

GLOBAL ISSUE FEATURE

BUILT FOR RESILIENCE IN THE FACE OF A GLOBAL CRISIS

2020 was a year that changed the world, as the COVID-19 pandemic disrupted lives and livelihoods across the globe. The scale and impact of COVID-19 was unparalleled, but our core values — teamwork, respect, accountability, integrity, nimble and safety — helped us rise to the challenge.

Throughout the pandemic, the safety of our workforce was our top priority. Thanks to the strength of our team, we were able to keep people safe at work and maintain the continuity of our operations. By responding early — including implementing stringent COVID-19 protocols — in 2020 we responsibly managed COVID-19 with zero workplace transmissions, zero COVID-related layoffs and zero pay reductions across our operations.

In the face of a reduction in demand for global energy and volatility in the LNG and financial markets, our business model and flexibility enabled us to respond to customer needs. In addition, the fact that we have contracted a significant portion of our LNG production capacity under long-term sale and purchase agreements meant that we had limited exposure to fluctuations in oil and LNG spot prices. This helped us achieve our financial projections, while our operational reliability meant we could continue to deliver on our commitments.

Building business and operational resilience

Cheniere's business is built on reliability, while remaining nimble to adapt to the challenges that come our way. Our unique, resilient business model as a full-service LNG company helped us to successfully manage our business through a global pandemic and volatile LNG market, enabling us to continue to provide affordable, reliable energy to our worldwide customers.

Our commercial products, including destination-flexible LNG contracts, improve the liquidity and security of the global LNG market. In addition, the flexibility inherent in our contracting model helps us respond to changing market conditions and provides significant commercial benefits to our customers. For example, when global demand and prices fell as a result of the pandemic, certain Cheniere customers exercised their right to cancel cargoes in return for paying the fixed liquefaction fee, a contractual feature that our customers value, especially in periods of market volatility.

Despite navigating volatile energy and financial markets, we met or exceeded our pre-COVID-19 financial guidance for 2020, generating a consolidated adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of \$3.96 billion²¹ and reinforcing the resilience of our business model.

Building workforce resilience

Our Business Support Team, comprising executives and experts from across our functions, led our COVID-19 response, with a focus on ensuring both a safe work environment and maintaining business continuity.

Our response efforts included (among other things):

- Establishing temporary housing and adding protective measures for our workforce at both LNG facilities.
- Implementing social distancing and capacity management protocols in our offices.
- Providing personal protective equipment, including masks, hand sanitizer, cleaning supplies and travel kits.
- Requiring all employees and contractors to follow a Pandemic Personal Risk Assessment and Reporting Policy before coming on site to work.

- Offering paid sick leave, short-term disability leave and family medical leave for self-quarantined employees.
- Assembling and training contact-tracing teams to minimize exposure and support case management.
- Providing monetary rewards to employees who went above and beyond their day-to-day responsibilities to help respond to COVID-19.
- Providing enhanced mental health support and resources through our Employee Assistance Program.

Building value chain resilience

To ensure business continuity during the pandemic, we worked closely with natural gas suppliers, midstream infrastructure owners, shipping counterparties and others along our value chain. In early 2020, we initiated a supplier disruption analysis to help us understand potential challenges in our supply chain. Throughout the pandemic, we monitored high-impact/high-risk suppliers for events and constraints that could impact their operations, including unplanned operational downtime, logistical bottlenecks, availability of raw materials and financial health. In 2020, the assessment covered nearly 70% of our total supply chain spend. We continue to review high- and medium-priority suppliers on a monthly basis, and lower-priority suppliers quarterly.

Shipping our LNG cargoes is a critical element of our value chain, for which we depend on close collaboration with shipping counterparties. To protect both incoming vessel crews and our terminal team, Cheniere's Marine Operations adopted "zero contact" operations for all loadings at both of our facilities in line with — and sometimes exceeding — Centers for Disease Control and Prevention (CDC),

United States Coast Guard and international safety guidelines. This included a requirement for terminal crew members to undertake medical evaluations prior to commencing their duties and temporarily isolate and live on site. All counterparties supported the early, proactive precautions we took to minimize chances of exposure and further spread.

Building community resilience

COVID-19 brought acute challenges to the communities where we live and work, and we responded. Throughout the year, we donated more than \$1 million in COVID-19-related support to community organizations in Louisiana, Texas, Oklahoma, Washington D.C., the U.K. and China (see our [2020 Community Giving](#)). As the pandemic continues to evolve, we have continued to advance our efforts to support the changing needs of our communities (see a [full list of organizations](#) supported as part of our COVID-19 response).

Zero workforce transmissions, zero COVID-related layoffs and zero reduction in pay as a result of our robust response to the pandemic.

21. Consolidated Adjusted EBITDA is a non-GAAP measure. A reconciliation of Consolidated Adjusted EBITDA to Net Income (loss) to common stockholders, the most comparable U.S. GAAP measure, is included in [\(the Appendix\)](#).