussions.

In the United States, PotashCorp consults with and supports the lobbying efforts of The Fertilizer Institute to reach federal lawmakers and regulators. In Canada, the company takes a similar approach, working with the Canadian Fertilizer Institute. It uses registered lobbyists in North Carolina and Florida for local and state lobbying.

In 2003, a US subsidiary of the company created the PCS Administration (USA), Inc. Political Action Committee (also known as the PotashCorp PAC). It is funded by US employees and makes political contributions at the federal, state and local levels as determined by an executive steering committee. The PAC bylaws state that candidates who receive contributions must be "constructively interested in the fertilizer, mining or chemical industries." In 2003, the PotashCorp PAC made contributions to political candidates totaling $10,375.

EXTRAORDINARY GIVING IS AN EVERYDAY THING

PCS employees Steve Wilson, Anne Wilson, Bob McGivery and Joe Miller, left to right, along with Bill Kyle, far right, coach the Atom A Rangers.

It only takes one visit to New Brunswick to realize that it's anything but ordinary. The rolling lush terrain drops to a rugged Atlantic coast with 25-foot tides, and the hospitality is genuine and abundant — in both French and English.

This unique generosity of spirit extends to the nearby PCS Potash facilities at Cassidy Lake and Sussex. Here, community involvement is a way of life, and for many, it is often the way days begin.

Bob McGivery, for example, a mill maintenance employee at the New Brunswick Division, is one of the many PCS Potash New Brunswick employees who volunteer to coach youth hockey. These duties have Bob at the arena at 6 a.m. for practice. Add to that a substantial amount of traveling with the teams, and one understands this is no small commitment. Teaching players about the sport and the value of good sportsmanship helps young athletes develop physically and emotionally. Bob's dedication was recognized when he was named Coach of the Year for the 2003-2004 season.

Another key example of PCS employees' spirit of volunteerism is Relay for Life. This event celebrates cancer survivorship and raises money for the Canadian Cancer Society. Twenty-two employees from PCS Potash New Brunswick formed the PCS Gophers team. The great effort of the PCS Gophers, with Vicky Kierstead as team captain, raised the most funds of all 50 participating teams — a total of Cdn $7,441.

EXAMPLES OF COMMUNITY INVOLVEMENT

Each site gives back to the community in different ways. Donation programs and community involvement initiatives are all locally generated.

Here are a few 2003 examples. Each site lists its community involvement in the site highlights appendix, starting on page 70.

In Canada

Allan Students at the Allan School are learning an antibullying message from employees at the company's nearby mine. Employees at the site volunteer to speak to the students about respecting others and acceptance of individual differences. Responding to what the faculty identified as a priority, PotashCorp volunteers customized the US-based program Steps to Respect and have provided teachers with an interactive presentation that can be used for many different grade levels.

Cory PCS Potash Cory participates in the annual Terry Fox Run, which raises money for cancer research.

New Brunswick At PCS Potash in Sussex and Cassidy Lake, the company sponsors environmental programs of the Hammond River Angling Association's Watershed Restoration Committee and the Kennebecasis Watershed Restoration Committee.

Saskatoon PotashCorp employees in Saskatoon prepared "Good Food Boxes" in a program that provides fresh, nutritious food to families at reasonable costs. The Saskatoon office is also involved in activities and sponsorship of organizations such as the Western Development Museum and Royal University Hospital.

In the United States

Augusta PCS Nitrogen Augusta contributes to the Augusta Boxing Club and the University Health Care Foundation.

Aurora PCS Phosphate Aurora contributes funds and fossilized sharks teeth to the Aurora Fossil Museum. The plant also supports the North Carolina Community Colleges Foundation and the East Carolina University Educational Foundation.

Cincinnati At PCS Phosphate Cincinnati, employees have volunteer partnerships with local schools and local senior citizens' groups.

Lima PCS Nitrogen Lima is a partner of the local group Science Enhancement for Science Education.

Marseilles PCS Phosphate Marseilles has adopted a portion of highway along the I&M Canal and the plant sponsors fire safety booklets in the Marseilles and Seneca elementary schools.

Northbrook PotashCorp is a contributor to and a partner with the Chicago Botanic Garden. The company donates to the National Future Farmers of America Foundation and the Progressive Agriculture Foundation. Employees participated in a winter cleanup at Lambs Farm, a residential community for developmentally disabled adults.

Weeping Water PCS Phosphate Weeping Water is involved with its local schools as sponsor of the Cass County DARE program and the SafeLife safety education program for elementary school children.

In Trinidad

Point Lisas Employees help organize and participate in the annual Terry Fox Run for cancer research.

The PCS site offers its employees the opportunity to enjoy cricket, one of the country's favorite sports. Employee teams are provided uniforms, equipment and an athletic field for practice and team competition.

Looking Forward

PotashCorp is committed to sustainable social performance that will enable it to meet the expectations of its stakeholders. The company has set the following social goals and targets for the next 12 months.

POTASHCORP SUSTAINABILITY GOALS AND TARGETS

Goals	Targets
Employees	
To have motivated and productive employees committed to the company's long-term goals.	• Conduct the company's first employee research survey using a web-based, interactive system with guaranteed confidentiality. • Implement employee incentives that tie compensation more directly to the achievement of key corporate financial performance measures. • Complete implementation of succession management and employee development processes to improve focus on key talent and critical shortages.
Human Rights	
To promote sustainability through the supply chain management process.	• To begin engaging major suppliers regarding their human rights policies by requesting a description or copy of their Code of Conduct and human rights performance indicators.
Society and Community	
To strengthen relationships with local communities.	• Develop plant-specific community brochures that share company commitments to sustainability. • Develop and distribute additional tools to further promote the company's community outreach activities.

SOCIAL GRI PERFORMANCE TABLE

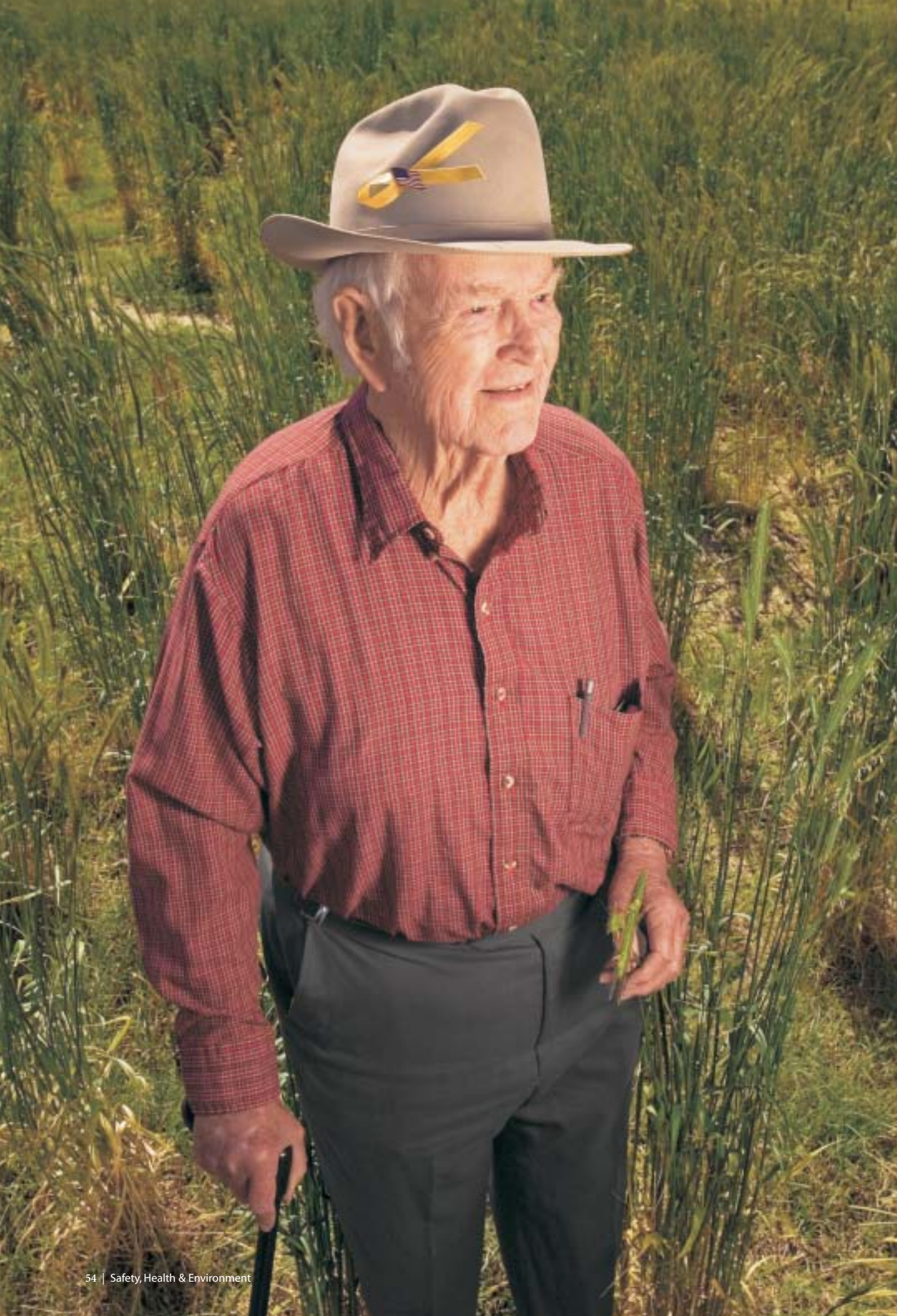
Performance Indicators		PotashCorp 2003 Performance
Employment and Decent Work		
LA 1	Breakdown of workforce by region/country, status (employee/non-employee), employment type (full-time/part-time), etc.	PotashCorp had 4,904 employees at the end of 2003. The workforce is located in the US, Canada, Trinidad, Brazil, Chile and Jordan: See page 30 for country breakdown. Most PotashCorp employees are full-time, hourly employees. Only 14% are temporary or contract employees.
LA 2	Net employment creation and average turnover	PotashCorp's employment declined by 295 jobs between the end of 2002 and the end of 2003. Total employee turnover was 5.9% in 2003.
LA 12	Employee benefits beyond those legally mandated	PotashCorp complements and supplements those benefits provided or mandated by governments. Supplementary employee benefits include medical, life and disability insurance coverage.
Labor/Management Relations		
LA 3	Percentage of employees represented by independent trade union organizations, broken down geographically	67% of PotashCorp employees were non-union.
LA 4	Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring)	PotashCorp informs employees of changes in the workplace through employee meetings and direct correspondence. It uses e-mail, intranet and printed communications to provide key information and to foster a dialogue about changes in operations.
Health and Safety		
LA 5	Practices on recording and notification of occupational accidents and diseases	The PotashCorp Safety, Health and Environmental (SHE) Management System prescribes specific, timely reporting requirements for all SHE events. Major or High Potential incidents require immediate notification of senior management. The full text of the SHE Managers Guide is available at www.potashcorp.com/stewardship
LA 6	Description of formal joint health and safety committees	PotashCorp has occupational health and safety employee and management committees at all operations. These committees work to continuously improve health and safety performance. The health risk management process encompasses four key activities at many facilities: business planning, health programs, health measurement and assessment and health-performance improvement.
LA 7	Standard injury, lost-day and absentee rates and number of work-related fatalities	See Safety, Health and Environment section, page 59, and Site Highlights starting on page 70.
LA 8	Description of policies and programs on HIV/AIDS	All emergency first responders are trained in the prevention of transmission of blood-borne pathogens.

SOCIAL GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Training and Education		
LA 9	Average hours of training per year per employee by category of employee	Employees received an average of 60 hours of training in 2003. The main types of training included safety and environmental, skill development, crisis communications and emergency response.
Diversity and Opportunity		
LA 10	Description of equal opportunity policies or programs and monitoring systems	PotashCorp is an equal opportunity employer. Its Respect in the Workplace policy forbids harassment.
LA 11	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity	The Board of Directors has 8 Canadian residents, 3 US residents and 1 resident of the Dominican Republic. Women compose 25% of the Board of Directors. Women hold 31% of the senior management positions at PotashCorp.
Human Rights		
HR 1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations	PotashCorp's Statement of Core Values and Code of Business Conduct and Respect in the Workplace policy provide guidance and rules for respecting human rights and human dignity. The Code is enforced at all levels and violations can result in dismissal.
HR 2	Evidence of consideration of human rights impacts as part of investment and procurement decisions	PotashCorp's Purchasing Policy, Statement of Core Values and Code of Business Conduct and Respect in the Workplace policy all require vendors to adhere to certain standards. Human rights issues are taken into consideration when contracting with others.
HR 3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors	The monitoring of suppliers' and contractors' human rights performance is in the early stages at PotashCorp.
HR 4	Description of global policy, procedures or programs preventing all forms of discrimination in operations	PotashCorp is an equal opportunity employer. Its non-discrimination policy is incorporated in the Respect in the Workplace policy.
HR 5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws	PotashCorp acknowledges and respects a worker's right to freedom of association. This guarantee is provided in the Respect in the Workplace policy.

SOCIAL GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Human Rights (continued)		
HR 6	Description of policy excluding child labor, as well as description of procedures/programs to address this issue	PotashCorp forbids the use of child labor.
HR 7	Description of policy to prevent forced and compulsory labor as well as description of procedures/programs to address this issue	PotashCorp forbids the use of forced labor.
HR 12	Description of policies, guidelines, and procedures to address the needs of indigenous people	There is no specific policy governing relationships with indigenous populations. Land mined by the company has not been claimed by indigenous people. To date, the company has not entered into contracts that require indigenous hiring or contracting.
Society and Community		
SO 1	Description of policies and procedures/programs to manage impact on communities	PotashCorp holds periodic meetings in its communities and alerts the public to changes at its operations that could have an impact on neighboring communities. In 2003, PotashCorp hosted or participated in about 1,300 community meetings.
SO 2	Description of the policy, procedures and compliance mechanisms addressing bribery and corruption	The company's Statement of Core Values and Code of Business Conduct expressly forbid the giving or taking of bribes.
SO 3	Description of the policy, procedures and compliance mechanisms for managing political lobbying and contributions	See page 48 for a discussion of the company's political activities.
Product Responsibility		
PR 1	Policies for customer health and safety during use of products and services	See Safety, Health and Environment section, page 61.
PR 2	Policies and procedures for product information and labeling	See Safety, Health and Environment section, page 61.
PR 3	Policies and procedures for consumer privacy	See Safety, Health and Environment section, page 61.



Safety, Health and Environmental Performance

John C. Camp has been living in Hamilton County, Florida — home of PCS Phosphate White Springs operations — as long as some of the older trees in the county. He knows what the land is supposed to look like.

STEWARDSHIP OF THE LAND
is a generational commitment:

LOOKING BACK
can show the way forward.

Typically, when we think about how our stewardship of the planet will effect people, we tend to think about our children and our grandchildren. So it may seem a bit counterintuitive to look at environmental performance from the perspective of a man about to turn 90. But listen to John C. Camp and you quickly understand it makes all the sense in the world. Mr. Camp, as he is respectfully called throughout Hamilton County, Florida, has lived in this area his entire life. Hamilton County is also where the PCS Phosphate White Springs operations are located.

Mr. Camp's family has called this part of north central Florida home since the 1880s, when his grandfather migrated from the Carolinas to begin harvesting pine sap for turpentine. By the time John Camp took over the family enterprise in 1935, the business was more focused on timber than turpentine. He soon realized it was vitally important to reforest the land as they harvested the native pine.

"They all thought I was crazy, wasting money and time planting trees when all there was around here was trees, and everybody else was just moving on and cutting more trees. But I told them, 'You talk to your children about conservation and they'll talk to their parents and teach them.' After a while, people didn't think I was so crazy." Most people who know him, and that's pretty much everyone in a three-county area, know that Mr. Camp is, in fact, a very rational man.

Mr. Camp's relationship to PotashCorp has been guided by respect for the land and for the people of Hamilton County. Several years ago Mr. Camp sold a few thousand of his acres to PotashCorp, subject to an agreement that the land would be reclaimed upon completion of mining. That reclamation process has been under way for some time, and many of the projects are reaching maturity. Every few weeks Mr. Camp comes out to check on the progress of the reclamation of his land. Referring to the many other land reclamation projects at White Springs, he says PotashCorp has done such a good job taking care of the land. "It's as beautiful as it was when I was a boy, maybe more."

Asked directly about his appraisal of PotashCorp performance, Mr. Camp is pretty clear. "When it comes to the environment, it's pretty hard for anyone to be 100 percent perfect. But PCS comes about as close as any outfit I've ever seen."

Other indications of how stakeholders view White Springs' environmental performance can readily be found. For example, the plant was recently presented with the Sustainable Florida Award by the Council for Sustainable Florida for its environmental efforts and achievements. This record of responsible environmental practice has also earned White Springs the position of being the only phosphate mining facility in the state to receive a "Life of Mine" permit from the state of Florida. Stan Posey, Manager of Environmental Affairs at PCS Phosphate White

Environmental technicians routinely sample the streams within the White Springs project area to ensure that water flowing into the Suwannee River meets strict clean-water standards.

Springs, says that more than merely the value of the permit itself, the process of obtaining permits — federal, state and local — is really about the value of building good relationships with all stakeholders.

Of the thousands of acres of land once mined for phosphate and now in various stages of restoration to wetlands, lakes and uplands, one that brings great satisfaction to John Wester, Reclamation Group Leader at PCS Phosphate White Springs, is an area simply known as SP4. John began the long process of restoring the land's ecological and economic values after mining more than 20 years ago. Recently, SP4 was officially "released" by the state of Florida as a successful, self-sustaining upland-wetland landscape. Like Mr. Camp, John and his family have lived in this part of Florida all their lives. "It gives me great pride to help the land get back to what nature intended it to be," he says. Then he wistfully adds, "Twenty years old and it's still my baby."

Good stewardship of the land at White Springs connects the past to the future, with a vital contribution to world food production in between. John Wester's pride in the link — land reclamation — reminds us that this is ultimately about our children, after all.

Safety, Health and Environmental Performance

This part of the report describes PotashCorp's commitment to safety, health and the environment (SHE). SHE activities are managed under one system at PotashCorp, so the report deviates from the Global Reporting Initiative by reporting SHE performance in one section.

The Importance of Safety, Health and Environmental Sustainability

PotashCorp embraces its responsibility for safety, health and the environment with a clear and deep sense of purpose. The company's long-term goals are: no harm to people, no accidents and no damage to the environment. Progress is monitored and the company operates in accordance with the Safety, Health and Environment (SHE) Management System, including setting annual targets toward reaching goals.

The SHE Management System Guide for Managers may be found on-line at www.potashcorp.com/stewardship

PotashCorp's ongoing and vigorous commitment to safety, health and the environment serves to reduce risk, lower costs and improve operational efficiency while strengthening the trust and confidence of all stakeholders.

Safety, Health and Environmental Performance

Safety

In 2003, PotashCorp achieved its best-ever safety performance, reaching the lowest recordable injury frequency rate per 200,000 work hours in its history. The recordable injury rate dropped 17.5%, from 2.68 in 2002 to 2.21 in 2003. This is largely the result of a company-wide focus on the key causes of accidents and the commitment of everybody who works for PotashCorp.

Standardized safety programs and procedures are being implemented across the company. Central to these programs is the Behavioral Accident Prevention Process (BAPP®), which gives all employees an opportunity to be engaged in the continuous improvement process. BAPP provides one of several data streams that measure success at managing exposure before an injury occurs.

A NOTE ABOUT THE DATA

A number of performance measurements from 2002 and 2001 have been restated from the results published in PotashCorp's 2002 Sustainability Report. Data has been updated to reflect advancements in data-gathering processes.

2003 SAFETY AWARDS

- The New Brunswick, Canada potash facility earned the John T. Ryan Safety Award for Select Mines from the Canadian Institute of Mining, Metallurgy and Petroleum. This prestigious award was presented to employees for working throughout 2003 without a single modified-work or lost-time injury. In addition, the plant achieved 2 million hours without a lost-time injury in March 2004.
- The Aurora, North Carolina phosphate facility received the Sentinels of Safety Award in the Open Pit Mine category from the National Mining Association, in conjunction with the Mine Safety and Health Administration.
- The Geismar nitrogen and phosphate plant received the 2003 Louisiana Chemical Association's award for distinguished achievement in safety. The award was due in part to the efforts of Geismar Safety Manager Glenn S. Crowe, whom the Greater Baton Rouge chapter of the American Society of Safety Engineers named Safety Professional of the Year.
- Two Saskatchewan facilities took top honors in the 2003 Mine Rescue Emergency Response Saskatchewan Provincial Competition. PotashCorp teams took first place in most of the events, with Rocanville taking the overall underground trophy and Patience Lake winning the overall award for surface rescue and emergency response.
- The New Brunswick – Nova Scotia Interprovincial Mine Rescue Competition is held once every two years. In 2004, the PCS Potash New Brunswick team won the overall competition, as well as the first aid and technicians' event category.

Among company sites' safety highlights:

- The injury frequency rate at nitrogen plants moved from 1.09 in 2002 down to 0.70 in 2003, a division record.
- Potash facilities' recordable injury frequency rate was reduced from 5.21 to 3.62. The division experienced a single lost-time injury in 2003.
- The Cory, Saskatchewan, potash mine was able to improve its safety performance dramatically. The facility had a recordable injury rate in 2002 of 8.08 and reduced that rate to 1.36 in 2003.

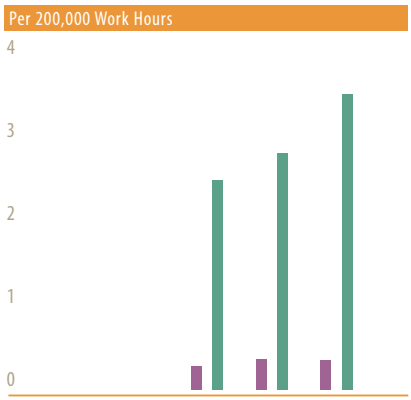
Lost-Time Injury-Free Milestones: PotashCorp demands safe operations and the company celebrates its achievements. When significant safety milestones occur at a plant, the CEO and plant management hold a safety celebration to recognize employees' accomplishments and dedication.

In 2003, the following lost-time, injury-free milestones were reached:

- Aurora: 1 million hours
- Cassidy Lake: 6 years
- Geismar: 6 million hours
- Lima: 1 million hours
- New Brunswick: 3 years
- Patience Lake: 3 years
- Trinidad: 3 million hours
- Savannah Ammonia Terminal: 8 years
- White Springs: 1 million hours*

** During the first quarter of 2004, three White Springs employees suffered serious injuries while on the job. The company immediately examined the causes of the accidents and put in place measures to ensure they will not happen again.*

LOST-TIME/RECORDABLE INJURY FREQUENCY



	2003	2002	2001
Lost-Time Injury Frequency Rate	0.28	0.37	0.36
Recordable Injury Frequency Rate	2.21	2.68	3.26

Recordable Injury *= Medical Injury + Modified Work Injury + Lost-Time Injury.*

Medical Injury *= A work-related injury that is a non-lost-time or non-modified work activity, but requires medical treatment beyond first aid.*

Modified Work Injury *= A work-related injury where a Licensed Health Care Provider or the employer recommends that the employee not perform one or more of the routine functions of the job or not work the full workday that the employee would have otherwise worked.*

Lost-Time Injury *= A work-related injury that causes the injured person to be unable to return to work on his/her next scheduled workday after the day of the injury, because he/she is unfit to perform any duties.*

Frequency *= Number of injuries (Recordable or Lost-Time) multiplied by 200,000, divided by total hours worked.*

Health Programs

The health of employees is of utmost importance to PotashCorp. A healthy workforce is not only more satisfied and content, it is more productive and efficient. Most important, healthy workers contribute more fully and positively to the overall well-being of the community.

Through the health risk management process the company:

- identifies health risks whenever business operations change,
- monitors health effects that are attributable to operations,
- promotes healthy lifestyles and disease prevention and
- provides subsidized medical care.

In particular, the wellness program in Point Lisas, Trinidad and Tobago, was presented at the company's annual Best Practices Workshop for plant managers. The program, open to all employees in Trinidad, provides health screenings and access to wellness activities.

Security

As part of its ever-increasing attention to security issues, PotashCorp appointed a Director of Security and Product Stewardship in 2002. The company has taken a leadership role within The Fertilizer Institute (TFI) in establishing security guidelines for the North American fertilizer industry. TFI created the Security Code of Management Practices for the Fertilizer Industry in 2002.

PotashCorp recognizes the importance of safeguarding the security of operations and the transportation of products to market. The company has also aided others in the industry in their understanding of the growing importance of these issues.

A system is in place to routinely assess the security of facilities. Additionally, numerous efforts ensure that PotashCorp's products are used only for the benefit of society.

FACES OF POTASHCORP

CLIFF RYBCHINSKI
Safety Coordinator
PCS Potash Allan

Following his own training, Cliff assumed a leadership role in implementing a behavior-based safety program at the company's Canadian operations.

The safe storage and handling of ammonium nitrate fertilizer requires strict adherence to the security code. Ammonium nitrate can be misused to produce illegal explosives. Similarly, anhydrous ammonia can be misused in the illegal production of the drug methamphetamine. The company guards against ammonium nitrate and anhydrous ammonia theft at its own facilities, and advises shippers and customers, including agricultural products dealers and farmers, on methods to thwart thefts.

To help address the growing use of illegal drugs like methamphetamine, the company delivers anti-drug presentations to students in the US and Canada. This Social Responsibility Program is managed by D. D. Lewis, former Dallas Cowboys football star and two-time Super Bowl champion.

The security planning process is ongoing. In 2003:

- PotashCorp received a $600,000 grant from the US Department of Homeland Security for physical security enhancements and surveillance at the Geismar, Louisiana plant.
- All nitrogen operations and terminals completed Security Vulnerability Assessments (SVAs) in the first half of 2003.
- Phosphate operations where ammonia is stored completed SVAs.

- SVAs and Facility Security Plans (FSP) were modified to meet new US Coast Guard rules.
- FSPs were submitted to the Coast Guard for three facilities under Coast Guard jurisdiction: Aurora, North Carolina, Geismar, Louisiana and the Savannah, Georgia ammonia terminal.
- FSPs were implemented at non-Coast Guard nitrogen facilities.
- All SVAs were completed at remaining US facilities within the first quarter of 2004 to meet voluntary compliance with TFI's security code.

Product Responsibility

PotashCorp is confident and proud that its products are safe and beneficial when used properly.

Before leaving the plants, products are assessed for safety, health and environmental risks. They are periodically reassessed for any changes resulting from new information about the product and new uses or markets.

These products are also assessed as they are in use. Systems are in place to collect and analyze reports of adverse effects that might be related to products.

PotashCorp informs customers of the hazards associated with products and the best ways to use those products. Whether used for crop fertilization, livestock nutrition or industrial applications, products require careful storage, handling and application. Through product literature, safety videos and Material Safety Data Sheets (MSDS), thorough guidance is provided for the proper use of products. Product information, including MSDS, is available on-line. Visit www.potashcorp.com/customer_service/msds

PotashCorp shares its expertise in how to safely handle anhydrous ammonia and how to respond in case of a spill. The company's Hazardous Materials training railcar helps train emergency response personnel. Civil emergency first responders receive training, as do customers who handle anhydrous ammonia.

In 2003, PotashCorp reached more than 1,500 participants in 11 US states and Calgary, Canada with the Hazardous Materials training railcar. Emergency response personnel from nitrogen and phosphate facilities participated in the Whistle Stop Tour through five cities in Florida, Georgia and South Carolina.

Cortez Trotter, Fire Commissioner for the city of Chicago, presented PotashCorp with the R. J. Quinn Fire Academy Certificate of Appreciation for "outstanding service to the Chicago Fire Department in railroad tank car training."

PRODUCT TRANSPORT SAFETY AWARDS

Central to product responsibility is the safe, efficient distribution of products. Products are distributed worldwide by ship, rail, truck and pipeline. Numerous transportation groups honored PotashCorp in 2003 for diligent transportation and distribution processes.

- PotashCorp received the Burlington Northern and Santa Fe (BNSF) Railway Company's Annual Product Stewardship Award for the safe transportation of hazardous materials by rail. This award is given to shippers who demonstrate a commitment to the principles of Responsible Care and the Product Stewardship Code in the inspection, maintenance, loading and securing of hazardous materials in their tank cars. Since the inception of the BNSF Stewardship Award Program seven years ago, PotashCorp has won this award six times.
- Aurora, North Carolina and Lima, Ohio plants both received Norfolk Southern Railroad's Thoroughbred Safety Awards for their tank car inspection process.
- Geismar, Louisiana and Memphis, Tennessee plants both won the Canadian National/Illinois Central Railway Award for Safe Shipping.
- In March 2003, the Canadian Industry Transportation Association named Cyril Eckl, PotashCorp's Vice President of Transportation and Distribution, the 2002 Executive of the Year. The award is, in part, a testament to the company's strong transportation safety record under Cyril's watch.

FACES OF POTASHCORP

WALLY FARRAH
Mill General Superintendent
PCS Potash Cassidy Lake

Wally has been a leader in forging strong ties between PotashCorp and the community. With the Cassidy Lake site bordered by two waterways, Wally recognized concerns about declining salmon and trout populations. He became involved in local projects that range from riverbank restoration to restocking.

Environmental Performance

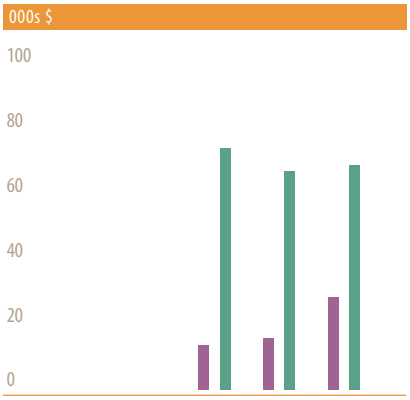
PotashCorp aggressively manages its impact on the environment with overall leadership from corporate management, which sets high expectations and specific goals for continuously improving environmental stewardship. Environmental monitoring and planning are done at the plant site level. Environmental emissions are analyzed and targets are developed for reducing them wherever possible.

One very significant achievement in 2003 came when the Aurora, North Carolina phosphate plant reduced particulate emissions by 65% on four calciners. This was achieved through the installation of wet electrostatic precipitators, which reduced emissions well beyond regulatory standards.

PotashCorp is reporting its Direct Green House Gas (GHG) emissions company-wide in anticipation of regulations that will require companies to report that data for operations in Canada that exceeded 100,000 tonnes of GHG emissions for 2004. While only one of the potash facilities in Canada is likely to exceed this threshold level, the company has chosen to estimate and report Direct GHG for all of its plants, worldwide.

At several sites throughout the US and Canada, a large number of wildlife conservation projects and land reclamation activities is ongoing.

ENVIRONMENTAL EXPENDITURES



	2003	2002	2001
Environmental Operating Cost	73,376	66,472	68,360
Environmental Capital Cost	13,142	15,553	27,802
Total Environmental Cost	**86,518**	**82,025**	**96,162**

The majority of environmental expenditures include reclamation and restoration costs at the company's phosphate mining operations, which include management of mining byproducts such as gypsum.

A thorough discussion of environmental liabilities can be found on page 39 of the PotashCorp annual report at www.potashcorp.com/investor_relations/investors_briefcase

The Environmental Cost Note to the Consolidated Financial Statement for 2003 is available on page 62 of the annual report.

ENVIRONMENTAL AWARDS

PotashCorp has earned numerous environmental awards.

- The White Springs, Florida plant won the Sustainable Florida Award for Best Practices for the Suwannee River Chemical Water Management System and the National Association of State Land Reclamationists Award in 2003. The initiative is an innovative water management system for the Suwannee River chemical manufacturing facility. The system combines new spray irrigation technology with existing standard treatment methods to remove nutrients by applying them to crops and filtering them through on-site constructed wetlands.
- White Springs also received the 2003 Agri-Business of the Year Award for the company's contributions to the long-term future of agriculture in the region.
- The Geismar plant won the 2002 Louisiana Chemical Association's award for distinguished achievement in the environment category.

ENVIRONMENTAL EMISSIONS

000s tonnes

Direct Green House Gas Emissions

	2003	2002	2001
Carbon Dioxide (CO_2) flue	3,900.0	3,973.1	3,956.7
Carbon Dioxide (CO_2) process	2,505.9	2,694.1	2,925.4
Nitrous Oxide (N_2O)	6.2	6.8	6.4
Methane (CH_4)	1.2	1.2	1.2
Total GHGs as CO_2 equivalent	8,338.0	8,796.9	8,877.0

Criteria Air Pollutants – 000s tonnes

	2003	2002	2001
Nitrogen Oxides (NO_x)	7.984	8.753	8.692
Carbon Monoxide (CO)	8.883	9.165	8.714
Particulate (dust)	3.563	4.257	4.074

Other Significant Air Emissions – 000s tonnes

	2003	2002	2001
Ammonia (NH_3)*	7.234	6.730	6.362
Hydrogen Sulfide (H_2S)	1.400	1.754	1.690
Sulfuric Acid Mist (H_2SO_4)**	0.171	0.103	0.125

Solid Waste – 000s tonnes

	2003	2002	2001
Gypsum**	8,844.2	7,397.5	7,715.9
Waste salt to storage	7,592.5	7,922.3	7,664.0
Clay waste (slimes)	637.8	683.4	611.4
Waste salt and clay to mine	1,659.0	1,417.7	1,484.0
Salt in brine injection well***	3,084.8	1,540.6	1,606.3

Emissions to Water – 000s tonnes

	2003	2002	2001
Nitrogen as N	0.853	0.884	0.925
Fluoride (F)	2.495	3.303	3.718
Phosphorus	0.612	1.165	1.594

* *The change over the prior year is due to increased emissions at Augusta facility.*

** *The increase in sulfuric acid mist and gypsum is due to increased production at phosphate operations.*

*** *The increase in 2003 is attributable to (1) Cory mine commission of a second brine injection well in 2003 to dispose of water from a recently completed cogeneration plant, which permitted the increased dissolution of salt (2) Allan and Lanigan mines use of brine injection wells only sporadically in 2001 and 2002, causing the numbers for those years to be below normal. Accordingly, the 2003 total will be representative of future years.*

FINES, ASSESSMENTS OR DAMAGE AWARDS

PotashCorp's environmental releases and permit excursions were reduced by 26% in 2003. Changes made in nitrogen operations resulted in a reduction of permit excursions from 36 in 2002 to 15 in 2003. However, phosphate operations saw permit excursions rise from 3 in 2002 to 8 in 2003.

While PotashCorp operates at 21 sites in five countries and has a goal of no harm to people, no accidents and no damage to the environment, there were safety and environmental incidents that resulted in various fines and assessments to governmental agencies totaling $60,376 in 2003.

Environment

- The Augusta nitrogen facility paid a $5,000 fine to the state of Georgia and contributed $5,000 to the Augusta Richmond County Local Emergency Planning Committee after a spill of nitric acid occurred while loading a truck.
- The Aurora, North Carolina phosphate plant received a civil penalty assessment of $18,510 for three violations that occurred in 2002.

Safety

- Aurora paid assessments totaling $20,167 for Mine Safety and Health Administration (MSHA) and Occupational Safety and Health Administration (OSHA) citations.
- White Springs, Florida and Weeping Water, Nebraska paid assessments totaling $624 for 12 MSHA citations.
- Memphis, Tennessee paid an assessment of $1,375 for three OSHA citations.

Transportation

- The company paid a total of $9,700 for assessments related to hazardous materials transportation incidents during 2003.

ENERGY USE

Energy Expenditures

	2003	2002	2001
Energy Cost – 000s US$	628,396	521,613	607,167
Total Energy – Tera joule (TJ)	171,002	183,428	183,790

Cogeneration activities by plant

Aurora

The PCS Phosphate Aurora, North Carolina facility can cogenerate 42 megawatts of power for an annual cost savings of about $5.6 million.

White Springs

The PCS Phosphate White Springs, Florida facility can cogenerate 48 megawatts of power for an annual cost savings of about $7 million.

Augusta

The PCS Nitrogen Augusta, Georgia plant uses heat from one of its furnaces to drive a process compressor, rather than using a generator that would produce electrical power. This mechanical power is 26,000 horsepower — about 19 megawatts — for an annual savings of about $3.7 million.

Trinidad

The PCS Nitrogen Trinidad facility can cogenerate 11 megawatts of power for an annual cost savings of about $2.9 million.

Energy Use

PotashCorp is continuing to improve its energy efficiency.

Its operations are energy-intensive. This is particularly true in nitrogen, where in 2003 PCS Nitrogen accounted for 77% of total PotashCorp energy consumption.

The company is constantly searching for ways to improve energy efficiency, including expanding upon cogeneration opportunities.

PotashCorp looks to partners in the energy business to help reduce the impact of energy use. In 2003, the company partnered with stakeholders in Cory, Saskatchewan and Sussex, New Brunswick to generate energy and use cleaner energy sources.

At the Cory potash plant, a joint venture between SaskPower International and ATCO Power built a 228-megawatt cogeneration facility that produces electricity and steam from a dual natural gas turbine. PotashCorp purchases thermal energy from the facility.

BACK TO NATURE

Saplings take root outside PCS Potash Lanigan.

Employees at PotashCorp's Lanigan, Saskatchewan potash mine are turning wide expanses of land into a wildlife area through a Lanigan-funded Wildlife Enhancement Program. The effort goes beyond any government standards and has encompassed more than 100 acres to date.

Employees excavated old parking lots and roadways, and removed outdated fence lines to create open tracts of land to grow wildlife-friendly grassland forage. They also are bringing existing sloughs closer to their natural state, excavating the perimeters and introducing fresh water onto the land.

As of June 2004, a total of 8,915 trees and shrubs, involving nine different species, had been planted in the wildlife area. To ensure the new plantings receive the water they need, an irrigation system was added to the site. The system includes nearly three miles of piping that deliver moisture throughout the 100-acre tract.

The increased supply of fresh water hasn't gone unnoticed by a growing number of waterfowl that have chosen the wildlife area as their new home.

"Our goal is to take land that's not being used and make it more inviting to wildlife," says Mark Fracchia, General Manager at the site. "Several of our employees have shown great interest in this project, coming forward with excellent recommendations."

"We are very interested in enhancing the areas around our site," says Fracchia. "We want them to be as natural and pristine as possible, for today and well into the future."

An on-site natural gas source that began production in 2003 at the New Brunswick, Canada facility has allowed reduction of sulfur dioxide emissions at the plant from 53.1 tonnes in 2002 to 24.1 tonnes in 2003. Further reductions are forecast for 2004. Previously, the plant used more expensive fuel oil, which was trucked to the plant.

SHE Risk Management

The company believes it is essential that risk management be at the core of a Safety, Health and Environmental management system. PotashCorp uses structured management processes to assess and manage risks at all facilities.

Updating nitrogen Facility Siting Studies was a major risk management endeavor for PotashCorp in 2003. Such studies are used to estimate potential risks of hazardous chemical releases, fires and explosions.

In 2003, updated studies were completed at Augusta, Geismar, Trinidad and Lima and were ongoing at other plants. In general, the Facility Siting Studies showed an acceptable level of risk. Where appropriate, mitigation measures are being installed to lower the risk level. Studies are being updated in 2004 at Aurora and White Springs.

In addition to continued implementation of the Behavioral Accident Prevention Process, in 2003 process safety management audits were conducted at Trinidad and White Springs.

READY TO SOUND THE ALARM

Involvement in the Joplin, Missouri Citizen Notification Project is an on-the-ground example of PotashCorp's risk management activities in action. The Joplin feed phosphate plant is a founding member of the project, which created a "reverse 911" network. The network enables participating businesses, in conjunction with local authorities, to notify residents in the event of a disaster or incident that would require evacuation.

AUGUSTA'S "THREE-TRACK" APPROACH

What do the environment, safety and energy have in common? Just about everything when you're consuming more than 30 million BTUs to produce one ton of product.

At least that's the view of Keith Thornton, General Manager at PCS Nitrogen in Augusta, Georgia. And Keith's not alone. A culture of sustainable operating practices — efficient, clean and safe — clearly exists at the largest producer of nitrogen fertilizer and chemical products on the East Coast of the United States.

"Augusta ranks as one of the most energy efficient ammonia plants in the world," says Thornton, who took the reins at the ISO 9001:2000 registered facility earlier this year. "The people here recognized long ago that energy efficiency is crucial, so this operation uses the best production technology and operating practices available."

Augusta's emphasis on being the best extends to its safety performance and respect for the environment. The plant has worked 752 days without a lost-time injury.

"All three — the environment, safety and energy — run on parallel tracks, each complementing the others and reinforcing our goal of continuous improvement," notes Thornton.

PCS Nitrogen Augusta is a model of energy efficiency.

Looking Forward

PotashCorp is committed to sustainable safety, health and environmental performance that will enable it to meet the expectations of its stakeholders. The company has set the following goals and targets for the next 12 months.

POTASHCORP SUSTAINABILITY GOALS AND TARGETS

Goals	Targets
Safety, Health and Environment	
To have no harm to people, no accidents and no damage to the environment.	• Reduce recordable and lost-time injury frequency rates by 10%. • Reduce the number of environmental releases and permit excursions by 10%. • Implement security plans at PotashCorp facilities. • Through the use of effective management processes, continue to avoid major adverse incidents. • Conduct updated Facility Siting Studies at Aurora and White Springs.

SAFETY, HEALTH AND ENVIRONMENT GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Health and Safety		
LA 5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the International Labor Organization (ILO) Code of Practice on Recording and Notification of Occupational Accidents and Diseases	The PotashCorp Safety, Health and Environmental (SHE) Management System prescribes specific, timely reporting requirements for all SHE events. Major or High Potential incidents require immediate notification of senior management. The full text of the SHE Managers Guide is available at www.potashcorp.com/stewardship
LA 6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	PotashCorp has occupational health and safety employee and management committees at all operations. These committees work to continuously improve health and safety performance. The health risk management process encompasses four key activities at many facilities: business planning, health programs, health measurement and assessment and health-performance improvement.
LA 7	Standard injury, lost-day and absentee rates and number of work-related fatalities	Complete safety data are on page 59 and absentee rates are listed, by operating site, starting on page 70.
LA 8	Description of policies or programs (for the workplace and beyond) on HIV/AIDS	All emergency first responders are trained in the prevention of transmission of blood-borne pathogens.
Environment		
EN 1	Total materials use other than water, by type	The following materials are principally used: • Mined potash and phosphorus ores • Natural gas in nitrogen production • Sulfur, ammonia and limestone in phosphate products.
EN 2	Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organization	While not a waste, recovered sulfur is used to produce sulfuric acid. It is a byproduct of oil refining or natural gas production. Otherwise, there are not significant amounts of waste from external sources.
EN 3	Direct energy use segmented by primary source	All of the types of energy have been calculated as total equivalent tera joules (TJ) of energy. 2003 total energy use: 171,002 TJ
EN 4	Indirect energy source	In 2003, focus was on developing protocols to estimate direct Green House Gases used in the manufacture of products, which will be required for 2004 reporting in some jurisdictions where the company operates. Indirect energy, such as that consumed by power companies and the energy consumed in transporting products to market, is not estimated by the company.
EN 5	Total water use	PotashCorp's phosphate mining operations are located above prolific aquifers. The water-intensive mining operations recycle 92% to 96% of the water used.

SAFETY, HEALTH AND ENVIRONMENT GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Environment (continued)		
EN 6	Location and size of land owned, leased or managed in biodiversity-rich habitats	PotashCorp does not collect data on the biodiversity on the land at its locations.
EN 7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater and marine environments	PotashCorp's major land disturbance impacts occur in phosphate mining activities. All lands, including wetlands, are being reclaimed to meet or exceed regulatory requirements.
EN 8	Green House Gas Emission	Direct GHG Air Emissions – 000s tonnes Carbon Dioxide (CO_2) flue 3,900.0 Carbon Dioxide (CO_2) process 2,505.9 Total GHGs as CO_2 equivalent* 8,338.1 PotashCorp began to estimate its Direct GHG Air Emissions in 2003. * Includes CO_2 equivalent for N_2O and CH_4.
EN 9	Use and emissions of ozone	PotashCorp does not collect measurements on specific ozone-depleting substances across all operations.
EN 10	NO_x, SO_x and other significant air emissions by type	Criteria Air Pollutants – 000s tonnes Nitrogen Oxides (NO_x) 7.984 Carbon Monoxide (CO) 8.883 Particulate (dust) 3.563 Sulfur Dioxide (SO_2) 16.412 Other Significant Air Emissions – 000s tonnes Ammonia (NH_3) 7.234 Hydrogen Sulfide (H_2S) 1.400 Sulfuric acid mist (H_2SO_4) 0.171
EN 11	Total amount of waste by type and destination	Solid Waste – 000s tonnes Gypsum 8,844.2 Waste salt to storage 7,592.5 Clay waste (slimes) 637.8 Waste salt and clay to mine 1,659.0 Salt as brine injection well 3,084.8 Non-process Wastes – 000s tonnes Solid waste on-site 0.843 Solid waste recycled 1.452 Hazardous waste disposal 0.662 Hazardous waste recycled 0.188

SAFETY, HEALTH AND ENVIRONMENT GRI PERFORMANCE TABLE

Performance Indicators		PotashCorp 2003 Performance
Environment (continued)		
EN 12	Significant discharges to water by type	Emissions to Water – 000s tonnes Nitrogen as N 0.853 Fluoride (F) 2.495 Phosphorus 0.612
EN 13	Significant spills of chemicals, oils and fuels in terms of total number and total volume	Number of Environmental Events Federal Reportable Quantity 16 Permit Excursions 23
EN 14	Significant environmental impacts of principal products and services	Primary products – crop nutrients – are applied directly to the environment on agricultural land. These nutrients are removed from the soil at harvest. Feed products are consumed by animals, which convert the nutrients for human consumption. Phosphorus, potassium and nitrogen products also are inputs for numerous industrial, health and nutrition-related applications.
EN 15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed	Fertilizer products provide nutrients to the land and are used by plants. When harvested, these plants provide nutrients to animals and people. Products sold for animal feed and industrial applications are inputs.
EN 16	Incidents of and fines for non-compliance with all applicable international declarations, conventions and treaties, and national, subnational, regional and local regulations associated with environmental issues	Details of the fines and assessments paid to governmental authorities may be found on page 63.
Product Responsibility		
PR 1	Policies for customer health and safety during use of products and services	Labeling, customer service and point-of-sale monitoring of delivery are at the core of company efforts toward customer health and safety. PotashCorp provides customers with safe-handling videotapes for certain products.
PR 2	Policies and procedures for product information and labeling	PotashCorp provides detailed product information in Material Safety Data Sheets and on its website at www.potashcorp.com/customer_service/msds/
PR 3	Policies and procedures for consumer privacy	The PotashCorp Code of Business Conduct states that the company collects, uses and discloses personal information only with the knowledge and permission of the affected individual, unless otherwise permitted by local law.

PotashCorp Site Highlights

At the local level — that's where the company's commitment to sustainability lives every day. Recognizing that sustainability occurs from the ground up, PotashCorp measures performance on a site-by-site basis and reports it that way. The following pages present data from each operating site, as well as information on how to contact management of the facilities with questions or comments.

About the measurements: Site highlights report data in the units of measurement used at the particular operation being measured. For example, the company's Canadian potash facilities weigh product and emissions in metric tonnes, while the nitrogen and phosphate facilities use short tons.

Energy use is reported in joules, megawatts and British Thermal Units, depending on what is the most appropriate measurement.

Safety is measured in terms of injuries per 200,000 work hours.

PCS Potash Operations

Allan

Allan, Saskatchewan S0K 0C0
(306) 257-3312
Moe Davyduke, General Manager
moe.davyduke@potashcorp.com

Employment
270 employees, average tenure of more than 21 years

Operations, Products and Annual Capacity
Underground mining operations are at a depth of 1,040 meters (3,400 feet). The facility produces standard, granular and industrial-grade potash for agricultural and industrial use. The site has an annual capacity of 1.885 million tonnes of KCl.

Major Community Activities
- Partnerships with Saskatchewan Abilities Council and Allan School
- First Responders
- Workplace Safety program
- Steps to Respect program

Unique Characteristics
This site uses stress relief-mining techniques developed specifically for the mine.

Environment
- Nesting areas have been placed in wetlands on the property and a program of tree planting has begun.
- The site was a top winner in Canada's National Energy Efficiency Awards for a two-year project to recover and reuse heat from its crystallizers.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	1.72	2.58
Recordable Frequency	4.46	8.59	10.31
Direct Green House Gas Emissions – 000s tonnes			
GHGs as CO_2 equivalent	62.8	64.3	54.2
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	50.6	48.0	45.0
Carbon Monoxide (CO)	42.5	38.0	35.9
Particulate (dust)	300.3	312.7	241.7
Volatile Organic Compounds (VOC)	53.9	56.6	48.7
Wastes to Land (dry basis) – 000s tonnes			
Waste salt to storage	1,080	1,294	1,279
Clay waste (slimes)	130.0	120.0	117.4
Salt in brine injection well	646.7	259.5	188.0
Environmental Costs – 000s Cdn $			
Operating	1,088	1,065	1,085
Capital	15	905	678
Energy			
Energy cost – 000s Cdn $	12,467	9,067	11,489
Energy use – equivalent TJ	1,514	1,405	1,333
Energy efficiency – GJ / tonne	1.621	1.627	1.735
Potash Production			
Million tonnes KCl	0.934	0.864	0.768
Absenteeism			
% hours absent, hourly employees	5.4	7.0	6.2

Cassidy Lake

P.O. Box 5005
Sussex, New Brunswick E4E 5L1
(506) 839-2146
Michael Hogan, General Manager
michael.hogan@potashcorp.com

Employment
29 employees, average tenure of more than 18 years

Safety
Operations completed six years without a lost-time injury.

Operations, Products and Annual Capacity
The plant upgrades standard potash into granular potash product. It also facilitates brine disposal activities for PCS Potash New Brunswick.

Major Community Activities
- Hammond River Angler's Association Watershed Restoration Committee
- Christmas Daddies
- Kids' Stuff Theatre
- Ducks Unlimited

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	6.01	5.57	10.74
Direct Green House Gas Emissions – 000s tonnes			
GHGs as CO_2 equivalent	6.5	5.7	6.7
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	5.1	4.5	5.3
Carbon Monoxide (CO)	1.2	1.1	1.3
Particulate (dust)	123.2	120.9	110.5
Sulfur Dioxide (SO_2)	7.00	5.90	7.20
Volatile Organic Compounds (VOC)	0.404	0.376	0.408
Emissions to Water – 000s tonnes			
Salt brine to sea dry basis	168.9	166.3	176.7
Environmental Costs – 000s Cdn $			
Operating	607	233	236
Capital	1,601	1,118	21
Energy			
Energy cost – 000s Cdn $	2,381	2,007	2,732
Energy use – equivalent TJ	170.9	154.3	178.0
Energy efficiency – GJ / tonne	0.775	0.763	0.725
Potash Compaction			
Million tonnes KCl	0.203	0.188	0.234
Absenteeism			
% hours absent, hourly employees	2.5	3.6	4.0

The Cory operation produces white muriate of potash products from conventionally mined potash ore.

Cory

Box 1320
Saskatoon, Saskatchewan S7K 3N9
(306) 382-0525
Rob Bubnick, General Manager
rob.bubnick@potashcorp.com

Employment
195 employees, average tenure of more than 14 years

Operations, Products and Annual Capacity
Underground mining operations are at a depth of 1,021 meters (3,350 feet). The facility produces white soluble and granular product, chicklets and K-Prills. Industrial product applications include water softeners and ice melt. The annual capacity is 1.361 million tonnes of KCl.

Major Community Activities
- United Way
- YMCA
- Kidney Foundation
- Terry Fox Run

Unique Characteristics
- The facility produces white muriate of potash products from conventionally mined potash ore.
- This site uses stress relief-mining techniques developed specifically for the mine.
- SaskPower Cogeneration Power Station has been operated by the facility since 2003.

Environment
As part of the company's policy to maintain or create wildlife habitat where opportunities exist, about 240 hectares (600 acres) of land owned by PotashCorp are being maintained in their natural condition. In addition, over 2,000 trees have been planted to create habitat and improve the appearance of the site.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.58	0.00
Recordable Frequency	1.36	8.08	9.81
Direct Green House Gas Emissions – 000s tonnes			
GHGs as CO_2 equivalent	145.4	137.1	145.2
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	121.2	114.0	121.0
Carbon Monoxide (CO)	101.8	96.0	102.0
Particulate (dust)	643.0	561.0	578.0
Volatile Organic Compounds (VOC)	8.490	7.770	7.950
Wastes to Land (dry basis) – 000s tonnes			
Waste salt to storage	608.2	1,293	1,328
Clay waste (slimes)	107.0	123.8	124.0
Salt in brine injection well	1,013	281.1	315.9
Environmental Costs – 000s Cdn $			
Operating	1,441	4,996	5,964
Capital	144	411	426
Energy			
Energy cost – 000s Cdn $	24,199	16,324	24,810
Energy use – equivalent TJ	3,287	3,046	3,253
Energy efficiency – GJ / tonne	4.502	4.496	4.355
Potash Production			
Million tonnes KCl	0.730	0.677	0.747
Absenteeism			
% hours absent, hourly employees	5.3	4.3	5.4

Lanigan

Box 3100
Lanigan, Saskatchewan S0K 2M0
(306) 365-2030
Mark Fracchia, General Manager
mark.fracchia@potashcorp.com

Employment
330 employees, average tenure of more than 18 years

Operations, Products and Annual Capacity
Underground mining operations are at a depth of 1,000 meters (3,300 feet). The facility produces granular, standard and suspension potash products. It has an annual capacity of 3.828 million tonnes of KCl.

Major Community Activities
- Sponsor of the Lanigan Arena/Hall Complex
- Wildlife Enhancement Project

Unique Characteristics
- The largest mill in the industry, PCS Lanigan can handle more than 1,300 tonnes of ore per hour.
- The mine is the largest PotashCorp potash mine by capacity.

Environment
- About 800 hectares (2,000 acres) of land that were in cultivation prior to acquisition by PotashCorp have been converted to permanent grasslands.
- Over 5,000 trees and shrubs have been planted. The site is developing a wetland that is attracting waterfowl.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.71	0.00
Recordable Frequency	5.02	4.99	5.70
Direct Green House Gas Emissions – 000s tonnes			
GHGs as CO_2 equivalent	65.9	65.8	57.6
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	58.5	65.8	59.4
Carbon Monoxide (CO)	103.9	168.4	44.1
Particulate (dust)	594.0	574.0	489.0
Volatile Organic Compounds (VOC)	100.5	94.8	88.3
Wastes to Land (dry basis) – 000s tonnes			
Waste salt to storage	2,638	2,835	2,645
Clay waste (slimes)	358.1	396.0	330.0
Salt in brine injection well	875.1	292.0	454.8
Environmental Costs – 000s Cdn $			
Operating	1,544	1,254	1,173
Capital	311	42	3,938
Energy			
Energy cost – 000s Cdn $	17,333	13,859	15,746
Energy use – equivalent TJ	1,966	1,924	1,725
Energy efficiency – GJ / tonne	1.321	1.352	1.275
Potash Production			
Million tonnes KCl	1.488	1.424	1.354
Absenteeism			
% hours absent, hourly employees	5.1	5.3	4.9

New Brunswick

P.O. Box 5039
Sussex, New Brunswick E4E 5L2
(506) 432-8400
Michael Hogan, General Manager
michael.hogan@potashcorp.com

Employment
329 employees, average tenure of 16.5 years

Operations, Products and Annual Capacity
Underground mining operations are at a depth of between 400 and 700 meters (1,300 to 2,300 feet). The refinery operation produces sylvite (potash) and halite (salt). It has an annual capacity of 0.785 million tonnes of KCl.

Major Community Activities
- Kennebacasis Watershed Restoration Committee
- Sussex Health Centre Foundation

Unique Characteristics
The potash mining horizons are located on the flank of an elongated salt structure. Two shafts access the salt dome, producing up to 650,500 tonnes of rock salt annually.

Environment
- A unique closed-loop mining and milling process make PCS New Brunswick the only potash operation in the world that returns all of its tailings underground.
- The site was a top winner in Canada's National Energy Efficiency Awards for a two-year project to recover and reuse heat from its crystallizers.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	5.85	6.86	8.16
Direct Green House Gas Emissions – 000s tonnes			
GHGs as CO_2 equivalent	54.0	54.4	50.2
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	40.2	42.3	39.2
Carbon Monoxide (CO)	11.5	10.6	9.8
Particulate (dust)	177.7	170.7	202.4
Sulfur Dioxide (SO_2)	24.1	53.1	71.3
Volatile Organic Compounds (VOC)	149.4	93.4	97.3
Emissions to Water – 000s tonnes			
Salt brine to sea dry basis	195.4	206.5	174.9
Wastes to Land (dry basis) – 000s tonnes			
Waste salt and clay to mine	1,517	1,211	1,236
Environmental Costs – 000s Cdn $			
Operating	11,696	5,592	6,131
Capital	1,106	1,801	915
Energy			
Energy cost – 000s Cdn $	13,509	12,324	11,421
Energy use – equivalent TJ	1,447	1,242	1,163
Energy efficiency – GJ / tonne	1.931	2.072	1.908
Production			
Million tonnes KCl	0.749	0.599	0.609
Salt – 000s tonnes	0.569	0.540	0.598
Absenteeism			
% hours absent, hourly employees	4.5	4.5	4.9

Patience Lake

Box 509
Saskatoon, Saskatchewan S7K 3N9
(306) 374-4800
Rob Bubnick, General Manager
rob.bubnick@potashcorp.com

Employment
67 employees, average tenure of more than 22 years

Operations, Products and Annual Capacity
Originally a conventional underground operation, the Patience Lake site was converted to a solution mining operation in 1988 after two periods of closure due to flooding. Solution mining dissolves the potash from the ore by circulating brine through the flooded conventional mine workings 1,000 meters (3,300 feet) below the surface. The operation produces white standard, lawn and garden, and granular-grade potash for agriculture. The annual capacity of the site is 1.033 million tonnes of KCl.

Major Community Activities
- Acres for Wildlife, Saskatchewan Wildlife Federation
- Sponsor of Clavet Skating Club
- Clavet Composite School activities

Unique Characteristics
The mining process produces no waste products.

Environment
As part of a policy to maintain wildlife habitat, two wetlands on the Patience Lake property that are heavily used by waterfowl are being preserved. These wetlands have been enrolled in the Acres for Wildlife program operated by the Saskatchewan Wildlife Federation.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	5.37	10.08	5.04
Direct Green House Gas Emissions – 000s			
GHGs as CO_2 equivalent	38.4	51.3	47.9
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	18.8	42.9	39.7
Carbon Monoxide (CO)	48.5	36.0	33.3
Particulate (dust)	335.1	583.0	592.0
Volatile Organic Compounds (VOC)	2.2	2.7	2.3
Wastes to Land (dry basis) – 000s tonnes			
Waste salt to storage	37.0	41.1	50.2
Waste salt and clay to mine	141.6	206.6	247.9
Environmental Costs – 000s Cdn $			
Operating	201	242	152
Capital	397	29	49
Energy			
Energy cost – 000s Cdn $	7,022	6,783	8,831
Energy use – equivalent TJ	908.0	1,173	1,102
Energy efficiency – GJ / tonne	3.622	5.103	4.570
Potash Production			
Million tonnes KCl	0.251	0.230	0.241
Absenteeism			
% hours absent, hourly employees	4.7	8.1	9.0

Rocanville

Box 460
Rocanville, Saskatchewan S0A 3L0
(306) 645-2870
Stephen Fortney, General Manager
steve.fortney@potashcorp.com

Employment
324 employees, average tenure of more than 17 years

Operations, Products and Annual Capacity
Underground mining operations are at a depth of 960 meters (3,150 feet) below the Saskatchewan prairie. PCS Potash Rocanville is a conventional potash mine and uses long room and pillar mining techniques to extract the ore. It produces granular, coarse and standard product for agricultural use, and standard industrial and feed-grade product. The site has an annual capacity of 2.295 million tonnes of KCl.

Major Community Activities
- Job shadowing initiatives
- Support of community arts programs
- Contributions to local health care organizations
- Preservation of 3,500 acres of aspen parkland

Unique Characteristics
The site is the lowest-cost potash production facility in the world.

Environment
PotashCorp has an agreement to have Ducks Unlimited develop a Rocanville-owned wetland as a waterfowl marsh.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.35	0.00	0.00
Recordable Frequency	2.47	0.78	0.00
Direct Green House Gas Emissions – 000s			
GHGs as CO_2 equivalent	53.1	69.3	70.6
NPRI Air Pollutants – tonnes			
Nitrogen Oxides (NO_x)	57.4	54.4	51.7
Carbon Monoxide (CO)	491.2	167.2	157.8
Particulate (dust)	261.9	225.5	290.0
Volatile Organic Compounds (VOC)	5.769	5.209	4.378
Wastes to Land (dry basis) – 000s tonnes			
Waste salt to storage	3,230	2,460	2,362
Clay waste (slimes)	42.7	43.7	40.0
Salt in brine injection well	549.7	708.0	647.6
Environmental Costs – 000s Cdn $			
Operating	5,538	4,812	4,513
Capital	133	143	131
Energy			
Energy cost – 000s Cdn $	16,810	13,048	16,196
Energy use – equivalent TJ	2,023	2,000	1,896
Energy efficiency – GJ / tonne	1.017	1.176	1.190
Production			
Million tonnes KCl	1.989	1.700	1.593
Salt – 000s tonnes	187.0	148.1	124.2
Absenteeism			
% hours absent, hourly employees	3.8	3.8	3.4

PCS Phosphate Operations

Aurora

Box 48
Aurora, North Carolina 27806
(252) 322-4111
Richard C. Atwood, General Manager
ratwood@pcsphosphate.com

Employment
1,033 employees, average tenure of more than 17 years

Operations, Products and Annual Capacity
The site mines phosphate ore and refines it into phosphate rock. Sulfuric acid is produced on-site from purchased sulfur and is mixed with the phosphate to produce phosphoric acid. PCS Phosphate Aurora has an annual capacity of 6.6 million tons of phosphate rock, 1.325 million P_2O_5 tons of phosphoric acid and 0.175 million tons of phosphate feed.

Major Community Activities
- East Carolina University Educational Foundation
- United Way

Unique Characteristics
The site is Carolina Star certified and Mining Star certified.

Environment
As a leader in land reclamation of mined areas, the site has received many awards from various agencies recognizing the effectiveness of these efforts.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.28	0.19	0.33
Recordable Frequency	2.40	2.08	2.97
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	626.7	652.4	519.9
Criteria Air Pollutants – tons			
Nitrogen Oxides (NO_x)	769.8	738.0	564.4
Particulate (dust)	415.0	499.8	406.9
Sulfur Dioxide (SO_2)	4,727	4,749	4,618
Other Significant Air Emissions – tons			
Hydrogen Sulfide (H_2S)	1,543	1,934	1,863
Sulfuric Acid Mist (H_2SO_4)	114.3	59.0	76.1
Solid Waste			
Gypsum – 000s tons	5,643	5,234	5,598
Waste disposal off-site – tons	592.4	549.0	515.1
Hazardous waste off-site – tons	1.7	3.5	1.8
Number of Environmental Events			
Federal Reportable Quantity	4	1	4
Permit Excursions	5	1	6
Environmental Costs – 000s US $			
Operating	27,045	27,646	31,301
Capital	3,032	4,373	11,191
Energy			
Energy cost – 000s US $	91,504	65,937	71,263
Electrical consumption – MW	645,137	605,042	628,540
Fossil fuels – Bbtu	2,662	2,067	1,848
Sulfur – Bbtu	9,969	9,349	9,875
Total energy – Bbtu	14,844	13,491	13,879
Phosphate Production – million tons			
Phosphate Rock	3.394	3.796	4.339
Phosphoric Acid (P_2O_5)	1.013	0.939	1.010
Phosphate Feed Production – million tons			
Defluorinated Phosphate (DFP)	0.055	0.004	—
Absenteeism			
% hours absent, hourly employees	5.6	6.0	5.0

White Springs

Box 300, 15843 Southeast 78th Street
White Springs, Florida 32096
(386) 397-8101
Paul Barrett, General Manager
pbarrett@pcsphosphate.com

Employment
912 employees, average tenure of more than 22 years

Operations, Products and Annual Capacity
The facility mines phosphate ore, which is refined into phosphate rock. Chemical operations produce a total of 14 products. The site has an annual capacity of 4.0 million tons of phosphate rock, 1.205 million P_2O_5 tons of phosphoric acid and 0.41 million tons of phosphate feed.

Major Community Activities
- Council for Sustainable Florida
- United Way

Unique Characteristics
The cogeneration plant has 48 megawatts of generating capacity — enough to supply nearly all chemical-manufacturing operations.

Environment
- Council for Sustainable Florida's Annual Award for Best Practices for the site's innovative water management system
- Southeast Agricultural Coalition's 2003 Agri-Business of the Year Award

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.10	0.41	0.00
Recordable Frequency	1.61	1.78	1.52
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	212.1	209.3	210.1
Criteria Air Pollutants – tons			
Nitrogen Oxides (NO_x)	210.2	222.1	227.0
Carbon Monoxide (CO)	24.0	7.8	31.5
Particulate (dust)	316.0	347.2	344.7
Sulfur Dioxide (SO_2)	2,964	2,266	2,214
Other Significant Air Emissions – tons			
Sulfuric Acid Mist (H_2SO_4)	41.2	12.5	15.0
Solid Waste			
Gypsum – 000s tons	3,171	1,863	1,834
Waste disposal off-site – tons	355	369	390
Hazardous waste off-site – tons	3.9	3.0	2.9
Number of Environmental Events			
Federal Reportable Quantity	0	1	0
Permit Excursions	3	1	2
Environmental Costs – 000s US $			
Operating	19,839	17,168	15,264
Capital	1,812	1,646	1,765
Energy			
Energy cost – 000s US $	29,662	38,160	45,419
Electrical consumption – MW	402,215	259,166	259,602
Fossil fuels – Bbtu	1,337	1,915	1,571
Sulfur – Bbtu	9,250	5,688	5,105
Total energy – Bbtu	11,968	8,216	7,567
Phosphate Production – million tons			
Phosphate Rock	2.961	1.705	1.849
Phosphoric Acid (P_2O_5)	0.856	0.529	0.521
Phosphate Feed Production – million tons			
Monocal (MCP)	0.066	0.151	0.170
Defluorinated Phosphate (DFP)	0.065	0.106	0.098
Absenteeism			
% hours absent, hourly employees	2.6	2.1	3.4

Joplin

Box 225, 301 State Line Avenue
Joplin, Missouri 64802
(417) 624-5225
Paul Shoup, Operations Manager
poshoup@pcsphosphate.com

Employment
35 employees, average tenure of more than 15 years

Operations, Products and Annual Capacity
The animal feed ingredients plant produces dicalcium phosphate (DCP) and monocalcium phosphate (MCP). Products are shipped by truck and rail to customers in the western and southwestern United States and Mexico. The site has an annual capacity of 179,675 tons of DCP and MCP animal feed supplements.

Major Community Activities
- Partnership with McKinley Elementary School
- Joplin Area Chamber of Commerce
- United Way
- Joplin/Jasper County Local Emergency Planning Committee

Unique Characteristics
Acquired in March 2002, the site has completed major upgrades of equipment and controls to reduce emissions and improve product quality and safety.

	2003	2002	2001*
Safety Performance			
Lost-Time Frequency	0.00	0.00	—
Recordable Frequency	8.47	3.18	—
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	25.2	36.5	—
Criteria Air Pollutants – tons			
Nitrogen Oxides (NO_x)	9.5	12.3	—
Carbon Monoxide (CO)	7.7	7.9	—
Particulate (dust)	39.5	51.6	—
Number of Environmental Events			
Federal Reportable Quantity	0	0	—
Permit Excursions	0	0	—
Environmental Costs – 000s US $			
Operating	142	206	—
Capital	1,115	0	—
Energy			
Energy cost – 000s US $	1,201	1,317	—
Electrical consumption – MW	7,459	10,742	—
Fossil fuels – Bbtu	145	73	—
Total energy – Bbtu	171	250	—
Phosphate Feed Production – million tons			
Dical/Monocal	0.097	0.115	—
Absenteeism			
% hours absent, hourly employees	4.0	4.0	—

* *Purchased March 1, 2002*

Marseilles

2660 East U.S. Route 6
Marseilles, Illinois 61341
(815) 795-5111
Bob Startzer, Operations Manager
bstartzer@pcsphosphate.com

Employment
36 employees, average tenure of more than 12 years

Operations, Products and Annual Capacity
The feed plant combines limestone and phosphoric acid to manufacture dicalcium phosphate (DCP) and monocalcium phosphate (MCP) animal feed supplements. The site has an annual capacity of 306,439 tons of DCP and MCP animal feed supplements.

Major Community Activities
- Employee adoption of a stretch of road on the I&M Canal
- Sponsor of fire safety booklets for the Marseilles and Seneca elementary schools
- Sponsor of the *Noon Farm Report* on a local radio station

Unique Characteristics
Crushed limestone is supplied from St. Louis, Missouri, and is received by barge at the plant. Phosphoric acid is delivered by rail from a PCS facility in Florida. Potash fertilizer is stored on the site in a 10,000-ton dome and shipped to customers within an 80-mile radius.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	2.80	0.00	2.69
Recordable Frequency	5.59	0.00	2.69
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	40.3	47.7	51.6
Criteria Air Pollutants – tons			
Nitrogen Oxides (NO_x)	10.0	12.5	13.2
Carbon Monoxide (CO)	8.4	10.5	11.1
Particulate (dust)	18.9	44.0	50.2
Number of Environmental Events			
Federal Reportable Quantity	0	0	0
Permit Excursions	0	0	0
Environmental Costs – 000s US $			
Operating	61	89	48
Capital	0	53	0
Energy			
Energy cost – 000s US $	1,899	1,546	1,986
Electrical consumption – MW	8,830	10,090	10,372
Fossil fuels – Bbtu	212	254	267
Total energy – Bbtu	242	289	303
Phosphate Feed Production – million tons			
Dical/Monocal	0.166	0.195	0.212
Absenteeism			
% hours absent, hourly employees	4.3	2.2	7.2

Railcars deliver phosphoric acid to the feed plant in Marseilles, Illinois.

Weeping Water

Box 171
Weeping Water, Nebraska 68463
(402) 267-2915
William Donohue, Operations Manager
bdonohue@pcsphosphate.com

Employment
46 employees, average tenure of more than 20 years

Operations, Products and Annual Capacity
Limestone is accessed in an on-site room and pillar type mine between 125 feet and 145 feet below the surface. The feed ingredients that the plant produces are dicalcium phosphate (DCP) and monocalcium phosphate (MCP). The site has an annual capacity of 230,380 tons.

Major Community Activities
- Member of Cass County Air Conservation Association
- Sponsor of the Cass County DARE program
- Sponsor of Limestone Days/4th of July Celebration
- Employee participation in SafeLife Program: Safety education at the grade-school age level

Unique Characteristics
Approximately 135,000 tons of limestone rock are removed from the underground mine per year.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	2.33	0.00	0.00
Recordable Frequency	4.67	2.18	9.08
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	40.6	47.7	45.7
Criteria air pollutants – tons			
Nitrogen Oxides (NO_x)	15.2	12.5	15.0
Carbon Monoxide (CO)	3.6	10.5	3.6
Particulate (dust)	14.7	44.0	26.2
Number of Environmental Events			
Federal Reportable Quantity	0	0	0
Permit Excursions	0	0	0
Environmental Costs – 000s US $			
Operating	62	89	80
Capital	0	0	370
Energy			
Energy cost – 000s US $	1,786	1,245	1,721
Electrical consumption – MW	8,789	9,100	9,124
Fossil fuels – Bbtu	232	247	236
Total energy – Bbtu	263	278	268
Phosphate Feed Production – million tons			
Dical/Monocal	0.162	0.183	0.187
Absenteeism			
% hours absent, hourly employees	4.9	3.6	2.3

Florida Favorite Fertilizer/ PCS Joint Venture Ltd.

Box 8000
Lakeland, Florida 33802
(863) 688-2442
Jim Bellar, General Manager
jsbellar@favfert.com

Employment
102 employees, average tenure of 10 years

Operations, Products and Annual Capacity
The production facilities are retail only, with no mining activities. The operation produces all types of fertilizer: dry blends (bulk and bag), liquid blend and ammoniated (bulk and bag). Storage capacity: 85,000 tons of fertilizer products.

Major Community Activities
Partnerships with local schools, civic groups and trade associations

Unique Characteristics
- Five production sites are located at Lakeland, Clewiston and Moore Haven in Florida; Evergreen, Alabama; and Moultrie, Georgia.
- Products from the five plants are sold regionally in Florida, Alabama, Georgia and Mississippi.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.87	0.00	0.00
Recordable Frequency	3.49	0.00	4.13
Criteria Air Pollutants – tons			
Particulate (dust)	3.1	5.2	6.2
Energy			
Energy cost – 000s US $	238	239	189
Total energy – Bbtu	10.5	10.4	7.9
Absenteeism			
% hours absent, hourly employees	3.3	3.8	2.2

The Weeping Water, Nebraska phosphate feed plant includes an on-site limestone mine.

PCS Fosfatos do Brasil Ltda.

Rod. Padre Manoel da Nóbrega KM 286, 400
Samarita São Vicente SP CEP 11301-970
Brasil
(13) 3-3 566-1418
H. Sonny Fernandes, General Manager
hfernandes@pcsfosfatos.com.br

Employment
76 employees, average tenure of more than 3 years

Operations, Products and Annual Capacity
The facility uses imported phosphoric acid and limestone to produce microgranulated dicalcium phosphate (DCP). Blending DCP with mineral supplements produces mineral salts. The plant has an annual capacity of 121,253 tons of DCP animal feed supplement.

Major Community Activities
- Supporter of local daycare facility
- Partnerships with various local community groups

Unique Characteristics
Employee benefits program includes on-site meals, family food baskets, transportation, group life and health insurance.

Environment
Since acquiring Fosfatos do Brasil, PotashCorp has made significant investments in improving the environmental emission conditions at the facility.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	2.09	0.94	0.00
Recordable Frequency	2.09	0.94	0.00
Phosphate Feed Production – million tons			
Dical (DCP)	0.056	0.052	0.058

Absenteeism
PotashCorp does not employ hourly workers at this site. Absenteeism statistic is not applicable.

Cincinnati

10818 Paddys Run Road
Cincinnati, Ohio 45030
(513) 738-1261
Dan Having, Plant Manager
dhaving@pcsphosphate.com

Employment
15 employees, average tenure of more than 18 years

Operations, Products and Annual Capacity
The plant employs continuous and batch chemical processes for production of phosphate products for food and technical applications.

Major Community Activities
- Sponsor of Community Advisory Panel
- Partner in Joint Emergency Preparedness
- Ohio Chemical Council, Responsible Care Grand Award winner for Health, Safety, Environmental and Community Performance
- Partnerships with area schools and local senior citizens' activities
- Sponsor of drills and joint training with area emergency and neighboring chemical manufacturers

Unique Characteristics
The plant received the Risk Communication Excellence Award from the Cincinnati Alliance for Chemical Safety in 2003.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	18.34	0.00	0.00
Recordable Frequency	24.45	11.45	3.45
Absenteeism			
% hours absent, hourly employees	2.6	7.9	1.4

Savannah Ammonia Terminal

Gate 5 Georgia Port Authority
Garden City, Georgia 31408
(912) 964-1214
Thomas Tipton, Terminal Superintendent
ttipton@pcsphosphate.com

Employment
8 employees, average tenure of more than 16 years

Operations, Products and Annual Capacity
This is an anhydrous ammonia storage/distribution facility engaged in the transfer of ammonia from vessel to storage. Located on 13 acres within the Georgia Port Authority, the terminal is under a lease agreement expiring in December 2008.

Major Community Activities
- Savannah Chamber of Commerce
- Member of the area Local Emergency Planning Committee
- United Way
- Port Security Committee
- Business partner with Port Wentworth Elementary School

Unique Characteristics
The plant has been an OSHA Star Site since 1994.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	0.00	0.00	0.00
Direct Green House Gas Emissions – 000s tons			
Total GHGs as CO_2 equivalent	1.8	1.1	1.1
Criteria Air Pollutants – tons			
Nitrogen Oxides (NO_x)	1.66	0.94	0.96
Carbon Monoxide (CO)	0.40	0.22	0.23
Particulate (dust)	0.15	0.08	0.09
Sulfur Dioxide (SO_2)	0.31	0.17	0.17
Number of Environmental Events			
Federal Reportable Quantity	0	0	0
Permit Excursions	0	0	0
Environmental Costs – 000s US $			
Operating	0	0	0
Capital	0	0	0
Energy			
Energy cost – 000s US $	203	82	103
Total energy – Bbtu	22	12	13
Shipping – 000s tons			
Ammonia shipped	418.4	219.1	326.9
Absenteeism			
% hours absent, hourly employees	1	0.8	1

Railcars leave the White Springs, Florida phosphate operation.

PCS Nitrogen Operations

Augusta

23 Columbia Nitrogen Road
Augusta, Georgia 30901
(706) 849-6100
Keith Thornton, General Manager
keith.thornton@pcsnitrogen.com

Employment
112 employees, average tenure of more than 16 years

Operations, Products and Annual Capacity
The site produces anhydrous ammonia, urea, nitric acid, ammonium nitrate, liquid carbon dioxide and liquid fertilizers. It has an annual capacity of 0.758 million tons of ammonia.

Major Community Activities
- Partnership with the Richmond County Juvenile Court
- Support for University Healthcare Foundation
- United Way

Unique Characteristics
This site is the largest producer of nitrogen chemical and fertilizer products on the east coast of the United States.

Environment
Advanced technology systems in Augusta's ammonia plant make it one of the most modern and energy-efficient in the world.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.63	0.63
Recordable Frequency	0.00	0.63	0.00
Direct Green House Gas Air Emissions – 000s tons			
Carbon dioxide (CO_2) flue	474.7	489.7	501.0
Carbon dioxide (CO_2) process	147.1	165.6	112.6
Total GHGs as CO_2 equivalent	1,212.5	1,252.5	1,183.6
Criteria Air Pollutants – 000s tons			
Nitrogen Oxides (NO_x)	2.500	2.514	2.284
Carbon Monoxide (CO)	4.650	5.503	5.217
Particulate (dust)	0.140	0.184	0.170
Other Significant Air Emissions – 000s tons			
Volatile Organic Compounds (VOC)	0.091	0.089	0.139
Ammonia (NH_3)	1.715	0.734	0.755
Emissions to Water – 000s tons			
Ammonia as N	276.4	161.0	344.9
Methanol	22.9	22.8	23.3
Number of Environmental Events			
Federal Reportable Quantity	3	3	5
Permit Excursions	2	0	7
Environmental Costs – 000s US $			
Operating	3,861	2,970	3,281
Capital	131	1,198	338
Energy (Electrical, Fuel Gas and Process Gas)			
Total energy – Bbtu	26,597	27,612	25,543
Energy efficiency – mmBtu/T NH_3	30.5	30.4	32.1
Performance – % Reliability	97.6	97.1	97.5
Water Use			
Millions of gallons	1,968	1,222	1,495
Production – million tons			
Ammonia	0.722	0.759	0.674
Urea Solids	0.368	0.400	0.369
Nitrogen Solutions	0.246	0.243	0.322
Nitric Acid/Ammonium Nitrate	1.183	1.159	1.089
Absenteeism			
% hours absent, hourly employees	1.8	2.1	2.4

Geismar

Box 307
Geismar, Louisiana 70734
(225) 621-1500
Fred Elliott, General Manager
fred.elliott@pcsnitrogen.com

Employment
138 employees, average tenure of more than 12 years

Operations, Products and Annual Capacity
The site produces phosphate fertilizer, phosphate industrial products and nitric acid. Although some nitrogen production at this plant is currently under indefinite shutdown, the plant has the capacity to produce ammonia, ammonium nitrate solutions and urea for nitrogen solutions. These operations are currently in standby mode until conditions improve. The annual capacity is 0.532 million tons of ammonia and 0.223 million tons of phosphoric acid.

Major Community Activities
- United Way
- March of Dimes Walk-a-Thon

Unique Characteristics
- Geismar is the only PotashCorp plant that produces both nitrogen and phosphate products.
- This plant is the largest nitric acid producer in the United States.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	1.51	0.88	3.95
Direct Green House Gas Emissions – 000s tons			
Carbon dioxide (CO_2) flue	105.9	315.1	401.4
Carbon dioxide (CO_2) process	92.5	292.6	401.0
Total GHGs as CO_2 equivalent	1,420.4	2,038.2	2,120.6
Criteria Air Pollutants – 000s tons			
Nitrogen Oxides (NO_x)	0.523	1.330	1.745
Carbon Monoxide (CO)	0.166	0.345	0.394
Particulate (dust)	0.080	0.266	0.298
Sulfur dioxide (SO_2)	8.442	7.945	8.222
Other Significant Air Emissions – 000s tons			
Volatile Organic Compounds (VOC)	0.003	0.009	0.012
Ammonia (NH_3)	0.090	0.227	0.362
Sulfuric Acid Mist (H_2SO_4)	0.033	0.042	0.047
Emissions to Water – 000s tons			
Ammonia as N	27.7	117.8	184.7
Methanol	0.1	0.3	0.3
Fluoride (F)	2.5	3.5	4.0
Phosphorus (P)	0.5	1.0	1.5
Solid Waste			
Gypsum – 000s tons	935.3	1,058	1,074
Number of Environmental Events			
Federal Reportable Quantity	3	7	31
Permit Excursions	11	33	66
Environmental Costs – 000s US $			
Operating	5,398	5,101	4,801
Capital	3,966	4,801	9,036
Energy (Electrical, Fuel Gas and Process Gas)			
Total energy – Bbtu	5,339	16,790	21,041
Energy efficiency – mmBtu/T NH_3	33.3	33.7	33.5
Performance – % Reliability	96.3	96.5	96.5
Water Use			
Millions of gallons	1,034	2,551	2,551
Production – million tons			
Ammonia	0.127	0.406	0.523
Phosphoric Acid (P_2O_5)	0.182	0.198	0.203
Absenteeism			
% hours absent, hourly employees	4.2	2.8	2.3

Lima

1900 Fort Amanda Road
Lima, Ohio 45805
(419) 226-1200
Don Johnson, General Manager
don.johnson@potashcorp.com

Employment
5 employees, average tenure of 15 years

Operations, Products and Annual Capacity
This site produces ammonia, nitric acid, urea solutions, prill and granular urea, ammonium nitrate solutions and UAN. The site has an annual capacity of 0.597 million tons of ammonia.

Major Community Activities
- Partnership with the Ottawa River Coalition
- United Way
- Partnership with Science Enhancement for Science Education

Unique Characteristics
- BP Chemicals operates the Lima facility under an operational agreement with PotashCorp.
- This plant is ISO 9001:2000 and ISO 14001 certified.

Environment
The facility operator, BP Chemicals, utilizes a Safety, Health and Environmental Management System similar to PotashCorp's at all its facilities.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	0.74	0.68	0.68
Direct Green House Gas Emissions – 000s tons			
Carbon dioxide (CO_2) flue	602.3	462.7	368.3
Carbon dioxide (CO_2) process	178.3	214.5	213.9
Total GHGs as CO_2 equivalent	1,082.1	980.8	877.5
Criteria Air Pollutants – 000s tons			
Nitrogen Oxides (NO_x)	1.604	1.491	1.493
Carbon Monoxide (CO)	0.232	0.250	0.064
Particulate (dust)	0.057	0.170	0.214
Other Significant Air Emissions – 000s tons			
Volatile Organic Compounds (VOC)	0.442	0.409	0.504
Ammonia (NH_3)	1.091	0.806	0.614
Emissions to Water – 000s tons			
Ammonia as N	0.0	41.7	37.1
Number of Environmental Events			
Federal Reportable Quantity	4	0	3
Permit Excursions	2	2	0
Environmental Costs – 000s US $			
Operating	479	329	501
Capital	0	0	148
Energy (Electrical, Fuel Gas and Process Gas)			
Total energy – Bbtu	22,705	21,510	21,804
Energy efficiency – mmBtu/T NH_3	33.9	34.3	34.8
Performance – % Reliability	94.7	94.8	94.0
Production – million tons			
Ammonia	0.562	0.546	0.537
Urea Solids	0.309	0.229	0.211

Absenteeism
PotashCorp does not employ hourly workers at Lima. Absenteeism statistic is not applicable.

Trinidad

Atlantic Avenue, P.O. Bag 201
Point Lisas, Couva
Trinidad, West Indies
(868) 636-2205
Ian E. Welch, Managing Director
iewelch@pcsnitrogen.co.tt

Employment
395 employees, average tenure of more than 11 years

Safety
Facility achieved three million hours without a lost-time injury on August 22, 2003.

Operations, Products and Annual Capacity
This plant produces ammonia and urea solids. It has an annual capacity of 2.040 million tons of ammonia.

Major Community Activities
- Partnership with local elementary school
- The Managing Director is a member of the Ammonia Safety Committee of the American Institute of Chemical Engineers
- Supporter of two local steelband orchestras

Unique Characteristics
- Facility-owned and -operated Technical Training Center
- Employee-administered voluntary wellness program

Environment
- Member of the Environmental Management Committee of the Point Lisas Industrial Estate.
- Member of the Community Awareness and Emergency Response Committee.

	2003	2002	2001
Safety Performance			
Lost-Time Frequency	0.00	0.00	0.00
Recordable Frequency	0.45	0.94	0.47
Direct Green House Gas Emissions – 000s tons			
Carbon dioxide (CO_2) flue	1,925.5	1,934.0	1,902.4
Carbon dioxide (CO_2) process	1,657.3	1,624.2	1,844.4
Total GHGs as CO_2 equivalent	3,592.1	3,567.6	3,756.0
Criteria Air Pollutants – 000s tons			
Nitrogen Oxides (NO_x)	2.208	1.935	2.006
Carbon Monoxide (CO)	3.264	3.111	3.208
Other Significant Air Emissions – 000s tons			
Volatile Organic Compounds (VOC)	0.774	0.804	0.779
Ammonia (NH_3)	4.440	4.126	3.757
Emissions to Water – 000s tons			
Ammonia as N	231.3	329.9	163.8
Environmental Costs – 000s US $			
Operating	348	771	255
Capital	423	582	905
Energy (Electrical, Fuel Gas and Process Gas)			
Total energy – Bbtu	79,394	78,950	79,415
Energy efficiency – mmBtu/T NH_3	38.4	38.0	37.3
Performance – % Reliability	97.0	95.8	95.9
Water Use			
Millions of gallons	1,326	1,407	1,415
Production – million tons			
Ammonia	1.939	1.949	2.023
Urea Solids	0.713	0.743	0.567
Absenteeism			
% hours absent, hourly employees	3.5	2.0	4.1

Glossary

General Terms

Calciner

A bed roaster that uses fluid and heat to remove organic matter and carbonate in the production of phosphate products.

Canpotex

A potash export company owned by all Saskatchewan producers (PotashCorp, IMC Global and Agrium Inc.). Sales through Canpotex are generally allocated pro rata to each producer on the basis of productive capacity.

Cogeneration

A secondary step in a process utilizing excess energy produced in a combustion cycle.

Global Reporting Initiative

The Global Reporting Initiative (GRI) is an independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. Started in 1997 by the Coalition for Environmentally Responsible Economies, the GRI became independent in 2002 and is an official collaborating center of the United Nations Environment Programme. For more information, visit www.globalreporting.org

PhosChem

An association formed under the US Webb-Pomerence Act for exports of phosphate fertilizer products. Members are PotashCorp, IMC Global and Mississippi Chemical. PotashCorp is responsible for export sales of liquid fertilizers for all PhosChem members, while IMC Global is responsible for sales of solid fertilizers for members.

Operating Terms

Capacity

The amount of a given nutrient PotashCorp can produce annually.

Feedstock

A basic product that is used to produce several different products.

Salt brine

Water containing dissolved potassium and sodium salts, which may be used to carry undissolved salts as a brine slurry.

Measurements

Short ton

2,000 pounds, used for sales in the US. To convert to metric tonnes, divide by 1.1023.

Tonne

A metric measurement of 2,204.6 pounds, used for sales outside the US. To convert to short tons, multiply by 1.1023.

British thermal unit (Btu)

A unit of heat equal to the amount of heat required to raise one pound of water one degree Fahrenheit.

Bbtu

Billion British thermal units.

Joule (J)

A unit of energy equal to the amount of work done by a force of one Newton acting through a distance of one meter.

Giga joule (GJ)

One billion joules.

Tera joule (TJ)

One trillion joules.

Watt (W)

A unit of electric, mechanical or thermal power equal to one joule per second.

Megawatt (MW)

One million watts.

Product Terms

Potash

KCl	Potassium Chloride

Phosphate

P_2O_5	Phosphoric Acid
DAP	Diammonium Phosphate, 46% P_2O_5 (solid)
DFP	Defluorinated Phosphate
DCP	Dicalcium Phosphate or Dical
MCP	Monocalcium Phosphate or Monocal

Nitrogen

NH_3	Anhydrous Ammonia, 82% N (gas, liquid)
HNO_3	Nitric Acid (liquid)
NH_4NO_3	Ammonium Nitrate, 34% N (solid, liquid)
$CO(NH_2)_2$	Urea, 46% N (solid)
UAN solution	Nitrogen Solution, 28-32% N (liquid)

Emissions Terms

CH_4	Methane
N_2O	Nitrous Oxide
NPRI	National Pollutant Release Inventory (Canada)

Safety Terms

Frequency

Number of injuries (Recordable or Lost-Time) multiplied by 200,000, divided by total hours worked.

Recordable Injury

Medical Injury + Modified Work Injury + Lost-Time Injury.

Medical Injury

A work-related injury that is a non-lost-time or non-modified work activity but requires medical treatment beyond first aid.

Modified Work Injury

A work-related injury where a Licensed Health Care Provider or the employer recommends that the employee not perform one or more of the routine functions of the job or not work the full workday that the employee would have otherwise worked.

Lost-Time Injury

A work-related injury that causes the injured person to be unable to return to work on his/her next scheduled workday after the day of the injury, because he/she is unfit to perform any duties.

Corporate Information

Corporate Officer Information

William J. Doyle
President and Chief Executive Officer

James F. Dietz
Executive Vice President and Chief Operating Officer

Wayne R. Brownlee
Senior Vice President, Treasurer and Chief Financial Officer

John L. M. Hampton
Senior Vice President, General Counsel and Secretary

Betty-Ann L. Heggie
Senior Vice President, Corporate Relations

Barbara Jane Irwin
Senior Vice President, Administration

Robert A. Jaspar
Senior Vice President, Information Technology

G. David Delaney
President, PCS Sales

Garth W. Moore
President, PCS Potash

Thomas J. Regan, Jr.
President, PCS Phosphate

Daphne J. Arnason
Vice President, Internal Audit

Karen G. Chasez
Vice President, Procurement

Donald R. Roberts
Vice President, Safety, Health and Environment

Denis A. Sirois
Vice President and Corporate Controller

For more information about corporate officers, see the company website at www.potashcorp.com/about_potashcorp/management

Corporate Offices

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122 - 1st Avenue South, Suite 500
Saskatoon, SK S7K 7G3
Phone: (306) 933-8500

PotashCorp
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Northbrook, IL 60062
Phone: (847) 849-4200

For information regarding sustainability initiatives, please contact:

Thomas C. Pasztor
Director, Corporate and Government Relations
Phone: (847) 849-4297
tcpasztor@potashcorp.com

Board of Directors

Frederick J. Blesi, of Glenview, Illinois, is a retired Chairman and CEO of the Phosphate Chemicals Export Association (PhosChem), principal exporter of US phosphate chemicals. (3, 5)

William J. Doyle, of Saskatoon, Saskatchewan, is President and CEO of Potash Corporation of Saskatchewan Inc. (1)

John W. Estey, of Glenview, Illinois, is President and CEO of S&C Electric Company. (3, 4)

Wade Fetzer III, of Glencoe, Illinois, is Retired Partner with the investment banking firm Goldman Sachs. (2, 3)

Dallas J. Howe, of Calgary, Alberta, serves in a management role with GE Medical Systems Information Technology, which now includes the company he formerly owned, BDM Information Systems. He was elected Chairman of the Board in 2003. (1, 2)

Alice D. Laberge, of Vancouver, British Columbia, is President and CEO of Fincentric Corporation, a global provider of software solutions to financial institutions. (4, 5)

Jeffrey J. McCaig, of Calgary, Alberta, is President, CEO and a Director of Trimac Corporation, a bulk trucking and third-party logistics company. (3, 5)

Mary Mogford, of Newcastle, Ontario, is a Corporate Director and Partner in Mogford Campbell Inc., a strategic business and financial consulting company. (2, 5)

Paul J. Schoenhals, of Calgary, Alberta, is President of Petroleum Industry Training Service. He was Chairman of Potash Corporation of Saskatchewan, the Crown corporation, from 1987-1989. (3, 4)

E. Robert Stromberg, Q.C., of Saskatoon, Saskatchewan, is associated with the Saskatchewan law firm Robertson Stromberg Pedersen. (1, 2, 4)

Jack G. Vicq, Professor Emeritus of Accounting, University of Saskatchewan, was formerly Associate Dean of Commerce and responsible for the Centre for International Business Studies. (1, 5)

Elena Viyella de Paliza, of the Dominican Republic, is President of Inter-Quimica, S.A., a chemicals importer and distributor, Monte Rio Power Corp and Indescorp, S.A. (1, 2)

1 Executive Committee
2 Corporate Governance and Nominating Committee
3 Compensation Committee
4 Safety, Health and Environment Committee
5 Audit Committee

For more information about the Board, see the company website at www.potashcorp.com/investor_relations/governance/board_of_directors

PotashCorp

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