

1. MESSAGE FROM CEO

2. ABOUT THIS REPORT

3. OUR BUSINESS

4. CORPORATE STEWARDSHIP
AT CF INDUSTRIES

5. ENERGY, EMISSIONS
& CLIMATE CHANGE

6. OUR WORKPLACE
& COMMUNITIES

7. FOOD SECURITY & NATURE

8. ETHICS & GOVERNANCE

9. COALITIONS, PARTNERSHIPS
& POLICY ENGAGEMENT

10. REPORTING & DATA

A Message from Our CEO

TO OUR STAKEHOLDERS:

CF Industries is a company that prides itself on how the way we manage our business creates value across all our stakeholders.

Our approach begins with our values – We Do It Right, We Do It Well, We Work as a Team, and We Take a Long-Term View – and manifests itself across a range of operational and financial measures. These include high asset utilization underpinned by outstanding safety performance, leading and efficient logistics and distribution capabilities, and disciplined capital deployment. These, in turn, have led to consistently strong financial performance.

We also see our approach take shape across material topics within a framework of four dimensions of stewardship– Energy, Emissions and Climate Change; Our Workplace and Communities; Food Security and Nature; and Ethics and Governance – that we believe are most relevant to our business and our stakeholders. These dimensions are aligned with and drive the performance of the business both in the near- and longer-terms.

Our Business

At our core, CF Industries is a producer of ammonia. We use the Haber-Bosch process to fix atmospheric nitrogen with hydrogen from natural gas to produce anhydrous ammonia, whose chemical composition is NH_3 . We then choose to sell the ammonia itself or upgrade it into ammonia-derived products such as granular urea, urea ammonium nitrate solution (UAN) and diesel exhaust fluid (DEF), which reduces nitrogen oxide emissions from diesel trucks by up to 90% and increases fuel efficiency by 3-4%.

We are the largest producer of ammonia in the world. The 16 ammonia plants in our network, which are all located in North America, have a total annual average capacity of 10.4 million tons. We are best-in-class operators, producing ammonia and/or ammonia-derived products at nine manufacturing facilities that we operate at one of the highest on-stream factors in our industry.

What we do makes a difference to billions of people. Simply, ammonia is one of the most important chemical compounds on earth, essential to human life. The primary use of ammonia and its derivative products today, and the focus of our business for nearly 80 years, is as fertilizer. The nitrogen content in these products provides energy to crops to increase yields and is critical to the formation of protein within the plant.

Along with advancements in seed technology and farming practices, the use of nitrogen fertilizer and other nutrients dramatically increased food production in the second half of the 1900s, supporting world population growth and lifting countless people out of hunger. It is estimated that fertilizer is responsible for 50% of the world's food. At the same time, fertilizer allows more food to be grown on fewer acres. This reduces the amount of land cleared for agriculture, preserving carbon-sequestering forests and the biodiversity of wildlife ecosystems.



1. MESSAGE FROM CEO

2. ABOUT THIS REPORT

3. OUR BUSINESS

4. CORPORATE STEWARDSHIP
AT CF INDUSTRIES

5. ENERGY, EMISSIONS
& CLIMATE CHANGE

6. OUR WORKPLACE
& COMMUNITIES

7. FOOD SECURITY & NATURE

8. ETHICS & GOVERNANCE

9. COALITIONS, PARTNERSHIPS
& POLICY ENGAGEMENT

10. REPORTING & DATA

How Our Industry is Changing

As we look ahead, we believe customer and regulatory requirements will move the global industry towards manufacturing our products with a lower carbon intensity. Ammonia and nitrogen fertilizer production is a significant contributor to the carbon footprint of agriculture. Consumer packaged goods companies are increasingly focused on reducing the carbon impact of the food they sell. Additionally, ethanol producers are looking to enable the use of their product as a sustainable aviation fuel. The use of low-carbon ammonia and nitrogen fertilizer in crop production is a certifiable and quantifiable pathway to achieve these objectives. At the same time, many governments, particularly in Europe, are implementing new greenhouse gas-focused regulatory regimes that will advantage low-carbon products.

There is also emerging demand from energy-intensive industries, such as power generation and marine shipping, which have identified ammonia as a clean energy source. This is due to the hydrogen atoms in a molecule of ammonia. Hydrogen is widely viewed as a scalable source of clean energy, and ammonia represents an efficient mechanism to both ship and store hydrogen, as well as a clean energy source in its own right as ammonia does not contain or emit carbon. The use of ammonia for its clean energy capability represents a significant source of new demand for those who can produce low-carbon ammonia.

These dynamics position us to do what we do best – produce ammonia and ammonia-derived products – while significantly reducing the carbon emissions associated with ammonia production.

Our Strategy

As a result, our strategy is to leverage our unique capabilities to accelerate the world's transition to clean energy.

Decarbonization is at the heart of this strategy. As we decarbonize, we will be able to provide clean energy to existing and new customers so that they can decarbonize their industries.

What does this look like in practice?

Within our existing network, we are investing in decarbonization initiatives, with projects in-flight that will reduce our annual greenhouse gas emissions by up to 2.5 million metric tons of CO₂-e annually. These projects will differentiate our products in the marketplace as we work with existing and new customers who are focused on reducing the carbon footprint of agriculture and their industrial operations.

We are also have built global partnerships to spur demand for low-carbon ammonia for new applications. This includes working with JERA Co., Inc., Japan's largest energy company, which intends to co-fire low-carbon ammonia with coal in its existing thermal coal power plants to reduce CO₂ emissions, and Mitsui & Co., Inc., one of the leading ammonia marketers in the world, to evaluate the construction of a greenfield low-carbon ammonia plant in Louisiana. We also work with organizations such as the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping to drive understanding of how we produce, store, handle, and ship ammonia safely as the marine industry examines the use of ammonia as a marine fuel.

These initiatives are supported and reinforced by goals we have established within our Energy, Emissions and Climate Change dimension. Our committed goals include reducing Scope 1 CO₂-e emissions intensity by 25% by 2030 (compared to a 2015 baseline) and achieving net zero Scope 1 and 2 carbon emissions by 2050. We also have committed to reducing our Scope 3 emissions by 10% by 2030.

As we execute our strategy, we expect to grow profitably while achieving our committed decarbonization goals and doing good for the environment.



1. MESSAGE FROM CEO

2. ABOUT THIS REPORT

3. OUR BUSINESS

4. CORPORATE STEWARDSHIP
AT CF INDUSTRIES

5. ENERGY, EMISSIONS
& CLIMATE CHANGE

6. OUR WORKPLACE
& COMMUNITIES

7. FOOD SECURITY & NATURE

8. ETHICS & GOVERNANCE

9. COALITIONS, PARTNERSHIPS
& POLICY ENGAGEMENT

10. REPORTING & DATA

Bright Future

We believe that this Report will highlight how our focus on our core dimensions and material topics aligns with and support the long-term growth of the Company. We are proud to share them with you.

CF Industries is a thriving company, with 2,800 employees who live our values every day, consistently execute our business at the highest level and are focused on our mission to provide clean energy to feed and fuel the world sustainably. The Senior Leadership Team and I are proud to lead this outstanding team.

Thank you for your confidence in CF Industries. We are excited about the future and look forward to working with you in the years ahead.



Tony Will

President and Chief Executive Officer
CF Industries Holdings, Inc.

