



**2018**  
**Environmental, Social & Governance**  
**Supplement**





- All directors are independent, except CEO
- Separate independent Chairman of the Board and CEO



- Regular assessment of board composition, capabilities and attributes, including diversity
- Annual board and committee evaluations, including self and peer evaluations



- Publish an annual sustainability report
- Report twice per year on the company's political contributions
- Proxy access



- Annual election of directors
- Majority voting for directors in uncontested elections
- No supermajority voting provisions in charter or bylaws



- Stockholder ability to call special meeting
- Robust stakeholder engagement
- Policy on adoption of a stockholder rights plan



- Independent directors meet regularly in executive session
- Stock ownership requirements for directors and executive officers



## DEAR FELLOW CF INDUSTRIES SHAREHOLDERS

**CF Industries has a remarkably positive impact on our world. We're one of the world's largest, safest and most energy-efficient producers of nitrogen-based products. Our products are used in everything from resins to emissions-abatement technology for diesel trucks and power plants. The most important use of our products, though, is as a fertilizer to help grow the food the world needs.**

Fertilizer is responsible for about half of the global food supply, which means it is critical to sustaining life for billions of people. It is also critical to the sustainability of the world. Fertilizer increases yield per acre, which means less acres are required to feed the world's population, preserving carbon-sequestering forests. At the same time, manufacturing fertilizer is an energy-intensive process and inefficient use can create challenges for water quality and soil health.

Because of these factors, sustainability is an inherent part of how we run our business and part of our commitment to the communities where we live and work. Our commitment starts with our "Do It Right" culture and our ongoing investment in the safety and health of our employees and the reliability and efficiency of our facilities. It extends to a deep focus on protecting the environment and working for the greater good side-by-side with all our stakeholders.

Since 2012, we have communicated our performance in these efforts across fundamental environmental, safety, governance and social considerations through an annual Corporate Sustainability Report. These reports have typically been published 9-10 months after the conclusion of the year we are documenting. In 2019, we are taking several steps to accelerate that timeline to better reflect how we evaluate our sustainability performance alongside our financial performance.

- This Environmental, Social and Governance (ESG) Supplement consolidates our performance data, including from 2018, and makes this data available to you months earlier than in the past.
- We are also posting on our website our 2018 Global Reporting Initiative Index, in which we report on all standards for the first time.
- We will publish our 2018 Corporate Sustainability Report in the middle of 2019, and then publish our 2019 report in late March 2020 in conjunction with our 2019 Annual Report.

CF's 3,000 employees are proud of what they do, and they should be. They help feed the crops that feed the world, and they do so efficiently and sustainably. We look forward to building on this track record, operating safely and responsibly while contributing to a healthier and more sustainable world.

Tony Will  
President and Chief Executive Officer

# CF INDUSTRIES' MATERIAL ISSUES

## CF Industries' Material Issues

This document consolidates data from 2016-2018 related to the environmental, social and governance issues most material to our key stakeholders and to the long-term success of our business. Our key material issues are:



Energy, Emissions  
& Climate Change



Food Security



Environmental  
Impacts of  
our Products



Environmental  
Compliance



Employee Health  
& Safety



Training &  
Development



Local Economic  
Impact



Community  
Performance



Public Policy



Ethics

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## About Our ESG Reporting

CF Industries is committed to publishing a Corporate Sustainability Report, as well as updating our Global Reporting Initiative disclosures and sharing data important to stakeholders, on an annual basis. All previous reports are available through the company's website at [www.cfindustries.com](http://www.cfindustries.com).

# ESG DATA

TOPIC	METRIC	UNIT	2018	2017	2016
<b>Health and Safety</b>					
	Environmental, Health, Safety and Security Policy		<a href="#">EHS Policy</a>		
	Executive-level responsibility for environmental, health and safety topics	Yes/No	Yes	Yes	Yes
	Employee health and safety: <sup>1</sup>				
	<i>Fatality rate</i>	Total/ 200,000 hrs.	0	0	0
	<i>Total injuries</i>	Injuries	18	17	34
<b>HEALTH, SAFETY AND SECURITY MANAGEMENT</b>	<i>Lost time incident rate</i>	Total/ 200,000 hrs.	0.20	0.07	0.29
	<i>Recordable incident rate</i>	Total/ 200,000 hrs.	0.60	0.57	1.11
	Contractor health and safety: <sup>1</sup>				
	<i>Fatality rate</i>	Total/ 200,000 hrs.	0	0	0
	<i>Total injuries</i>	Injuries	21	16	25
	<i>Lost time incident rate</i>	Total/ 200,000 hrs.	Not tracked	Not tracked	Not tracked
	<i>Recordable incident rate</i>	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.

TOPIC	METRIC	UNIT	2018	2017	2016	
<b>Environment</b>						
<b>ENERGY</b>	Energy consumption – Natural gas	MMBtus	347,489,235	356,952,097	293,905,671	
	Natural gas intensity	MMBtu/ Nutrient Tonne	47.64	46.61	47.56	
	Scope 1 Total CO2e emissions	Tonnes	16,756,548	17,614,417	15,406,217	
	Scope 1 CO2 emissions	Tonnes	11,931,914	12,855,593	10,422,070	
	Scope 1 N2O emissions	Tonnes	4,819,696	4,753,809	4,979,067	
	Scope 1 CH4 emissions	Tonnes	4,938	5,015	5,080	
	Scope 2 emissions <sup>3</sup>	Tonnes	896,392	866,638	903,162	
<b>EMISSIONS<sup>2</sup></b>	Other emissions:					
	<i>PM10</i>	Tonnes	807	820	744	
	<i>PM2.5</i>	Tonnes	734	747	692	
	<i>NOx</i>	Tonnes	9,684	9,995	8,329	
	<i>SO2</i>	Tonnes	30	29	32	
	<i>VOCs</i>	Tonnes	1,835	2,320	3,356	
	<i>NH3</i>	Tonnes	9,203	8,723	8,083	
	Emissions intensity	Tonnes CO2e/ Tonne of Production	0.54	0.57	0.60	
	<b>WATER</b>	Water withdrawal: <sup>4</sup>				
		<i>Municipal intake</i>	Megaliters	25,375	26,038	25,355
<i>River intake</i>		Megaliters	91,802	98,885	127,286	
<i>Well water intake</i>		Megaliters	10,519	10,517	9,208	
<i>Water discharge</i>		Megaliters	60,062	64,231	61,929	
<i>Water consumption</i>		Megaliters	67,634	75,520	99,919	
Number of water sources significantly impacted by CF withdrawal/discharge of water		Water sources	0	0	0	
<b>WASTE</b>	Waste by disposal option: <sup>5</sup>					
	<i>Hazardous waste sent for treatment/disposal</i>	K Tonnes	0.71	0.33	1.41	
	<i>Hazardous waste recycled</i>	K Tonnes	0.25	0.22	0.18	
	<i>Non-hazardous waste disposed</i>	K Tonnes	28.84	19.57	22.36	
	<i>Non-hazardous waste recycled</i>	K Tonnes	18.59	29.68	17.31	
<b>COMPLIANCE</b>	Environmental, Health, Safety and Security Management		Management system including EHS policy in place			
	Material non-compliance with environmental laws and regulations	Number	0	0	0	
	Material spills	Volume	0	0	0	
	New suppliers screened for environmental compliance		All new and existing suppliers are regularly screened using a third-party service			
	Suppliers with significant negative environmental impact	Number	0	0	0	

2 Greenhouse gas inventory performed by Ruby Canyon Engineering (RCE), a leading greenhouse gas consulting and verification firm. RCE calculated Scope 1 emissions for CF's U.S. production facilities using the U.S. Environmental Protection Agency's Mandatory Reporting Rule (MRR) equations from Subparts C, G, V and PP; for CF's Medicine Hat, Alberta facility using Alberta's MRR calculation methods; for CF's Courtright, Ontario, facility using Ontario's MRR calculation methods; and for CF's UK facilities using information reported to the European Union Emissions Trading System. Scope 2 emissions were calculated by multiplying each facility's electricity consumption by regional electricity GHG intensity factors.

3 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.

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

5 2018 is the first year that CF Industries is publishing waste data

TOPIC	METRIC	UNIT	2018	2017	2016
<b>People<sup>6</sup></b>					
<b>EMPLOYMENT</b>	Total Employees	Employees	3,036	3,066	3,016
	Employees by region:				
	<i>U.S.</i>	Employees	2,012	1,989	1,970
	<i>U.K.</i>	Employees	608	655	625
	<i>Canada</i>	Employees	416	422	421
	Employees by contract type:				
	<i>Full time</i>	Employees	2,920	2,913	2,867
	<i>Part Time</i>	Employees	85	105	114
	<i>Temporary</i>	Employees	31	48	35
	<i>Employees covered by collective bargaining agreements</i>	Percentage	17	–	–
<i>Entry level wage relative to local minimum wage (U.S.)</i>	Percentage	279	–	–	
<i>Entry level wage relative to local minimum wage (Canada)</i>	Percentage	234	–	–	
<b>DIVERSITY &amp; INCLUSION</b>	Employees by gender:				
	<i>Male</i>	Employees	2,616	2,643	2,617
	<i>Female</i>	Employees	420	423	399
<b>TENURE</b>	Employees by tenure:				
	<i>0-5 years</i>	Employees	1,489	1,539	1,502
	<i>6-10 years</i>	Employees	568	532	506
	<i>11-20 years</i>	Employees	432	410	381
	<i>21+ years</i>	Employees	547	585	627
<b>TURNOVER</b>	New Hires	Employees	304	304	210
	Terminations	Employees	265	283	241
	Voluntary terminations	Percentage	83.4	74.2	77.2
<b>TRAINING &amp; DEVELOPMENT</b>	Average hours of training per employee:				
	<i>U.S./Canada</i>	Hours	33	–	–
	<i>U.K.</i>	Hours	21	–	–

<sup>6</sup> 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.

TOPIC	METRIC	UNIT	2018	2017	2016
<b>Society</b>					
<b>LOCAL INVESTMENT<sup>7</sup></b>	Spending on local suppliers (U.S. and Canada)	USD (millions)	\$458.4	—	—
	Spending on local suppliers (U.S. and Canada)	Percentage	49	—	—
	Spending on local suppliers (U.K.)	£ (millions)	\$102.5	—	—
	Spending on local suppliers (U.K.)	Percentage	47	—	—
<b>CHARITABLE CONTRIBUTIONS</b>	Total Contributions	USD (millions)	\$1.47	\$1.5	\$1.0
<b>ADVOCACY</b>	Political advocacy objectives		<a href="#">Political Contributions Report</a>		
	Lobbying, interest representation		<a href="#">Code of Corporate Conduct</a>		
	Contributions by CF to trade associations used for lobbying and/or political activities by the associations	USD	\$311,132	\$261,522	\$261,194
	Contributions by CF to local, regional or national political campaigns/organizations/candidates	USD	\$0	\$0	\$0
	Other political spending (e.g., spending related to ballot measures or referendums)	USD	\$0	\$0	\$0
<b>SUPPLY CHAIN</b>	Social supply chain management	Yes/No	Yes	Yes	Yes
	Supplier Code of Conduct		<a href="#">Third Party Code of Conduct</a>		

7 2018 is the first year CF calculated spending with local suppliers as defined in the company's 2018 GRI Index, Disclosure 204-1

TOPIC	METRIC	UNIT	2018	2017	2016
<b>Governance</b>					
<b>BOARD OF DIRECTORS</b>	Formal Board CR/Sustainability Committee		Senior Vice President of Manufacturing briefs the Board on EHS topics.		
	Size of the Board		12	10	10
	Independent directors	Number	11	9	9
	Independent directors	Percentage	91.7	90.0	90.0
	Director terms	Years	1	1	1
	Board meetings	Number	7	6	9
	Board meeting attendance	Percentage	100	100	100
	Non-Executive Directors	Number	11	9	9
	Non-Executive Directors	Percentage	91.7	90.0	90.0
	CEO duality	Yes/No	No	No	No
	Independent Chairperson	Yes/No	Yes	Yes	Yes
	Independent Lead Director	Yes/No	Yes	Yes	Yes
	Former CEO or equivalent on Board	Yes/No	No	No	No
	<b>BOARD &amp; EXECUTIVE DIVERSITY</b>	Women on Board	Number	2	2
Women on Board		Percentage	16.7	20.0	20.0
Female Executives (CEO and direct reports)		Number	2	2	2
Female Executives (CEO and direct reports)		Percentage	25.0	25.0	25.0
<b>COMPENSATION</b>	Clawback Policy	Yes/No	Yes	Yes	Yes
	Deviation from one share, one vote	Yes/No	No	No	No
<b>OWNERSHIP &amp; CONTROL</b>	Poison Pill	Yes/No	No	Yes	Yes
	Company failed to adopt majority voting standards	Yes/No	No	No	No
<b>POLICIES</b>	Code of Corporate Conduct		<a href="#">Code of Corporate Conduct</a>		
	Ethics		<a href="#">Code of Corporate Conduct</a>		
	Labor and Human Rights:				
	<i>Policy Against Child Labor</i>		<a href="#">Human Rights Policy</a>		
	<i>Human Rights Policy</i>		<a href="#">Human Rights Policy</a>		
	Environmental		<a href="#">EHS Policy</a>		
	Supply Chain		<a href="#">Third Party Code of Conduct</a>		
	Other:				
	<i>Anti-Corruption Compliance Policy</i>		<a href="#">Anti-Corruption Compliance Policy</a>		
	<i>Anti-Harassment Policy</i>		<a href="#">Anti-Harassment Policy</a>		
<i>Antitrust Compliance Policy</i>		<a href="#">Antitrust Compliance Policy</a>			
<i>Export Controls and Sanctions Policy</i>		<a href="#">Export Controls and Sanctions Policy</a>			

Source: Internal CF data unless otherwise noted