

GLOBAL ISSUE FEATURE

BUILT TO PROGRESS DIVERSITY, EQUITY AND INCLUSION

In 2020, widespread public demonstrations calling for social justice and an end to systemic discrimination, and the disproportionate impacts of COVID-19 on women and those who identify as racially/ethnically diverse, has further highlighted the urgency of redoubling efforts to expand diversity, equity and inclusion (DEI). This has led to calls for companies to not only condemn discrimination, but to take meaningful and measurable action. Employees, suppliers, community stakeholders and investors are all expressing these sentiments — and we are listening.

In the energy sector, women and racially/ethnically diverse individuals have historically been underrepresented. According to a recent report by the Energy Futures Initiative,¹⁹ only 8% of the energy workforce identifies as Black and women make up less than 30%, though they make up 13% and 50% of the U.S. population, respectively.

Our industry is facing disruption, driven by financial, technological, regulatory and policy changes. While Cheniere is built for change and stands ready to meet the challenges our industry faces, we also know that greater workforce diversity will help us navigate these changes and, ultimately, ensure the long-term success of our business.

Achieving a sustainable global energy transition will require a diversity of ideas and inclusive new solutions. In this context, expanding the diversity of our workforce will help foster innovative thinking, support a successful transition and strengthen our ability to attract and retain talent. A 2020 study by McKinsey and Company found that 47% of employees are more likely to stay with their company if they perceive it to be inclusive.²⁰ The same study also found that racially/ethnically diverse companies are 36% more likely, and gender diverse companies are 25% more likely, to outperform less diverse companies.

DEI is a foundational pillar of the Cheniere culture. But events in 2020 brought a greater sense of urgency to our DEI priorities, challenging us to accelerate our strategic actions both inside our company and in the communities where we live and work. This disruption also signaled the need for a more comprehensive, long-term DEI strategy to drive lasting change. We see this as a clear, critical and timely next step in our DEI journey.

Developing a DEI strategy roadmap

In 2020, we launched a comprehensive effort to improve DEI at Cheniere, building upon our existing policies and actions. In partnership with leading third-party DEI experts, we undertook a detailed assessment of our "current state" and used these findings to develop a DEI roadmap for our company. So far, we have undertaken a series of surveys, focus groups and in-depth interviews with employees across the organization in coordination with third-party DEI experts to understand existing best practices, key gaps and areas of opportunity with respect to our DEI policies, programs, processes and priorities. Data and insights from this initial phase will be used in 2021 to develop a three-year DEI roadmap focused not only on our workforce, but also stakeholder engagement with customers, communities and supply chain partners. We see this as a natural progression for our company, given our company values and commitment to lead on DEI issues.

The ongoing development of DEI efforts will support our ability to recruit, motivate and retain the talent we need to drive the long-term success of our business.

Enhancing recruitment of diverse talent

Throughout 2020, we took steps to expand our inclusive hiring practices and help ensure that the company's

recruiting efforts deliver diverse candidates for all open roles. We engaged external diversity recruiting experts to conduct a full audit of our recruiting practices. Based on this study, we are strengthening our approach by exploring unconscious bias training for our hiring managers and recruiting functions and enhancing diversity recruiting strategies at our site locations. We hired experts to assess the demographics of our potential workforce in the communities where we operate which will help inform our efforts. We also began posting jobs to a digital career forum focused on diverse candidates.

Further, we continue to recruit summer interns from Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs). In 2020, 34% of our intern class identified as women and 35% as racially/ ethnically diverse. We also partner with local universities and other organizations to offer apprenticeship and mentorship programs focused on diverse candidates. These efforts will help us cultivate a diverse pipeline of talent for our LNG business.

Building an inclusive culture

Beyond expressing a commitment to DEI, we implement actionable programs and practices to build a culture of inclusion. To support this, all employees complete training on discrimination and harassment annually. In addition, our recurring employee engagement survey includes questions on DEI, to demonstrate its importance to the company and to help us understand our challenges and opportunities and improve performance. We also have several employee resource groups that help build our DEI culture. For example, Women Inspiring and Leading Success (WILS), which is affiliated with ALLY (formerly Pink Petro), Lean In Energy and the Women's Energy Network, aims to promote a global

culture of DEI that fosters teamwork, respect and a rewarding work environment. WILS also organizes internal workshops and forums focused on diversity and inclusion, leadership and skill development, to support professional growth.

We are working to continue to advance DEI at all levels of our organization, including among our management team and board of directors. Helping to close the diversity gap in our industry and building a diverse, equitable and inclusive culture at Cheniere is critical to recruiting and retaining the best employees and meeting our business goals.

Thanks in part to these efforts, over the past five years we have consistently increased the percentage of women and racially/ethnically diverse individuals in management, as well as the percentage of racially/ethnically diverse individuals in our workforce overall. Continuing to increase the diversity of our workforce is an important focus of the DEI strategy.

"This has been a tough year for all of us. But the reality is that this last year has been frightening for many who still face daily discrimination and sobering for others who do not have the same experiences. And it all highlights why it's vital that we examine and act on diversity, equity and inclusion within our own company." – Jack Fusco, President and CEO