



# 2018 GRI Report

March 27, 2019

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## Our Reporting Strategy

CF Industries is committed to publishing an annual sustainability report to document our environmental, governance and social (ESG) strategy and performance. Our most recent Sustainability Report was released in October 2018. In response to increasing stakeholder requests and in a move to better align the timing of our financial and ESG reporting, we have elected to update our Global Reporting Initiative (GRI) disclosure in advance of our next Sustainability Report, scheduled for publication in Summer 2019. We also are expanding GRI responses from a Core to Comprehensive application. Going forward, our intent is to begin publishing both the Annual Report and Sustainability Report in tandem beginning in 2020.

# GENERAL DISCLOSURES



## Organizational Profile

102-1

### Report the name of the organization.

CF Industries Holdings, Inc.

102-2

### Activities, brands, products and services

See 2018 Form 10-K, pages 1-3

103-3

### Location of headquarters

Deerfield, Illinois

102-4

### Location of operations

Nitrogen manufacturing facilities

- Billingham, United Kingdom
- Courtright, Ontario
- Donaldsonville, Louisiana
- Ince, United Kingdom
- Medicine Hat, Alberta
- Point Lisas, Trinidad (50% interest)
- Port Neal, Iowa
- Verdigris, Oklahoma
- Woodward, Oklahoma
- Yazoo City, Mississippi

CF-owned storage terminals – 19 locations in the U.S. and three in Canada

102-5

**Ownership and legal form**

A publicly held U.S. corporation

102-6

**Markets served**

The principal customers for our nitrogen fertilizer and other nitrogen products are cooperatives, independent fertilizer distributors, farmers and industrial users. Our largest customer base is in the U.S., Canada, Europe and Latin America. Our markets are global and intensely competitive, based primarily on delivered price and, to a lesser extent, on customer service and product quality. See also 2018 Form 10-K, pages 7 and 119.

102-7

**Scale of organization**

See 2018 Form 10-K

Net sales and volume and total operations: Pages 3-5

Net earnings: Pages 71-72

Employees: Page 10

102-8

**Information on employees and other workers**

TOPIC	METRIC	UNIT	2018	2017	2016
<b>People</b>					
<b>EMPLOYMENT</b>	Total Employees	Employees	3,036	3,066	3,016
	Employees by region:				
	U.S.	Employees	2,012	1,989	1,970
	U.K.	Employees	608	655	625
	Canada	Employees	416	422	421
	Employees by contract type:				
	Full time	Employees	2,920	2,913	2,867
	Part Time	Employees	85	105	114
	Temporary	Employees	31	48	35
	Employees covered by collective bargaining agreements	Percentage	17	–	–
	Entry level wage relative to local minimum wage (U.S.)	Percentage	279	–	–
	Entry level wage relative to local minimum wage (Canada)	Percentage	234	–	–
<b>DIVERSITY &amp; INCLUSION</b>	Employees by gender:				
	Male	Employees	2,616	2,643	2,617
	Female	Employees	420	423	399
<b>TENURE</b>	Employees by tenure:				
	0-5 years	Employees	1,489	1,539	1,502
	6-10 years	Employees	568	532	506
	11-20 years	Employees	432	410	381
	21+ years	Employees	547	585	627

All data in this section is as of December 31 of the reporting year. Previous Corporate Sustainability Reports had included similar data as of July 1 of the year the report was published.

## Description of Supply Chain

CF's supply chain includes local, regional and global partners from whom we purchase products and services including natural gas, transportation, utilities, maintenance services and capital equipment. The Procurement and Material Control organization within CF manages the spend that supports the manufacturing sites, distribution facilities and corporate offices exclusive of feedstock and customer logistics. This spend is conducted with 5,000 plus suppliers across a number of areas, including but not limited to: capital equipment, maintenance services, chemicals, catalyst, spare parts, utilities, professional services, information technology, travel, engineering services and environmental services.

The vast majority of the supply base is located in North America and Western Europe. The extended supply chain is exponentially greater than the number of suppliers CF utilizes. The spend varies from year-to-year but generally is in the range of \$1 billion plus per year. In addition, the Procurement and Material Control team manages warehouses and the corresponding inventory of spare parts to support manufacturing operations.

CF Industries' primary raw material, natural gas, is delivered to its nine production locations by pipeline. North American operations have a dedicated natural gas management organization that procures natural gas for delivery to the plants, manages price risk through physical contracts and financial derivatives, and manages natural gas transportation contracts to deliver gas from nearby hubs to the plants. At CF Fertilisers UK, these functions are embedded within the supply organization. In total, gas is procured from approximately 25 counterparties, all of whom are either natural gas production and exploration companies or major natural gas marketing companies, using a mix of term contracts and monthly spot purchases. New suppliers are added from time to time, but the supply base tends to change slowly. The cost of natural gas procured varies with fertilizer production and the market price of gas and has averaged about \$1 billion per year in recent years.

Our transportation organization manages outbound freight services, leasing of transportation equipment and terminal operations, and related services, for which the company spends approximately \$500 million per year. Products are shipped from CF's plants, terminals and leased facilities by river barge, rail, truck, ocean-going vessel and pipeline. In some cases, our customers arrange truck or marine transportation from our facilities to their own.

## Significant changes to the organization and its supply chain

See 2018 Form 10-K, page 3

In 2018, the company's wholly owned subsidiary Terra Nitrogen GP Inc. (TNGP) elected to exercise its right to purchase all of the issued and outstanding common units representing limited partner interests in Terra Nitrogen Company, L.P. (TNCLP) not already owned by TNGP or its affiliates (the Purchase). TNGP completed the Purchase on April 2, 2018, for an aggregate cash purchase price of \$388 million. Upon completion of the Purchase, CF Holdings owned, through its subsidiaries, 100 percent of the general and limited partnership interests of TNCLP.

In January 2019, Magellan Midstream announced its intention to close its ammonia pipeline system, which serves two of the Company's plants and two of its owned terminals. When implemented, this closure will require the Company to transport more of the net ammonia produced at its Verdigris, Oklahoma, and Port Neal, Iowa, complexes by truck or river barge.

## Precautionary principle or approach

CF has not formally adopted the precautionary approach but has a comprehensive risk management program in place.

102-12

## External Initiatives

United Nations Sustainable Development Goals – See 2017 Sustainability Report, page 7  
Global Reporting Initiative  
CF has applied to be a signatory to the UN Global Compact

102-13

## Membership and associations

4R Plus  
Agricultural Retailers Association  
Field to Market  
International Fertilizer Association (IFA)  
Louisiana Chemical Association (LCA)  
National Safety Council  
National Association of Environmental Management  
One Acre Fund  
ResponsibleAg  
The Fertilizer Institute  
The Business Roundtable  
National Association of Manufacturers  
U.K. Carbon Trust

## Strategy

102-14

## Statement from senior decision-maker

2017 Sustainability Report, pages 2-3  
2018 CF Industries ESG Supplement, page 3

102-15

## Key Impacts, risks and opportunities

2018 CF Industries Annual Report, pages 1-3  
2018 CF Industries ESG Supplement, page 4  
2018 Form 10-K, pages 12-14, 17-20

## Ethics and Integrity

102-16

## Values, principles, standards and norms of behavior

Our Values  
<https://www.cfindustries.com/who-we-are/our-values>  
Code of Conduct  
<https://www.cfindustries.com/globalassets/cf-industries/media/documents/reports/codeofconduct.pdf>

102-17

## Mechanisms for advice and concerns about ethics

[Code of Conduct](#), page 3

# Governance

102-18

## Governance Structure

Corporate Governance Guidelines

<https://www.snl.com/IRW/govdocs/4533245>

102-19

## Delegating Authority

At the corporate level, our Director of Environmental, Health and Safety (EHS) reports to the Senior Vice President of Manufacturing, who provides briefings to the CF Industries Board of Directors at every meeting. Our internal councils also help develop and communicate environmental, occupational safety, process safety, security and emergency services best practices among our manufacturing and distribution facilities. The Director of EHS is also supported by a team of auditors who conduct audits and facilitate best practices across all CF operations.

Most of our philanthropic and social outreach initiatives are locally based. This enables each facility to address the unique needs and opportunities in their respective communities.

102-20

## Executive-level responsibility for economic, environmental, and social topics

See General Disclosure 102-19

102-21

## Consulting stakeholders on economic, environmental and social topics

We believe in fostering open communication with all of our stakeholders, including investors, customers, employees, public officials, farmers and our communities. We engage with each group through appropriate channels and on issues that matter most to them.

Building positive relationships with our stockholders is critical to CF Industries' success. We value the views of, and regularly communicate with, our stockholders on a variety of topics, such as our financial performance, corporate governance, sustainability, executive compensation, and related matters. Management shares the feedback received from stockholders with the Board. Our chairman or other members of the Board may also be available to participate in meetings with stockholders as appropriate. Requests for such a meeting are considered on a case-by-case basis. Our engagement activities have resulted in valuable feedback that has contributed to our decision-making with respect to these matters.

We conduct shareholder outreach campaigns in the spring and in the fall. Our engagements in the spring are primarily focused on ballot items on which shareholders will vote at our annual meeting. Our engagements in the fall generally focus on voting outcomes from our prior annual meeting – including direct shareholder feedback on how they voted on ballot items – as well as potential corporate governance or executive compensation changes the Board and its committees are considering. The fall engagement also presents an opportunity to discuss with shareholders developments in their methodologies and analyses and potential future areas of focus.

See 2019 CF Industries Proxy Statement, “Corporate Governance – Shareholder Engagement” (p. 7)

102-22

## Composition of the highest governance body and its committees

See 2019 CF Industries Proxy Statement, “Corporate Governance – Director Independence” (p. 22); “Corporate Governance – Leadership of the Board” (p. 22); “Corporate Governance – Committees of the Board” (p. 24).

102-23

## Chair of the highest governance body

The Board has determined that the most effective leadership structure is to maintain an independent Board chair role separate from the chief executive officer. In making this determination, the Board takes into account a number of factors, including: (1) that separating these positions allows our Board chairman to focus on the Board's role of providing advice to, and independent oversight of, management; and, (2) the time and effort our chief executive officer needs to devote to the management and operation of CF Industries and the development and implementation of our business strategies.

Stephen A. Furbacher has served as our lead independent director since 2010 and as Board chairman since May 2014. Mr. Furbacher was selected to serve as chairman because of his contributions to the leadership of the Board through his position as our lead independent director prior to becoming chairman.

102-24

## Nominating and selecting the highest governance body

See 2019 CF Industries Proxy Statement, "Proposal 1: Election of Directors – Director Nominees" (p. 9); "Proposal 1: Election of Directors – Director Succession Planning and Nomination Process" (p. 9); "Proposal 1: Election of Directors – Criteria for Board Membership" (p. 12).

102-25

## Conflicts of interest

The Board has made an affirmative declaration that none of our 11 non-employee directors have a material relationship with CF Industries or any of its subsidiaries (other than being a director and stockholder of CF Industries) and, accordingly, meet the applicable requirements for "independence" set forth in the NYSE's listing standards. Our [Code of Conduct](#) provides guidance on examples of conflicts of interest, expectations for all levels of the organization and related persons and how to disclose potential conflicts.

102-26

## Role of highest governance body in setting purpose, values, and strategy

See 2019 CF Industries Proxy Statement, "Proxy Statement Summary – Our Strategy" (p. 2); Corporate Governance – Board Oversight of Strategy and Risk Management" (p. 25); "Corporate Governance – Corporate Responsibility and Sustainability" (p. 28).

102-27

## Collective knowledge of highest governance body

See 2019 CF Industries Proxy Statement, "Proposal 1: Election of Directors – Criteria for Board Membership" (p. 12); "Proposal 1: Election of Directors – Summary of Director Core Competencies" (p. 13).

102-28

## Evaluating the highest governance body's performance

See 2019 CF Industries Proxy Statement, "Corporate Governance – Leadership of the Board – Annual Board and Committee Self-Evaluations and Director Peer Evaluations" (p. 23).

102-29

## Identifying and managing economic, environmental, and social impacts

See 2019 CF Industries Proxy Statement, "Corporate Governance – Board Oversight of Strategy and Risk Management" (p. 25); "Corporate Governance – Corporate Responsibility and Sustainability" (p. 28).

102-30

## Effectiveness of risk management process

Management of risk, including process safety and environmental risk, extends from our plant-level managers to the CF Board of Directors. A corporate risk management group leads an annual assessment process that includes extensive research and scoring methodology to identify and rank risks. Material risks are assigned to members of CF's senior management team, who are responsible for risk monitoring and mitigation. The Board of Directors focuses on the adequacy of our risk management process and the effectiveness of our overall risk management program.

102-31

**Review of economic environmental, and social topics**

See General Disclosure 102-26 and 102-27

102-32

**Highest governance body's role in sustainability reporting**

A copy of the sustainability report is provided to the Board of Directors in advance of its annual publication so that directors may provide input.

102-33

**Communicating critical concerns**

See 2019 CF Industries Proxy Statement, "Corporate Governance – Communications with Directors" (p. 28) and "Corporate Governance –Shareholder Engagement" (p. 28).

102-34

**Nature and total number of critical concerns communicated**

CF Industries treats this as confidential information.

102-35

**Remuneration policies**

For directors, see 2019 CF Industries Proxy Statement, "Corporate Governance – Director Compensation" (p. 30).

For named executive officers, see 2019 CF Industries Proxy Statement, "Compensation Discussion and Analysis" (p. 43-77), "Compensation and Management Development Committee Report" (p. 78), and "Executive Compensation" (p. 79-91).

102-36

**Process for determining remuneration**

For directors, see 2019 CF Industries Proxy Statement, "Corporate Governance – Director Compensation" (p. 30).

For named executive officers, see 2019 CF Industries Proxy Statement, "Compensation Discussion and Analysis" (p. 43-77), "Compensation and Management Development Committee Report" (p. 78), and "Executive Compensation" (p. 79-91).

102-37

**Stakeholders' involvement in remuneration**

See 2019 CF Industries Proxy Statement, "Compensation Discussion and Analysis – Executive Summary – Shareholder Engagement" (p. 49).

102-38

**Annual total compensation ratio**

For 2018 we estimate our Chief Executive Officer's (CEO) annual total compensation was 97 times that of our all-company median employee. Additionally, ratios for the highest paid individuals to median employee at our significant operation locations are included in the chart below:

Location	Annual Compensation Ratio (102-38)
All Company	97 to 1
U.S.	103 to 1
Canada	5 to 1
U.K.	16 to 1

Employee annual total compensation, for purposes of this calculation, includes 2018 base salary, actual bonus paid and total target fair value of all annual long-term incentives granted.

Due to the variability of the annual earnings for our hourly workforce and our performance-based compensation, the annual total compensation ratios can differ significantly from year to year. Full disclosure of the SEC required CEO annual total compensation ratio to the median employee pay can be found in the 2019 CF Industries Proxy Statement, "Executive Compensation – CEO Pay Ratio" (p. 90).

102-39

## Percentage increase in annual total compensation ratio

For 2018 our Chief Executive Officer's (CEO) year-over-year annual total compensation increase was 1.32 times that of overall-company median employee. Additionally, ratios for the highest paid individuals to median employee at our significant operation locations are included in the chart below:

Location	Annual Increase Ratio (102-39)
All Company	1.32 to 1
U.S.	1.05 to 1
Canada	1.03 to 1
U.K.	5.94 to 1

Employee annual total compensation, for purposes of this calculation, includes base salary, actual bonus paid and total target fair value of all annual long-term incentives, covering fiscal years 2017 and 2018.

Due to the variability of the annual earnings for our hourly workforce and our performance-based compensation, the annual total compensation ratios can differ significantly from year to year.

Full disclosure of annual total compensation for our CEO can be found in the 2019 CF Industries Proxy Statement, "Executive Compensation – CEO Pay Ratio" (p. 90).

## Stakeholder Engagement

102-40

### List of stakeholder groups

We believe in fostering open communication with all of our stakeholders, including investors, customers, employees, farmers, policymakers, government officials, NGOs, suppliers and our communities. We engage with each group through appropriate channels and on issues that matter most to them.

102-41

### Collective bargaining agreements

Approximately 17 percent of CF's total workforce were covered by a collective bargaining agreement in 2018. Collective bargaining agreements only cover U.K. employees.

102-42

### Identifying and selecting stakeholders

We identify relevant stakeholders as those individuals and/or groups that our people, plants, and products impact directly. We also take into consideration the entire life cycle of our products even though we may not be directly responsible for impacts in the downstream value chain.

102-43

### Approach to stakeholder engagement

See Standard Disclosure 102-40

102-44

### Key topics and concerns raised

Stakeholder	Key Topics and Concerns
Investors	Business performance, commodity market trends, regulatory risks, corporate governance, sustainability
Farmers	Farm profitability, crop yield, soil quality, conservation
Employees	Operational safety, business stability, compensation and benefits, professional training
Customers	Product quality, product distribution, logistics capabilities
Community Members	Business stability, job creation, community safety, local economic development, environmental impacts

# Reporting Practices

102-45	<b>Entities included in the consolidated financial statements</b> 2019 Form 10-K, Section 4: EX-21 (Exhibit 21) page 222
102-46	<b>Defining report content and topic boundaries</b> The content of this report has been compiled based upon a review and analysis of industry material issues; benchmarking against industry peers; engaging regularly with our stakeholders; and surveying GRI Standards topics. Reporting boundaries are all wholly owned and operated operations.
102-47	<b>List of material topics</b> <ul style="list-style-type: none"><li>• Energy, Emissions &amp; Climate Change</li><li>• Food Security</li><li>• Environmental Impacts of Products</li><li>• Environmental Compliance</li><li>• Employee Health &amp; Safety</li><li>• Training &amp; Development</li><li>• Local Economic Impact</li><li>• Community Performance</li><li>• Public Policy</li><li>• Ethics</li></ul>
102-48	<b>Restatements of information</b> Restatements are footnoted throughout this report as they appear.
102-49	<b>Changes in reporting</b> There have been no significant changes to material topics since the last reporting period.
102-50	<b>Reporting period</b> The year ending December 31, 2018
102-51	<b>Date of most recent report</b> 2017
102-52	<b>Reporting cycle</b> Annual
102-53	<b>Contact point for questions regarding the report</b> Corp_communications@cfindustries.com
102-54	<b>Claims of reporting in accordance with the GRI Standards</b> This report has been prepared in accordance with GRI Standards: Comprehensive Option.
102-55	<b>GRI content index</b> This document is organized by GRI disclosures and serves as our GRI Content Index.
102-56	<b>External assurance</b> We do not seek external assurance for this report.

# TOPIC-SPECIFIC STANDARDS



## ECONOMIC

### 201 Economic Performance

103-1,2,3

#### Management Approach

2018 Annual Report, page 3  
2018 Form 10-K, pages 30-34

201-1

#### Direct economic value generated and distributed

2018 Annual Report, page 3  
2018 Form 10-K, pages 40-42

201-2

#### Financial implications and other risks and opportunities due to climate change

See 2019 CF Industries Proxy Statement, “Corporate Governance – Board Oversight of Strategy and Risk Management – Spotlight: Assessing the risks and opportunities associated with climate change” (p. 27)

See 2018 Form 10-K, pages 8-10

CF employees are eligible to participate in a pension plan as well as a 401(k) or equivalent plan. We maintain five funded pension plans, consisting of three in North America (one U.S. plan and two Canadian plans) and two in the U.K. One of our Canadian plans is closed to new employees, and the two U.K. plans are closed to new employees and future accruals. The portion of the U.S. plan that is open to new employees is a cash balance plan, which provides benefits based on years of service and interest credits. Our current funding levels as of December 31, 2018 are 90.7 percent for North America and 73.1 percent for the U.K. In addition to our qualified defined benefit pension plans, we also maintain certain nonqualified supplemental pension plans for highly compensated employees as defined under federal law.

We also provide group medical insurance benefits to certain retirees in North America. The specific medical benefits provided to retirees vary by group and location.

CF Fertilisers UK receives a combination of tax exemption and compensation from the U.K. government for a portion of the costs added by government schemes to the electricity price paid by the business. In 2018, the total savings amounted to 6 million pounds.

CF Industries complies with tax law and practice in all of the territories in which we operate. Compliance means paying the right amount of tax, in the right place, at the right time, and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

In structuring our commercial activities, we will consider – among other factors – the tax laws of the countries within which we operate with a view to maximizing value on a sustainable basis for our shareholders. Any tax planning undertaken will have commercial and economic substance and will have regard to the potential impact on our reputation and broader goals. We will not undertake planning that is contrived or artificial.

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. We proactively seek to identify, evaluate, manage and monitor these risks with the objective of minimizing tax risk. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

We engage with tax authorities, with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. We strive to be open with tax authorities, to provide prompt and up-to-date information about how we manage our tax responsibilities, and to ensure our relationship with tax authorities is efficient and effective for both parties.

#### Taxes Paid or Accrued (USD in millions)

US Federal Income Taxes Accrued	97.7 <sup>(1), (2)</sup>
US State Income Taxes Accrued	6.8 <sup>(1), (2)</sup>
Foreign Income Taxes Accrued	14.5 <sup>(1)(2) (3)</sup>
US Indirect Taxes Paid	18.6 <sup>(4)</sup>
<b>Total Taxes Accrued and Paid</b>	<b>137.6</b>

(1) All income tax amounts represent amount accrued related to 2018 operations.

(2) Cash tax payments differ from accrued taxes based on the income tax rules in effect in each jurisdiction in which we operate.

(3) Foreign income taxes translated using U.S. dollar foreign exchange rate in effect for the appropriate period.

(4) Indirect taxes include property taxes, fertilizer tonnage taxes and use taxes paid by the company in that particular year.

#### Government Incentives Received (USD in millions)

Sales Tax Rebates	14.1 <sup>(5)</sup>
Property Tax Rebates & Abatements	2.1 <sup>(6)</sup>
Job Training Grants	1.1 <sup>(7)</sup>
<b>Total Government Incentives</b>	<b>17.3</b>

(5) Sales tax rebates reflect refunds of sales tax paid on capital projects pursuant to an agreement with the appropriate State authority.

(6) Property tax rebates represent abatements or refunds of property taxes associated with capital expansion projects.

(7) Job training grants primarily represent job training payments received from governmental agencies in connection with qualified expansion activities.

## 202 Market Presence

103-1,2,3

### Management Approach

Many of the communities in which we operate are relatively small and in rural locations, where we are often the largest employer and contributor to the local tax base. For plants in operation, we provide well-paid positions with salaries that are often well above the standard salaries in the area. As an example, starting salaries at our nitrogen complexes average \$55,000 per year and increase, with full certification, to \$85,000. For every new direct position created, we estimate seven indirect jobs are created in the local community. When we undertake major maintenance projects, such as turnarounds, or expand a nitrogen complex, we create additional significant positive economic impacts.

Our in-kind and monetary donations and employee volunteerism help develop young people and strengthen communities where we operate. Our community giving strategy is locally-focused and designed to benefit the 30-plus North American and U.K. communities where our manufacturing and distribution facilities are located. The nature of our support depends on the needs of each community and falls within three strategic focus areas of education, safety and community development.

We also take into consideration the safety needs of communities immediately surrounding our facilities. We work closely with emergency responders and other local officials to develop detailed emergency response plans that extend beyond our physical plants. Our community safety activities include sponsoring hazardous material safety training; donating equipment for local emergency responders; and hosting regular community open houses with facility tours and safety presentations.

202-1

### Ratios of standard entry level wage by gender compared to local minimum wage

In the U.S. and Canada, CF offers competitive compensation and benefits at each of its locations of operation. As shown below (in local currency), the standard entry-level wage range is higher than the local minimum wage for both locations presented.

2018 CF Industries Local Minimum Wage Compared to Local Minimum Wage			
Significant Operations	Local Minimum Wage	CF Entry-Level Wages	CF Entry-Level Wages Relative to Local Minimum Wage
U.S. Range/hr. (USD)	\$7.25 – \$11.50	\$20.26 – \$24.67 (hourly) \$26.64 – \$41.22 (salary)	279%
Canada Range/hr. (CAD)	\$14.00 – \$15.00	\$32.74 – \$38.61 (hourly) \$36.48 – \$45.72 (salary)	234%

CF does not set entry level wages based on gender.

In the U.K., the apprentices are the only employees paid minimum wage.

202-2

### Proportion of senior management hired from the local community

As a matter of practice, we will “hire from within wherever possible.” For senior leader roles, if no internal candidates are identified, a search will be conducted externally to find the best candidate for the leader role. The hire may or may not come from one of the communities where we have a local presence. Candidates may be supported with relocation assistance. We define local as within a reasonable travel distance to the site.

In the U.S. and Canada, senior leaders are defined as those individuals who are employed at the following levels within CF: Director, Vice President, Senior Vice President, and General Manager. These employees represent about 3 percent of our total workforce. In 2018, our operations hired six senior leaders – all of whom were hired externally and five of whom came from local communities.

In the U.K., senior leaders are defined as those individuals who are members of our senior leadership team (SLT). There are nine members of the SLT out of a total workforce of 608, which represents less than 1.5 percent of our total workforce. In 2018, we hired one senior leader who is based in the local community.

## 203 Indirect Economic Impacts

103-1,2,3

### Management Approach

See Disclosure 202 — Market Presence Management Approach

203-1

### Infrastructure investments and services supported

In 2018, charitable contributions were approximately \$1.47 million. CF donated to initiatives in the following areas:

- Education
- Health, safety and welfare
- Emergency response
- Local community organizations

Our charitable contributions are driven by the needs of the local communities where we operate.

203-2

### Significant indirect economic impacts

See Disclosure 203-1 — Infrastructure investments and services supported

## 204 Procurement Practices

103-1,2,3

### Management Approach

We ask all suppliers to abide by the CF Industries' [Third Party Code of Conduct](#) as part of the purchase agreements. Suppliers, especially those of chemicals and other hazardous materials, are held to the same EHS standards as our internal operations. For this reason, comprehensive screening of our suppliers is critical. CF works with third parties in the U.S., Canada and the U.K. to assist CF with supplier screening and evaluation.

## Proportion of spending on local suppliers

For the purposes of this indicator, we define local suppliers as:

- Spend is made with suppliers within a 50-mile / 81-kilometer radius from the site based on postal code;
- Utilities serving the facility are within the 50-mile / 81-kilometer radius;
- For suppliers that have multiple offices or non-local mailboxes (e.g., Siemens), we include the supplier office; serving the CF site if it is located within the 50-mile / 81-kilometer radius is included;
- Service providers with the majority of employees residing within 50-mile / 81-kilometer; and,
- Employee reimbursements are not included.

2018 Spending (USD)			
Site	Local Spend	Total Spend	% Local Spend
Courtright	59,366,467	110,811,528	54%
Deerfield	25,510,067	71,388,718	36%
Donaldsonville	254,790,889	368,194,144	69%
Medicine Hat	20,484,504	110,811,528	18%
Port Neal	34,972,540	100,979,710	35%
Verdigris	52,129,712	101,355,836	51%
Woodward	3,303,344	42,655,115	8%
Yazoo City	7,838,846	36,975,639	21%
	<b>458,396,369</b>	<b>943,172,217</b>	<b>49%</b>

2018 Spending (GBP)			
Site	Local Spend	Total Spend*	% Local Spend
Ince	42,728,322	218,957,709	20%
Billingham	59,760,951		27%
	<b>102,489,273</b>	<b>218,957,709</b>	<b>47%</b>

\*Total spend between Ince and Billingham is not differentiable. Therefore, % local spend for Ince and Billingham will be of the total U.K. spend.

## 205 Anti-Corruption

### Management Approach

CF Industries promotes a high-integrity culture that guides our day-to-day work and applies to every aspect of our operations, from putting safety first to conducting business in an ethical manner to serving our customers responsively and reliably. We are committed to doing the right thing, every time, in all of our business dealings. CF's commitment to ethical behavior is captured in our [Code of Conduct](#), which applies to all directors, officers and employees, all of whom participate in our Code of Conduct (available at <https://www.cfindustries.com/who-we-are>) and anti-corruption training annually. In addition, all employees must acknowledge receiving and reading our EHS policy. Our sales professionals are also required to complete annual antitrust training.

### Operations assessed for risks related to corruption

[Code of Conduct](#), pages 9-11, 16-18  
2018 Form 10-K, page 24, page 134

205-2

**Communication and training about anti-corruption policies and procedures**

All CF employees participate in annual anti-corruption training.  
See also [Code of Conduct](#), pages 9-11, 16-18

205-3

**Confirmed incidents of corruption and actions taken**

We did not identify any confirmed incidents of corruption during 2018.

## 206 Anti-competitive Behavior

103-1,2,3

**Management Approach**

See GRI-205 – Anti-Corruption Management Approach

206-1

**Legal actions for anti-competitive behavior, anti-trust, and monopoly practices**

There were no legal actions pending or completed during 2018 regarding anti-competitive behavior or violations of anti-trust or monopoly legislation in which the company was identified as a participant.

# ENVIRONMENT

## 301 Materials

103-1,2,3

**Management Approach**

Our primary fertilizer products are ammonia, granular urea, urea ammonium nitrate (UAN) and ammonium nitrate (AN). We also produce Diesel Exhaust Fluid (DEF), which helps reduce emissions from combustion engines in trucks. The primary input for these nitrogen-based crop nutrients is natural gas and other chemicals and additives. The majority of our products are sold in bulk for use in agricultural and industrial applications. Accordingly, the use of packaging is not material.

301-1

**Materials used by weight or volume**

Natural gas makes up 95 to 97 percent of CF raw materials and the remainder are chemicals and other additives.

301-2

**Recycled input materials**

This disclosure is not material to our products or operations.

301-3

**Reclaimed products and their packaging materials**

This disclosure is not material to our products since the majority are sold in bulk.

# 302 Energy

103-1,2,3

## Management Approach

Our natural gas-based nitrogen production process is more energy efficient and results in lower emissions than the coal-based processes used in other parts of the world, such as China. The manufacturing of our products, however, uses the Haber-Bosch process to convert natural gas and atmospheric nitrogen into ammonia and is an energy-intensive process.

Each year, we make significant capital investments in our manufacturing and distribution facilities to improve energy efficiency, safety and reliability. In addition, capital expenditures have included voluntary investments in carbon capture and nitrous oxide abatement technologies that reduce GHG emissions.

Regarding the application of our products, nitrogen fertilizers collectively prevent more emissions than our operations generate. In the agriculture sector, land use is the greatest GHG emissions contributor. Fertilizers improve crop yields, up to 30 percent for some plants, meaning less land is required to grow the same amount of food for the growing world population. This, in turn, reduces the amount of carbon-sequestering forests converted into farm land. In addition, our DEF also improves fuel efficiency in heavy duty trucks by up to 5 percent.<sup>1</sup>

Our focus on energy efficiency extends to our distribution network that is designed to move product over greater distances with less impact. CF distribution facilities are located close to North America's major crop-growing regions. With multiple transport modes available, we typically utilize the options that make the most sense in terms of fuel efficiency and carbon footprint. In some instances, we are also able to move ammonia through pipeline, which in most cases, is more energy and cost-efficient than truck, barge or rail transport.

<sup>1</sup> 2017 Corporate Sustainability Report

302-1

## Energy consumption within the organization

Total natural gas consumption in 2018 was 347,489,235 MMBtus.

302-2

## Energy consumption outside the organization

Energy consumed outside the organization is currently unavailable. CF will continue to collaborate with vendors and contractors to quantify the amount of energy consumed outside the organization.

302-3

## Energy intensity

	2018	2017	2016
Natural Gas Consumption	347,489,235	356,952,097	293,905,671
Total Nutrient Tonnes	7,294,000	7,658,000	6,180,000
Natural Gas Intensity (MMBtu/Nutrient Tonne)	47.64042158 <sup>2</sup>	46.61166062	47.55755194

<sup>2</sup> Less efficient production due to plant turnaround and maintenance activity.

302-4

## Reduction of energy consumption

Natural gas consumption decreased from 2017 to 2018 by 9,462,862 MMBtus. Consumption is largely a function of production volumes.

Our energy efficiency improvements are part of a broader strategic business plan designed to help us meet or exceed productivity, reliability, and profitability requirements. This plan includes strategies for lowering purchased energy consumption through more efficient processes and improved procurement strategies.

**302-5****Reductions in energy requirements of products and services**

The majority of energy use related to our products occurs in the manufacturing phase of the product lifecycle. The majority of products are used in agricultural applications. We actively promote the 4R Plus Nutrient Stewardship program that utilizes science-based best management practices for fertilizer application to achieve specific cropping system goals, while improving agricultural and energy efficiency.

**303 Water and Effluents****103-1,2,3****Management Approach**

CF is committed to being good stewards with respect to our manufacturing inputs, including water. CF uses water for many purposes at our manufacturing sites, including steam generation, driving turbines, keeping equipment at necessary temperatures, and as a raw material additive for products such as aqua ammonia and DEF.

We measure and monitor 100 percent of our major facilities' water withdrawals using either invoices or meter data. We also measure and monitor 100 percent of our major facilities' water discharges using either invoices, meter data, or engineering estimates.

CF is committed to doing our part to ensure that our products are applied in the right manner so that they stay on farmland and out of adjacent water bodies. CF is proud to partner with The Nature Conservancy and over 40 other stakeholders to advance the 4R Plus campaign in Iowa. The 4R Plus campaign is designed to increase awareness and understanding among Iowa's farmers and crop advisers of two important farming practices 4R Nutrient Stewardship and conservation.

4R Nutrient Stewardship refers to the concept of applying the right nutrient source at the right rate, right time, and right place. The "Plus" in 4R Plus refers to a suite of in-field and edge-of-field conservation practices that increase soil resiliency and help to keep nutrients on fields and out of adjacent water bodies. To do this, the campaign is using multiple outreach strategies—from online tools such as a website, social media, and training modules for crop advisers to radio spots, brochures, and field days—to spread 4R Plus messaging to as many Iowa farmers and crop advisers as possible.

**303-1****Interactions with water as a shared resource**

CF intends to report on this indicator by 2021, per GRI guidance.

**303-2****Management of water discharge-related impacts**

The following water sources are not significantly impacted by CF discharge of water.

- Billingham — Northumbrian Water Municipal supply
- Courtright — St. Clair River
- Donaldsonville — Mississippi River
- Ince — United Utilities Municipal supply
- Medicine Hat — South Saskatchewan River
- Port Neal — Missouri River
- Verdigris — Tulsa City Water
- Woodward — Woodward City Water
- Yazoo City — Sparta Sand Aquifer

303-3

**Water withdrawal**

2018 water withdrawal is as follows:

	2018	2017	2016
Municipal intake	25,375 megaliters	26,038 megaliters	25,355 megaliters
River intake	91,802 megaliters	98,885 megaliters	127,286 megaliters
Well water intake	10,519 megaliters	10,517 megaliters	9,208 megaliters

303-4

**Water discharge**

	2018	2017	2016
The total water discharged to surface waters	60,062 megaliters	64,231 megaliters	61,929 megaliters

303-5

**Water consumption**

	2018	2017	2016
Total water consumption	67,634 megaliters	75,520 megaliters	99,919 megaliters

## 304 Biodiversity

103-1,2,3

**Management Approach**

Responsible stewardship of areas with high biodiversity is consistent with the principles of our environmental, health and safety management program. CF Industries operates in compliance with regulatory requirements and under environmental emission and discharge permits.

Furthermore, CF Industries actively promotes biodiversity through the 4R Plus Nutrient Stewardship program. This program encompasses science-based, fertilizer best management practices in fertilizer application to achieve specific cropping system goals, while protecting health, safety and the environment. By increasing the productivity of existing cropland, the 4R Plus program promotes biodiversity by reducing the potential that undeveloped land is cleared and planted for crop production.

304-1

**Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas**

CF does not operate any sites in or adjacent to protected areas or areas of high biodiversity.

304-2

**Significant impacts of activities, products, and services on biodiversity**

CF manufacturing and distribution activities do not have significant negative impacts on biodiversity. No expansion activity occurred in 2018 that would have potential negative impacts on biodiversity.

304-3

**Habitats protected or restored**

CF participated in restoration projects at our Courtright, Ontario, Nitrogen Complex. Activities included:

- Installing seven purple martin houses to promote purple martin nesting;
- Working with Ontario's Ministry of Natural Resources and Forestry to build bat houses on site for insect control; and,
- Partnering with the Rural Stewardship Lambton Network to eliminate invasive plant species and promote re-naturalization.

## IUCN Red List species and national conservation list species with habitats in areas affected by operations

CF does not specifically manage wildlife species per the International Union for Conservation of Nature (IUCN) Red List designations. All activities, however, are operated in accordance with the regulations established for threatened or endangered species by regulatory agencies with authority in the regions in which CF operates.

The following tables summarize the species listed by the IUCN Red List in the vicinity of each of the listed sites:

### IUCN Red List of Species Possibly in the Vicinity of Operations (U.S. Facilities)

IUCN RED LIST DESIGNATION	NUMBER OF SPECIES	SPECIES
<b>Donaldsonville Nitrogen Complex, Donaldsonville, LA</b>		
Critically Endangered	1	Ivory-Billed Woodpecker
Endangered	3	Bumble Bee, American Eel, Sei Whale
Vulnerable	14	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	18	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	525	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Port Neal Nitrogen Complex, Sergeant Bluff, IA</b>		
Critically Endangered	0	None
Endangered	4	Pallid Sturgeon, Little Brown Bat, Bumble Bee, American Eel
Vulnerable	10	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	15	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	423	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Verdigris Nitrogen Complex, Claremore, OK</b>		
Critically Endangered	1	Crayfish
Endangered	5	Little Brown Bat, Bumble Bee, American Eel, Neosho Mucket, Western Prairie Fringed Orchid
Vulnerable		There are numerous species in this category, please see the map below for a list of species. Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened		There are numerous species in this category, please see the map below for a list of species. Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern		There are numerous species in this category, please see the map below for a list of species. Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Woodward Nitrogen Complex, Woodward, OK</b>		
Critically Endangered	0	None
Endangered	3	Arkansas River Speckled Chub, Bumble Bee, Black-footed Ferret
Vulnerable	11	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	12	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	373	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Yazoo City Nitrogen Complex, Yazoo City, MS</b>		
Critically Endangered	2	Bachman's Warbler, Ivory-Billed Woodpecker
Endangered	7	Bumble Bee, Little Brown Bat, Pallid Sturgeon, Sheepnose Mussel, Crayfish, Round Hickorynut Mussel, American Eel
Vulnerable	12	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	19	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	500	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>

**IUCN Red List of Species Possibly in the  
Vicinity of Operation (Canada and U.K.)**

IUCN RED LIST DESIGNATION	NUMBER OF SPECIES	SPECIES
<b>Courtright Nitrogen Complex, Courtright, Ontario, Canada</b>		
Critically Endangered	4	Rusty Patched Bumble Bee, Shortnose Cisco, Tubercled Bloom, American Chestnut
Endangered	6	Little Brown Bat, Eastern Small-Footed Bat, Round Hickorynut, Snuffbox, Bean Mussel, Forked Aster
Vulnerable	15	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	20	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	567	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Medicine Hat Nitrogen Complex, Medicine Hat, Alberta Canada</b>		
Critically Endangered	0	None
Endangered	2	Little Brown Bat, Black-Footed Ferret
Vulnerable	7	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	8	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	308	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Ince Manufacturing Complex, Ince, UK</b>		
Critically Endangered	6	Common Skate, Atlantic Sturgeon, European Eel, Balearic Shearwater, Spengler's Freshwater Mussel, Gwyniad
Endangered	5	Freshwater Pearl Mussel, Blue Whale, Sei Whale, White-Clawed Crayfish, Atlantic Bluefin Tuna
Vulnerable	25	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	28	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	526	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
<b>Billingham Manufacturing Complex, Billingham, UK</b>		
Critically Endangered	5	Common Skate, Atlantic Sturgeon, European Eel, Balearic Shearwater, Spengler's Freshwater Mussel
Endangered	5	Freshwater Pearl Mussel, Blue Whale, Sei Whale, White-Clawed Crayfish, Atlantic Bluefin Tuna
Vulnerable	23	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Near Threatened	26	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>
Least Concern	455	Available at <a href="https://www.iucnredlist.org/search/map">https://www.iucnredlist.org/search/map</a>

# 305 Emissions

103-1,2,3

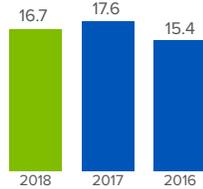
## Management Approach

See GRI 302 – Energy Management Approach

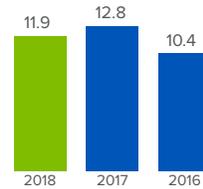
305-1

## Direct (Scope 1) GHG Emissions

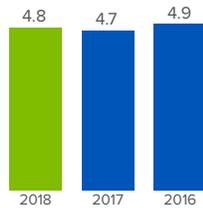
Total CO<sub>2</sub>e  
Scope 1 Emissions/metric tonnes  
(in millions)



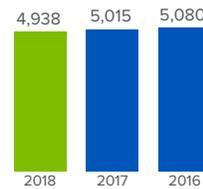
Scope 1 CO<sub>2</sub>/metric tonnes  
(in millions)



Scope 1 N<sub>2</sub>O/metric tonnes  
(in millions)



Scope 1 CH<sub>4</sub>  
(metric tonnes)

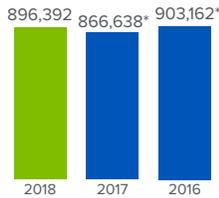


305-2

## Indirect (Scope 2) GHG emissions

2018 Scope 2 emissions were 896,392 metric tons CO<sub>2</sub>e

CO<sub>2</sub>e Scope 2 Emissions  
(metric tonnes)



\*CF over-reported its Scope 2 emissions in the 2016 and 2017 GRI Content Indices due to an accounting error that has now been corrected.

305-3

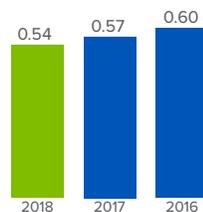
## Other indirect (Scope 3) GHG emissions

Indirect emissions associated with crop nutrient product use are addressed through CF's support of the 4R Plus Nutrient Stewardship program. We anticipate expanding the scope of our reporting for this indicator in the future.

305-4

## GHG emissions intensity

Tonne of Production  
(tonnes CO<sub>2</sub>e)



305-5

**Reduction of GHG emissions**

Scope 1 GHG emissions decreased 857,869 metric tonnes from 2017 to 2018 and Scope 2 emissions increased 29,754 metric tonnes during the same time period.

GHG emissions are directly linked to energy use, which is mostly a function of manufacturing efficiency and operating rates.

305-6

**Emissions of ozone-depleting substances (ODS)**

This disclosure is not material because emissions of Ozone Depleting Substances (ODS) from CF Industries' manufacturing and distribution facilities are negligible.

305-7

**Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions**

NO<sub>x</sub>, SO<sub>x</sub> and Other Emissions (metric tonnes)

	2018	2017	2016
PM10	807	820	744
PM2.5	734	747	692
NO <sub>x</sub>	9,684	9,995	8,329
SO <sub>2</sub>	30	29	32
VOCs	1,835	2,320	3,356
NH <sub>3</sub>	9,203	8,723	8,083

**306 Effluents and Waste**

103-1,2,3

**Management Approach**

CF has developed a Waste Vendor Standard that provides a risk-based framework for evaluating vendors who receive, transport, store, re-use, recycle, treat, and/or dispose waste for CF. Each location has implemented a program to evaluate vendors managing wastes generated by the facility to assure that the vendor's operations are being conducted lawfully and responsibly.

Waste streams are evaluated to determine hazards and associated risks. In most cases, regulatory requirements dictate how the waste is characterized by the location as well as the allowable treatment and disposal technologies to be applied. The waste vendor is then evaluated to determine capability to handle the waste, historic compliance of the vendor, financial risk, waste management practices, and other criteria specific to the regulatory requirements of the region.

CF treats wastewater prior to discharge as needed and in compliance with discharge permit requirements at each of its facilities. A range of treatment methods are used and vary from facility to facility. Treated water is discharged to a surface water in compliance with permitted discharge limits.

See also GRI 303 – Water and Effluents Management Approach

306-1

**Water discharge by quality and destination**

There is not a method to track what percentage of the discharged water is reused by other organizations because all of the discharges are to surface waters. There is, however, a likelihood that some of the discharged water may be reused by others via intake from the surface water at a point downstream of our discharge point.

306-2

## Waste by type and disposal method

Waste by disposal option: <sup>1</sup>	Unit	2018	2017	2016
Hazardous waste sent for treatment/disposal	K Tonnes	0.71	0.33	1.41
Hazardous waste recycled	K Tonnes	0.25	0.22	0.18
Non-hazardous waste disposed	K Tonnes	28.84	19.57	22.36
Non-hazardous waste recycled	K Tonnes	18.59	29.68	17.31

<sup>1</sup>2018 is the first year that CF Industries is publishing waste data

306-3

## Significant spills

See 2018 Form 10-K, page 19

306-4

## Transport of hazardous waste

CF does not use our own equipment to treat or transport any hazardous waste. Third-party transporters pick up and transport hazardous waste from the facilities and deliver it to a hazardous waste management facility.

In 2018, a total of 968 tonnes of hazardous waste was generated by CF and shipped off-site for treatment, disposal or recycling. No hazardous waste was shipped internationally in 2018.

306-5

## Water bodies affected by water discharges and/or runoff

CF treats wastewater prior to discharge as needed and in compliance with the discharge permit requirements at each of our facilities. A range of treatment methods are used prior to discharging the treated wastewater to a surface water.

The following water bodies that are receiving waters of discharges from CF facilities are not significantly affected (annual discharge volume less than 5 percent of receiving water annual flow).

- Billingham — River Tees
- Courtright — St. Clair River
- Donaldsonville — Mississippi River
- Ince — Manchester Ship Canal
- Medicine Hat — South Saskatchewan River
- Port Neal — Missouri River
- Verdigris — Verdigris River
- Woodward — North Canadian River
- Yazoo City — Yazoo River

# 307 Environmental Compliance

103-1,2,3

## Management Approach

Our comprehensive EHS policy and strategy ensure that employees are trained and encouraged to incorporate environmental management and safety considerations into all aspects of their work. Our “Do It Right” culture permeates our business and drives excellence. We integrate safety into all we do and we are also responsible stewards of the environment.

See also CF Industries 2018 10-K, pages 8-10 (Environmental, Health and Safety)

307-1

## Non-compliance with environmental laws and regulations

2018 Form 10-K, pages 27-28

## 308 Supplier Environmental Assessment

103-1,2,3

### Management Approach

See GRI 204 — Procurement Practices – Management Approach

308-1

### New suppliers that were screened using environmental criteria

New and existing suppliers are screened regularly utilizing a third-party service. This service screens for criminal activity, including environmental crimes. Per the CF [Code of Conduct](#) and our contractual commitments, suppliers are expected to be in full compliance with all applicable laws (including environmental laws), rules and regulations that govern the jurisdictions in which they do business. In addition, we evaluate suppliers for potential risks related to environmental compliance using supplier risk matrices. The information to complete these assessments is compiled from a variety of sources including third party market intelligence, internal supply market analyses and public news sources.

308-2

### Negative environmental impacts in the supply chain and actions taken

As suppliers are screened on a regular basis, any negative impacts are mitigated and addressed as known. CF is not aware of any suppliers with any significant negative environmental impact.

## SOCIAL

## 401 Employment

103-1,2,3

### Management Approach

In our interactions with each other, we cultivate respect, openness and trust. We foster a working environment in which employees have a voice, feel valued, are treated fairly and are encouraged to offer new ideas and challenge established norms. As an example, members of CF's senior leadership team (SLT) engage with front-line employees every quarter. Leaders travel to CF facilities, hold town hall meetings with employees, answer questions about company performance and initiatives, and gather feedback.

CF's culture attracts highly skilled individuals who are committed to our mission and who tend to stay with us for years. This holds true even as our workforce has shifted toward younger employees in recent years. We enjoy low turnover rates, while continuing to attract talented people in search of challenging careers with opportunities to learn and grow. Thanks to the expansion of new roles across the organization, we now have multiple generations of employees working side-by-side.

We offer employees a safe, challenging and rewarding workplace environment, attractive salaries, competitive health, retirement and lifestyle benefits. All employees work under an incentive bonus plan that rewards them for doing things right. Employees are also eligible to participate in retirement plans such as pension, 401 (k) or equivalent plans.

Our benefits approach emphasizes wellness. In addition to offering health, dental and vision plans, we offer wellness incentives for completing health activities and challenges; annual health risk assessments; on-site clinic services at most manufacturing sites; and an employee assistance program.

### Employee Turnover by Age Group, Gender and Region

Turnover	<30		30-50		>50		Totals	
	M	F	M	F	M	F	M	F
US	16	6	69	16	17	5	102	27
Canada	0	1	9	2	2	0	11	3
Subtotal	16	7	78	18	19	5	113	30
Total	23		96		24		143	

\*Data excludes co-ops and temporary employees.

\*Turnover was 6% for 2018. Total does not include 58 retirees.

### Employee Turnover (Voluntary vs. Involuntary)

Turnover	Voluntary		Involuntary		Totals	
	M	F	M	F	M	F
US	111	32	30	4	141	36
Canada	10	7	7	0	17	7
Subtotal	121	39	37	4	158	43
Total	160		41		201	

In 2018, total turnover was 201, of which 160 were voluntary, including retirements.

### New Hires by Age Group, Gender and Region

New Hires	<30		30-50		>50		Totals	
	M	F	M	F	M	F	M	F
US	61	10	80	21	24	15	166	46
Canada	8	2	8	2	2	0	17	4
Subtotal	69	12	88	23	26	15	183	50
Total	81		111		41		233	

Data excludes co-ops and temporary employees.

### Employee Turnover by age group, gender and region for U.K.

Leavers	<30		30-50		>50		Totals	
	M	F	M	F	M	F	M	F
Billingham	1	0	3	1	14	2	18	3
Ince	4	2	8	5	19	5	31	12
Subtotal	5	2	11	6	33	7	49	15
Total	7		17		40		64	

### Reasons for Employee Turnover in 2018 for U.K. (Voluntary vs. Involuntary)

Employee Turnover	Ince	Billingham	All
Involuntary	2	1	3
Voluntary	41	20	61
Total	43	21	64

Turnover was 6% for 2018. Total does not include 28 retirees.

### New Hires by age group, gender and region for U.K.

Starters	<30		30-50		>50		Totals	
	M	F	M	F	M	F	M	F
Billingham	10	0	8	2	1	0	19	2
Ince	13	4	20	4	5	4	38	12
Subtotal	23	4	28	6	6	4	57	14
Total	54		34		10		71	

### Turnover Data for 2017 and 2016 (All Locations)

TOPIC	METRIC	UNIT	2017	2016
Turnover	New Hires	Employees	304	210
	Terminations	Employees	283	241
	Voluntary terminations	Percentage	74.2	77.2

## Benefits provided to full-time employees that are not provided to temporary or part-time employees

In the U.S. and Canada, CF provides competitive compensation and bonus opportunities for jobs in all disciplines at our sites based on company and individual performance. Benefits are not restricted to those who work full-time only, some are provided to those who work part-time as well. Additionally, CF contributes toward retirement plans, which include defined-benefit pension plans and defined-contribution plans. The majority of administrative, insurance and other costs associated with CF-sponsored health and welfare plans are borne by the company. Participation in the retirement plans is automatic in all countries.

### EMPLOYEE BENEFITS (✓ = YES)

TYPE OF BENEFIT	UNITED STATES	CANADA
Health Care	✓	✓
Life Insurance	✓	✓
AD&D Insurance	✓	✓
Disability Coverage	✓	✓
Employee Assistance Program	✓	✓
Relocation Assistance	✓	✓
Defined-benefit Pension Plan	✓	✓
Defined-contribution Plan	✓	✓
Long Term Incentives	✓	✓
Short term incentive — Variable Incentive Plan	✓	✓
Formal Wellness Plan	✓	
Maternity Leave	✓	✓
Paternity Leave		✓
Sickness Leave	✓	✓
Deferred Bonus	✓	
Tuition Assistance/Education	✓	✓
Long service awards	✓	✓

## Benefits provided to full-time employees that are not provided to temporary or part-time employees (CONTINUED)

In the U.K., CF provides competitive compensation and bonus opportunities for jobs in all disciplines at our sites based on company and individual performance. Benefits are not restricted to those who work full-time only; they are provided on an equal basis to those who work part-time too. Additionally, CF Fertilisers UK contributes toward pension schemes, which include closed defined-benefit pension plans and open defined-contribution plans. The majority of administrative, insurance and other costs associated with CF-sponsored health and welfare plans is borne by the company. Participation in the pension scheme is subject to a minimum of auto enrollment legislation in the U.K. The only group not entitled to all benefits are our apprentices. We have 15 apprentices out of a total workforce of 608 employees.

Type of Benefit (U.K.)	Apprentices	Regular Workforce
Private Medical Insurance	✓	✓
Life Insurance*	✓	✓
Critical Illness cover	✓	✓
Relocation Assistance		✓
Long term incentive- Equity programme		✓
Short term incentive-Variable Incentive Plan		✓
Employee Assistance programme	✓	✓
Statutory leave and payment — Sickness, Maternity, Paternity and Adoption	✓	✓
Organisational leave and payment — Sickness, Maternity, Paternity, Adoption		✓
Statutory Parental leave	✓	✓
Holiday leave and pay	✓	✓
Pension scheme	✓	✓
Long service awards		✓

\*Provided the employee is a member of the pension scheme or has fixed protection in place.

In the U.S., U.K. and Canada, CF offers a Parental Leave program for all employees. Our U.S. employees do not have a paternity leave program available to them, but we do offer one for our Canadian employees. There are zero reports of employees taking paternity leave during the reporting period at those locations of operations.

CF Fertilisers UK recognizes that employees have responsibilities and obligations to their children and dependents and provides benefits that help employees to fulfill these responsibilities.

Data for the reporting period 2018 (U.S. and Canada):	U.S.	CAN
Total number of employees who were entitled to parental leave	288 females	54 females and 353 males
Total number of employees who took parental leave	9 females took maternity leave	0 females took maternity leave and 0 males took paternity leave
Total number of employees who returned to work in the reporting period after parental leave ended	9 females	N/A
Total number of employees who returned to work in the reporting period after parental leave ended who were still employed 12 months after their return to work	6 females	N/A
Return to work and retention rates of employees who took parental leave	67%	N/A

Data for the reporting period 2018 (U.K. Facilities Only):	
Total number of employees that were entitled to parental leave	541 males and 66 females
Total number of employees that took parental leave	3 females took maternity leave and 15 males took paternity leave
Total number of employees that returned to work in the reporting period after parental leave ended	3 females and 15 males
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	3 females and 15 males
Return to work and retention rates of employees that took parental leave	100%

## 402 Labor/Management Relations

We recognize and respect employee rights to join any lawful organization of their own choosing. We are committed to complying with laws pertaining to freedom of association, privacy and collective bargaining.

See also General Disclosure 102-41

With regard to operational changes across CF Fertilisers in the U.K., which are our only sites with collective bargaining agreements, changes can be agreed to, either on an individual basis or through a collective agreement. When any change to a contract of employment occurs, the business is required to give written notification of the changes in writing, within one month of the change taking effect.

In the event of a redundancy situation effecting 20 to 99 or more staff, CF Fertilisers will commence a period of collective consultation that must start at least 30 days before the dismissals take effect. With 100 or more redundancies, the consultation must start at least 45 days before any dismissals take effect. Thereafter, the contractual notice period, as defined with our contracts of employment or collective agreement, would then be invoked.

## 403 Occupational Health and Safety

Our highest priority is the safety of those who work in or live near our facilities. Safety at CF starts with our “Do It Right” philosophy, which includes equipping our employees with the proper safety knowledge, tools and procedures, and a culture that encourages employees to act with safety in mind every time they come to work. Our strong safety culture has produced consecutive years of continuous improvements in its recordable incident rate.

Employees are the most important part of our safety process and receive regular safety, health and process operation training. This includes annual EHS training and testing that focuses on daily operations, handling hazardous materials and emergency response.

Our safety procedures apply to our supply chain, and we ensure products are safe across all of our shipping modes and even when they reach retailers. When shipping by rail, CF ensures that cars are maintained, products are loaded safely and valves and caps are secured properly. We are also certified by the International Fertilizer Association’s (IFA) Protect & Sustain Initiative, which promotes responsible business management processes across the fertilizer lifecycle to take greater responsibility not only for how products are produced, but also for how they are developed, sourced, stored, transported and used.

CF participates in and is on the Board of ResponsibleAg, an independent nonprofit that helps retailers comply with federal environment, health, safety and security regulations related to the safe storage and handling of farm input supplies.

CF has established a robust Environmental, Health, Safety, and Security (EHS) management system that sets the framework for the EHS activities, establishes minimum company EHS requirements, and facilitates the development and implementation of the company EHS processes. This comprehensive EHS management system that has been established through a number of documented statements, and is applicable to all workers, activities, and workplaces, includes:

- EHS Policy;
- EHS Management Manual, which includes a series of five elements and associated minimum expectations and requirements that must be met across the Company;
- Company-wide EHS documentation (e.g., policies, standards, plans, and procedures), typically established by the EHS Steering Committee and implemented at all levels and functions of the organization. These EHS standards and guidance are provided via a series of appendices to the EHS Management Manual; and,
- Location-specific EHS documentation (e.g., plans and procedures) developed and implemented at the location level.

The EHS management system is designed to follow a Plan-Do-Check-Act cycle that promotes and drives continual improvement:

- **PLAN:** Understanding our compliance obligations and our risks and developing a management system that addresses them;
- **DO:** The implementation of our management system requirements, including those in the EHS Management Manual as well as our EHS Standards;
- **CHECK:** EHS audit program\* and the annual EHS assurance letter; and,
- **ACT:** Management review, and resulting adjustments made to the management system to drive continual EHS performance improvement.

Each CF location has established a location-specific EHS management system that facilitates a safe, secure, productive, and environmentally responsible workplace and implements company and location-specific EHS expectations and regulatory requirements.

In addition, “Best Practice” teams have been established within CF. One of the teams addresses best practices for the storage and handling (i.e. loading and unloading) of our products. This team includes representatives from each of our operations as well as corporate transportation and EHS personnel. All employees who deal with hazardous material transport receive regulatory and site-specific training to ensure that hazardous materials are properly handled at each step of our shipping process.

\* CF has a world-class EHS audit program, which includes all of our facilities and joint ventures. Our EHS audits are risk-based and track findings throughout their life cycle. Through these audits, we share best practices identified by our auditors and make these practices accessible through our company intranet.

Each CF location has developed and implemented processes and procedures to identify environmental, health, occupational safety, process safety, and security-related hazards. The identification of hazards is done in a systematic manner and takes into account past, current, and future/planned activities. All EHS hazards are assessed to determine risk potential and priority, based on the likelihood of occurrence and the potential impact of the consequences.

Risk management controls are then put in place to minimize risk to as low as reasonably practicable. These controls are regularly monitored for effectiveness and updated to respond to changing conditions or activities. Process controls, mechanical integrity assurance processes, and sound maintenance and inspection procedures have been established by each location to allow continued compliance with design and operational parameters. In addition, each location has established a change management process. This process assesses the impact of any change to personnel, process, chemicals, technology, equipment, or procedures from an EHS perspective, implements appropriate risk mitigation for additional risk that may be introduced by the change, and informs and trains employees affected by the change prior to its implementation/start-up.

An incident/near miss/hazard reporting and investigation process has been established at every location and is based on applicable regulations, the company's EHS Management Manual, and other applicable company EHS standards. All incidents/near misses/hazards are promptly communicated to location management or their designated representative. All incidents/near misses/hazards are investigated and appropriate corrective actions implemented. Location management works with the investigation team to appropriately communicate lessons learned within the organization, including to Senior Management where applicable. The level of investigation and priority for corrective action is proportionate to the potential severity and frequency of the event.

All company locations maintain an inventory of hazardous materials (e.g., raw materials, intermediates, by-products and products) at the site. Safety Data Sheets (SDS) are to be obtained for each hazardous material and reviewed to determine proper handling, storage and disposal practices. Product-specific and site-specific information and training is provided to all employees and contractors who work with or in proximity to hazardous materials. The training program is reviewed at least annually, and can be reviewed more frequently if required by a change in materials or work conditions.

Each location maintains a health program for its employees that meets or exceeds regulatory requirements and utilizes the services of a licensed health care professional in the development and on-going execution of this program. Each location has established an Occupational Exposure Assessment Program to identify potential exposures of employees to chemical or physical (e.g., noise) agents, which may be present in the workplace environment, to evaluate such exposures, and to provide information for use in reducing such exposures where appropriate. The services of a Certified Industrial Hygienist (CIH or equivalent) are utilized to develop and periodically review each location's program.

Where there is a potential for exposure to chemical or physical (e.g., noise) agents covered by specific governmental regulations, the Location maintains monitoring programs that comply with requirements of governmental regulations. Monitoring programs for other substances or agents have been established as determined by the Occupational Exposure Assessment Program. Each location has implemented appropriate control measures to ensure that such exposures are eliminated or reduced to regulated/company levels (whichever is lower) or see that adequate protection or safeguards are implemented.

403-4

### **Worker participation, consultation, and communication on occupational health and safety**

CF has safety committees at the majority of our operations, representing more than 76% of all employees. The role of these committees, which are comprised of employees from all levels, is to promote safety awareness and reinforce a working environment that promotes engagement, empowerment, and teamwork among employees while pursuing safety excellence.

403-5

### **Worker training on occupational health and safety**

Properly trained and competent personnel are an essential requirement for the safe and environmentally responsible operation of our locations. Therefore, each location has established systems to ensure employees receive all applicable and mandatory EHS trainings. All employees, contractors, and visitors are provided with training that promotes general EHS awareness, reinforces our EHS policy and management system, and develops or maintains appropriate personnel skill and knowledge levels required for a safe, healthful, secure, and environmentally sound operation. Free-of-charge training is provided to ensure that employees possess the required understanding, knowledge, skills and abilities to carry out their duties and responsibilities safely. In addition, all personnel who perform activities that are deemed critical to EHS performance are appropriately qualified and trained to ensure they understand the risks involved and can properly utilize appropriate risk control measures. Competency testing is conducted to ensure that all trainees understand the proper procedures associated with those critical activities.

403-6

### **Promotion of worker health**

See Disclosure 401-2 - Benefits provided to full-time employees that are not provided to temporary or part-time employees

403-7

### **Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

CF's EHS Management System covers all employees, contractors and visitors to our locations. All locations have established safe work procedures and other controls to ensure the safety of their employees, contractors, and visitors during both routine and non-routine work.

403-8

### **Workers covered by an occupational health and safety management system**

See Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

## Work-related injuries

Health, Safety and Security Management				
Employee Health and Safety: <sup>1</sup>	Unit	2018	2017	2016
Fatality rate	Total/ 200,000 hrs.	0	0	0
Total injuries	Injuries	18	17	34
Lost time incident rate	Total/ 200,000 hrs.	0.20	0.07	0.29
Recordable incident rate	Total/ 200,000 hrs.	0.60	0.57	1.11
Contractor health and safety: <sup>1</sup>				
Fatality rate	Total/ 200,000 hrs.	0	0	0
Total injuries	Injuries	21	16	25
Lost time incident rate	Total/ 200,000 hrs.	Not tracked	Not tracked	Not tracked
Recordable incident rate	Total/ 200,000 hrs.	0.87	0.92	1.12

<sup>1</sup> According to the Occupational Safety and Health Administration (OSHA), incidence rates can be used to show the relative level of injuries and illnesses among different industries, firms or operations within a single firm. Because a common base and a specific period of time are involved, these rates can help determine both problem areas and progress in preventing work-related injuries and illnesses. An incidence rate of injuries and illnesses may be computed from the following formula: (Number of injuries and illnesses X 200,000) / Employee hours worked = Incidence rate. The 200,000 figure in the formula represents the number of hours 100 employees working 40 hours per week, 50 weeks per year would work, and provides the standard base for calculating incidence rate for an entire year. In 2018, the company expanded the reporting of its recordable incident rate and lost time incident rate to include all employees as opposed to only manufacturing and distribution employees as had been done previously. Data for 2016 and 2017 has been updated to reflect the change.

## Work-related ill health

For work-related hazards that pose a risk of ill health, see Disclosure 403-3 - Occupational health services. This year continues our record of no employee or contractor fatalities as a result of work-related ill health or cases of recordable work-related ill health.

## 404 Training and Education

## Management Approach

Building the skill and experience of our workforce is as important as making capital improvements to our plants. That's why we invest in extensive recruitment, training and professional development opportunities for our employees. For example, in the U.S., talented finance and accounting professionals take part in a three-year leadership development program that gives them experience in financial planning and analysis, general accounting, cost accounting, and plant manufacturing accounting and analysis. We view these types of development opportunities as being a key part of succession planning, allowing us to grow a stronger company, today and for the future. In the U.K., we offer apprenticeship programs through which students can access training, local college instruction and on-site learning with CF. At the end of the three-year program, graduates may fill roles as chemical, mechanical and electrical engineers, mechanical technicians and process operators.

## Average hours of training per year per employee

Region	2018 Average Hours
North America	33
United Kingdom	21

## Programs for upgrading employee skills and transition assistance programs

CF provides internal job competency training for all our manufacturing employees, always prioritizing health and safety. This internal training involves job specific focus and is internally assessed.

In the U.S. and Canada, CF provides retiring employees access to financial calculators, planning tools and articles via our third-party vendors. This includes optional services providing advice on fund values, state offerings and analysis based on the timelines involved for retirement.

We also provide support and training for employees whose employment is being terminated due to a reduction in force or job elimination. We offer outplacement support via a third-party organization including job search planning, resume development, custom career coaching and recruiter outreach.

CF supports further training and education of employees through our North American Tuition Reimbursement Program and U.K. Educational Support Policy. Financial support for employees is funded up to degree level.

Retraining is provided in the event of a process change or an employee changing role. For employees, whose employment is being terminated, circumstances dependent, we offer outplacement support via a third-party organization to support job search.

In the U.K., transition assistance programs are provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. Prior to employees retiring, employees have access to financial advice via external pension providers.

## Percentage of employees receiving regular performance and career development reviews

Our performance management process includes scaled competencies, goal alignment, and an important focus around employee and career development. It is our policy that all employees receive a performance review with the exception of those employees who are on short-term/long-term leave, new-hires still within the probation period, and those employees that have been terminated within the year.

# 405 Diversity and Equal Opportunity

103-1,2,3

## Management Approach

We work together to make sure our workplace is a respectful, inclusive, and productive one. This means that our organization will never unlawfully discriminate against any person on any basis in our operations. This also means, in part, that we never make unlawful employment-related decisions based on any legally protected status or characteristic, including but not limited to race, sex, color, religion, national origin, ethnicity, age, medical condition, veteran status, disability, marital or parental status, sexual orientation, or gender identity, as and where protected by applicable law. This policy applies to all employment decisions, including recruiting, hiring, training, promotion, compensation, benefits, transfers, training practices, as well as participation in company programs.

One of CF's priorities is to invest in its people. We are committed to providing the development opportunities and compensation to ensure that CF is a company where employees are proud to work and grow. Our recruiting efforts focus on matching the best possible candidate to the position.

CF is committed to maintaining a productive working atmosphere. We do this not only because applicable law requires it, but also because a tolerant, collaborative company is more competitive in the marketplace. We strive to create an environment where everyone is able to live up to his or her potential. Accordingly, we will not tolerate any form of harassment. Harassment may be any verbal or physical conduct by any individual that disrupts, offends, or interferes with another's work performance, or that creates an intimidating, offensive, or hostile work environment. The company will take immediate disciplinary action against employees who engage in harassment, up to and including termination of employment. We will also take appropriate action against anyone not employed or engaged by the company who violates this policy.

405-1

## Diversity of governance bodies and employees

### Board of Directors:

Gender	Directors
Male	10
Female	2
Total	12
Age	
Under 30	0
30-50	1
Over 50	11
Total	12

### Board of Directors by Age and Gender

Age Group	Male		Female		Totals	
	Count	Percentage	Count	Percentage	Subtotal	Percentage
30-50	0	0%	1	8.33%	1	8.33%
Over 50	10	83.33%	1	8.33%	11	91.67%
Total	10	83.33%	2	16.67%	12	100%

Note: Table represents age and gender information for CF's 2018 Board of Directors. 17% of the Board of Directors are considered to be a member of a minority group.

## Workforce by Age and Gender

Age Group	Male		Female		Totals	
	Count	Percentage	Count	Percentage	Subtotal	Percentage
Under 30	321	13.26%	52	2.15%	373	15.40%
30-50	1,187	49.03%	162	6.69%	1,349	55.72%
Over 50	571	23.59%	128	5.29%	699	28.88%
Total	2,079	85.87%	342	14.13%	2,421	100%

Note: Data excludes Co-op and Temporary employees. 14% of CF's workforce is female and 13% of the Management workforce is female. Approximately 14% of the United States workforce is considered to be a member of a minority group. "Minority Group" in the United States is defined as non-white ethnicity of any gender.

\*Data reflects total headcount at the end of 2018.

## Diversity of U.S. and Canada Employees (gender and age)

All Employees	<30		30-50		>50		Totals	
	M	F	M	F	M	F	M	F
U.S.	268	38	978	136	480	114	1,726	288
Canada	53	14	209	26	91	14	353	54
Subtotal	321	52	1,187	162	571	128	2,079	341
Total	373		1,349		699		2,421	

\*Data excludes co-ops and temporary employees.

\*Data reflects total headcount at the end of 2018.

## Diversity of UK Employees (gender)

Gender split of total workforce	
Total male employees	542
Total female employees	66
% male employees	89%
% female employees	11%

## Ratio of basic salary and remuneration of women to men

CF strives to use salary ranges that are competitive with market pay ranges for positions of comparable responsibility, functional knowledge, impact and other compensable factors. Gender is not a factor when determining compensation. Each salary range has a minimum or threshold salary for a new hire, although CF typically sets the actual salary above this minimum.

In the U.K., we make sure our employment decisions, including compensation and progression, are based on skills, competency and job-related business criteria. Opportunities to progress careers are available to all employees and we work on the principle that the best person should be in the role regardless of gender.

## U.K. Gender Pay Gap Data

Mean Gender Pay Gap in Hourly Pay	10.8%	Median Gender Pay Gap in Hourly Pay	8.2%	
Mean Gender Pay Gap in Bonus Pay	-3.5%	Median Gender Pay Gap in Bonus Pay	16.3%	
Proportion of males and females who got bonus payments		Proportion of males and females in each quartile	% Male	% Female
Percentage of males receiving a bonus	98.8%	Upper Quartile	91.8%	8.2%
		Upper Middle Quartile	90.4%	9.6%
Percentage of females receiving a bonus	98.4%	Lower Middle Quartile	95.2%	4.8%
		Lower Quartile	78.8%	21.2%

## 406 Non-Discrimination

103-1,2,3

### Management Approach

See 405 – Diversity & Equal Opportunity Management Approach

406-1

### Incidents of discrimination and corrective actions taken

Three individuals filed separate legal actions or complaints in 2018 with reporting organizations or competent authorities through a formal process. One claimant alleged race and gender discrimination and whistleblower retaliation. A second claimant alleged discrimination on the basis of a disability. A third claimant alleged racial discrimination and retaliation.

CF is defending the allegations in the first two matters in court. The third allegation is no longer subject to action and was investigated and resolved with no finding of discrimination; all managers involved have been counseled regarding their leadership responsibilities for reporting and taking timely action when made aware of an allegation of discrimination. In addition, CF investigated all three circumstances, each involving a single individual, alleged to have engaged in inappropriate behavior or harassment. In all circumstances, appropriate remediation plans were implemented.

## 407 Freedom of Association and Collective Bargaining

103-1,2,3

### Management Approach

We recognize and respect employee rights to join or not join any lawful organization of their own choosing. We are committed to complying with laws pertaining to freedom of association, privacy and collective bargaining.

See also General Disclosure 102-41

407-1

### Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

CF does not have any operations in which the right to exercise freedom of association and collective bargaining are identified as a significant risk. Further, CF is not aware of suppliers where these rights are at risk. Per the CF [Code of Conduct](#) and our contractual commitments, suppliers are expected to be in full compliance with all applicable laws, rules and regulations that govern the jurisdictions in which they do business. In addition, we evaluate suppliers for potential risks related to labor using supplier risk matrices. The information to complete these assessments is compiled from a variety of sources including third-party market intelligence, internal supply market analyses and public news sources.

## 408 Child Labor

103-1,2,3

### Management Approach

CF is committed to the protection and advancement of human rights in its global operations. Our views are informed by the working standards and human rights concepts advanced by other groups, such as the United Nations' International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Further, we believe that the employment relationship should be voluntary, and the terms of employment must comply with applicable laws and regulations. We are therefore intolerant of slavery, human trafficking, forced labor and child labor and are committed to complying with applicable laws prohibiting such exploitation.

CF strives to conduct business with suppliers, business partners, contractors, vendors, agents, consultants and third parties who share our commitments to conducting business in full compliance with the letter and spirit of all applicable laws, rules and regulations, in accordance with the highest ethical standards, and in a manner that keeps our employees and communities safe. CF expects all third parties and their respective employees, agents and subcontractors to follow the principles summarized in our [Third-Party Code of Conduct](#) in the conduct of their business.

These beliefs and practices are part of CF's Human Rights Policy, which is communicated and accessible to all employees. Employees are instructed to report any suspected violation of this policy or the principles set forth through established channels. In addition, we provide a compliance helpline to facilitate reporting of possible violations and have a strict non-retaliation policy to protect those reporting.

408-1

### Operations and suppliers at significant risk for incidents of child labor Procurement Group

CF does not have any operations that are identified as at significant risk for incidents of child labor or forced or compulsory labor practices. CF abides by all applicable child labor laws, as well as our hiring and employment policies. CF expects all of our business partners and those who we conduct business with to comply with said labor and employment laws, including those that relate to child labor and forced labor.

CF generally does not have any suppliers in regions that are identified as at significant risk for incidents of child labor or forced or compulsory labor practices. Per the CF [Code of Conduct](#) and our contractual commitments, suppliers are expected to be in full compliance with all applicable laws, rules and regulations that govern the jurisdictions in which they do business. Where our suppliers have a supply chain that may extend into areas that are considered to be of higher risk or where risks are identified, mitigation plans will be put in place, such as additional assurances or supplier visits and audits.

## 409 Forced or Compulsory Labor

103-1,2,3

### Management Approach

See Disclosure 408 – Child Labor – Management Approach

409-1

### Operations and suppliers at significant risk for incidents of forced or compulsory labor

See Disclosure 408-1 – Operations and supplier at significant risk for incidents of child labor

## 410 Security Practices

103-1,2,3

### Management Approach

See Disclosure 408 – Child Labor – Management Approach

410-1

### Security personnel trained in human rights policies or procedures

CF's [Code of Conduct](#) reaffirms the Company's long-standing practice of conducting its business in full compliance with the letter and spirit of all applicable laws, rules, and regulations and in accordance with the highest level of ethical standards. All company personnel are required to read and understand the Code of Conduct on an annual basis.

External security service providers are responsible for understanding and adhering to CF's [Third-Party Code of Conduct](#), which holds all service providers to the same high standards as those contained in our Code of Conduct.

CF's security personnel and security service providers working at our locations are given location-specific training that covers appropriate safety and security practices. In addition, CF Industries has received certification in the International Fertilizer Association's (IFA) Global Protect & Sustain program, which assess security throughout the product life cycle, including production, processes, storage, site security, transportation and handling of products.

## 411 Rights of Indigenous People

103-1,2,3

### Management Approach

See Disclosure 408 – Child Labor – Management Approach

411-1

### Incidents of violations involving rights of indigenous peoples

CF has had no reported incidents relating to violations involving the rights of indigenous peoples during the reporting period.

## 412 Human Rights Assessment

103-1,2,3

### Management Approach

See Disclosure 408 – Child Labor – Management Approach

412-1

### Operations that have been subject to human rights reviews or impact assessments

Our operations have not been subject to human rights reviews or human rights impact assessments during the reporting period.

Our operations in the U.K. have a Policy on Modern Slavery. As part of the rollout of the program, we conducted a modern slavery risk assessment, which focused on 100 of our largest suppliers. We then classified these suppliers into low, medium and high risk categories using a combination of factors (geographical location, structure of industry, levels of regulation, etc.). Following this classification, we contacted all medium and high risk suppliers (44 total), asking them to confirm their approach toward modern slavery, the steps they have taken to ensure there is no modern slavery in their supply chain, and whether they have published a compliance statement. The responses we received met our required standards and the requirements of the Modern Slavery Act.

412-2

**Employee training on human rights policies or procedures**

CF is committed to doing the right thing, every time, in all of our business dealings. CF's commitment to ethical behavior is captured in our [Code of Conduct](#), which applied to all directors, officers and employees, all of whom participate in Code of Conduct and anti-corruption training annually.

412-3

**Significant investment agreements and contracts that include human rights clause or that underwent human rights screening**

CF incorporates the [Third-Party Code of Conduct](#) as a matter of course in all business agreements. In the U.K., all new suppliers are subject to a modern slavery assessment by an independent specialist organization before a contract is signed.

## 413 Community

103-1,2,3

**Management Approach**

See 202 — Market Presence Management Approach

413-1

**Operations with local community engagement, impact assessments, and development programs**

All CF facilities, both manufacturing and distribution, have regular, ongoing dialogue with stakeholders in the communities in which we operate. Interaction and topics range from community safety and emergency planning to economic development opportunities and philanthropic support for local causes.

413-2

**Operations with significant actual and potential negative impacts on local communities**

CF operates a set of modern production and distribution facilities. We recognize that, as well as the economic and social benefit to their local communities, some of those operations have the potential to have negative impacts on the local environment or the safety of people.

CF actively manages the risks associated with its operations in accordance with local regulatory requirements and industry codes in order to prevent incidents and mitigate any impact. Potential impacts are evaluated and managed via risk controls, including engineered measures, procedures, emergency response arrangements and associated training. Significant investments are also evaluated for the potential negative impacts, and appropriate risk mitigation measures are identified.

At CF Industries, our “Do It Right” philosophy extends past our daily safe operations to include preparedness for unlikely, negative impact incidents. Through our emergency management process we identify risks to our employees and communities, pre-plan our responses, and maintain emergency service resources at each of our locations. Our emergency services resources are held to industry standards of competency as responders, commanders, and incident managers. Our commitment is to continuously improve through training exercises, performance evaluations, drills, and participation in competitions against internal and external teams. Our focus on execution as a team and investment in preparedness is designed to provide a reliable state of readiness of our emergency services resources and promote a unified execution with the community.

## 414 Supplier Social Assessment

103-1,2,3

### Management Approach

See GRI 204 – Procurement Practices – Management Approach

414-1

### New suppliers that were screened using social criteria

New and existing suppliers are screened regularly utilizing a third-party service. This service screens for criminal activity, including environmental crimes, terrorism, sanctions, and politically exposed persons. In addition, per our CF [Code of Conduct](#) and our contractual commitments, suppliers are expected to be in full compliance with all applicable anti-corruption laws, including but not limited to the Foreign Corrupt Practices Act, anti-boycott laws and trade sanctions.

414-2

### Negative social impacts in the supply chain and actions taken

As suppliers are screened on a regular basis, any negative impacts are mitigated and addressed as known. CF is not aware of any suppliers with any significant negative social impact.

## 415 Public Policy

103-1,2,3

### Management Approach

As a global leader in the production and distribution of nitrogen fertilizers, CF believes part of its corporate responsibility is to be engaged on public policy issues of importance to the company and its supply chain. In 2018, CF was active on international trade, tax, energy, security, transportation, environmental and agriculture policy among other issues.

The CF global public affairs team identifies current and emerging public policy risks and opportunities to assist the corporation in achieving its business goals. The team engages with policymakers, educates them about priority issues and offers innovative solutions to complex problems ensuring company views are reflected in policy debates and outcomes. CF public policy staff organize and lead grass rootscampaigns to engage employees, customers and other stakeholders in policy debates. The team has regular dialogues with leaders in both business associations and non-governmental organizations and develops partnerships based on shared concerns to achieve quantifiable results. Please see 102-12 and 102-13 for a list of the industry organizations of which CF is a member.

The company has a political action committee, the CF Industries Employees' Good Government Fund (CF Fund) that is funded solely through voluntary employee contributions. The CF Fund offers employees a direct, voluntary way to support interests and issues by donating to candidates who support the company's values.

CF's U.S. federal lobbying reports are available at <http://lobbyingdisclosure.house.gov/> or [www.disclosure.senate.gov](http://www.disclosure.senate.gov).

415-1

### Political contributions

CF discloses its political contributions on its corporate web site. [www.cfindustries.com/reports](http://www.cfindustries.com/reports)

## 416 Customer Health and Safety

103-1,2,3

### Management Approach

CF has a dedicated Technical Services team, as well as an agronomy team, that evaluates the performance and impact of our products. We assess the health and safety impacts of our products and information is provided on product safety data sheets and in other product literature.

CF records hazards and potential opportunities with respect to the environment, safety, and health on all products. This information provides management with an overview of important product issues and risks. All identified product issues and risks are assessed to allow for the prioritizing of risk reduction. The overview of required and possible corrective actions is the foundation for an optimized allocation of resources.

416-1

### Assessments of the health and safety impacts of product and service categories

All products and services are assessed for health and safety impacts. Safety data sheets are shared on our corporate web site here.

416-2

### Incidents of non-compliance concerning the health and safety impacts of products and services

The CF Industries Technical Services team ensures a high global internal standard in our production and with our products. CF reports any product enforcement action that has been identified as potentially material to investors through our Form 10-K and 10-Qs. In the reporting year 2018, there were no fines, penalties, or warnings resulting from incidents of non-compliance with regulations or voluntary codes concerning information and labeling of products and services.

## 417 Marketing and Labeling

103-1,2,3

### Management Approach

With regard to product information and labeling, we supply safety data sheets for all CF's fertilizer and process chemical products. These sheets contain all relevant safety and environmental information related to the product. These are accessible to those whom we supply and contain the requisite information about the environmental impact of our products, including information about safe use and disposal. Packaged product is labeled according to the applicable legal requirements and agreed industry practice (e.g. safe handling guidance).

417-1

### Requirements for product and service information and labeling

See Disclosure 417 – Marketing and Labeling – Management Approach

417-2

### Incidents of non-compliance concerning product and service information and labeling

No incidents of significant non-compliance with either regulatory or voluntary code requirements.

417-3

### Incidents of non-compliance concerning marketing communications

CF has not identified any incidents of non-compliance concerning marketing communications with any regulations or voluntary codes.

## 418 Customer Privacy

103-1,2,3

### Management Approach

We outline expectations for the treatment of confidential information in our [Code of Conduct](#). Confidential information includes all nonpublic or proprietary information that might be of use to competitors, or harmful to CF or its customers, if disclosed. It may also include information related to possible transactions with other companies or information about other companies (such as our customers) that CF agreed not to disclose. Protecting all types of company information is vital to our success. This information must be maintained in strict confidence, unless otherwise required by law or CF.

418-1

### Substantiated complaints concerning breaches of customer privacy and losses of customer data

We did not identify any substantiated complaints regarding breaches of customer privacy during 2018.

## 419 Socioeconomic Compliance

103-1,2,3

### Management Approach

Socioeconomic compliance is governed by our [Code of Conduct](#), which acts as a guide to help all CF employees and affiliated parties make good decisions, maintain the trust we've built with our stakeholders, and ensure our business success. It also reaffirms the Company's long-standing practice of conducting its business in full compliance with the letter and spirit of all applicable laws, rules, and regulations and in accordance with the highest level of ethical standards.

419-1

### Non-compliance with laws and regulations in the social and economic area

CF Industries reports any non-compliance with laws and regulations in the social and economic area that has been identified as potentially material to investors through our Form 10-K and 10-Qs.