

A MESSAGE FROM OUR CEO



To Our Stakeholders:

CF Industries continued to make progress in 2023 across *many strategic initiatives including* the environmental, social, and governance (ESG) dimensions that we believe are a **critical component** of the long-term success of our Company. These advances have been driven by outstanding work from the CF Industries team, underpinned by strong financial performance.

Our approach to ESG is grounded in our Do It Right culture – we do the right things for the right reasons. Today, this takes shape through our efforts to reduce our carbon emissions while also addressing other issues important to CF Industries and its stakeholders, including **inclusion and diversity**, safety, food security, nutrient management, biodiversity and community involvement.

Taken together, our success across these areas will contribute to a more sustainable world. At the same time, we believe our success will drive growth, create opportunities for **CF Industries**, and build a stronger and more resilient company for the future.

Our Mission is to Feed and Fuel the World Sustainably

At our core, CF Industries is a producer of ammonia. We use the Haber-Bosch process to fix atmospheric nitrogen with hydrogen, which historically came from natural gas, to produce anhydrous ammonia, whose chemical composition is NH_3 . We then choose to sell the ammonia itself or upgrade it into ammonia-derived products such as granular urea, urea ammonium nitrate solutions (UAN) and diesel exhaust fluid (DEF).

What we do makes a difference to billions of people. Simply, ammonia is one of the most important chemical compounds on earth, essential to human life.

For decades, CF Industries has focused on producing and selling ammonia and other ammonia-derived products for use as nitrogen fertilizer. The nitrogen content in these products provides energy to crops to increase yields and is critical to the formation of protein with the plant.

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

More recently, we have grown a business focused on emissions reduction. We are one of the world's largest producer of DEF. DEF, when combined with selective catalytic reduction technology, reduces nitrogen oxide (NOx) emissions from diesel trucks by up to 90% and increases fuel efficiency by 3-4%.

Today we have an opportunity to strengthen our existing business and set the Company on a significant growth trajectory by doing what we do best – produce ammonia – while significantly reducing the carbon emissions associated with ammonia production. We believe that doing so:

- ▶ Is the right thing to do, in line with our long-standing commitment to environmental stewardship and our stakeholders' and society's interests in reducing greenhouse gas emissions.
- ▶ Meets growing interest in low-carbon ammonia and low-carbon nitrogen fertilizers for traditional agriculture-related applications to lower the carbon footprint of food production and enable ethanol as a sustainable aviation fuel. The use of low-carbon nitrogen fertilizer as a clean energy source to increase crop yields is a certifiable and quantifiable pathway to achieve these objectives.
- ▶ Unlocks new growth opportunities from energy-intensive industries, such as power generation and marine shipping, that have identified ammonia as a clean energy source. This is due to the hydrogen atoms that make up a molecule of ammonia. Hydrogen is widely viewed as a scalable source of clean energy, and ammonia represents an efficient mechanism to both ship and store hydrogen, as well as a clean energy source in its own right as ammonia does not contain or emit carbon. The use of ammonia for its clean energy capability represents a significant source of new demand for those who can produce low-carbon ammonia.





Our Strategy

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

Decarbonization is at the heart of this strategy. As we decarbonize, we will be doing our part while providing clean energy to existing and new customers so that they can decarbonize their industries. We believe this will enable us to grow profitably while doing good for the environment.

Our committed goals include reducing Scope 1 carbon dioxide-equivalent emissions intensity by 25% by 2030 (compared to a 2015 baseline) and achieving net zero carbon emissions by 2050. We also have committed to reducing our Scope 3 emissions by 10% by 2030.

We have made tangible progress against these goals.

- ▶ At the end of 2023, the installation of one of the world's largest alkaline water electrolyzers at our Donaldsonville Complex in Louisiana was mechanically complete. This gives our Company the ability to produce up to 20,000 tons of green ammonia annually (ammonia produced with hydrogen from water through an electrolysis process that produces no carbon emissions). This represents North America's first commercial-scale green ammonia capacity.
- ▶ Our landmark carbon capture and sequestration (CCS) project, also at Donaldsonville, continues to advance and is expected to startup in 2025. Once operational, our partner ExxonMobil will sequester 2 million tons of carbon dioxide (CO₂) annually from our facility that would otherwise be emitted to the atmosphere.
- ▶ We expanded our efforts to address our Scope 3 emissions by entering into an agreement with bp to purchase of 4.4 billion cubic feet of certified natural gas in 2024, which is double our purchase in 2023. This natural gas is certified by not-for-profit MiQ to have a 90% lower methane emissions intensity - the ratio of methane emissions to natural gas produced - than the industry average. Methane emissions are the second largest source of our Scope 3 emissions.

In 2023, our Board of Directors reviewed roadmaps to achieve our 2030 and 2050 decarbonization goals. These roadmaps identify projects we believe we can execute in the coming years – such as implementing CCS at our Medicine Hat, Yazoo City and Waggaman sites – as well as identify the sources of GHG emissions from our facilities that require additional technology development and are thus longer-term focus areas.

Our Broad Responsibility

Our strategy of accelerating the world's transition to clean energy is linked to a comprehensive set of ESG goals. Our complete list of ESG goals appears later in this report and can also be found at www.cfindustries.com.

We believe that progress on these issues can strengthen the Company for the long-term. These include internal efforts, such as decarbonization initiatives, prioritizing the health and safety of our workers, and efforts to bolster Inclusion, Diversity and Equity (ID&E) within the Company. They also include external efforts such as stakeholder engagement and supporting our communities, including the launch of the CF Industries Foundation. Given the critical importance of these efforts to the Company, shareholders and stakeholders, the Board of Directors both oversees these topics as a whole and provides additional oversight and guidance through our Environmental Sustainability and Community Committee and Compensation and Management Development Committee.

We communicate our performance in these areas and others through our annual ESG and sustainability reporting, as well as our annual Inclusion, Diversity & Equity Report, which are now available at www.cfindustries.com. There, you can also access our Global Reporting Initiative (GRI) Index in accordance with GRI Standards, our Sustainability Accounting Standards Board (SASB) Index using the SASB framework for the chemicals industry, and a Task Force on Climate-related Financial Disclosures (TCFD) Index utilizing the TCFD disclosure recommendations.

A Bright Future Ahead

For nearly 80 years, CF Industries has helped the world grow and thrive. Today, our capacity and our commitment to build on these efforts have never been higher. As you will see in the following pages, there is an energy and purpose across our many initiatives that is driving CF Industries forward.

We are proud of the progress we have made, with quantifiable CO₂ emissions reductions in sight and measurable advances across our other initiatives. We are even more excited about the opportunities ahead of us, and the difference we can make for our stakeholders and the world, as we execute our strategy and deliver on our sustainability agenda.

Thank you for your interest in CF Industries. We look forward to working with you as we advance our shared commitment to a more sustainable world.



Tony Will

President and Chief Executive Officer
CF Industries Holdings, Inc.