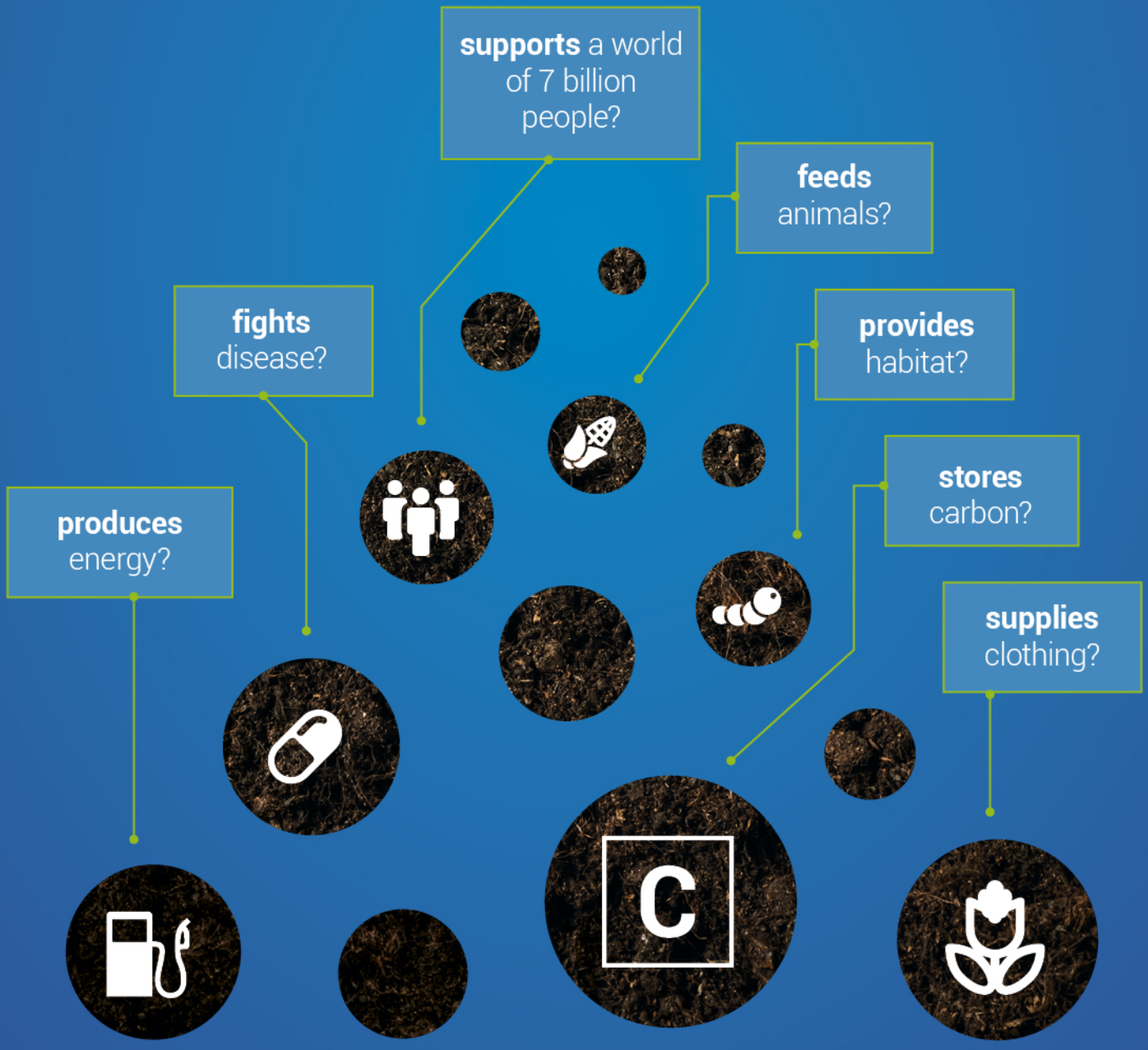
CF®

2015 Corporate Sustainability Report

Do you know what...



WHY SOIL HEALTH MATTERS

Less than a third of the earth is dry land, and a relatively small percentage of that land is covered with productive soil. Yet, soil provides us with more than 95 percent of our food and supports ecosystems that are critical to sustaining the life of people, plants and animals. Soil health refers to its biological integrity — its natural ability to perform the functions that need to be performed. Those functions are threatened when soil is compacted, drains poorly, is acidified and salinized, and/or lacks organic matter and essential plant nutrients — nitrogen, phosphorus and potassium. Soil is degraded by both natural and man-made processes, which often compound one another. For example, natural soil erosion is likely to accelerate when soil has been degraded by overfarming. Today, soil health deterioration is a growing problem. It is estimated that more than 40 percent of soil used for agricultural purposes is already degraded and that half of the earth's topsoil has been lost during the past 150 years.[1] This presents serious threats to the world's ability to produce enough crops to feed people and livestock. Fortunately, there are steps we can take to prevent further damage and restore productivity, namely through the proper use of plant nutrients.

[1]*International Plant Nutrition Institute (IPNI)*

The answer lies right beneath your feet.

Soil performs an abundance of life-sustaining roles, but it must be healthy to do so effectively. That's why soil health matters to all of us. At CF Industries, our business is focused on providing the building blocks that nourish soil so that it can nourish life.

WHY NITROGEN MATTERS TO SOIL

The Nitrogen Cycle

ATMOSPHERIC NITROGEN

Atmospheric nitrogen gas (N_2) is unreactive and must be converted to nitrate for use by plants

NITROGEN FIXATION AND CONVERSION

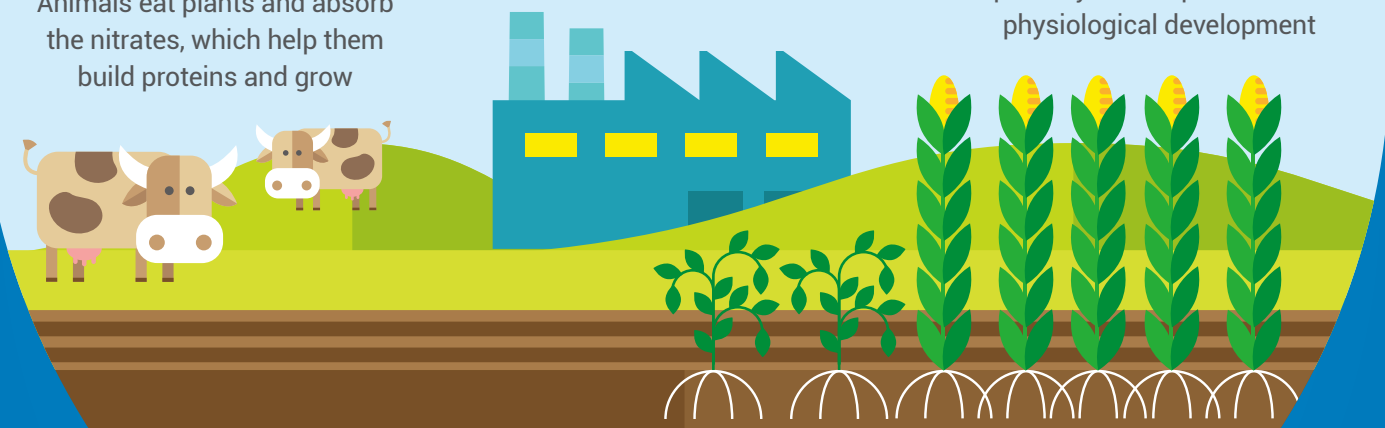
Nitrogen gas is converted to nitrates that are usable by plants through the atmosphere, via lightning; the soil, via the bacteria that live in the nodules attached to plant (legume) roots; or industry, via the Haber-Bosch process

PLANT UPTAKE

Plants absorb nitrates through their roots for their photosynthesis process and physiological development

ANIMAL CONSUMPTION

Animals eat plants and absorb the nitrates, which help them build proteins and grow



ANIMAL AND PLANT WASTE

Nitrogen returns to the soil through animal droppings or organic matter converted by microorganisms in the soil

Source: International Plant Nutrition Institute (IPNI)

CF's Role in Nitrogen Production

Nitrogen is a fundamental component to protein that is produced by plants, most of which can take up nitrogen only through soil. Annual application of nitrogen helps maintain soil health, spurs healthy plant growth and helps farmers boost crop yield.

We are one of the largest producers of nitrogen fertilizer in the world, with production and distribution facilities strategically located in North America and the United Kingdom. CF products help meet the crop nutrient demand of farmers on six continents.

WHY "RIGHT" MATTERS TO SOIL

Think of soil and the nutrients that sustain it as a highly engineered factory — precision, balance and maintenance are essential to optimizing performance. This is the idea behind an adaptive management approach known as 4R Nutrient Stewardship — applying the right nutrient at the right rate at the right time and the right place. Determining these 4Rs requires evaluating three key metrics — farmland productivity, soil health and nutrient use efficiency. Overemphasis on any one of these comes at the expense of the others; the successful balance of all three can result in increased yields and sustained soil health. The payoffs to society and the environment are huge. When farmers produce more food, then populations are better nourished. Optimal harvests enhance economic value, supporting jobs on the farm and beyond. Farming less acreage in an environmentally sound manner ensures better water and air quality. It also means that more land can be set aside for nature to perform its critical carbon sequestration function. But implementing the 4R Nutrient Stewardship Program is not always easy. It requires awareness, training and resources that are not always available to every farmer. That's why CF and its industry colleagues — retailers, agronomists and other agricultural suppliers — endorse 4R practices and actively work to support their adoption.

4R Principles of Nutrient Stewardship

RIGHT SOURCE
Matches Fertilizer Type to Crop Needs

RIGHT RATE
Matches Amount of Fertilizer to Crop Needs

RIGHT TIME
Matches Nutrients Available When Crops Need Them

RIGHT PLACE
Keeps Nutrients Where Crops Can Use Them

To Our Stakeholders

The past 12 months have been a period of significant growth — growth that is tied directly to CF's ability to meet the world's need to feed itself and future generations sustainably.

W. Anthony Will
President and
Chief Executive Officer

60%

ALMOST TWO-THIRDS OF FOOD PRODUCTION TODAY IS MADE POSSIBLE BY THE EFFECTIVE USE OF FERTILIZER

During 2015, our capacity expansion projects in the United States began to come online. Once complete in 2016, we will have increased our nitrogen capacity by more than 25 percent in North America. Also in 2015, we became the largest nitrogen producer in the United Kingdom through the acquisition of the outstanding interest in a joint venture there. As a result, our company will soon have the capacity to produce annually enough nitrogen fertilizer to support crop yields that can sustain the nutritional needs of more than 250 million people.

The environmental benefits of this capacity are equally important to appreciate. Our nine manufacturing complexes are among the lowest-cost and lowest carbon-emitting producers of nitrogen fertilizers in the world, thanks to their use of clean natural gas, their world-class scale and their energy-efficient technology.

The Risks of Regional Regulation

In contrast, many nitrogen producers in other parts of the world, particularly in China, use anthracite coal as their main feedstock as opposed to natural gas. A tonne of urea, a basic nitrogen fertilizer product, produced in that type of plant, emits on average more than three times the CO_2 per product tonne than a tonne of urea produced in North America from natural gas.

That's why it's important for any regional carbon pricing mechanism, such as cap and trade, to fully consider both the economic and environmental dynamics of global commodities markets. Capacity removed due to regulation from one region will be replaced by capacity in another region. In our industry, that replacement capacity likely will be anthracite coal-based production and will generate significantly higher emissions than the removed capacity, negating any global benefit from regional regulation.

State-of-the-Art Efficiency & Safety

As we have expanded capacity over the past four years, we not only have invested in state-of-the-art control technologies for new facilities, but also upgraded existing plants at our Donaldsonville, Louisiana, and Port Neal, Iowa, manufacturing complexes. For example, a new plant in Donaldsonville has installed technology that reduces nitrous oxide emissions, a greenhouse gas, by 94 percent. These investments also offer further improvements to the energy efficiency and safety of our operations at these facilities.

Across all CF locations, safety remains our highest priority and a foundational strength. In 2015, and for the second consecutive year, we recorded our best-ever safety performance by all measures. To support continued success, we rolled out a new safety strategy that includes an annual program, the Stephen R. Wilson Excellence in Safety Award, to engage and recognize employees who further our safety culture through innovation.

9 Billion

GLOBAL POPULATION BY 2050

70%

MORE FOOD NEEDED TO MEET NUTRITIONAL DEMANDS

Investments that support capacity expansions, leading-edge technologies and safety programs reflect an underlying business that remains exceptionally strong. Even in a weak market with pricing pressures, CF generated $2 billion in adjusted EBITDA during 2015. We're gratified to be in a position in which we have invested over $6 billion to expand our business over the past five years, while at the same time returning over $5 billion to shareholders in the form of share repurchases.

Feeding a Hungry World Efficiently and Responsibly

The year also saw us ship more than 13.7 million tons of nitrogen-based fertilizer products, the vast majority of which ended up as nutrients in the soil of farms across North America and around the world. No matter what else we accomplish in a given year, this is our most important calling — helping farmers feed the crops that feed the world.

Our products and other synthetic fertilizers enable farmers to be more efficient stewards of their land by increasing yields per acre. A greater yield per acre not only results in greater food security for the world's population, but also contributes to lower greenhouse gas emissions for the planet. When forestland must be converted to agricultural use, the critical carbon sequestration role of trees is lost.

As the graphic on the following page illustrates, crop yields and land use are important dynamics to keep in mind as the world seeks to solve the carbon equation.

Working With Stakeholders to Find Solutions

CF is committed to contributing greenhouse gas mitigation solutions, as well as conservation of all natural resources. In Iowa, for example, we are partnering with The Nature Conservancy on a landmark project to spread awareness among farmers and empower them to keep crop nutrients in their soil and out of water supplies. The idea is to bring all stakeholders to the table to implement viable solutions that work both environmentally and economically for farmers. This initiative complements our longstanding and ongoing support of industry stewardship programs.

There's no doubt that our world faces daunting challenges as it seeks ways to balance the needs of a growing global population with the stresses that those needs place on our natural environment. We believe that successful pathways can be found when we tackle these challenges in the same manner in which we run our business — engaging with each and every stakeholder, considering the big picture, seeking efficiencies and always taking a “Do It Right” approach.

W. Anthony Will
President and Chief Executive Officer

2X

NEARLY TWICE AS MUCH FOOD WILL NEED TO BE PRODUCED IN DEVELOPED COUNTRIES

How Fertilizer Preserves Carbon-Sequestering Forests

Why Yield Matters Fertilizer use increases crop yields per acre, meaning more food can be grown on less land. That, in turn, reduces the need to convert carbon-sequestering forestland into farmland. Increasing crop yields thereby works to reduce greenhouse gas emissions by limiting deforestation. In other words, yield is central to sustainable agriculture.

Between 1970 and 2010, world grain harvests doubled, but the amount of agricultural land in use increased only 7 percent, saving countless acres of forestland. That's in large part because of fertilizer.

2X

35%
CORN

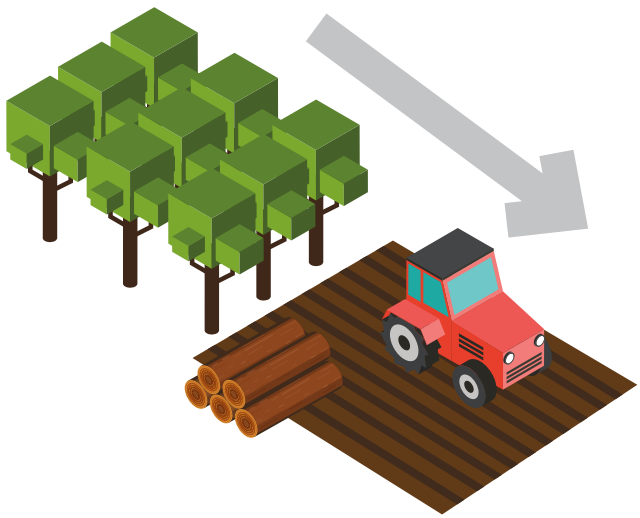
34%
WHEAT

33%
BARLEY

LESS PER ACRE

Farming that doesn't use synthetic fertilizers simply doesn't yield as much food. For example, according to the USDA, farms that don't use synthetic fertilizer produce approximately one-third less crops per acre.

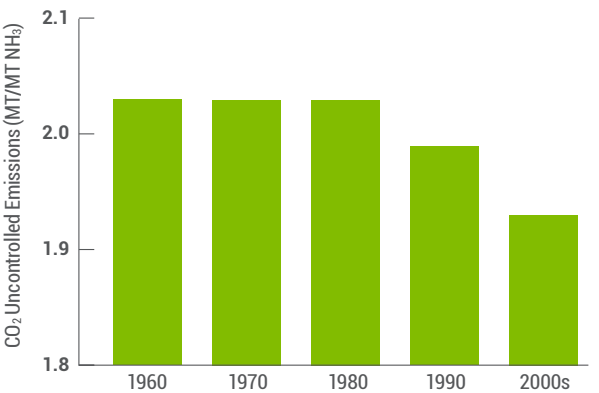
Let's look at a hypothetical scenario – one in which you weren't going to use synthetic fertilizer at all – to see why this matters. On average, synthetic fertilizer production emits 648 megatonnes (Mt) carbon dioxide equivalent (CO_2e) per year. If you need 30 percent more land on average to produce the same amount of food, the land conversion away from carbon-sequestering forests will actually add 1,135 $MtCO_2e$ emissions from forest conversion. That's about 500 more $MtCO_2e$ in emissions than you would have had otherwise — hardly a sustainable way to feed the world.



Source: FAOSTAT

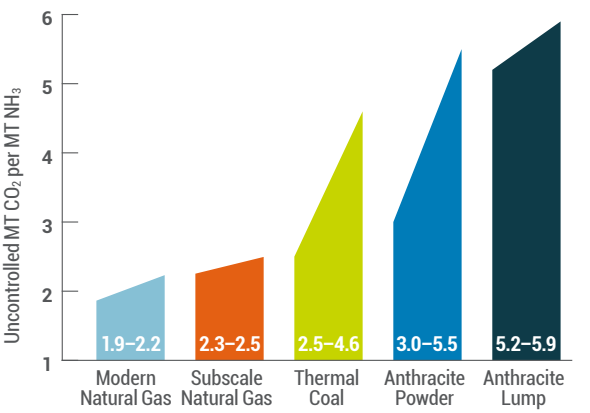
Why Natural Gas Matters Not all nitrogen production is the same. While CO_2 is an unavoidable chemical byproduct of ammonia production, the level of CO_2 emissions generated is closely tied to the type of feedstock – natural gas or coal – used and the energy efficiency of production plants.

Operational scale and process improvements have reduced average global natural gas plant emissions over time.



Source: CRU, Fertecon, TFI, CF, EIA

Anthracite-based coal production has the highest emissions potential in the fertilizer industry at more than twice that of average natural gas production.

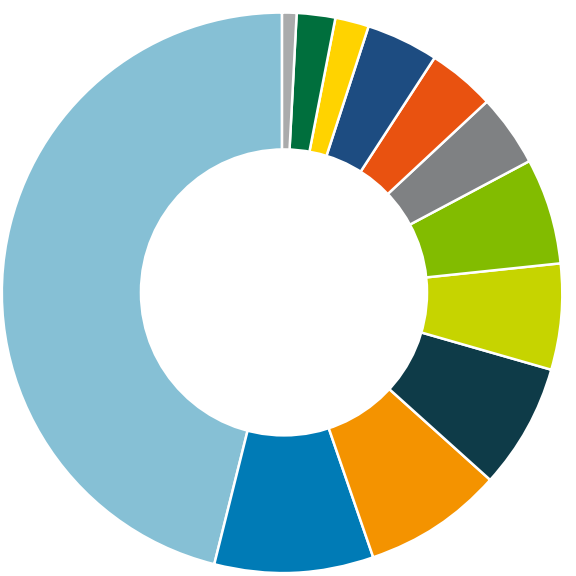


Source: EIA, CRU, Fertecon, TFI, CF

Coal accounts for a large portion of the global nitrogen industry's uncontrolled CO_2 emissions.

Chinese coal-based producers emit 46 percent of CO_2 emissions, despite representing only 30 percent of production globally.

- China Coal **46%**



Global NH_3 Production (182 MMT)
Global Uncontrolled CO_2 Emissions (475 MMT)

Natural gas-based producers account for 70 percent of global NH_3 production, with North American and Middle East gas-based producers emitting the least amount of CO_2 on a per ton of NH_3 basis.

- Oceania **1%**
- Eastern Europe **2%**
- Africa **2%**
- Latin America **4%**
- East Asia **4%**
- Western Europe **5%**
- China Natural Gas **5%**
- Middle East **7%**
- North America **7%**
- South Asia **8%**
- Former Soviet Union **9%**

Source: FAOSTAT, USDA

CF Nutrients

100
MILLION ACRES NOURISHED

13.7
MILLION SHORT TONS VOLUME SHIPPED

250+
MILLION PEOPLE NOURISHED

The Nature Conservancy Partnership Goals

45%
REDUCED RUNOFF OF NITROGEN & PHOSPHORUS[1]

90,000
FARMERS

23
MILLION ACRES OF ROW CROPS

[1]Our partnership with The Nature Conservancy helps support the Iowa Nutrient Loss Reduction Strategy's goal of a 45 percent reduction of nitrogen and phosphorus runoff.

Nutrient Stewardship Matters

People are dependent upon healthy soil, and healthy soil is dependent upon people — that's our approach to nutrient stewardship.

Soil with the right mix of nutrients plays a critical role in feeding 7 billion people around the world. With the world's population projected to reach 9 billion by 2050, food security will require boosting agricultural production — or yield per acre — through farmers' effective use of crop nutrients. By effective, we mean applying fertilizer in the most efficient manner possible to maximize harvests, while minimizing negative impacts on air and water quality. Achieving that balance, however, is not always easy for farmers.

The entrance of Ames High School Prairie, a two-acre remnant prairie that The Nature Conservancy has been managing and restoring for nearly 50 years. ©The Nature Conservancy (Liz Georges)

In North America, our internal agronomy experts work closely with our wholesale customers to advise them on best practices to share with their farmer customers. In the U.K., we work directly with farmers, offering soil analysis, fertilizer planning and other services. In both cases, we are committed to effective nutrient stewardship through the entire lifecycle of our products, from their manufacture to their end use by farmers. This commitment involves a multidimensional approach, and we are pursuing multiple programs to unlock the full potential of nutrients to maximize agricultural productivity in an environmentally responsible manner.

4R Nutrient Stewardship

Properly used, fertilizers support soil health by replacing essential nutrients removed in harvested crops, improving soil microbial activity and helping maintain soil organic matter. As a partner in the industry's 4R Nutrient Stewardship Program, we encourage farmers to use the right fertilizer, at the right rate, at the right time, and in the right place to maximize nutrient benefits and prevent potentially detrimental impacts. These practices enable farmers to produce more food while helping to reduce soil erosion, nutrient runoff, air emissions and the amount of energy used per harvested unit of farm production.

In early 2016, we joined with The Nature Conservancy to further advance these sustainable agricultural practices in Iowa. A substantial grant from CF will fund a "4R Plus" campaign to empower Iowa farmers with tools to implement various conservation practices, including the 4R fertilizer application principles, cover crops, bioreactors and oxbow wetlands.[1]

"The goal of the multi-year partnership is to deliver a meaningful improvement in water quality — not just in Iowa, but also across North America, as we lessen the impact of nutrient runoff."

– Tony Will

[1] *Oxbow wetlands, which can either be natural or man-made, originate as curves in rivers that are eventually separated as the river finds a shorter, more direct route.*

Ames High School Prairie in Ames, Iowa.
©The Nature Conservancy (Liz Georges)

OUR CAMPAIGN WITH THE NATURE CONSERVANCY CAN REACH

90,000

FARMERS, INFLUENCING 23 MILLION ACRES OF ROW CROPS

With the grant from CF, The Nature Conservancy will partner and work closely with a wide range of stakeholders – including fertilizer manufacturers and retailers, government, academics, agriculture groups and farmers – to advance the overall goal of the Iowa Nutrient Reduction Strategy – a 45 percent reduction of nitrogen and phosphorus runoff into the state's waters. The Nature Conservancy and other agricultural stakeholders have long provided on-the-ground technical assistance to Iowa farmers and partners to implement in-field, edge-of-field and in-stream conservation practices. The CF grant will enable The Nature Conservancy and its partners to achieve a more significant and lasting impact by developing a campaign to reach the 90,000 farmers influencing 23 million acres of row crops statewide, while building a sustainable agriculture blueprint that can be applied to other states through The Nature Conservancy's North America Agriculture and Upper Mississippi River Basin programs.

Field To Market®

During the past year, we've also extended our support to Field To Market®: a diverse group of grower organizations; agribusinesses; food, beverage, restaurant and retail companies; conservation

groups; universities; and public sector partners focused on defining, measuring and advancing the sustainability of food, fiber and fuel production. The organization offers a Fieldprint® calculator that estimates field-level performance on sustainability indicators such as land use, conservation, soil carbon, irrigation water use, water quality, energy use and greenhouse gas emissions. Growers can use the calculator to understand how management choices affect sustainability and overall profitability.

U.K. Soil Services

Our business model in the U.K. creates additional opportunities to promote the use of best practices for soil health. CF Fertilisers UK Limited offers several programs to help farmers determine the right amount of the right fertilizer to apply at the right time and in the right place to achieve the best crop while limiting environmental impact. Our N-Min® Service is a patented soil nitrogen analysis service that can improve farm profitability, provide evidence of good practices and compliance, and benefit the environment. The service includes N-Min® tests on provided soil samples for both soil mineral nitrogen and additional available nitrogen, and N-Calc®, which provides a fertilizer plan to achieve targeted yields. We also offer a nutrient management software, EnCompass®, which produces recommendations and the documentation needed to record good practice and regulatory compliance.

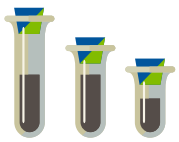
Beyond the Farm

Beyond agriculture, our products also are used in several industrial applications that help to reduce emissions. In the U.K., for example, there are limits to the amount of nitrogen oxide (NO_x) that power plants, cement manufacturers, waste incinerators, refineries, and other industries are allowed to emit. In order to control these emissions, we supply an ammonia reagent to convert these damaging NO_x gases to nitrogen and water. Additionally, we sell nitric acid for use in the manufacture of building insulation, which throughout its lifecycle saves 233 times the emissions used in its manufacturing. Our chemical customers also buy our carbon fiber for wind turbines, which produce six times the energy that we put into the production of the fibers. In the U.S., we continue to be the largest producer of diesel exhaust fluid (DEF), which is used to control emissions from commercial vehicles, power plants and other sources.

THE IOWA NUTRIENT REDUCTION STRATEGY

45%

REDUCTION OF NITROGEN AND PHOSPHORUS RUNOFF

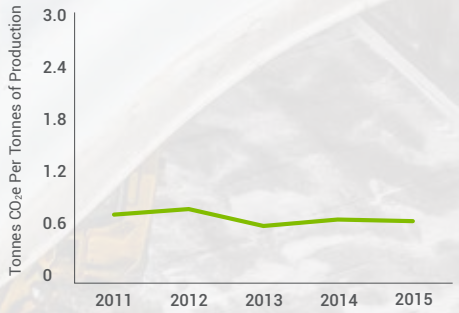


Field To Market® offers a Fieldprint® calculator that estimates field-level performance on sustainability indicators such as land use, conservation, soil carbon, irrigation water use, water quality, energy use and greenhouse gas emissions.

Lead plant, Amorpha canescens, thriving at Ames High School Prairie.
©The Nature Conservancy (Liz Georges)

CO_2e EMISSIONS

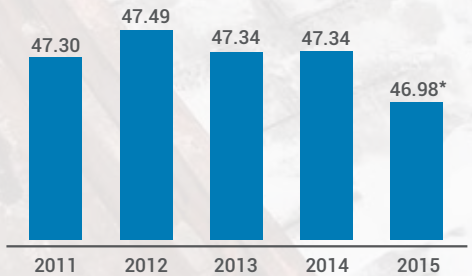
Per Product Tonne
2011-2015



Source: Internal CF Data; Corporate Greenhouse Gas Inventory Report for CF Industries 2015; Ruby Canyon

NATURAL GAS CONSUMPTION

2011-2015
(Million MMBtus/Nutrient Tonne)

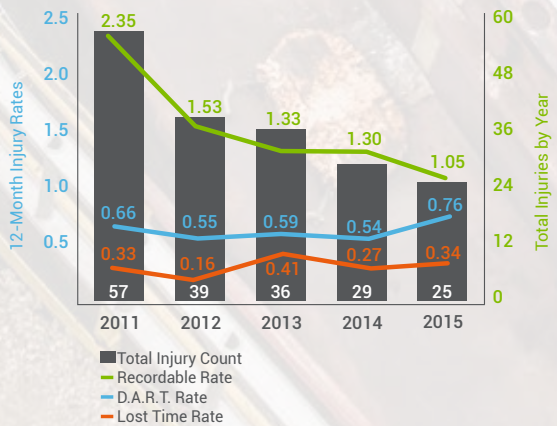


*2015 includes U.K. from July 31 – Dec. 31

Source: Internal CF Data

SAFETY PERFORMANCE

2011-2015



Rates = # of injuries per 100 full-time employees (200,000 hrs.)

D.A.R.T. = Days Away/Restricted or Transferred = any recordable injury resulting in lost or restricted work days

Lost Time = an injury at work that leads to unfitness for work and absence from the next scheduled work period

Source: Internal CF Data

Responsible Operations Matter

2015 Achievements

Our "Do It Right" culture permeates our business and drives excellence. Doing it right means integrating safety into all we do and being responsible stewards of the environment. CF is an industry leader in safety and environmental performance with a long and ongoing commitment to invest in people, processes and technologies to continuously improve. As an example, our strong safety culture has produced five consecutive years of improvements in its recordable incident rate. In addition, 12 of our facilities are designated as Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) STAR sites. These STAR sites demonstrate exemplary achievement in occupational safety and health management. Though manufacturing nitrogen fertilizer uses a lot of energy, our nitrogen complexes are among the most energy efficient and cleanest in the world. In contrast to coal-supplied plants in other parts of the world, our plants utilize an abundant supply of North American natural gas as their feedstock.

State-of-the-Art Energy & Emissions Technologies

The operational scale of our world-class nitrogen complexes combined with ongoing investments in more efficient technologies has enabled us to lower our energy and emissions footprint over time. For example, our facility in Medicine Hat, Alberta, has increased energy efficiency by almost 30 percent over the past four decades.

Most recently, our expansion projects in North America have provided significant opportunities to install state-of-the-art control technologies in new plants and upgrade those in several existing plants.

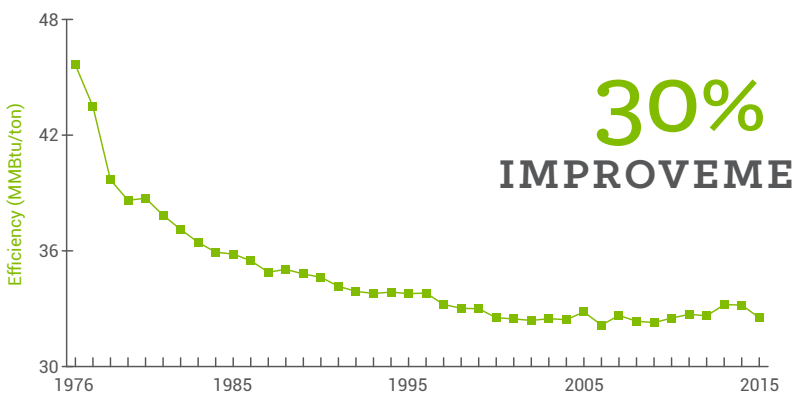
In Donaldsonville, Louisiana, we have installed selective catalytic reduction (SCR) control technology on several ammonia plant reformers. With the SCR technology in place, we are able to reduce the nitrogen oxide (NOx) emissions of a new ammonia plant and two older ones by over 80 percent. Other state-of-the-art installations in Donaldsonville include:

- A regenerative thermal oxidizer (RTO) on both a new and existing ammonia plant to control volatile organic compounds (VOC) emissions.
- New and enhanced scrubbing systems in two older urea plants to reduce particulate matter emissions.
- An acid scrubbing system on a new urea plant to reduce ammonia emissions.
- The EnviNOx® process on a new nitric acid plant to reduce nitrous oxide (N_2O) emissions by 94 percent.

Several of these installations are the first of their kind in the fertilizer industry. The new ammonia plant is expected to be approximately 10 percent more efficient than the industry benchmark.

Medicine Hat Ammonia Plant Efficiency

(MMBtu/ton) 1976-2015



30%
IMPROVEMENT

Source: Internal CF Data

Responsible AG

CF is a strong supporter of ResponsibleAg, an industry-led initiative to help fertilizer storage and handling facilities achieve and maintain federal regulatory compliance.

Learn more: https://www.responsibleag.org/

protect&sustain
IFA'S PRODUCT STEWARDSHIP INITIATIVE

95%

CF OVERALL PRODUCT STEWARDSHIP EXCELLENCE

The International Fertilizer Association's (IFA) initiative focuses on:

- Safety in the workplace, our communities and the environment
- Security from product misuse
- Sustainability – maximizing efficiency and minimizing environmental impact

We estimate that similar technologies installed as part of our expansion in Port Neal, Iowa, have improved energy efficiencies there by as much as 10 percent.

Our U.K. operations, where we operate two nitrogen complexes, have a track record of successfully monitoring and reducing greenhouse gas emissions. In 2012, for example, we became the first fertilizer company to carbon footprint all its products with the Carbon Trust to the highly rigorous Publicly Available Standard 2050 (PAS 2050). Working with the U.K. government and the Carbon Trust, our two sites in the U.K. have reduced CO_2 emissions by more than 1.1 million tonnes per year over the last five years.

Safety

We achieved record safety performance in 2015 with our lowest-ever total injury count and recordable rate. Safety excellence is the focus of an enhanced environmental, health and safety (EHS) policy and strategy that we launched in 2015. "Do It Right" in terms of safety excellence requires employee and contractor training supported by the appropriate tools, practices and procedures, and a strong safety culture and habits. Everyone who works in our production and distribution facilities, including contract employees, receives regular safety, health and process operation training. This includes annual EHS training and testing that focuses on daily operations, as well as hazardous waste operations and emergency response (HAZWOPER) and hazardous materials (HAZMAT). We also work closely with emergency responders and other local officials to develop detailed emergency response plans that extend beyond our physical plants.

In 2015, we participated in the National Safety Council Safety Culture Survey — the Safety Barometer — to measure the effectiveness of our safety programs and provide a baseline for improvement. The survey was implemented at all CF locations. Results indicate a high level of employee engagement in our safety programs, with the company ranking in the 92nd percentile among more than 1,000 multinational companies.

Safe Distribution of Product

Our safety focus extends beyond our physical plant locations to the distribution, storage and handling of our products. Railroads recognize shippers who successfully go for a calendar year without experiencing a non-accident release (NAR) on their line. In 2015, CF received such recognition from four different Class I railroads.

In addition, we support and have taken a leadership role in ResponsibleAg, an independent, nonprofit organization that supports fertilizer retailers' compliance with federal safety and security storage and handling regulations. We are also certified by the International Fertilizer Association's Protect & Sustain Initiative, which promotes responsible business management practices across a product's lifespan. CF achieved an overall *Product Steward EXCELLENCE* score of 95 percent.

PROFILES IN SAFETY

In 2015, we introduced the Stephen R. Wilson Excellence in Safety Award program to recognize innovative ideas that enhance safety practices and strengthen our safety culture. Nominated projects are judged based on their safety impact, transferability to other sites and potential for long-term implementation and expansion.

Port Neal Nitrogen Complex lab team (from L to R): Renee Towne, Hannah Neusch, Mikeal Moffatt, Corissa Church and Samantha (Sam) Loutsch.

Winner: Ammonia Analysis Made Safer

Recognizing the potential hazards and inefficiency of the traditional ammonia testing process, the lab team at our Port Neal Nitrogen Complex began looking for a way to make its process safer and greener. Port Neal's lab supervisor, Renee Towne, observed environmental, health and safety benefits from a new diesel exhaust fluid (DEF) analysis methodology and asked, "Why can't we adapt this process for ammonia testing?" She pitched the idea to CF Technical Services and Port Neal's DEF filter vendor, OSS. The group collaborated to develop a game-changing new ammonia testing method that is safer and more environmentally sound and sustainable.

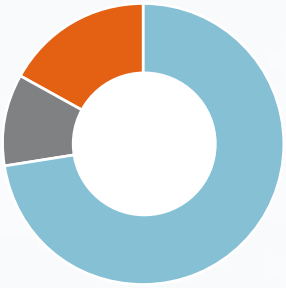
Port Neal's revolutionary new method for ammonia analysis, which is Environmental Protection Agency Green Chemistry Principal adherent, employs a small, reusable and recyclable filter with a specialized membrane technology that separates oil from a fixed volume of ammonia. The filter is safely, rapidly and efficiently analyzed using Fourier Transform Infrared (FTIR) Spectroscopy, a technique that uses infrared spectrum, rather than hazardous chemicals. This new process is as accurate as the old method and effectively reduces or eliminates safety and health risks for our lab technicians by using smaller testing samples and reducing testing time to a fraction of the time previously required, from eight hours to 20 minutes. These improvements minimize lab technician exposure and reduce hands-on time by 90 percent. Additionally, the new lab procedure improves the facility's overall environmental footprint by eliminating the need to store, use and dispose of hazardous waste. This new lab method will update lab procedures worldwide, benefiting CF and the industry.

Wilson Award Finalists

All of the ideas submitted for the 2016 Stephen R. Wilson Excellence in Safety Award underscore our employees' unwavering commitment to "Do It Right." We received many outstanding submissions that demonstrate the breadth of safety innovation across our company. These four finalists represent the best of the best:

- An enhanced Lock-Tag-Try program to increase worker communication and accountability, and ensure proper equipment identification in Donaldsonville, Louisiana.
- A vehicle safety program to identify issues and implement innovations to maintain worker and pedestrian awareness, increase communication and maintain engagement in safety processes in Ince, United Kingdom.
- A fall protection program to enhance employees' ability to perform job duties safely at heights in Verdigris, Oklahoma.
- A storytelling program to help new hires establish a personal connection with previous incidents in Yazoo City, Mississippi.

EMPLOYEES BY FUNCTION*



2,136 Manufacturing
310 Distribution Facilities
490 EHS, Sales & Administration

*Includes U.S., Canada and U.K.: as of July 1, 2016

EMPLOYEES BY YEARS OF SERVICE*

1,457 0-5 years
484 6-10 years
387 11-20 years
608 21+ years

*Includes U.S., Canada and U.K.: as of July 1, 2016

2,936
EMPLOYEES

200
NEW JOBS

$800,000
COMMUNITY INVESTMENTS

$420,000
EDUCATIONAL DONATIONS

Source: Internal CF Data

Social Impact Matters

We operate and do business in more than 60 communities in the U.S., Canada and the U.K.

Creating a positive social impact in these communities supports our long-term success as a company. We invest in communities in a variety of ways, including local economic development, workforce development and philanthropic support of numerous educational programs and civic causes.

Local Economic Development

Many of the towns in which we do business are relatively small and in rural locations, where we are often the largest employer and contributor to the local tax base. Our recent expansions in Donaldsonville, Louisiana, and Port Neal, Iowa, have created significant positive economic impacts, such as employing approximately 3,500 construction workers during the three-year building period. With the plants now in operation, we have added approximately 200 new, well-paid permanent positions. Starting salaries average $55,000 per year and, with full certification, increase to $85,000 per year. For every new direct position created, we estimate seven indirect jobs are created in the local community. That means the Donaldsonville and Port Neal expansions are expected to result in a total of 1,600 new direct and indirect jobs.

Workforce Development

A skilled and experienced workforce is as critical to our operational and financial performance as our manufacturing and distribution assets. We provide a rewarding workplace environment, attractive compensation, competitive benefits, an incentive bonus plan tied to our safety performance and participation in a pension or equivalent plan.

We also invest in our workforce, providing extensive training and professional development opportunities. In the U.K., we offer apprenticeship programs to strengthen our available labor pool. Currently, the average age of our U.K. workforce is 45, and retirements are on the rise. Apprenticeship programs help address this demographic issue by providing 16- and 17-year-olds with training, local college instruction and on-site learning at a CF location. At the end of the three-year program, graduates are typically hired to eventually fill roles such as chemical, mechanical and electrical engineers, mechanical technicians and process operators. We currently have 24 apprentices at various stages of the program.

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In the U.S., we have a well-established co-op program that places students from some of the best U.S. universities on rotational assignments across CF sites. We view these types of development opportunities as being a key part of succession planning. While we have had similar graduate placements in the U.K. in the past, this year we significantly increased the number of graduate trainees joining CF on a one-year placement.

Community/Philanthropy

We strive to create a positive social impact in our local communities through philanthropic donations and employee volunteerism. Featured here are selected highlights demonstrating the progress our facilities and employees made during the past year in strengthening their respective communities. Additionally, we support multiple communities through agricultural education programs, first responder support and other causes that leverage our expertise.

PINE BEND, MINNESOTA

Over the past 13 years, our warehouse has invested approximately $150,000 in its natural resource management program to support such activities as removing invasive species and planting native trees. Our warehouse staff also works with a local nature center to sponsor Masters of the Sky events at local schools where students can get an up close view of birds just like those found on our property. In 2015, the facility welcomed the U.S. Fish and Wildlife Service, who counted the eagles on the property and banded the baby eagles found in nests for future study.

COURTRIGHT, ONTARIO, CANADA

Due to its close proximity to the St. Clair River, our Courtright complex focuses on events and projects that support wetland restoration and raised over $20,000 in 2015 to support naturalization initiatives. During the year we also sponsored the annual St. Clair River 10K, 5K and Kids Run to raise funds for the St. Clair Township Parks and Recreation. For the third year in a row, we also were the proud purchaser of a Grand Champion Steer. Weighing in at 1,445 pounds, the steer was donated to local food banks. Proceeds supported a local agricultural society.

DONALDSONVILLE, LOUISIANA

Our Donaldsonville complex continues to sponsor the ChemFriends Expo, an annual "science fair with a twist," to raise awareness for STEM education and chemistry. In 2015, the event drew more than 2,500 sixth graders and community members. Community outreach also includes teacher appreciation initiatives and support for Teach For America instructors.

PORT NEAL, IOWA

Our complex near Sioux City helps fund safety initiatives such as educational training for the local HAZMAT team and ammonia monitors, supports STEM education in local schools and sponsors Kids Day at the Woodbury County Fair to teach children about plant nutrition. Employees also give generously of their time and resources for events such as Riverfication, an education event for about 1,500 sixth graders, who learn about water and wastewater treatment, recycling, agriculture and aspects of sustainability.

BILLINGHAM, UK

CF has long supported the Billingham Environmental Link Programme, or BELP, which helps families and individuals achieve their full potential. BELP also helps recovering addicts achieve their career and personal goals, while providing confidential advice and guidance. As part of this project, program participants are responsible for tending a community garden converted from a strip of wasteland. CF donations have been used to purchase, transport and install portable classrooms and numerous garden improvements, including soil.

MEDICINE HAT, ALBERTA, CANADA

In 2015, the facility won the United Way Chairman's Cup award for "Largest Campaign Overall" and Leading the Way Award for "Highest Participation of Leadership Giving." Ongoing support also includes funding several scholarship programs at a local engineering college, as well as partnerships with local health, nutrition and educational organizations.

VERDIGRIS, OKLAHOMA

The Verdigris complex donated a new computer lab to a local elementary school and continues to support the United Way and the National FFA Organization. In addition, employees donated funds and packed thousands of nutritious lunches at a Pack Shack "Feed the Funnel" party for a community food bank.

INCE, UK

EH&S Officer Jon Paul has maintained CF's commitment to supporting worthy local causes by swimming the largest natural lake in England to raise money for Claire House Children's Hospice. Mr. Paul finished third in his age group and raised £2,200, which included a personal £500 donation from CF.

YAZOO CITY, MISSISSIPPI

A partnership with Boys & Girls Clubs of America includes monetary support and volunteer service on their advisory committee. The facility also supports 4-H, Boy Scouts of America, a local college scholarship fund, youth recreation leagues and local emergency responder training.

WOODWARD, OKLAHOMA

CF Industries is the largest supporter of the 101 Classic Bowl, a week-long festival which features over 600 high school students from Oklahoma, Texas and Kansas to celebrate sports, bands and cheerleading. Events include special dinners, a parade and an All Star Football game with a special halftime show. Celebrations also include awards ceremonies where exemplary student-athletes are presented with $1,000 scholarships to their universities of choice. We also continue to sponsor the annual Woodward Youth Livestock Show and our local United Way chapter.

CORPORATE GOVERNANCE

We are pleased to present our fourth annual Sustainability Report, which reflects our "Do It Right" culture and the strong value we place upon high ethical standards, transparent corporate governance, environmental stewardship, safe operations and community engagement.

CF Industries is committed to implementing sound corporate governance practices that enhance the effectiveness of our Board and management and engaging with our shareholders on matters of corporate governance. Highlights of our corporate governance include:

- Independent Chairman of the Board and separate Chief Executive Officer. Nine of our ten directors are considered independent.
- In accordance with our corporate governance and nominating committee charter and our corporate governance guidelines, our corporate governance and nominating committee considers diversity in identifying nominees for director. Women comprise 20 percent of our Board.
- All of our directors are elected annually.
- We have a majority vote standard for the election of directors in uncontested elections.
- In 2015, our Board adopted amendments to our bylaws to implement "proxy access," allowing eligible shareholders to include their own nominees for director in our proxy materials, along with the Board-nominated candidates.
- Stockholders representing not less than 25 percent of our outstanding common stock can call a special meeting of stockholders.
- All supermajority voting provisions have been eliminated from our certificate of incorporation and our bylaws.
- We publish an annual Sustainability Report and report twice per year on the company's political contributions.

STAKEHOLDER ENGAGEMENT

We are active participants in The Fertilizer Institute, Fertilizer Canada, Fertilizers Europe, the International Fertilizer Association and the International Plant Nutrition Institute.

At the corporate level, we participate in a variety of other professional and industry organizations as part of our engagement with external stakeholders, which include local communities, customers, suppliers, government regulators and non-governmental organizations (NGOs). CF Industries is also a member of the World Economic Forum, through which we engage on a variety of topics such as agriculture and food security.

The tone for open communication with stakeholders and other constituents is set by our Board, which has an established process to receive communications from shareholders and other interested parties by mail. To contact our Board or any individual director, group or committee, please send correspondence to the care of our Corporate Secretary at the address on the back cover of this report.

ABOUT CF INDUSTRIES

We are a global leader in the manufacturing and distribution of nitrogen products, serving both agricultural and industrial customers. CF Industries operates world-class nitrogen manufacturing complexes in the central United States, Canada and the United Kingdom, and distributes plant nutrients through a system of terminals, warehouses and associated transportation equipment located primarily in the Midwestern United States. The company also owns a 50 percent interest in an ammonia facility in the Republic of Trinidad and Tobago. We are headquartered in Deerfield, Illinois. CF Industries was founded in 1946 as a fertilizer brokerage operation by a group of regional agricultural cooperatives. Public since 2005, we trade on the New York Stock Exchange under the ticker symbol "CF."

PRODUCTION LOCATIONS

Billingham Manufacturing Facility, Billingham, UK

Courtright Nitrogen Facility, Courtright, Ontario, Canada

Donaldsonville Nitrogen Facility, Donaldsonville, LA

Ince Manufacturing Facility, Ince, UK

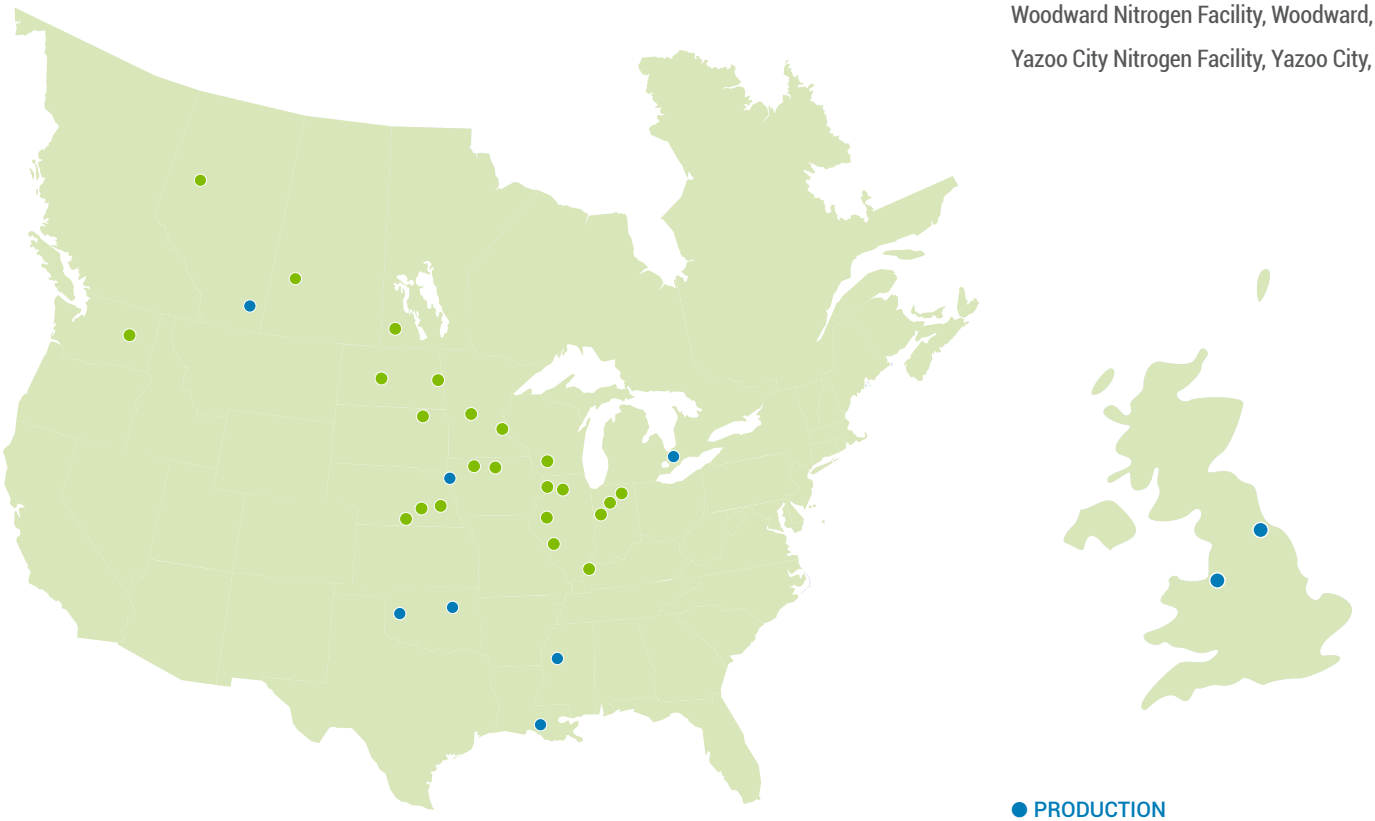
Medicine Hat Nitrogen Facility, Medicine Hat, Alberta, Canada

Port Neal Nitrogen Facility, Sergeant Bluff, IA

Verdigris Nitrogen Facility, Claremore, OK

Woodward Nitrogen Facility, Woodward, OK

Yazoo City Nitrogen Facility, Yazoo City, MS



● PRODUCTION
● OWNED DISTRIBUTION FACILITIES

We welcome comments and questions about this report and sustainability at CF Industries. Please send inquiries to corp_communications@cfindustries.com.

Forward-Looking Statements

Certain statements and other information contained in this report constitute "forward-looking statements." These statements are typically identified by the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," and similar terms and phrases, including references to assumptions. These forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. We want to caution you not to place undue reliance on any forward-looking statements. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available in the Investor Relations section of the CF Industries website. Forward-looking statements are given only as of the date of this report, and we disclaim any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CFIndustries®

OUR MISSION

CF Industries is a leader in an industry whose mission is fundamental to human survival: putting food on the world's table. By providing plant nutrients to farmers, we feed the crops that feed the world. We are proud of the role our company plays in fulfilling this increasingly challenging mission.

CF Industries Holdings, Inc.
4 Parkway North, Suite 400
Deerfield, Illinois USA 60015-2590

cfindustries.com

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