In a year of great change, we rose to the challenge.

It was a year that shook the very foundations of our world. Uncertainty. Doubt. Loss. But at Cheniere, we remained grounded, yet nimble. Resolute, yet responsive. We’ve built a flexible and resilient business for today, and for the challenges ahead. With sustainability as our focus and diversity as a strength, we continue to support the transition to a lower-carbon future. We have demonstrated our ability to adapt and our resilience in the face of unprecedented headwinds. We are built for the challenge.
LETTER FROM OUR CHAIRMAN OF THE BOARD

Eleven and five. That's how many years I've served on the Cheniere board and acted as its chairman, respectively. In that time, I've witnessed the company transition from a liquefied natural gas importer to the largest liquefied natural gas exporter in the United States. I've also seen it leverage its first-mover advantage in the United States to become the second largest liquefied natural gas operator in the world. And yet, I think this year may go down as one of the most significant in Cheniere's history. Even amid a global pandemic — with its myriad challenges at home and abroad — Cheniere made notable progress in establishing itself as a key player in the transition to a lower-carbon future.

My fellow board members and I believe strong governance and management oversight on climate and sustainability are vital to Cheniere's success. Since 2018, the governance and nominating committee that I chair has overseen management’s response and readiness on climate and sustainability issues. The board is aligned with management in our focus to improve our climate risk disclosure and management, and to integrate climate considerations into Cheniere’s business strategies.

Cheniere’s first Corporate Responsibility report, First and Forward, set the bar for a new level of transparency in our environmental, social and governance (ESG) reporting. Recently, Cheniere released its first Climate Scenario Analysis, which analyzed the resiliency of our business in several carbon-constrained scenarios and found that the company remains competitive even under the most stringent modeled scenarios. Similarly, our board has held several diversity, equity and inclusion sessions during our meetings in the last year to reflect the broad acceptance that Cheniere's long-term strength is dependent on cultivating a diverse workforce.

And we are tying every Cheniere employee’s compensation to ESG goals. The board is proud to have played a role in encouraging this progress. Built for the Challenge provides insight into actions taken by Cheniere to ensure business resiliency in 2020 and beyond.

The crucible of 2020 was not easy for any company, but I believe Cheniere made important strides during this difficult time, and is now a more transparent, responsive and responsible company.

G. Andrea Botta
Chairman of the Board

"My fellow board members and I believe strong governance and management oversight on climate and sustainability are vital to Cheniere's success." — G. Andrea Botta
Before we bring online a new LNG production unit — called a “train” in our industry — we do stress tests to assess mechanical integrity, reliability and safety. 2020 was itself a stress test felt around the globe. No one was spared from the extreme health, economic and social pressures created by the COVID-19 pandemic and other extreme events. The compounding catastrophes of 2020 had deep and wide impacts on the communities we are connected to globally. Yet, through it all, we witnessed heroics: resilience in frontline workers battling disease, generosity among neighbors recovering from hurricanes and courage from those speaking out against ongoing economic and racial disparities in our society. At Cheniere, I witnessed some of these same qualities — resilience, generosity, courage — as we continued to deliver on our promises as a business. This most difficult year proved that we are built for the challenge. We discovered that our business model — providing LNG as a clean energy to the world — passed the kinds of stress tests only imaginable in a worst-case scenario drill.

Like many businesses, Cheniere’s first challenge in the face of the pandemic was keeping our people safe and productive. While stay-at-home orders shuttered schools and social distancing shrank the geography of our daily lives, our business remained based on a connected world where our cargoes set courses for ports on five continents. Despite many of us going virtual, our product is a physical one, so many of our workers had to be present at our two liquefaction facilities. We responded by taking our hurricane preparedness plan and adjusting it to handle a pandemic, building on-site temporary housing and services, and establishing multiple layers of pandemic protection. We shut down our Sabine Pass LNG facility, in Louisiana, to protect our workers during Hurricane Laura and safely rode out Hurricane Delta. The vigilance and dedication of our people resulted in zero employee recordable injuries and zero workplace transmissions of COVID-19 during 2020. These are remarkable achievements accomplished by our nimble and dedicated team.

The virulent volatility of COVID-19 extended into the LNG market, as it did throughout the globe’s economic and trade systems. Yet we found that our business model, predicated on providing flexibility to customers, was also built for the challenge. This is an important reminder that our fuel, and the way we provide it, gives companies and countries enhanced flexibility during difficult times, creating a more resilient and responsive energy system.

Similarly, COVID-19 traveled on vectors across continents, reminding us that we are all part of one community. It wasn’t just COVID-19 that reminded us. Racial issues came to the fore, as COVID-19 amplified long-standing health and economic disparities. At Cheniere, we responded by launching a diversity, equity and inclusion initiative to ensure that our company’s future is strengthened by a diverse workforce.

The ultimate expression of community is the environment we all share. Cheniere took new steps in 2020 and beyond to enhance the environmental performance of our fuel, while building upon our leadership as the United States’ largest LNG company. In 2020, we began the integration and execution of enterprise-wide efforts to address climate change in our business strategy and planning. We developed and announced in early 2021 our new Cargo Emissions Tags, which will give our customers an emissions profile for the cargoes we sell. This is part of our larger push to improve and increase the reporting of our environmental footprint. In addition, in February 2021, we updated our annual performance scorecard to include an ESG metric that accounts for 10% of the total scorecard value for 2021, illustrating our company-wide commitment to these important issues. We also recently issued our first Climate Scenario Analysis, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures, to enhance transparency with respect to our investors and other stakeholders regarding the future resilience of our business under a carbon-constrained scenario. We believe that increased transparency across the industry is key to competition and improvement.

This past year presented more than its fair share of challenges, but our commitment to a resilient business has enabled us to perform. Nevertheless, we know we’re not done building — building infrastructure, building connections and building new ways to improve our product. Those are our new challenges, and we’re built for them.

Jack A. Fusco
President and CEO
BUILT TO PROVIDE CLEAN, SECURE AND AFFORDABLE ENERGY

Our vision is to provide clean, secure and affordable energy to the world. As the largest producer of liquefied natural gas (LNG) in the United States and the second-largest LNG operator globally, we are responding to our biggest shared energy challenges: expanding the global supply of reliable and affordable energy while improving air quality and supporting an equitable transition to a lower-carbon future. Our customers choose LNG to ensure a commercially viable and reliable energy supply to meet the demands of a growing global population and to reduce reliance on more carbon-intensive fuels. LNG offers a pathway to cost-effectively decarbonize economies immediately, and at scale, while preserving economic growth. With more than 1,350 LNG cargoes exported to 35 countries and regions worldwide — and as the fastest company to reach its first 1,000 cargoes in the history of LNG — Cheniere has delivered tangible results to support our customers, and in doing so, has helped enable the advancement of the global energy transition.

BUILT TO ADD VALUE FOR ALL OUR STAKEHOLDERS

We strive to add value for all of our stakeholders — including investors, employees, communities, suppliers, business partners and customers. Through our global energy exports, we support the domestic U.S. economy. Our business supports job creation and local economic development in the communities where we live, work and source our natural gas supplies from across North America.

Focus on LNG

What we do is provide LNG to customers; but it’s how we do it that makes us different. We began exporting LNG in 2016, and now operate two LNG facilities on the U.S. Gulf Coast: the Sabine Pass LNG facility in Louisiana and the Corpus Christi LNG facility in Texas. As a full-service global LNG provider, we purchase natural gas from the North American market, process and liquefy it into LNG, and offer our customers the ability to load the LNG onto their vessels or have us deliver it to regasification facilities around the world. Our daily average gas purchases over the past two years accounted for more than 6% of total daily U.S. gas production, connecting North American producers to a global market.

See our website for more information about our business.

We are engaging our stakeholders across the full LNG value chain and leveraging our position to maximize the value that our business and products contribute to society over the long-term.

$518.6M
wages and benefits in 2020

$33B
investment in property, plant and equipment as of 2020

$13.8M
in community giving from 2017–2020

61.15%
five-year total return on common stock (2016–2020)

4,609,853
million standard cubic feet of LNG exported (2016–2020)\(^2\)

Creating Added Value in Meeting the World's Energy Needs
Our Vision and Values

Expanding global access to LNG: By connecting the abundant North American gas resources to the global marketplace via our full-service model, Cheniere has made LNG increasingly available and accessible. Through destination-free LNG contracts, we have improved the liquidity and security of the global LNG market, provided flexibility to customers and, as a result, made energy supplies more resilient and secure.

Supporting the energy transition: Our product displaces high-carbon fuels, like coal and oil, and also reduces local air pollution and public health risks in and around downstream power generation sites. Estimates show that when used for power generation in natural gas combined-cycle power plants, natural gas emits virtually no mercury or particulate matter and can reduce nitrogen oxide (NOX) and sulfur dioxide (SO2) emissions by up to 82% and 99%, respectively, relative to coal on a lifecycle basis. At the same time, we aim to responsibly manage the localized air quality impacts of our own operations and from LNG vessels that we charter on a long-term basis, by pursuing opportunities for emissions reductions.

Supporting domestic economic growth: Our business represents a more than $33 billion investment4 in the future of energy, and in 2020, we supplied 7.5% of the world’s LNG. Cheniere stimulates economic development in areas where we operate by building a local workforce, supporting local suppliers and investing in local communities. In 2020, wages and benefits amounted to $518 million.5 We support the U.S. gas industry by purchasing more than 6% of the total daily U.S. gas production from approximately 28 different pipelines to our Sabine Pass and Corpus Christi facilities.

Driving shareholder value: Cheniere is focused on delivering returns to our shareholders and capital providers. The durability of our business was proven in 2020 when we met or exceeded our pre-COVID-19 financial guidance for the year. We generated consolidated adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of $3.96 billion for 2020, a 35% increase compared to 2019 and within the full year 2020 guidance range of $3.8 billion to $4.1 billion.6 In addition, over the last five years, the total return on our common stock was approximately 61%, which is significantly above our peer group’s five-year total return of about 14%.7

Table of Contents
Introduction Features Climate Environment Team Health and Safety Communities Governance Appendix

BUILDING SUSTAINABILITY INTO EVERY ASPECT OF OUR BUSINESS

OUR APPROACH TO SUSTAINABILITY

We are committed to the responsible and proactive management of our most important ESG impacts, risks and opportunities. This includes a strategic focus on ensuring that our business remains resilient in the global energy transition and delivers lasting value to all our stakeholders.

We are enhancing efforts to further integrate climate and sustainability across the organization — an approach we believe is essential to maximizing value and strengthening the long-term resilience of our business. In 2020, we continued to advance our climate strategy through the launch of a corporate-wide effort to further integrate climate considerations into our business, enhance the environmental competitiveness of our product and support our customers in the energy transition (see page 17). We also began developing and implementing a comprehensive diversity, equity and inclusion (DEI) strategy focused on our company, customers, communities and supply chain partners.

These efforts are underpinned by regular stakeholder engagement to maintain the responsiveness of our approach, as well as close collaboration with our suppliers and customers, in an effort to drive improved performance across the LNG value chain.

SUSTAINABILITY GOVERNANCE

Board and executive oversight

Sustainability — including the management of relevant ESG issues — is overseen by our board of directors. The governance and nominating committee of our board is responsible for reviewing the company’s climate change and sustainability policies and strategies. Executive-level managers oversee all of our major ESG focus areas, including climate, environment, human capital, safety, community and governance, and brief the board on these topics regularly.

In 2020, the board received updates from Cheniere management on climate and sustainability efforts quarterly, including a session on climate risks, opportunities and strategies. As an outcome of this session, we launched a corporate-wide effort to further integrate climate into our long-term strategy (see page 17).

In February 2021, we updated our annual performance scorecard, which is an element of performance-based compensation, to include an ESG metric that accounts for 10% of the total scorecard value for 2021.

Corporate Responsibility (CR) Program

We are working to embed a culture of sustainability throughout our organization. In 2019, we developed a cross-functional CR Program made up of leaders and subject matter experts from across business units to help integrate our approach across the company. This program is managed by our executive-level CR steering committee and management-level CR working group, which are collectively responsible for the development of our annual CR report.

We coordinate approval of our CR report with our executive management and the board.

ENGAGING WITH STAKEHOLDERS

We proactively engage with our stakeholders as a matter of strategic priority, with the aim of building constructive relationships focused on mutually beneficial outcomes. Stakeholder feedback helps shape our approach to sustainability and informs our ongoing efforts to responsibly manage our impacts and to maximize value for all our stakeholders. We aim to provide stakeholders with information that helps them to assess our performance and progress in this regard.

READ MORE

Read more in our ESG Metrics and Disclosures Appendix:
Stakeholder engagement
BUILDING SUSTAINABILITY INTO EVERY ASPECT OF OUR BUSINESS

RECOGNIZED FOR OUR PROGRESS

We are focused on continuously improving our environmental, social and governance (ESG) performance and disclosures, as we believe this will drive improved shareholder returns and help maximize our overall value to society over the long term. Our progress in this regard is reflected by the improving scores applied to Cheniere by widely referenced ESG rating entities.

MSCI rating history
In 2020, Cheniere received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

Sustainalytics rating history
As of May 2021, Cheniere received an ESG Risk Rating of 25.0 from Sustainalytics and was assessed to be at medium risk of experiencing material financial impacts from ESG factors.

SUSTAINABLE DEVELOPMENT GOALS

Based on the assessment below, we have identified seven priority United Nations Sustainable Development Goals (SDGs) to which we believe we can make a major or moderate contribution. Our website provides a detailed analysis of how our activities align with specific targets for each of these SDGs.

Contributing to the U.N. Sustainable Development Goals
The U.N. SDGs provide a roadmap for governments, civil society and the private sector to support meaningful sustainable development. We have assessed the alignment of our core business with the SDGs to help focus our efforts and resources on areas where we can make the most meaningful contribution. In 2020, this included mapping our impacts against specific SDGs and associated targets.
FOCUSING ON RELEVANT ESG TOPICS

We undertake a structured assessment process to identify and prioritize the ESG topics that are most relevant to our business and to our stakeholders. This helps inform both our CR reporting and our broader sustainability approach. In 2019, we conducted an initial assessment of relevant ESG topics to inform our inaugural CR report. In 2020, we updated and expanded the scope of this analysis to include metrics from additional reporting frameworks, such as the World Economic Forum's Measuring Stakeholder Capitalism framework. We also undertook an extensive ESG-focused external stakeholder feedback exercise, where we conducted in-depth interviews and surveys with more than 60 individuals representing 24 different organizations across six key stakeholder groups: investors, banks, ESG and credit rating agencies, gas suppliers, customers and community members. Based on their feedback — and supported by additional internal analysis — we developed an assessment of ESG topics relevant to our business and our stakeholders.

Key findings from our updated analysis include:

- Climate change remains among the most important ESG issues both to our company and to stakeholders. This includes the assessment and management of risks and opportunities related to climate change and the energy transition, as well as the GHG emissions footprint of our operations and value chain.
- The impact of COVID-19 further increased the importance of several issues to our company, including emergency response and occupational health and safety.
- DEI also increased in importance among ESG issues, reflecting growing focus by investors and other stakeholders on the issue, as well as Cheniere’s enhanced DEI efforts in 2020.

In response to these results — and to better reflect current and emerging stakeholder priorities — we enhanced our reporting this year to include approximately 30 new disclosures across our six key ESG themes: climate, environment, team, health and safety, communities and governance. We also expanded the content of this report to include our COVID-19 response measures, our efforts to support DEI, detail on our responsible value chain management and cybersecurity.
GLOBAL ISSUE FEATURES

BUILT TO RESPOND

We seek to understand and — where possible — respond to global issues that impact our business and stakeholders. In this report, we focus on three issues for 2020 and beyond — the COVID-19 pandemic; climate change; and diversity, equity and inclusion — including the implications for Cheniere and how we are responding.
GLOBAL ISSUE FEATURE

BUILT FOR THE ENERGY TRANSITION

To meet growing global energy demand and significantly reduce greenhouse gas (GHG) emissions, the world will require a suite of energy sources, actions and technologies. We view the global energy transition as a tailwind for our business, and we believe that natural gas will be a foundational fuel for decades to come. In order to ensure that liquefied natural gas (LNG) continues to play a positive role in addressing this dual challenge, we are working across our value chain in an effort to improve the carbon footprint of our LNG (see page 16).

We are working across our value chain to help ensure that LNG continues to play a positive role in addressing climate change and supporting the energy transition.

Key trends support a lasting role for LNG in addressing climate change

Based on a range of third-party and internal studies, we believe key trends in energy demand, policy and technological development support our view that natural gas plays both a bridging and destination role in the global energy transition. These trends include:

- **Economic growth in developing economies** is driving global energy demand: Although global primary energy demand fell by about 4% in 2020 due to the COVID-19 pandemic, it is already rebounding and forecast to return to its pre-pandemic level by 2023.12 Emerging markets — especially in the Asia-Pacific region13 — are expected to drive economic growth and global natural gas demand for decades to come.

- **Governments are implementing Paris Agreement-aligned policies to address climate change:** Governments are taking action to implement policies to meet the primary goal of the Paris Agreement — to limit global temperature rise to well below 2°C compared to pre-industrial levels. Many countries are increasing their climate ambitions, including adopting net-zero carbon emissions targets to limit global warming to 1.5°C.

- **Fuel displacement is a key pathway to achieving the well-below-2°C goal:** To meet the goals of the Paris Agreement, coal-to-gas displacement can deliver significant, near-term CO₂ reductions and air quality benefits in specific countries and sectors. Since 2005, the United States has witnessed a 14% decline in energy-related CO₂ emissions, primarily due to fuel switching from coal to natural gas.14 Since 2010, fuel switching from coal to natural gas has accounted for close to half of the total global CO₂ reductions. The IEA identifies fuel displacement from coal to gas as the “quickest route to emissions reductions,” with the potential of curbing global power sector emissions by 10%.15 U.S. LNG exports are, in effect, a mechanism for the U.S. to export our experience with rapid CO₂ emissions reductions globally, by enabling our customers to replicate those CO₂ emissions reductions by switching from coal to gas.

- **Natural gas also helps support a lower-carbon future:** In addition to near-term emissions reductions through fuel displacement and improvements to air quality, natural gas supports the adoption of renewables, as fast-cycling natural gas plants remain vital to smoothing out intermittency in solar and wind power. Under the IEA’s Sustainable Development Scenario (SDS), demand for LNG could grow by 33% by 2040 relative to 2019 levels.16 Based on our Climate Scenario Analysis, we believe our LNG will remain critical to meeting future demand.

- **Addressing methane emissions is essential to achieving the well-below-2°C goal:** Achieving reductions in methane emissions is essential to ensuring the long-term role of natural gas and delivering near-term climate benefits. Methane emissions account for nearly a quarter of global warming since the 1850s.17 Near-term reductions in methane emissions are a powerful and cost-effective means of reducing global GHG emissions, given methane’s higher global warming potential compared to CO₂.18

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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, 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 skilled individuals in our workforce overall. Continuing to increase the diversity of our workforce is an important focus of the Cheniere Energy Initiatives,19 which is working to expand the diversity of our workforce by identifying gaps, taking action and continuously improving. Of particular interest is the need for increasing the diversity of individuals within the energy industry and building a diverse, equitable and inclusive culture at Cheniere, building upon our existing policies and actions.

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

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.
- 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 counterparts. 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 counterparts 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.
As the leading U.S. LNG exporter, we are supporting the global energy transition as we supply customers with affordable, reliable and cleaner-burning natural gas. This is helping them to grow their economies, improve local air quality (when displacing coal) and meet their climate goals. We are leveraging our unique position in the market as a conduit between producers and customers in order to effect change. In 2020, we continued our focus to increase transparency on the greenhouse gas (GHG) emissions footprint of our supply chain through expanded engagements with our gas suppliers and shipping partners, and we advanced our assessment of the lifecycle emissions of our LNG.
OUR FOCUS AREAS
As we advance our climate strategy, we are focused on identifying and managing climate-related risks and opportunities facing our business and the broader LNG industry. In this section, we communicate our approach following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD):

- Governance: Maintaining board and executive oversight of — and involvement in — the management of climate risks and opportunities, as well as the execution of our climate strategy.
- Strategy: Integrating climate considerations across our business to evaluate strategic risks and opportunities that enhance the competitiveness of our LNG and the industry overall.
- Risk management: Undertaking comprehensive analyses to assess climate-related risks and opportunities and inform our actions and response.
- Metrics and targets: Developing appropriate climate-related metrics and tools to assess and evaluate our GHG performance, as well as the performance of our partners across the LNG value chain.

BOARD OVERSIGHT AND MANAGEMENT APPROACH
Identifying, assessing and managing climate-related risks and opportunities is critical to our business. In 2018, we established formal, board-level oversight of climate change issues by the board’s governance and nominating committee. Members of our executive leadership team oversee the implementation of our climate strategy and emissions performance.

PROGRESS AND HIGHLIGHTS
- Initiated lifecycle GHG emissions analysis across the LNG value chain.
- Published a Climate Scenario Analysis to assess the resilience of our current and future business under various carbon-constrained scenarios.
- Reduced Scope 1 GHG emissions intensity over 33%22 since 2016 and maintained methane intensity at less than 0.02%23 for the past four years.

LOOKING FORWARD
- Assess additional GHG management opportunities at our LNG facilities.
- Conduct pilot-scale field studies on GHG emissions at select producers, with the goal of assessing emissions performance, and scale up relevant quantification, monitoring, reporting, and verification (QMRV) methods.
- Collaborate on a first-of-its-kind study to characterize GHG emissions associated with LNG shipping.
- Intend to provide customers with Cargo Emissions Tags, from 2022, that provide estimated GHG emissions associated with each LNG cargo, from the wellhead to the delivery point.

22. Scope 1 GHG emissions include emissions reported to the EPA under the Greenhouse Gas Reporting Program (GHGRP). All carbon dioxide equivalent (CO2e) reported using 100-year Global Warming Potential (GWP). Methane (CH4) GWP = 25 and N2O GWP = 298. GHG emissions intensity is reported as total Scope 1 GHG emissions per million standard cubic feet (MMscf) of LNG reported in the calendar year, as reported to the U.S. Department of Energy (DOE).
23. Methane intensity is reported per the ONE Future Reporting Protocol as metric tons of methane emissions per metric ton of LNG exported (methane), as reported to the DOE.
CLIMATE GOVERNANCE AND STRATEGY

GOVERNANCE

Board oversight
The board’s governance and nominating committee maintains formal review of our climate change strategies and policies. The full board received quarterly updates on climate and sustainability initiatives throughout 2020. At our board’s request, we held a board climate strategy session in 2020. Senior leaders engaged the board on emerging climate-related risks and opportunities, business unit plans, responses and overall company performance.

An external environmental, social and governance (ESG) expert from one of the world’s largest asset managers updated the board on emerging climate and ESG trends through the lens of an institutional shareholder. As an outcome of this board session, we enhanced our climate strategy by launching a corporate-wide effort to further integrate climate into our business and strategy.

Executive oversight
Under the formal oversight of our board of directors, our executive leaders are directly responsible for identifying, assessing and managing climate-related risks and opportunities, and implementing our climate strategy. The SVP of corporate development and strategy and SVP of policy, government and public affairs (PGPA) lead the development and execution of our climate strategy. Executives across our business functions, including our chief financial officer, chief commercial officer, executive vice president of worldwide trading, and the SVP of operations — who maintains responsibility for monitoring and managing our emissions footprint — help guide this effort. Our executive leadership reports directly to our CEO on climate strategy and planning on a regular basis. In 2021, an ESG metric will account for 10% of the total performance scorecard weighting as part of our annual cash bonuses. Including ESG as one of our strategic metrics for 2021 illustrates our company-wide commitment to these important issues.

STRATEGY

We believe that Cheniere’s LNG has a net positive impact on global emissions, helping to meet growing energy demand, supporting the energy transition by displacing more carbon-intensive fossil fuels, and enabling further adoption of renewables. As a result, we expect LNG demand to continue to grow for decades. In addition, we are using our unique position in the industry — building on our relationships with gas producers, LNG customers, shipping owners and others — to help reduce the carbon footprint of our value chain.

We aim not only to remain economically competitive compared to other global natural gas suppliers, but also environmentally competitive. In 2020, we launched a comprehensive initiative to further integrate climate considerations into our corporate strategic priorities. Built around our Climate and Sustainability Principles, this integration effort is focused on identifying, assessing and managing strategic risks and opportunities across all parts of our organization and our value chain. The primary goals of this effort are to improve environmental performance, strengthen the long-term resilience of our company and help ensure that our LNG continues to provide climate benefits to our customers.

“Cheniere has been a leading driver within Collaboratory to Advance Methane Science (CAMS) in supporting our first-of-a-kind research project to measure total methane emissions from an LNG carrier vessel. This project will give us the know-how to develop a much stronger understanding of the climate impact of LNG and how to mitigate it, and Cheniere has been a critical component in both funding and providing expertise on shipping logistics.”

– Dr. Paul Balcombe, Queen Mary University of London
OUR CLIMATE STRATEGY IS BASED ON THE FOUR PILLARS OF OUR CLIMATE AND SUSTAINABILITY PRINCIPLES:

Supply chain

We are working to leverage our position to improve environmental performance across our supply chain. In 2020, we continued to increase transparency on the GHG emissions footprint of our supply chain through expanded engagements with our gas suppliers and shipping partners. We also advanced our assessment of the lifecycle emissions of the LNG we supply. We believe that the data gathered in these initiatives will support the advancement of robust, science-based policies. To that end, we recently announced that beginning in 2022, we will support our long-term customers with Cargo Emissions (CE) Tags that will provide estimated GHG emissions associated with each LNG cargo, from the wellhead to the delivery point. The CE Tag will be calculated using our lifecycle analysis model, which is built upon the U.S. Department of Energy’s framework but is customized for our value chain, utilizing data from our gas suppliers, LNG transporters and liquefaction facilities. We also host an annual gas supplier workshop with our upstream producer partners, at which we reiterate the importance of climate and sustainability. We collaboratively share best practices and data, and encourage proactive measures to monitor, report and mitigate emissions. The U.S. natural gas industry has already taken steps to improve its emissions transparency and voluntarily reduce methane emissions. In fact, approximately 70% of the gas volumes purchased in 2020 came from companies committed to its emissions transparency and voluntarily reduce methane emissions. In fact, approximately 70% of the gas volumes purchased in 2020 came from companies committed to its emissions transparency and voluntarily reduce methane emissions. Indeed, we are assessing the economic and operational feasibility of GHG management solutions at our Sabine Pass and Corpus Christi facilities in Louisiana and Texas.

Science

We base our climate strategy and decisions on the best available science. We are analyzing our lifecycle GHG emissions to identify and assess climate-related risks and opportunities across our value chain, with the strategic goals of supporting the resiliency of our LNG and promoting transparency, avoidance and reduction in our GHG footprint. As a co-founder of CAMS,25 we are also advancing peer-reviewed research to enhance understanding of the natural gas industry’s climate impacts and opportunities. We are also key priorities. This CR report, which was developed based on direct engagement with our stakeholders and feedback from — our stakeholders, is our primary vehicle for climate-related disclosures. Since issuing our inaugural 2019 CR report, we have strengthened our alignment with the TCFD recommendations and published a Climate Scenario Analysis to communicate the resilience of Cheniere’s business under various climate scenarios.

Operational excellence

We integrate emissions reductions and efficiency improvements in our own operational design. Indeed, we are assessing the economic and operational feasibility of GHG management solutions at our Sabine Pass and Corpus Christi facilities in Louisiana and Texas.

Transparency

Our efforts to advance the measurement and quantification of emissions data will increase transparency across our value chain. Transparent communication and engagement with our stakeholders are also key priorities. This CR report, which was developed based on direct engagement with our stakeholders and feedback from — our stakeholders, is our primary vehicle for climate-related disclosures. Since issuing our inaugural 2019 CR report, we have strengthened our alignment with the TCFD recommendations and published a Climate Scenario Analysis to communicate the resilience of Cheniere’s business under various climate scenarios.

“"We’re at the nexus of our upstream suppliers in North America and our customers around the world. We believe that, because of that position, we have a responsibility and commercial incentive to support and encourage efforts to increase the monitoring, reporting and verification, as well as mitigation, of methane emissions to maximize the climate benefits of LNG for our customers.”

— Anatol Feygin, Executive Vice President and Chief Commercial Officer

CASE STUDY

Read more online about:
Managing GHG emissions across the value chain

24. Cheniere considers the most efficient vessels available to include vessels that are not less than 173,400 cubic-meter vessels with two-stroke propulsion systems, which include XDF or ME-GI vessels. XDF refers to vessels with low-pressure dual fuel (LPDF), two-stroke engines. ME-GI (meat engine-gas injection) refers to vessels with high-pressure dual fuel (HPDF), two-stroke engines.
RISK MANAGEMENT

Enterprise risk assessment

We incorporate climate-related risks and opportunities into our annual enterprise risk assessment (ERA) process, which is overseen by our chief risk officer and reviewed by the board of directors. We conduct an ERA to identify short- and medium-term risks within a five-year time horizon. We analyze these risks in terms of their potential financial or reputational impact on the organization. The formal ERA process takes place on an annual basis with a mid-year check-in to determine if any significant changes identified during the annual ERA process need to be addressed.

Additionally, individuals responsible for oversight of climate risk have the ability to bring any significant changes to the attention of the chief risk officer on an ad hoc basis. The SVP of corporate development and strategy and SVP of PGPA are responsible for assessing climate-related risks as part of the overall ERA process.

Identifying and managing climate-related risks and opportunities

The TCFD defines potential climate-related risks and opportunities according to two categories: transition and physical risks. Transition risks are those that stem from regulatory, economic, market, technological and other societal changes associated with the transition to a lower-carbon economy. Physical risks are those associated with physical impacts from climate change, like increases in severe weather or changes in weather patterns. We consider these risks over the short-, medium- and long-term, including their related potential financial impacts. In 2020, we also initiated a Climate Scenario Analysis to better understand these potential impacts and assess the resilience of our business model under a range of scenarios, which helps inform our strategy and business planning.

Transition risks

To identify policy-related risks and opportunities, we review international and domestic climate policies and assess how they may affect our business. We also follow potential regulatory changes that could impact our business, as well as any potential requirements to expand reporting on climate or other environmental impacts. To manage these risks, we conduct ongoing engagements with policymakers and think tanks in the United States and key international markets.

To assess market risks, we actively engage our customers to help us understand changing market sentiment. Our efforts to enhance transparency around GHG emissions across the LNG value chain can inform and support our suppliers and customers’ decarbonization efforts, and thereby help to enhance the GHG footprint of our product and the broader industry.

We work to address technology risks by assessing opportunities to reduce the carbon footprint of our product and help ensure the climate benefits of U.S. LNG. For example, we prioritize efforts to monitor and mitigate emissions in our operations and implement measures to improve efficiency throughout all phases, including design, construction and into ongoing operations. We manage climate-related reputational risks through regular stakeholder engagement. In 2020, we interviewed over 60 stakeholders as part of efforts to identify our most relevant ESG topics and to better understand potential climate-related risks and opportunities to Cheniere’s business (see page 10).

Physical risks

We analyze our climate-related physical risks and opportunities during the design, construction and operation of our LNG facilities, and have built these to withstand a variety of extreme weather conditions. We have a dedicated Emergency Response Program, through which we plan and prepare for potential events, including extreme weather, that could impact business continuity and our workforce or our communities (see page 36).

In 2020, we enhanced our enterprise crisis management framework by strengthening our coordination and response process and establishing an executive-level crisis advisory team. Our emergency response capabilities and facility design were tested during one of the most active hurricane seasons on record. At Sabine Pass, our facility performed as planned during Hurricane Laura, and we safely reinitiated LNG production after operations had been suspended for only a week. Further, we conclude that Cheniere does not operate in any areas of high water stress.

Potential climate-related risks and opportunities identified

As recommended by the TCFD, the following tables outline potential climate-related risks and opportunities related to the long-term resilience of Cheniere’s business under multiple scenarios, including a trajectory consistent with the goals of the Paris Agreement to limit global warming to well below 2°C compared to pre-industrial levels. The report was informed by the recommendations of the TCFD.

Under all scenarios evaluated, we find that Cheniere is positioned to help meet growing demand for LNG through 2040. The analysis validates Cheniere’s belief in the long-term resiliency of its business, even under a well-below-2°C pathway and a major transformation of the global energy system.
## POTENTIAL CLIMATE-RELATED PHYSICAL RISKS AND FINANCIAL IMPACTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential climate-related risks</th>
<th>Potential financial impacts</th>
<th>Potential mitigation opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute risks</td>
<td>Increased frequency and severity of severe weather events (e.g., hurricanes, storm surge, temperature volatility)</td>
<td>Interruption of operations; damage to assets; delays in the completion of construction projects; increased insurance premiums</td>
<td>Business continuity and emergency planning; physical risk assessment and modeling; property damage and business interruption insurance</td>
</tr>
<tr>
<td>Chronic risks</td>
<td>Rising sea levels; rising average temperatures</td>
<td>Damage to coastal assets; increased insurance premiums; increased resiliency costs</td>
<td>Infrastructure hardening beyond existing stringent design and construction considerations; solutions to strengthen coastal resilience</td>
</tr>
</tbody>
</table>

## POTENTIAL CLIMATE-RELATED TRANSITION RISKS AND FINANCIAL IMPACTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential climate-related risks</th>
<th>Potential financial impacts</th>
<th>Potential mitigation opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and legal risks</td>
<td>More stringent state and federal reporting obligations and regulatory approval processes</td>
<td>Higher compliance costs and difficulty obtaining and maintaining permits from regulatory agencies</td>
<td>R&amp;D on GHG emissions including methane; transparent, peer-reviewed GHG QMRV tools; engagement with domestic and international policymakers, regulators and industry organizations to advocate for uniform science-based policies for all market participants; monitoring of regulatory developments domestically and internationally; reducing operational footprint by improving efficiency and CO₂ management solutions</td>
</tr>
<tr>
<td>Technology risks</td>
<td>Technological advancements and increased integration of renewable energy sources</td>
<td></td>
<td>Innovation of product offerings with green credentials; diversification of services</td>
</tr>
</tbody>
</table>

27. This column refers to potential mitigation opportunities that could be employed. Cheniere has not undertaken these activities, nor is it committed to doing so.

28. The TCFD defines “acute risks” as physical risks emanating from climate change that are event-driven (e.g., increased severity of extreme weather events like cyclones, droughts, fires, etc.). Task Force on Climate-related Financial Disclosures (TCFD) (2017, June), Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf.

### Potential Climate-Related Transition Risks and Financial Impacts (Cont.)

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential climate-related risks</th>
<th>Potential financial impacts</th>
<th>Potential mitigation opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market risks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changing customer and financial market sentiment</td>
<td>Reduced demand for LNG due to changing customer preferences</td>
<td>Innovation of product offerings with green credentials; capital discipline; monitoring and transparency of lifecycle product footprint; additional measures to avoid, reduce, remove and offset emissions</td>
</tr>
<tr>
<td></td>
<td>Uncertainty in market signals</td>
<td>Shifts in energy prices due to disruptions or impacts of climate change on supply and demand</td>
<td>Use of long-term contracts; flexible LNG marketing and trading (e.g., delivered at terminal cargoes)</td>
</tr>
<tr>
<td></td>
<td>Increased cost of raw materials</td>
<td>Increased natural gas prices; increased production costs</td>
<td>Financial and capital allocation planning; identifying and expanding gas supply</td>
</tr>
<tr>
<td></td>
<td>Introduction of low-cost, less carbon-intensive supply from new regions</td>
<td>Reduced demand for LNG</td>
<td>Monitoring of major shifts in natural gas and LNG markets including supply-demand mix, political and economic indicators, climate research, carbon policies; disciplined approach to capital deployment; commercial innovation, emphasis on value differentiators — including reputation, reliability and increased transparency — and standardization of lifecycle emissions; improvement of GHG footprint to differentiate Cheniere among global suppliers</td>
</tr>
<tr>
<td>Reputational risks</td>
<td>Stigmatization of sector</td>
<td>Additional financing challenges for new projects</td>
<td>Stakeholder engagement; industry collaboration and partnerships; transparent disclosure and reporting; improving carbon footprint across LNG value chain; operational carbon emission reduction through efficiency, capture and offsets</td>
</tr>
<tr>
<td></td>
<td>Negative stakeholder feedback; poor operations by certain actors within the natural gas supply chain</td>
<td>Failure to hold social license to operate; increased communications costs; challenges attracting and retaining talent; increased cost of capital; reduced revenue</td>
<td></td>
</tr>
</tbody>
</table>
## POTENTIAL CLIMATE-RELATED TRANSITION OPPORTUNITIES AND FINANCIAL IMPACTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential climate-related opportunities</th>
<th>Potential financial impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology and production efficiency</strong></td>
<td>Improvements in LNG facility design, energy and production efficiency</td>
<td>Reduced operating costs and increased production efficiency resulting in increased revenue; return on investment for efficiency or low-emission technology</td>
</tr>
<tr>
<td></td>
<td>Upstream technology improvements; improvements in efficiency for newbuild LNG vessels</td>
<td>Increased competitiveness due to lower lifecycle emissions footprint of LNG</td>
</tr>
<tr>
<td><strong>Emissions tracking and mitigation</strong></td>
<td>Investment in research and development related to emissions characterization and management across the natural gas value chain</td>
<td>Innovative approach to retain cost competitiveness, and development of innovative commercial products and solutions; better management of future operating costs; responsiveness to customer preferences and requirements</td>
</tr>
<tr>
<td></td>
<td>Investments in carbon capture, utilization and storage (CCUS); use of government incentives for carbon mitigation</td>
<td>Reduced exposure to carbon policies and regulations</td>
</tr>
<tr>
<td></td>
<td>Assessment of supply chain lifecycle emissions; investment in digitization, quantification, monitoring, verification and reporting; engagement with partners across the LNG value chain on emissions management</td>
<td>Increased customer demand due to the ability of less carbon-intensive LNG to meet customers’ climate goals; increased competitiveness due to enhanced transparency on the emissions profile of Cheniere LNG; reputational benefits; increased access to capital</td>
</tr>
<tr>
<td><strong>Products and services</strong></td>
<td>Development of innovative products with green credentials</td>
<td>Increased resilience of LNG due to availability of low-emission or carbon neutral products</td>
</tr>
<tr>
<td></td>
<td>Diversification of products and services including LNG bunkering services for the marine fuel market</td>
<td>Increased revenue</td>
</tr>
<tr>
<td><strong>Government policies and consumer sentiment</strong></td>
<td>Shifts in consumer preferences leading to greater demand for natural gas relative to other fossil fuels</td>
<td>Increased revenue due to increased global demand for less carbon-intensive energy sources</td>
</tr>
<tr>
<td><strong>Strategic planning</strong></td>
<td>Integration of climate into core business strategy and long-term planning</td>
<td>Increased revenue due to access to new and emerging markets</td>
</tr>
<tr>
<td></td>
<td>Increased stakeholder engagement and disclosure</td>
<td>Increased access to capital due to stronger stakeholder relationships; improved competitive positioning; reduced exposure to carbon policies and regulations; increased revenue and demand</td>
</tr>
<tr>
<td></td>
<td>Access to innovative financial products (e.g., transition bonds, sustainability-linked loans)</td>
<td>Reputational benefits; reduced cost of capital</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduced cost of capital; reputational benefits</td>
</tr>
</tbody>
</table>
METRICS AND TARGETS

We prioritize efforts to monitor and mitigate emissions across our operations and implement measures to improve efficiency throughout design, construction and ongoing operations. Such efforts are overseen by the SVP of operations, who provides regular updates to the board of directors on our performance. We track several metrics to assess our operational footprint in line with our climate strategy. We focus on GHG and methane emissions intensity metrics to assess our year-to-year performance and how efficiently we are operating as we expand our LNG production capacity, while also reporting our absolute emissions (see page 49).

Our GHG emissions data reflect important elements of our company’s growth. As our production capacity grows with new liquefaction units, or “trains,” we will continue to focus on monitoring our GHG emissions intensity as a more meaningful measure of GHG performance management, in addition to absolute emissions. Trains that are being commissioned but are not yet fully operational also have an impact on our GHG and methane emissions intensity.

In 2020, seven trains were fully operational, but one additional train began commissioning with production of first LNG and was placed into full operation in 2021. Between 2016 and 2020, our Scope 1 GHG emissions intensity decreased by over 33% and methane emissions intensity decreased by 52%, primarily due to the addition of LNG capacity and improved efficiency and operational practices. In 2020, due to the global pandemic, we experienced a 9% decrease in LNG exports from our terminals relative to 2019, and a 0.5% decrease in total methane emissions. In 2020, due to the global pandemic, we experienced a 9% decrease in LNG exports from our terminals relative to 2019, and a 0.5% decrease in total methane emissions.

However, we saw an increase of 426 metric tons in methane emissions, primarily caused by a release of hydrocarbons during Hurricane Laura, a Category 4 hurricane. Hurricane Laura triggered a complete shutdown and evacuation of the Sabine Pass facility and necessitated intermittent venting from the LNG tanks to ensure safety of people, plant and community. All practicable precautions were taken in accordance with established plans and procedures to mitigate the potential for releases to occur while evacuating the plant site and rendering the equipment safe, as well as during the restart of the facility. We reported this incident to the Louisiana Department of Environmental Quality (LDEQ). As a result, we saw methane emissions increase in 2020 by 19.8%.

Methane constitutes a small fraction of our total Scope 1 emissions. Including LNG terminals and pipelines, methane emissions represented just 1.05% of our total Scope 1 emissions in 2020. In addition, we have maintained a methane emissions intensity rate of less than 0.02% over the past four years, significantly lower than targets of 0.2%-0.25% or lower set by industry initiatives such as the Oil and Gas Climate Initiative (OGCI). Nonetheless, we continue to monitor and reduce fugitive and vented methane emissions in our operations.

SCOPE 1 GHG AND METHANE INTENSITY

CO₂ represents the majority of our Scope 1 GHG emissions. Our absolute Scope 1 CO₂ emissions decreased by about 10% in 2020 compared to 2019, primarily due to decreased production related to the COVID-19 pandemic.
REDUCING GHG EMISSIONS IN OUR OPERATIONS

Our LNG facilities are our largest source of energy consumption and Scope 1 GHG emissions, primarily due to the power used for refrigerant turbines and thermal oxidizers. We have implemented a range of technologies and processes to help us reduce these emissions, including:

- Waste heat recovery (WHR) systems: All our LNG trains capture waste heat from refrigerant turbines and from their thermal oxidizer combustion exhausts, which is used to provide heat for other processes needed throughout the facilities. By incorporating WHR systems into our design, we estimate fuel savings of approximately 4 million standard cubic feet per day (MMscfd) per train, which would translate to over 600,000 metric tons per year of CO₂ savings from our eight operational trains at the Sabine Pass and Corpus Christi liquefaction facilities.31

- Methane emissions management: Through our subsidiaries, affiliates and investments, we operate three pipelines, all of which were constructed using several best practices for managing emissions. For instance, it is our standard practice to use zero-emission, compressed-air pneumatic controllers on valves and other equipment, which eliminate methane emissions from these devices. We have also minimized the number of pipeline blowdowns, which reduce the release of methane emissions, by keeping compressors pressurized for up to 12 hours after required shutdowns. We have started a program to enhance this technology by allowing a compressor to remain pressurized after shutdown for several days. We also perform fugitive methane emissions monitoring at our LNG terminals and compressor stations on a regular basis. Between 2016 and 2020, we conducted 48 surveys across our company, covering close to 400,000 components. As shown in the 2020 GHG emissions breakdown chart below, fugitive methane emissions constitute 0.14% of our total GHG emissions. See the Key Performance Data table for additional emissions data.

2020 SCOPE 1 GHG EMISSIONS BREAKDOWN

All GHG emissions are disclosed as reported to the EPA under the GHGRP. All CO₂e is reported using 100-year GWP. CH₄ GWP = 25 and N₂O GWP = 298. Scope 1 CO₂ (metric tons CO₂) Scope 1 N₂O (metric tons CO₂e) Scope 1 CH₄ (metric tons CO₂e) Scope 2 GHG emissions (metric tons CO₂e)

SCOPE 1 AND 2 GHG EMISSIONS

Emissions of CO₂e, CH₄ and N₂O are reported on an absolute basis without GWP weighting as reported to the EPA under the GHGRP. Scope 2 emissions (2018-2020) are based on electricity purchased for use at major offices and operating sites using the location-based method per the GHG protocol Scope 2 guidance.

31. In 2020, seven trains were fully operational, but one additional train began commissioning with production of first LNG and was placed into full operation in 2021.
Our LNG helps to improve local air quality in communities globally (when displacing coal), support the advancement of the energy transition and meet growing energy demand around the world.

In 2020, we chartered more efficient LNG vessels, strengthened our environmental management systems and expanded our environmental training and awareness. Our goal is to reduce the environmental impacts associated with our operations, while seeking opportunities to responsibly manage and protect natural resources.
OUR FOCUS AREAS

We are committed to responsibly managing our environmental impacts, including those relevant to air quality, biodiversity and effluents and waste. In terms of our own operations, we are required to operate within the terms of our permits and to limit hazardous air pollutants. Furthermore, our LNG helps to improve air quality and human health in communities globally when displacing coal and oil.

During the initial construction of our LNG terminals and pipelines, we worked toward minimizing our impacts on biodiversity and land use (including impacts to cultural resources) through selective siting and routing, or other mitigation plans approved by regulators.

Due to the quantities and nature of the materials that we manage, we have relatively limited risk and impacts related to effluents and waste. Unlike many market participants (which also operate exploration and production business segments), we do not produce or process crude oil or any refined petroleum products. Nonetheless, we maintain strong effluent, waste, spill and release management processes. Cheniere does not operate in any area of high water stress and, with strong spill and release management programs, has limited potential to impact water resources through releases. For more information see the Water Risk Analysis on our website.

BOARD OVERSIGHT AND MANAGEMENT APPROACH

The vice president of health, safety and environmental (HSE) manages HSE compliance and risk across the business. The vice president of environmental and regulatory projects assures environmental performance and execution of the company’s business strategy consistent with our environmental management systems and the company’s mission and core values. Our executive vice president and chief legal officer oversees environmental management, biodiversity and land impacts, air quality, effluents and waste. Our board of directors reviews these issues regularly and receives updates on a selection of environmental performance metrics quarterly.

Our corporate Health, Safety and Environmental Policy codifies our approach to protecting environmental resources and our commitment to operate in an environmentally responsible manner, which includes proactively identifying and addressing environmental risks and opportunities across the lifecycle of our operations and engaging regularly with stakeholders on environmental issues.

PROGRESS AND HIGHLIGHTS

- Implemented mandatory environmental awareness training for all employees.
- Enhanced alignment of our environmental management system (EMS) with the ISO 14001 standard.
- Conducted company-wide environmental audits on hazardous waste, criteria air emissions and contractor performance.
- Restored 88% of terrestrial acreage disturbed by the construction of our facilities between 2016 and 2020. Permanent impacts associated with the projects were mitigated (page 27).

LOOKING FORWARD

- Expand the environmental metrics reviewed by our board of directors.
- Enhance our EMS by rolling out site-specific implementation of company-wide environmental standards and integrating our existing EMS into the Cheniere Integrated Management System (CIMS).

READ MORE

Read more in our ESG Metrics and Disclosures Appendix about our:

Health, Safety and Environmental Policy
Environmental Management System
RESPONSIBLY MANAGING OUR ENVIRONMENTAL IMPACTS

BIODIVERSITY

Our operations are located on the U.S. Gulf Coast, an area of rich biodiversity and environmental importance. We recognize that protecting biodiversity is an important responsibility we have to the communities that depend on these vital ecosystems. While our impacts on biodiversity are generally limited, what impacts do occur primarily take place during the construction of our LNG terminals and natural gas pipelines. We apply intensive assessment, avoidance and mitigation efforts to reduce negative impacts on local ecosystems and continue to support voluntary biodiversity protection projects near our areas of operation. We also partner with the local communities near our Sabine Pass and Corpus Christi liquefaction facilities to help target company social investment towards environmental projects for coastal restoration and marine habitats.

Key issues and initiatives

Where possible, we seek to avoid, rather than mitigate, impacts on biodiversity. Key elements of our approach include:

Pre-project assessments: As part of our permitting process under the National Environmental Policy Act (NEPA), our projects undergo biodiversity-related assessments through which we identify and seek to avoid high-priority, critical habitats, while also identifying potential impacts on sensitive species and ecosystems. We perform cumulative risk assessments to understand potential risks to biodiversity that could occur near to, but outside of, our own operations and incorporate these potential risks into our impact avoidance and mitigation plans.

Impact avoidance: We prioritize the avoidance of impacts, minimization of impacts to the maximum extent practicable, restoration to pre-construction conditions where possible and, finally, the mitigation of unavoidable impacts. Our LNG facilities and pipelines were sited in order to avoid protected conservation and/or critical habitat areas, and our currently planned LNG expansions are not expected to cause additional disturbance to areas outside of our fence line.

Protecting biodiversity and restoring ecosystems: We seek opportunities to restore and rebuild ecosystem in areas of operation both as beneficial outcomes of our construction projects and through voluntary investments unrelated to our facility construction. These efforts primarily focus on restoring wetlands and other Gulf Coast ecosystems, which provide critical ecosystems services as well as important habitat for local and migratory species.

Terrestrial acreage disturbed and restored: We do not disturb existing land uses as part of our ongoing operations, but can impact intact ecosystems when constructing new facilities. Since 2016, we have restored 88.4% of acreage disturbed, which resulted from the construction of our two liquefaction terminals and the Midship Pipeline (see page 57).

EFFLUENTS AND WASTE

Spill prevention and response: Our business model is unique as a pure-play LNG company. Our spill risks are limited, based on the products and materials we handle and primarily stem from liquid fuels used to run equipment and lubrication oils used in our liquefaction facilities. Through our subsidiaries, affiliates and investments, we operate just over 300 miles of pipelines, which transport natural gas, reducing our risks related to hydrocarbon spills. Still, we maintain site-specific spill prevention, control and countermeasure plans. Our primary product, LNG, dissipates if released and does not pose a significant risk of environmental contamination. In 2020, we experienced one reportable hydrocarbon spill. This involved less than one gallon of hydrocarbons (see page 51).

Effluents from our operations primarily relate to our sanitary wastewater treatment systems, stormwater runoff and the use of a reverse-osmosis process to treat water provided to us by local utilities. These pose only limited risk to the environment, due to the nature of the potential contaminants in the effluents. Similarly, compared to most companies in our industry, our operations pose only limited risks of hydrocarbon spills, because our primary product is natural gas, not oil. While our operations do produce wastewater with small amounts of potentially hazardous pollutants, these are carefully managed.

Key issues and initiatives

Responsible waste management: We follow waste-minimization plans across all of our facilities and carefully label, manage and dispose of hazardous and non-hazardous waste at permitted treatment, storage and disposal facilities. We contract qualified and licensed third parties to transport and dispose of hazardous wastes and follow strict regulatory tracking and reporting requirements. We have also implemented a range of recycling and waste diversion programs, through which we recycled more than 375,000 gallons of used waste oil and oily water from our LNG facilities and about 25,000 gallons of pipeline liquids, and diverted over 15 tons of office waste.

CASE STUDY

Read more online about:
Protecting biodiversity and reducing impacts during construction

35. We define reportable spills as a spill of liquid materials containing hydrocarbons to the ground or water, such as liquid fuels, lubrication oils and hydraulic fluids, that exceeds a regulatory-based reportable quantity and requires an immediate (<24 hours) notification to a regulatory agency. Our business focuses solely on natural gas. Reportable spills from our operations refer to spills from service equipment, process equipment or similar sources.

READ MORE
Read more in our ESG Metrics and Disclosures Appendix: Effluents management, Waste recycling and diversion
AIR QUALITY

Our operations generate criteria air pollutant emissions, including nitrogen oxides (NOX), sulfur dioxides (SOX) and volatile organic compounds (VOC). The natural gas-powered turbines that run our Sabine Pass and Corpus Christi LNG liquefaction processes in Louisiana and Texas are the primary source of these emissions; smaller amounts are emitted through our pipeline operations. We actively work to limit our criteria emissions and impacts on local air quality. See the Key Performance Data table (page 51) for emissions data.

Key issues and initiatives

Managing criteria air emissions from our operations: Our LNG production facilities are relatively new and were designed to comply with strict emissions limits. We have implemented a range of NOX and VOC emission-control technologies and work practices across our operations. For example, we utilize state-of-the-art engines to drive our pipeline compressors that limit NOX emissions, which are below permit requirements.

Reducing emissions and enhancing efficiency in LNG shipping: Based on existing charter agreements in place as of April 14, 2021, by the end of 2022, we expect 86% of Cheniere Marketing’s fleet will be made up of XDF/MEGI vessels, the most efficient vessels available in the market.³⁷

READ MORE

Read more in our ESG Metrics and Disclosures Appendix:
- Monitoring and assurance of non-GHG air emissions
- Initiatives to reduce non-GHG air emissions
Cheniere powers the world, but our company is powered by our people. It is our job to help them meet new challenges in an equitable environment that supports their development and advancement. The dedication, dexterity and resilience of our people enables everything we do, and were critical to helping us navigate the extraordinary global challenges of 2020.

In 2020, we expanded efforts to support our people during a year that highlighted the value of human connection and understanding. This included an in-depth review of our diversity, equity and inclusion (DEI) practices and performance, as the first step in developing a comprehensive DEI strategy. We also kept our employees safe, engaged and productive throughout the COVID-19 pandemic, achieving zero COVID-related layoffs, pay cuts or on-the-job transmission of the virus.
OUR FOCUS AREAS
We invest in recruiting, developing, rewarding and retaining the talent we need to drive our long-term productivity and profitability. We are committed to providing a working environment that offers equal opportunities, competitive terms of employment and high-quality training and development opportunities. Our core human capital priorities are attracting, engaging and developing talent while advancing DEI in our workforce.

BOARD OVERSIGHT AND MANAGEMENT APPROACH
Our SVP and chief human resources officer oversees human capital management, including talent attraction and retention, rewards and remuneration, employee relations, employee engagement and training and development. She briefs our board of directors on a quarterly to annual basis and shares updates on human capital metrics and trends. Our chief compliance officer oversees the DEI program. Our commitment to building an inclusive workplace — regardless of background, race, national origin, ethnicity, age, disability, beliefs, religion, sexual orientation, nationality or gender/gender identity — is grounded in our policies, which prohibit discrimination and harassment, and reflect our dedication to a professional working environment that is consistent with our core value of respect.

PROGRESS AND HIGHLIGHTS
• Launched a company-wide assessment of the current state of our DEI policies and practices to inform strategic planning through engagement with employees and senior leaders.
• Rolled out a comprehensive COVID-19 response strategy to protect employee safety and well-being.
• Retained all employees, with zero layoffs, pay cuts or on-the-job transmission of the virus, as a result of our robust response to the global pandemic.
• Launched a new employee resource group, the Emerging Professionals Network.

LOOKING FORWARD
• DEI structure has been put in place with a Program Management Sponsorship of senior executives including but not limited to CEO, SVP and chief human resources officer and SVP policy, government and public affairs (PGPA).
• Formalize and implement a comprehensive DEI strategy, including the development of a three-year DEI roadmap focused on our company, customers, communities and supply chain partners.
• Enhance site-based diversity recruiting and internal workforce engagement on DEI.
• Develop and implement a strategy for targeted DEI social investments within our communities.

READ MORE
Read more in our ESG Metrics and Disclosures Appendix: Management and board oversight on human capital topics
ATTRACTING, ENGAGING AND DEVELOPING TALENT

The success of our company is built on our people. We work hard to attract, retain, develop and reward the best team. We are focused on listening to, engaging with and developing our workforce, which supports productivity and innovation. With the unprecedented events of 2020, our priority now more than ever is to keep our people informed, engaged and safe.

Key issues and initiatives

Talent attraction: Through our recruitment efforts, we seek top, diverse talent who will continue to drive our performance. Our existing employees are our best ambassadors, and we offer them bonuses for referring highly qualified candidates. We also offer competitive compensation and benefits, in addition to a range of internship programs to attract and develop new talent.

Engagement programs and tools: Keeping our team safe and engaged are top priorities (see page 14). We seek to engage employees on an ongoing basis through, for example:

- Regular engagement surveys and other platforms to enable employees to express ideas and voice concerns.
- Cheniere’s “Cultural Champions,” employee-led action groups that help support our culture of inclusion, collaboration and continuous improvement.
- Regular, two-way communication through town halls and topic-specific events.

Development and training: We offer a variety of development programs, including a core training curriculum, leadership training and executive coaching, funding for professional certifications and continuing education. We also hold annual performance reviews and more frequent informal discussions to help employees meet their career goals.

READ MORE

Read more in our ESG Metrics and Disclosures Appendix:

- Employee engagement and training
- Performance reviews
- Wellness initiatives
- Supporting employee mental health

CASE STUDY

Read additional case studies online:

Emerging Professionals Network (EPN)

Cheniere Energy | 2020 Corporate Responsibility Report

EMPLOYEE TURNOVER RATE

136,100

hours of technical, employee development and compliance training

81

hours of training per employee

Both voluntary and involuntary turnover decreased in 2020 compared to 2019 and have followed a generally decreasing trend from 2016 to 2020. We view decreasing turnover as an important metric for demonstrating the success of our employee retention and engagement efforts, as well as the overall success of our business.

38. This represents the total number of training hours divided by the total number of employee-users registered to Cheniere’s internal training platform (“Cheniere LEARN”).
SUPPORTING DIVERSITY, EQUITY AND INCLUSION

While we have always worked to advance the diversity of our workforce, we significantly expanded our efforts in 2020 and will continue to build on this in 2021 by implementing a comprehensive DEI strategy. We believe that a diverse range of backgrounds, experiences and ideas creates an empowered, innovation-driven culture, making us stronger and more effective as a company.

Key issues and initiatives

Developing a comprehensive DEI strategy: DEI was a core focus for our company in 2020. We began an extensive analysis to better understand the current state of policies, practices and culture on DEI issues at Cheniere. This initial phase of work, which was completed in early 2021, will inform our first comprehensive DEI strategy (see page 13).

Recruiting diverse candidates: Seeking talented, diverse candidates is an important pillar of our recruiting strategy. For more information on how we advance efforts to recruit diverse candidates (see page 13).

Supporting equity in pay and benefits: We believe equal pay for equal work is a core component of supporting gender equity and closing the gender pay gap. We offer competitive compensation in line with industry benchmarks and do not permit gender discrimination or inequity as outlined in our Equal Employment Opportunity and Anti-Harassment and Discrimination Policies. We also focus on maintaining equity in our benefits packages. For example, we offer equal health benefits for same- and different-sex spouses and equal health coverage for transgender employees.

Building a culture that supports DEI: Beyond expressing a commitment to DEI, we implement actionable programs and practices to build a culture of inclusion. We are working to continue to advance DEI at all levels of our organization, including among our management team and board of directors (see page 14).

Expanding transparency on diversity data: In 2020, we expanded our DEI disclosures to include workforce diversity breakdowns by race/ethnicity. We also began reporting enhanced diversity data for our board of directors. As of December 31, 2020, women represented 18% of our directors,29 and 9% represented a racially/ethnically diverse group (see page 44). These enhanced data collection and communications processes demonstrate our increased focus and commitment to monitor and promote DEI.

2020 PROGRESS — WORKFORCE DIVERSITY

Racial/ethnic diversity

<table>
<thead>
<tr>
<th>Group</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>65.3%</td>
<td>64.3%</td>
<td>63.5%</td>
<td>63.1%</td>
<td>65.3%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>14.3%</td>
<td>14.6%</td>
<td>14.8%</td>
<td>15.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Asian</td>
<td>8.1%</td>
<td>8.2%</td>
<td>8.3%</td>
<td>8.4%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>5.3%</td>
<td>5.2%</td>
<td>5.1%</td>
<td>5.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>4.9%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>4.8%</td>
<td>4.9%</td>
</tr>
<tr>
<td>More races</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Native Hawaiian or other Pacific Islander</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

We have consistently increased the percentage of racially/ethnically diverse employees over the past five years, from 24.8% in 2016 to nearly 30% in 2020 (see page 51). In 2020, we expanded our reporting on employee diversity to include a breakdown by specific racial/ethnic groups, which we believe is an important element of transparency on this topic. We increased the percentages of Black or African American, Hispanic or Latino, and employees of two or more races, from 2016 to 2020.

Over the past five years, the percentage of female employees has remained fairly constant, between 26% and 27% of total employees. However, we consistently increased the percentage of women and racially/ethnically diverse individuals in management positions from 2016 to 2020. Continuing to increase these percentages is an important focus of the DEI strategy. We also track employee age as an element of the diversity of our workforce, as well as an important metric for succession management and recruitment efforts. The percentage of employees who are over 50 and those who are under 30 decreased from 2016 to 2020, while the percentage of employees who are 30-50 increased (see page 52).

Gender diversity

<table>
<thead>
<tr>
<th>Group</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>26.9%</td>
<td>27.0%</td>
<td>27.1%</td>
<td>27.2%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Male</td>
<td>73.1%</td>
<td>73.1%</td>
<td>72.9%</td>
<td>72.8%</td>
<td>73.1%</td>
</tr>
</tbody>
</table>

Employee age diversity

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>11.1%</td>
<td>10.7%</td>
<td>10.3%</td>
<td>10.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>30–50</td>
<td>47.5%</td>
<td>47.3%</td>
<td>47.1%</td>
<td>46.9%</td>
<td>47.5%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>31.4%</td>
<td>32.0%</td>
<td>32.7%</td>
<td>33.1%</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

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In 2020, our commitment to the health and safety of our employees, contractors and communities was put to the test — and we proved we were built for the challenge. The COVID-19 pandemic and two destructive hurricanes threatened the well-being of our people and our neighbors. In the face of these challenges, the health and safety of our workforce, business partners and communities were our highest priorities.

By making prudent, early decisions — including the establishment of temporary on-site housing for certain workers at the Sabine Pass and Corpus Christi liquefaction facilities to better protect against viral spread, as well as shutting down our Sabine Pass facility before Hurricane Laura made landfall — we were able to operate safely and reliably during an uncertain year. We reported zero workplace-COVID-19 transmissions and zero employee recordable incidents or lost-time injuries in 2020, delivering strong safety performance in a uniquely challenging year.
HEALTH AND SAFETY

OUR FOCUS AREAS

At Cheniere, safety is a core corporate value that is embedded into our everyday processes, behaviors and culture. We are committed to conducting our business with the safety and well-being of our employees, contractors, communities and customers as a top priority. We deliver on our commitments through the implementation of our health and safety management system, which covers occupational health and safety, process safety and emergency response. This is supported by ongoing efforts of our leadership team to champion a strong safety culture across the organization.

BOARD OVERSIGHT AND MANAGEMENT APPROACH

The VP of Health, Safety and Environmental (HSE) oversees HSE compliance, as well as health and safety performance and strategy. The VP of HSE is supported by an executive safety committee made up of leaders from across the company. The committee is responsible for strategic planning, the facilitation of safe working practices and the promotion of our safety culture. Management reports to the board on health and safety performance and the implementation of strategic initiatives on a quarterly basis.

Our corporate Health, Safety and Environmental Policy articulates Cheniere’s commitments, outlines our expectations of employees and contractors and promotes continuous improvement. In 2020, we began to incorporate our existing health and safety management system into the Cheniere Integrated Management System (CIMS), which coordinates the management of all core business functions required to support our HSE performance, operational excellence and reliability. This integration will streamline work processes across functions, while establishing a common framework for risk and opportunity assessment, management and performance assurance.

We use a risk-based assurance and audit process to assess our management systems, policy and performance and to identify opportunities to improve our processes and programs. We conduct ongoing assurance including site-level self-assessments, process verifications and management reviews by site leadership teams.

PROGRESS AND HIGHLIGHTS

- Created an executive-level Crisis Advisory Team to lead our response to COVID-19 and an unusually active hurricane season.
- Implemented comprehensive COVID-19 protocols to keep our people safe while maintaining essential operations, resulting in zero workplace transmissions (see page 16).
- Enhanced our safety performance monitoring and reporting by expanding the application of leading indicators, including process safety events and high potential incidents.
- Exceeded our annual safety performance targets and adopted more aggressive targets for 2021.
- Achieved zero employee reportable incidents or lost-time incidents.
- Reduced combined employee and contractor total recordable incident rate (TRIR) and lost time incident rate (LTIR) by approximately 68% and 65% over the past five years, respectively.

LOOKING FORWARD

- Continue to enhance coordination of our HSE and operational management efforts under CIMS and promote continuous improvement through every stage of the project lifecycle, including planning, design, construction, operations and maintenance.

READ MORE

Read more in our ESG Metrics and Disclosures Appendix:
- Health, Safety and Environment Policy
- Operating guidelines aligned with external standards
PROMOTING A STRONG HEALTH AND SAFETY CULTURE

OCCUPATIONAL HEALTH AND SAFETY

We articulate our expectations regarding safe behaviors, provide site-specific training to develop safety competencies and encourage employees to contribute actively to a culture that fosters safety and well-being. Our employees and contractors may work with or alongside heavy equipment, moving parts, hazardous and non-hazardous materials and at heights or in confined spaces, all of which present potential safety risks. We plan and prepare for each of these scenarios to help ensure that tasks are performed safely and efficiently. Our standards are aligned with relevant Occupational Safety and Health Administration (OSHA) and Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements.

Key issues and initiatives

Hazard identification and mitigation: Before beginning work each day, employees, contractors and site managers review potential hazards and discuss hazard mitigation. Detailed safety assessments are also conducted prior to starting a new job. Every member of our workforce is responsible for identifying potential hazards and discussing hazard mitigation. We have adopted more aggressive targets for 2021. In 2020, we had zero employee recordable incidents or lost-time incidents, and we reduced both combined employee and contractor TRIR and LTIR by 42%, compared to 2019.

Contractor safety management: All individual contractors working on Cheniere sites are expected to follow our health and safety management system and actively participate in meeting or exceeding our safety performance objectives. If a contractor critical to our business does not meet our safety criteria, we work with them to put a mitigation plan in place. In 2020, we strengthened our safety compliance requirements to better align with industry practice. Differences in safety performance targets, which are tied to our annual incentive program for all employees and executives, regardless of level or seniority, all employees and contractors have the authority — and more importantly, the obligation — to stop work at any time if they see a potential hazard or unsafe workplace behavior.

Lifesaving rules: We apply three guiding principles throughout our operations to help minimize workplace incidents: controlling work, controlling energy and controlling equipment. These principles are operationalized through a set of lifesaving rules. In 2020, we updated the rules based on our ongoing review of management systems and safety performance data. Lifesaving rules are the foundation on which we build a culture of safety and are a critical component of our health and safety management system.

Enhanced safety tracking and reporting: We document and investigate workplace safety incidents, implement corrective actions and share lessons learned, to prevent recurrence. In 2020, we initiated a new incident management system to support more consistent incident classification and reporting across the organization. As a key improvement, we also expanded the tracking and reporting of high-potential incidents.

Health and safety targets and performance: To drive continuous improvement, we set annual health and safety performance targets, which are tied to our annual incentive program for all employees and executives. Even with the multitude of challenges faced by our team, we exceeded our 2020 annual safety performance targets and have adopted more aggressive targets for 2021. In 2020, we had zero employee recordable incidents or lost-time incidents, and we reduced both combined employee and contractor TRIR and LTIR by 42%, compared to 2019.

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ENHANCING PROCESS SAFETY AND EMERGENCY RESPONSE

PROCESS SAFETY

Process safety focuses on maintaining the integrity and effectiveness of the equipment and processes that underpin our operations. This includes the management of unplanned or uncontrolled releases of hazardous materials that could occur as a result of failures in process, procedures or equipment. Process safety failures represent one of the most significant sources of risk to our employees and communities — making this an area of management focus and a key element of the CIMS.

Key issues and initiatives

**Lifecycle approach to process safety:** We manage process safety across the lifecycle of our facilities to understand what, where and when something could go wrong and to help avoid events before they occur. This process starts at the earliest planning and design stages — which facilitates our goal of keeping our facilities and processes safe from the start — and continues through all subsequent stages, including construction, operations and maintenance.

**Enhanced process safety tracking and reporting:** In 2020, we expanded our process safety incident classification categories from three tiers to five. This provides more specificity, further aligns our approach with relevant industry standards and drives corrective actions and continuous improvement, which ultimately helps prevent occurrences. In addition, we began tracking a key leading indicator of process safety: high-potential events, which are events that could have resulted in severe consequences given any potentially contributing factor. This new indicator will help ensure we maintain a proactive, forward-looking approach to process safety management.

EMERGENCY RESPONSE

We actively plan for a wide range of potential incidents that could disrupt business continuity or pose a threat to our employees, contractors, host communities and the environment. This includes unplanned or uncontrolled product releases, fires, severe weather and cybersecurity attacks. In 2020, our emergency response teams played a central role in helping us navigate the unprecedented challenges of the COVID-19 pandemic and record hurricane activity in the Gulf.

Key issues and initiatives

**Emergency response plans:** Cheniere’s enterprise-wide emergency response program helps to ensure we can respond effectively in the event of any potential emergency. We maintain site-specific emergency response plans (ERPs) that outline relevant roles and responsibilities and provide step-by-step guidance for everyone participating in the incident response.

Emergency response incident command: Cheniere follows the National Incident Management System (NIMS) Incident Command Structure (ICS), which is used by federal, state, tribal and local levels of government, as well as many private sector and non-governmental organizations, for a broad spectrum of emergencies. Adopting the NIMS ICS makes it easier for Cheniere to partner with other relevant organizations and participate in unified training, exercises and emergency responses.

In 2020, Cheniere enhanced our Enterprise Crisis Management Framework to strengthen our coordination, preparation and response to crisis events across the enterprise by adding a management-level team to enhance decision-making and integration of resources.

CASE STUDY

Read additional case studies online:
- Responding to a record-breaking hurricane season

READ MORE

Read more in our ESG Metrics and Disclosures Appendix:
- Enterprise crisis management framework
- Stakeholder emergency reporting mechanisms
The events of 2020 highlighted the importance of community engagement and continuing to build strong community relations with our stakeholders. From destructive hurricanes that cut wide swaths of damage through our Gulf of Mexico region to the viral vectors that connected countries in tragedy, our interconnectedness was highlighted like perhaps no other year has in modern times. In this context, Cheniere’s commitment to strategic community investment and proactive engagement proved invaluable.

As the impacts of these emergencies were felt, we stayed nimble, accountable and grounded in our commitments, refocusing our efforts to support fast-evolving community needs. This included the contribution of more than $1 million in COVID-19 support and $1 million in hurricane relief, alongside our ongoing efforts to increase engagement, general community support and workforce development.
OUR FOCUS AREAS
We focus on building and maintaining strong community relations. This includes driving community development through local skills training, job creation and targeted community investment. Collectively, this will support the long-term growth of both our communities and our business. Through our local stakeholder engagement efforts, we aim to foster respectful, collaborative relationships and respond proactively to our communities’ needs and concerns. We take a “listen first” approach to understanding and addressing community concerns and openly share information to build strong, trust-based relationships.

BOARD OVERSIGHT AND MANAGEMENT APPROACH
Our vice president of state and local government and community affairs provides executive oversight and leadership on our stakeholder engagement, community investments, corporate giving and volunteer efforts. This team provides periodic updates to the CEO, members of senior management and the board at least annually. We listen to and engage with local stakeholders regularly and conduct social risk assessments to better understand local needs and inform our community investment program. In addition, we log and track community feedback to help ensure we address concerns in a timely and transparent manner. Finally, we empower our site managers to serve as the primary engagement leads in our communities.

PROGRESS AND HIGHLIGHTS
• Invested more than $1 million in COVID-19-related community support efforts.
• Provided over $1 million in hurricane relief.
• Continued annual contributions for marine habitats, coastal restoration and air quality totaling $700,000.
• Provided nearly 8,000 volunteer hours in communities where we live and work and included virtual volunteer programs during COVID-19.
• Sponsored a mentorship program to help high school and early college students from underrepresented groups enter and/or advance in the workplace in the community near our Sabine Pass facility in Louisiana.

LOOKING FORWARD
• Expand our Corpus Christi Liquefaction Community Advisory Panel (CAP) to work with a larger group of local industries to address collective and/or cumulative impacts, as well as related community concerns.
• Launch a new program to improve the capacity of local small business owners through targeted skills development in the Corpus Christi area, and support local minority and women-owned small businesses affected by the pandemic and 2020 hurricanes in Louisiana.
• Work with an independent third party to improve our social impact assessment process to better understand, assess and mitigate our impact on these local communities.
COMMUNITY DEVELOPMENT

We are committed to supporting the communities in which we live and work. Building a local workforce and supplier base helps drive our positive impacts and is critical for the success of our business and communities. We aim to align our community investments with local needs, delivering lasting socioeconomic benefits. In 2020, our community investments targeted efforts to respond to the COVID-19 pandemic and the active hurricane season in the Gulf.

Key issues and initiatives
We invest in opportunities to help local students gain specialized skills and create local jobs through a portfolio of mentorship, educational and apprenticeship programs. In 2020, these efforts included:

College apprenticeship programs: We support apprenticeship programs at SOWELA Technical Community College in Lake Charles, Louisiana and Del Mar College in Corpus Christi, Texas, both of which focus on recruiting diverse candidates. Through these initiatives, high-performing students complete a year-long training program and on-site learning experiences at Cheniere facilities. Students work with mentors in process technology, instrumentation technology or millwrighting and are eligible to apply for open positions at the Cheniere site where they trained upon program completion. In its first three years, 56 apprentices participated in the programs and 17 were hired at Cheniere, helping build the next generation of U.S. LNG professionals.

Internship and mentorship programs: We provide internships to high school students from underserved communities in the Houston area through our partnership with Genesys Works. We also helped initiate a mentorship program for high school and early college students from underrepresented groups in Port Arthur, Texas, to develop soft skills critical to success in the workplace. In 2020, we contributed $41,800 to support 18 student mentees.

Supporting local suppliers: In 2020, we partnered with Texas A&M University’s Corpus Christi Coastal Bend Business Innovation Center to develop a program to boost the capacity of Coastal Bend’s small business community through targeted skills development. This first-of-its-kind program will be launched in 2021, supporting our efforts to drive local business development and build a strong base of diverse local suppliers to support businesses in the region.

In 2020, 85% of our significant supplier spend was directed to vendors located in states where we operate, including Louisiana, Texas and Oklahoma, up from 55% in 2019.

Investing in our communities: The past year has brought intense challenges for our local communities, from the worst hurricane season on record in the Gulf to the global COVID-19 pandemic. These issues guided our community investment focus in 2020. Cheniere pledged $1 million in COVID-19 relief efforts globally to support community organizations in Louisiana, Texas, Oklahoma, Washington D.C., the U.K. and China, with a focus on providing critical personal protective equipment to frontline workers and addressing food insecurity with support to food banks.

Social risk assessments: We undertake regular social risk assessments to understand our impacts and community needs, which inform our community development and investment efforts. Our process is guided by international standards including the Equator Principles, the United Nations Guiding Principles on Business and Human Rights and the International Finance Corporation’s Environmental and Social Performance Standards.

CASE STUDY
Read additional case studies online:
Responding to Hurricane Laura

99.4% of our employees working at our LNG facilities are local
In 2020, we increased community investment by 18% compared to 2019. Our 2020 investments focused largely on COVID-19 and hurricane relief.

**Hurricane response**
- strong community partnerships

**COVID-19 relief**
- food and PPE drives

**$120K**
- matching gifts

**7,787 hours**
- of volunteer time

**22%**
- employee giving participation

**19**
- rookery islands improved

**450**
- COVID-19 youth counseling sessions

**$3.6M**
- direct funding

**425K**
- meals provided to our neighbors

**1,250+**
- meals to frontline workers

**160 acres**
- newly built artificial reef

**$530K**
- in-kind donations

**3**
- GEDs received

**1,000**
- senior care packages

**10,200**
- books distributed to children

**1,370**
- virtual school kits

**1**
- Cheniere Habitat for Humanity home

**60 days**
- gap funding for shelter, food and staff
COMMUNITY ENGAGEMENT

Our local stakeholder engagement efforts aim to foster respectful, collaborative relationships. We recognize the importance of actively and responsibly managing potential concerns associated with our operations, such as localized light, noise and air pollution and increased commuter traffic, and maintain regular two-way dialogue with residents to understand and address their concerns.

Key issues and initiatives

Proactive community engagement: We engage with our local communities from the earliest planning stages through all phases of permitting, construction and operations. We conduct public safety workshops, public presentations and community open houses to inform community members about our company and operations and to understand their needs and concerns.

Cheniere Coastal Bend Community Advisory Panel: Since 2018, we have convened a diverse CAP with over 25 members representing residents from nine communities near our Corpus Christi facility. The panel is designed as an open forum to share and receive feedback and suggestions on behalf of the community. Due to the positive impact the CAP has had on both Cheniere and the community, we began working with other companies in the region to join the forum. In 2021, the panel will transition from a Cheniere-specific group to a regional CAP involving plant managers from six companies.

Stakeholder feedback mechanisms: We have a formal stakeholder feedback mechanism for each of our LNG facilities in Louisiana and Texas and the Midship Pipeline in Oklahoma. Community members and other stakeholders can provide feedback through a range of channels including email, toll-free phone numbers, social media and websites. Once received, we follow a formal process to collect, record, investigate and respond to issues (see our 2019 CR report, page 63). In 2020, we received 30 direct community concerns or feedback related to our liquefaction facilities and mitigated, resolved or responded to 100% of concerns in accordance with our policies. In 2020, we also began to engage with indirect feedback received from social media platforms. These concerns primarily covered issues related to traffic, air quality, flaring and local job creation. Site managers at each of our facilities work directly with local stakeholders to streamline our stakeholder engagement process and better position us to respond quickly to concerns. See our website for examples of recent community feedback received and our responses.

Tribal engagement: We respect the rights of Indigenous peoples and recognize the importance of preserving the cultural heritage of Indigenous communities and lands of historic tribal importance in proximity to our operations. Our operations in Texas and Louisiana are not located in or on designated Native American lands and none of our operations have caused resettlement of Indigenous peoples. We continue to communicate with local landowners and stakeholders during operations. For more information, see our 2019 CR Report.
Maintaining strong corporate governance and upholding the highest ethical standards form the foundation of our success as an organization. Our approach is rooted in our values of teamwork, respect, accountability, integrity, nimble and safety, which guide everything we do — from combatting cybersecurity risks to conducting political advocacy. And just as we leverage our position to engage our partners in advancing the energy transition, we seek to instill these values as we work to maintain a responsible value chain.

In 2020, we engaged with policymakers on critical issues, including successfully enhancing safety standards across the U.S. LNG industry. We also implemented rigorous vetting and engagement processes with our value chain partners on issues ranging from safety to human rights.
GOVERNANCE

OUR FOCUS AREAS
We are committed to effective corporate governance and high ethical standards, which underpin our ability to create long-term value for our stakeholders. We discuss our approach to environmental, social and governance (ESG) issues, including the oversight role of our board of directors, in the Climate section of this report. In this section, we focus on our approach to corporate governance, business ethics and compliance, political engagement and responsible value chain management.

BOARD OVERSIGHT AND MANAGEMENT APPROACH
Responsible business practices represent a key priority for our board of directors, particularly with respect to regulatory compliance and the alignment of our business with long-term stakeholder interests. Our management team reports regularly to the board on financial, ESG and other business matters.

Our Code of Business Conduct and Ethics (Code of Conduct) sets out the ethical standards for our company. Our chief compliance and ethics officer manages and implements our ethics policies and provides quarterly updates to the CEO and to the board audit committee. Ultimately, we hold each of our employees responsible for their actions and support them in making decisions that uphold our ethical standards.

Our Supplier Code of Conduct (Supplier Code) outlines the standards we expect our suppliers and contractors to apply with respect to ethical business conduct, environmental stewardship, health and safety and regulatory compliance. We apply stringent screening and monitoring processes to help ensure our suppliers meet our high standards. We also follow strict due diligence and assurance processes with key business partners across the value chain.

PROGRESS AND HIGHLIGHTS
• Engaged with the U.S. Congress over the past two years to modernize LNG export safety regulations as part of the 2020 Pipeline Safety Reauthorization reforms.
• Implemented a system to enhance supplier sourcing, screening and monitoring.

LOOKING FORWARD
• Updated our annual performance scorecard in February 2021 to include an ESG metric that accounts for 10% of the total scorecard value for 2021.
ENSURING STRONG GOVERNANCE

CORPORATE GOVERNANCE

A strong corporate governance framework, including oversight from an experienced board of directors, is critical to our success and to maintaining the trust of our shareholders and other stakeholders. In February 2021, we updated our annual performance scorecard to include an ESG metric that accounts for 10% of the total scorecard value for 2021 that is employed as part of annual performance compensation. Including ESG as one of our strategic metrics for 2021 illustrates our company-wide commitment to these important issues.

Key issues and initiatives

**Board oversight:** Our board of directors provides oversight and advice to Cheniere’s management team. We maintain an independent non-executive chairman of the board and three board committees composed of independent directors: the audit committee, compensation committee and governance and nominating committee. See our website for more information on our board committees.

**Board diversity:** We designed our board member selection criteria to ensure that the board and the company benefit from a diverse group of directors. As of December 31, 2020, two of our 11 directors, or 18%, were female and 9% represented a racially/ethnically diverse group.

**Shareholder engagement:** Our Investor Relations team actively engages with shareholders to address their inquiries and suggestions on corporate governance, compensation and other ESG topics. We expanded our proactive approach to ESG-related engagements in 2020, meeting with investors who together own over 20% of the outstanding shares of Cheniere Energy, Inc. (NYSE American: LNG), as well as other financial sector stakeholders. We used these meetings to gather feedback on their ESG-related perspectives, short- and long-term priorities and to further emphasize our sustainability and climate strategies and plans.

**Board Diversity**

- **18%** Female directors
- **9%** Racially/ethnically diverse directors
- **82%** Independent directors

**Average Age:** 59.5 years

**Average Tenure:** 8 years

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MAKING SURE WE DO BUSINESS ETHICALLY

BUSINESS ETHICS AND COMPLIANCE

Operating ethically and in compliance with both external regulations and our own rigorous internal standards is fundamental to managing risk and achieving operational excellence. As our business evolves, we continue to evaluate and update our compliance and ethics policies to address the applicable risks and provide appropriate guidance for our employees and business partners.

Key issues and initiatives

**Code of Conduct and anti-corruption training and compliance:** Our [Code of Conduct](#) and Anti-Corruption and Economic Sanctions Policy outline our standards with respect to ethical behavior, accurate reporting, compliance with applicable regulations, reporting of violations and accountability. Our chief compliance and ethics officer and senior management review our [Code of Conduct](#) annually, which is then reviewed and approved by the board. We require all employees to participate in [Code of Conduct](#) training annually, and tie a portion of their compensation, through performance goals, to completing this training. We regularly audit compliance with our [Code of Conduct](#) and other ethics requirements.

Employees can report concerns through our hotline confidentially, with the option to remain anonymous, in their native or preferred language. Suppliers, customers and other third parties can also use our hotline to report concerns. We explicitly prohibit any form of retaliation against employees who make good-faith complaints, report a violation of the [Code of Conduct](#) or report other illegal activities. Any such retaliation will result in disciplinary action, up to and including termination.

**Anti-corruption program:** Our Anti-Corruption and Economic Sanctions Policy and our [Code of Conduct](#) govern our approach to eliminating the risk of corruption and bribery. We follow a robust anti-corruption due diligence process and closely monitor compliance with the process, which is independently audited on an annual basis. All employees are required to undergo anti-bribery and corruption compliance training at the start of their employment and at least annually thereafter.

Respecting human rights and labor standards: Cheniere respects the human rights of all people, including our personnel and individuals based in the communities in which we operate. We strive to work with suppliers, contractors and vendors who promote, embrace and comply with similar values. We prohibit the use of forced labor in our operations in compliance with applicable laws. Unless otherwise established by contract or required by applicable law, our employees are employed on an at-will basis and have the right to terminate employment at any time, for any reason or no reason at all. In circumstances where employment arises via contract, we engage in efforts to ensure that such employment contracts comply with laws and fair labor standards applicable to the area of employment.

We do not employ child labor and comply with the employment age requirements set forth in the laws applicable to our operations. We review documentation for all new employees to ensure they are of legal working age. In 2020, no incidence of child labor was identified in our workforce. In addition, Cheniere strives not to purchase products or components thereof manufactured by persons younger than 15 years of age, or younger than the age of completing compulsory education in the country of manufacture where such age is higher than 15. We engage in efforts to ensure that our suppliers promote the same values (see page 47).

**CASE STUDY**

Read additional case studies online:

*Managing cybersecurity risks*

100% of eligible employees completed ethics and compliance training in 2020
ENGAGING IN LINE WITH OUR MISSION

POLITICAL ENGAGEMENT

We align our political engagement efforts with our mission: to provide clean, secure and affordable energy to the world. Our political engagement efforts include participation in industry associations, lobbying and, at times, contributions made through the Cheniere Energy, Inc. Political Action Committee (Cheniere PAC) or direct contributions to political candidates.

Key issues and initiatives

**Engagement on ESG topics:** We believe that sound environmental policies support the development and role of natural gas in a lower-carbon world. We support efforts and regulations that reduce methane emissions and create a level playing field with all operators domestically and internationally, including the Congressional Review Act effort in the United States to restore federal regulation of methane emissions, as well as the European Union's efforts to improve transparency and develop a global methane measurement, reporting and verification (MRV) framework.

**Trade associations and memberships:** We engage with industry, trade and business associations as a matter of strategic priority. At times, our official position on certain issues may differ from positions or views advocated by such organizations. For a list of major associations and memberships, see Cheniere Energy memberships and industry associations.

**Political contributions and lobbying:** We expect employees to conduct all political advocacy activities in compliance with applicable state and federal laws, as well as company policies. As part of our annual compliance training, employees are required to review the Code of Conduct, which outlines our expectations on political contributions and activities. In 2020, 100% of eligible employees completed this training. We disclose all political contributions and lobbying expenses as required by state and federal laws which can be accessed at the Federal Lobbying Database and at the Texas and Louisiana state databases. Cheniere employees can make voluntary contributions to the Cheniere PAC.

Our bipartisan PAC regularly assesses criteria for contributions to ensure they support our business priorities. Cheniere was disturbed and disheartened by the violent and deadly siege of the U.S. Capitol on January 6, 2021. In response, we temporarily paused donations from our PAC to individual candidates. A five-member PAC committee oversees the PAC and either approves or denies each PAC contribution. Any direct political corporate contributions that Cheniere makes must be approved by an internal compliance officer and comply with local laws. For detailed data on political contributions, see the Key Performance Data table.

Cheniere supports the Congressional Review Act effort in the United States to restore federal regulation of methane emissions.
APPLYING OUR STANDARDS THROUGHOUT OUR SUPPLY CHAIN

RESPONSIBLE VALUE CHAIN

Working with suppliers and contractors who support our high standards is critical to Cheniere's overall safety, environmental, operational and financial performance. Contractors play an essential role in our workforce and operations. They provide a range of on- and off-site services, including equipment repairs and maintenance, engineering support, construction, fabrication and logistics. We apply comprehensive contractor pre-hire screening and on-the-job performance, financial and safety monitoring. Similarly, we work to ensure our suppliers of goods and services and our partners across the value chain, including shipping counterparts, uphold our performance expectations.

We are also leveraging our position to improve environmental performance and transparency across our value chain (see page 18).

Key issues and initiatives

Applying our standards to contractors and suppliers: We require suppliers to undergo a pre-qualification process that establishes our expectations for compliance with applicable labor, health, safety and environmental laws and standards, including human rights-related standards. Suppliers are required to review, understand and agree to abide by our Supplier Code, which addresses a variety of ethics, compliance, health and safety and regulatory considerations.

Our Supplier Code affirms that Cheniere respects human rights worldwide and that we strive to work with suppliers who engage in efforts to promote human rights-related standards, including those related to fair wages and anti-discrimination. Cheniere strives not to purchase products or components from suppliers that use forced labor, prison labor, indentured labor or exploited bonded labor or permit their suppliers to do so. We engage in efforts to ensure that our suppliers promote our values on child labor. Under the Supplier Code, suppliers are also required to review and acknowledge our Health, Safety and Environmental Policy.

In 2020, we updated our safety compliance requirements to pre-qualify, monitor and evaluate suppliers and contractors that perform physical work on our premises.

Supply chain due diligence: We use quality assurance procedures to assess, monitor and enforce stringent compliance standards expressly required for our commercial counterparts to do business with us. Depending on the type of work conducted, this can include assessing safety management and performance, drug and alcohol screening, bribery and corruption, security and background checks. In 2020, we began implementing a system that will enhance Cheniere’s supplier sourcing, screening and pre-qualification process, ongoing supplier monitoring, compliance tracking and reporting, and annual supplier evaluation.

After onboarding suppliers and contractors, we continue to perform comprehensive due diligence processes to monitor and identify potential supply disruption and ethics and compliance risks, including individual worker compliance with safety training and requirements.

Addressing modern slavery risks: We maintain robust processes and procedures to examine and mitigate modern slavery and human trafficking-related risks. In particular, we closely examine segments of our business operations and value chain that may be susceptible to increased risks of modern slavery and human trafficking. This includes the shipping industry, which has been identified as susceptible to challenges in relation to health, safety, ethics, human rights and labor rights. As outlined in our U.K. Modern Slavery Statement, we have implemented a range of programs to mitigate these risks. They include the use of our in-house marine assurance program to ensure that the LNG carriers that we charter or that call at our facilities are routinely assessed for compliance with the International Labour Organization’s Maritime Labour Convention. The convention establishes minimum international standards for seafarers’ rights and working conditions, including, but not limited to, wages, repatriation, employment contracts and accommodation.
ASSURANCE

This report was developed by a cross-functional team of subject matter experts throughout the company and subjected to an internal verification process, including review by internal audit and select members of our executive team. The review included verifying data points and facts and providing accountability for the accuracy of this report.

Cheniere retained Deloitte & Touche LLP to conduct a review engagement (limited assurance) of the following climate and environment indicators included in this report for the year ended December 31, 2020:

- Total Scope 1 greenhouse gas (GHG) emissions
- Scope 2 GHG emissions
- Scope 1 GHG emissions intensity
- Methane emissions intensity
- Criteria air pollutant emissions
- Criteria air pollutant emissions intensity

The full report can be found [here](#).
### KEY PERFORMANCE DATA

<table>
<thead>
<tr>
<th>METRIC</th>
<th>UNIT</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues$</td>
<td>$ Millions</td>
<td>1,283</td>
<td>5,601</td>
<td>7,987</td>
<td>9,730</td>
<td>9,358</td>
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<tr>
<td>LNG exported</td>
<td>MMscf</td>
<td>186,364</td>
<td>706,645</td>
<td>939,066</td>
<td>1,455,161</td>
<td>1,322,743</td>
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<tr>
<td>LNG trains</td>
<td>#</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Corporate level Total Scope 1 greenhouse gas (GHG) emissions</td>
<td>Metric tons carbon dioxide equivalent (CO₂e)</td>
<td>1,302,962</td>
<td>3,505,689</td>
<td>4,555,261</td>
<td>6,789,317</td>
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<td>Metric tons CO₂</td>
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<td>6,740,560</td>
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<td>Scope 1 methane (CH₄)</td>
<td>Metric tons CH₄</td>
<td>758</td>
<td>1,231</td>
<td>1,511</td>
<td>2,159</td>
<td>2,585</td>
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<tr>
<td>Scope 1 nitrous oxide (N₂O)</td>
<td>Metric tons N₂O</td>
<td>2</td>
<td>7</td>
<td>8</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Scope 1 GHG emissions intensity$</td>
<td>Metric tons CO₂e emissions/MMscf</td>
<td>6.99</td>
<td>4.96</td>
<td>4.85</td>
<td>4.67</td>
<td>4.65</td>
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<tr>
<td>Scope 1 CH₄ emissions intensity$</td>
<td>% (Metric tons CH₄ emissions / metric tons of LNG exported)</td>
<td>0.021</td>
<td>0.009</td>
<td>0.008</td>
<td>0.008</td>
<td>0.010</td>
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<tr>
<td>Scope 1 GHG emissions by business activity (LNG)</td>
<td>%</td>
<td>96.6</td>
<td>96.5</td>
<td>96.5</td>
<td>97.0</td>
<td>96.3</td>
</tr>
<tr>
<td>Scope 1 GHG emissions by business activity (pipelines)</td>
<td>%</td>
<td>3.4</td>
<td>3.5</td>
<td>3.5</td>
<td>3.0</td>
<td>3.7</td>
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<tr>
<td>Total Scope 2 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>31,009</td>
<td>172,399</td>
<td>192,866</td>
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<table>
<thead>
<tr>
<th>KEY BUSINESS SEGMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corpus Christi Liquefaction (CCL)</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
</tr>
<tr>
<td>Scope 1 carbon dioxide (CO₂)</td>
</tr>
<tr>
<td>Scope 1 methane (CH₄)</td>
</tr>
<tr>
<td>Scope 1 nitrous oxide (N₂O)</td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
</tr>
</tbody>
</table>

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48. As reported to the EPA’s Greenhouse Gas Reporting Program (GHGRP). In 2018, emissions from both LNG facilities and one of our two compressor stations met the reporting threshold. In 2019, both our Sinton and Gillis compressor stations met the reporting threshold. In 2020, all our compressor stations met the reporting threshold.
49. An update to the Subpart W Cranfield was made to the EPA in 2020. These changes are not reflected in this report as they are considered de minimis.
50. Scope 1 and 2 emissions are reported using 100-year Global Warming Potentials (GWP). Methane (CH₄) GWP = 25 and N₂O GWP = 298. Carbon dioxide (CO₂) CH₄, and N₂O emissions are reported on an absolute basis without GWP weighting.
51. Methane (CH₄), nitrous oxide (N₂O) and nitric oxide (NOx) emissions are included in Scope 1 emissions. 52. All Scope 1 emissions are reported as metric tons CO₂e emissions/MMscf of LNG exported in the calendar year as reported to the DOE.
53. Scope 2 emissions are reported as metric tons CO₂e emissions per million standard cubic feet of LNG exported as methane as reported to the DOE.
54. Scope 1 emissions are based on electricity purchased for use at major offices and operating sites (Sinton and Gillis compressor stations, Corpus Christi LNG facility) using the location-based method per the GHG Protocol Scope 2 Guidance. Scope 2 emissions are reported as metric tons CO₂e emissions per million standard cubic feet of LNG exported as methane as reported to the DOE.
55. Scope 2 emissions are reported as metric tons CO₂e emissions per million standard cubic feet of LNG exported as methane as reported to the DOE.
### KEY PERFORMANCE DATA

<table>
<thead>
<tr>
<th>METRIC</th>
<th>UNIT</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creole Trail Pipeline (CTPL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scope 1 carbon dioxide (CO₂)</td>
<td>Metric tons CO₂</td>
<td>35,214</td>
<td>115,845</td>
<td>140,234</td>
<td>134,925</td>
<td>114,701</td>
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<tr>
<td>Scope 1 methane (CH₄)</td>
<td>Metric tons CH₄</td>
<td>337</td>
<td>233</td>
<td>246</td>
<td>320</td>
<td>257</td>
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<td>Metric tons N₂O</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Metric tons CO₂e</td>
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<td>121,729</td>
<td>146,451</td>
<td>142,997</td>
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<td>Scope 2 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>1,554</td>
<td>1,775</td>
<td>1,402</td>
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<tr>
<td>Sabine Pass Liquefaction (SPL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 carbon dioxide (CO₂)</td>
<td>Metric tons CO₂</td>
<td>1,248,055</td>
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<td>4,170,756</td>
<td>5,073,166</td>
<td>4,097,366</td>
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<tr>
<td>Scope 1 methane (CH₄)</td>
<td>Metric tons CH₄</td>
<td>421</td>
<td>998</td>
<td>981</td>
<td>706</td>
<td>1,199</td>
</tr>
<tr>
<td>Scope 1 nitrous oxide (N₂O)</td>
<td>Metric tons N₂O</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>1,259,299</td>
<td>3,383,960</td>
<td>4,197,628</td>
<td>5,093,679</td>
<td>4,129,653</td>
</tr>
<tr>
<td>Corpus Christi Pipeline (CCPL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 carbon dioxide (CO₂)</td>
<td>Metric tons CO₂</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 methane (CH₄)</td>
<td>Metric tons CH₄</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 nitrous oxide (N₂O)</td>
<td>Metric tons N₂O</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,824</td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,204</td>
<td>48,076</td>
</tr>
<tr>
<td>Midship Pipeline Company (MPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 carbon dioxide (CO₂)</td>
<td>Metric tons CO₂</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 methane (CH₄)</td>
<td>Metric tons CH₄</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 nitrous oxide (N₂O)</td>
<td>Metric tons N₂O</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 1 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Corporate Offices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
<td>Metric tons CO₂e</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,347⁵⁴</td>
<td>1,356⁵⁴</td>
</tr>
</tbody>
</table>

**Notes:**

54. SPL does not use purchased electricity and Scope 2 emissions are therefore not reported.
55. MPC did not meet the reporting threshold for Scope 2 emissions in 2020 (see footnote 53 defining this threshold).
### ENVIRONMENT

#### Criteria air pollutant emissions

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sulfur oxides (SO\textsubscript{X})</td>
<td>Short tons</td>
<td>7</td>
<td>20</td>
<td>21</td>
<td>33</td>
<td>47</td>
</tr>
<tr>
<td>Nitrogen oxides (NO\textsubscript{X})</td>
<td>Short tons</td>
<td>1,017</td>
<td>2,310</td>
<td>3,195</td>
<td>4,762</td>
<td>4,120</td>
</tr>
<tr>
<td>Volatile organic compounds (VOC)</td>
<td>Short tons</td>
<td>159</td>
<td>103</td>
<td>169</td>
<td>239\textsuperscript{59}</td>
<td>293</td>
</tr>
</tbody>
</table>

#### Emissions intensity

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO\textsubscript{X} of LNG exported</td>
<td>Short tons/billion cubic feet (BCF)</td>
<td>0.04</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.04</td>
</tr>
<tr>
<td>NO\textsubscript{X} of LNG exported</td>
<td>Short tons/BCF</td>
<td>5.45</td>
<td>3.27</td>
<td>3.40</td>
<td>3.27</td>
<td>3.11</td>
</tr>
<tr>
<td>VOC of LNG exported</td>
<td>Short tons/BCF</td>
<td>0.87</td>
<td>0.15</td>
<td>0.18</td>
<td>0.16\textsuperscript{59}</td>
<td>0.22</td>
</tr>
</tbody>
</table>

#### Reportable hydrocarbon spills\textsuperscript{60}

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>#</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Volume</td>
<td>Gallons</td>
<td>0</td>
<td>2,640</td>
<td>0</td>
<td>0</td>
<td>0.5</td>
</tr>
</tbody>
</table>

#### Terrestrial acreage

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disturbed</td>
<td>Acres</td>
<td>420.7</td>
<td>-</td>
<td>-</td>
<td>3,340.7</td>
<td>375.2</td>
</tr>
<tr>
<td>Restored</td>
<td>Acres</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>397.4</td>
<td>3,259.6</td>
</tr>
</tbody>
</table>

#### TEAM

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>#</td>
<td>912</td>
<td>1,205</td>
<td>1,345</td>
<td>1,537</td>
<td>1,537</td>
</tr>
</tbody>
</table>

#### Employee gender and ethnic diversity

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>27.6</td>
<td>25.8</td>
<td>27.3</td>
<td>26.8</td>
<td>26.9</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>72.4</td>
<td>74.2</td>
<td>72.7</td>
<td>73.2</td>
<td>73.1</td>
<td></td>
</tr>
<tr>
<td>Racially/ethnically diverse employees</td>
<td>%</td>
<td>24.8</td>
<td>26.9</td>
<td>27.6</td>
<td>28.5</td>
<td>29.7</td>
</tr>
</tbody>
</table>

#### Breakdown of workforce by racial/ethnic diversity

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian or Alaska Native</td>
<td>%</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Asian</td>
<td>%</td>
<td>9.1</td>
<td>7.6</td>
<td>7.8</td>
<td>7.6</td>
<td>8.1</td>
</tr>
</tbody>
</table>

\textsuperscript{58} As reported annually to the Louisiana Department of Environmental Quality (LDEQ) and Texas Commission on Environmental Quality (TCEQ) (2016-2018) and LDEQ, TCEQ, TOED and the Oklahoma Department of Environmental Quality (ODEQ) (2019). \textsuperscript{59} An update to the Emissions Inventory (EI) filing was made to the TCEQ in 2020. These changes are not reflected in this report as they are considered de minimis. \textsuperscript{60} We define reportable spills as a spill of liquid materials containing hydrocarbons to the ground or water, such as liquid fuel, lubrication oil and hydraulic fluids, that exceeds a regulatory-based reportable quantity and requires an immediate (<24 hours) notification to a regulatory agency. Our business focuses solely on natural gas. Reportable spills from our operations refer to spills from service equipment, process equipment or other sources. \textsuperscript{61} The construction of the 23-mile Corpus Christi Pipeline in 2016 caused a terrestrial disturbance of 420.7 acres. In 2019, the construction of the Midship Pipeline caused a terrestrial disturbance of 3,300 acres. The Creole Trail Pipeline and both LNG terminals were constructed prior to 2016. The construction of liquefaction trains occurs within our terminals and does not cause additional disturbance to surrounding terrestrial areas. \textsuperscript{62} A percentage of staff each year has elected not to disclose ethnicity information. Racial/ethnic categories include American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Islander and two or more races.
### Key Performance Data Continued

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black or African American</td>
<td>%</td>
<td>4.7</td>
<td>5.2</td>
<td>5.1</td>
<td>4.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>%</td>
<td>9.1</td>
<td>12.2</td>
<td>13.1</td>
<td>14.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Native Hawaiian or other Pacific Islander</td>
<td>%</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Two or more races</td>
<td>%</td>
<td>1.6</td>
<td>1.5</td>
<td>1.3</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>White</td>
<td>%</td>
<td>68.4</td>
<td>66.7</td>
<td>65.9</td>
<td>65.1</td>
<td>65.3</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>%</td>
<td>6.8</td>
<td>6.4</td>
<td>6.5</td>
<td>6.4</td>
<td>4.9</td>
</tr>
</tbody>
</table>

#### Diversity in Management

<table>
<thead>
<tr>
<th>Diversity in Management</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Racial/ethnic diversity in management</td>
<td>20.3</td>
<td>21.5</td>
<td>23.1</td>
<td>23.1</td>
<td>25.1</td>
<td></td>
</tr>
<tr>
<td>Women in management</td>
<td>22.4</td>
<td>24.7</td>
<td>25.8</td>
<td>27.0</td>
<td>27.4</td>
<td></td>
</tr>
</tbody>
</table>

#### Employee Age Diversity

<table>
<thead>
<tr>
<th>Employee Age</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>12.8</td>
<td>13.5</td>
<td>12.5</td>
<td>12.9</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>30-50</td>
<td>60.9</td>
<td>61.8</td>
<td>63.3</td>
<td>63.8</td>
<td>64.3</td>
<td></td>
</tr>
<tr>
<td>&gt;50</td>
<td>26.3</td>
<td>24.6</td>
<td>24.2</td>
<td>23.2</td>
<td>24.5</td>
<td></td>
</tr>
</tbody>
</table>

#### Employee Turnover

<table>
<thead>
<tr>
<th>Turnover Type</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total turnover</td>
<td>13.6</td>
<td>11.3</td>
<td>10.9</td>
<td>11.4</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>Voluntary turnover</td>
<td>6.0</td>
<td>5.2</td>
<td>4.1</td>
<td>5.1</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>Involuntary turnover</td>
<td>7.6</td>
<td>6.1</td>
<td>6.8</td>
<td>6.3</td>
<td>5.5</td>
<td></td>
</tr>
</tbody>
</table>

#### Local Workforce

<table>
<thead>
<tr>
<th>Workforce</th>
<th>%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>99.4</td>
</tr>
</tbody>
</table>

#### Health and Safety

<table>
<thead>
<tr>
<th>Health and Safety</th>
<th>Per 200,000 hours</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Incident Rate (TRIR) – employees</td>
<td>0.43</td>
<td>0.08</td>
<td>0.07</td>
<td>0.16</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>TRIR – contractors</td>
<td>0.56</td>
<td>0.42</td>
<td>0.36</td>
<td>0.33</td>
<td>0.22</td>
<td></td>
</tr>
<tr>
<td>TRIR – combined</td>
<td>0.55</td>
<td>0.39</td>
<td>0.32</td>
<td>0.30</td>
<td>0.17</td>
<td></td>
</tr>
<tr>
<td>Lost Time Incident Rate (LTIR) – employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.05</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

---

63. We define management to include both executive and non-executive management. Executive and non-executive managers are defined as managers, directors, senior managers, senior directors, vice presidents, senior vice presidents, and chief executives. Supervisors are not included. 64. The annual employee turnover rate represents total turnover divided by the average number of employees, times 100. 65. Local workforce metric is calculated as percent of local employees working at our LNG facilities. 66. TRIR and LTIR are calculated according to the Occupational Safety and Health Administration (OSHA) standard. These figures slightly differ from those in the proxy statement, due to a minor change in calculation methodology to better align with industry practice.
## KEY PERFORMANCE DATA CONTINUED

<table>
<thead>
<tr>
<th>METRIC</th>
<th>UNIT</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTIR – contractors</td>
<td>Per 200,000 hours</td>
<td>0.07</td>
<td>0.03</td>
<td>0.01</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
<td>LTIR – combined</td>
<td>Per 200,000 hours</td>
<td>0.07</td>
<td>0.02</td>
<td>0.01</td>
<td>0.04</td>
<td>0.02</td>
</tr>
</tbody>
</table>

### Fatalities
- **Employees**: # | 0 | 0 | 0 | 0 | 0
- **Contractors**: # | 1 | 0 | 0 | 0 | 0

### COMMUNITY
- **Significant local supplier spend**: % | - | - | - | 55 | 85
- **Community investment**: $ millions | - | - | >2.4 | >3.7 | >4.3

### GOVERNANCE
- **Average board member age**: Years | 54.6 | 58.3 | 58.8 | 59.3 | 59.5
- **Average board member tenure**: Years | 6 | 6 | 7 | 8 | 8
- **Board gender diversity**: % | - | - | - | - | -
- **Board racial/ethnic diversity**: % | - | - | - | - | -
- **Board independence**: % | 73 | 80 | 80 | 82 | 82

### Political contributions
- **Cheniere PAC political contributions**: $ | 176,400 | 48,500 | 82,500 | 76,800 | 137,000
- **Direct corporate political contributions**: $ | 22,500 | 1,314,673 | 6,000 | 67,500 | 27,750
- **Total political contributions**: $ | 198,900 | 1,363,173 | 88,500 | 144,300 | 164,750

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67. Significant local suppliers represent vendors located in Louisiana, Texas and Oklahoma from which Cheniere procured a significant value of goods and services through the supply chain management unit. Other suppliers represent the remainder of Cheniere vendor spend. Cheniere procured goods and services in Oklahoma throughout 2019 during the construction of Midship Pipeline.

68. Average board member age is reported as of Dec. 31 of each year. In Cheniere’s 2019 corporate responsibility report, this was reported as of May each year, as numbers may differ slightly.

69. Michele Evans served on the board until her passing in January 2021.

70. Data being presented is from 2020.

71. The total contributions made by the Cheniere Political Action Committee (PAC) annually between 2016-2020. These include contributions made to a political committee or an individual candidate and include Texas State Contributions.

72. Direct corporate political contributions are made in compliance with all state laws and regulations. 2017 contributions include direct political contributions of $1,292,723 to support a state constitutional amendment.
## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

The index below indicates Cheniere's level of alignment to the recommendations of the TCFD and provides page references to relevant supporting information in the public domain.

<table>
<thead>
<tr>
<th>TCFD RECOMMENDATION</th>
<th>DISCLOSURE ALIGNMENT</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| a) Describe the board’s oversight of climate-related risks and opportunities. | Full | Climate – Governance p. 12  
Climate – Risk management p. 19  
2021 Proxy Statement p. 25 |
| b) Describe management’s role in assessing and managing climate-related risks and opportunities. | Full | Climate – Governance p. 12  
Climate – Risk management p. 19  
2020 10-K pp. 27, 35 |
| **STRATEGY**         |                       |                      |
| a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term. | Full | Climate – Risk management pp. 19-22  
Climate Scenario Analysis: Transitional Risk |
| b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning. | Partial | Climate – Strategy pp. 17-18  
Climate – Risk management pp. 19-22  
2021 Proxy Statement p. 29  
Climate Scenario Analysis: Transitional Risk  
2020 Annual Report pp. 27, 23, 35-36 |
| c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Partial | Climate – Risk management pp. 19-22  
Climate Scenario Analysis: Transitional Risk  
2021 Proxy Statement p. 21 |
## TCFD RECOMMENDATION

<table>
<thead>
<tr>
<th>TCFD RECOMMENDATION</th>
<th>DISCLOSURE ALIGNMENT</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RISK MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| a) Describe the organization’s processes for identifying and assessing climate-related risks. | Full | Climate – Risk management p. 19  
Climate Scenario Analysis: Transitional Risk |
| b) Describe the organization’s processes for managing climate-related risks. | Partial | Climate – Risk management pp. 19-22  
Climate – Strategy pp. 17-18 |
| c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management. | Full | Climate – Risk management pp. 19-22 |
| **METRICS AND TARGETS** |                       |                      |
| a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Partial | Climate – Metrics and targets pp. 23-24 |
| b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. | Partial | Climate – Metrics and targets pp. 23-24  
Climate – Risk management pp. 19-22  
Key Performance Data pp. 49-50 |
| c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against those targets. | Not fulfilled | Climate – Metrics and targets pp. 23-24  
Climate – Strategy pp. 17-18 |
The index below was developed from three SASB Standards that are most relevant to our business: Oil and Gas – Exploration and Production (EP), Oil and Gas – Midstream (MD) and Oil and Gas – Refining and Marketing (RM). As a pure-play LNG company, many of the indicators in these three standards are not applicable to our business. We are reporting against select relevant ESG indicators and will work to expand our reporting on applicable indicators in future reports.

**TOPIC** | **ACCOUNTING METRIC** | **CODE(S)** | **LOCATION OR RESPONSE**
---|---|---|---
**CLIMATE** | | | |
**ENVIRONMENT** | | | |
Air quality | Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOC), and (4) particulate matter (PM10). | EM-EP-120a.1 EM-MD-120a.1 | Environment – Air Quality p. 28 Key Performance Data p. 51
Ecological impacts | Description of environmental management policies and practices for active sites/operations. | EM-EP-160a.1 EM-MD-160a.1 | Environment – Board oversight and management approach p. 26 Environment – Biodiversity p. 27 Environment – Effluents and waste p. 27 Environment – Air quality p. 28
Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat. | EM-MD-160a.2 | Environment – Biodiversity p. 27
Terrestrial acreage disturbed; percentage of impacted area restored. | EM-MD-160a.3 | Environment – Biodiversity p. 27 Key Performance Data p. 51
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs). | EM-MD-160a.4 | Key Performance Data p. 51

74. Cheniere retained Deloitte and Touche LLP to conduct limited assurance of select climate and environment indicators included in this report for the year ended Dec. 31, 2020, including: total Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 1 GHG emissions intensity, methane emissions intensity, criteria air pollutant emissions intensity, criteria air pollutant emissions intensity and methane emissions intensity.
75. Of Scope 1 GHG emissions, 96.3% are covered under emissions-limiting regulations. The GHG emissions (CH4, CO2, N2O) from both Cheniere LNG terminal facilities are permitted under federal air permitting programs. Both liquefaction plants have permit limits for GHG emissions under 40 CFR Part 52 and underwent Best Available Control Technology (BACT) review. Hence, we conclude 100% of our liquefaction plant GHG emissions are covered by emissions-limiting regulations. Emissions from the Sinton and Gibs compressor stations are permitted under state minor source air permitting programs, which do not include GHG limitations. Cheniere’s facilities are not subject to emissions trading programs or carbon tax.
76. Cheniere does not operate in the Arctic or Unusually Sensitive Areas (USAs).
## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX CONTINUED

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>CODE(S)</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEALTH AND SAFETY</strong></td>
<td>Workforce health and safety and operational safety, emergency preparedness and</td>
<td>EM-EP-320a.1, EM-RM-320a.1</td>
<td>Health and Safety – Occupational health and safety p. 35</td>
</tr>
<tr>
<td></td>
<td>response</td>
<td></td>
<td>Key Performance Data p. 52</td>
</tr>
<tr>
<td></td>
<td>(1) Total recordable incident rate (TRIR) for (a) full-time employees, (b) contract</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td>employees.</td>
<td></td>
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<tr>
<td></td>
<td>the exploration and production lifecycle.</td>
<td></td>
<td>Governance - Responsible value chain p. 47</td>
</tr>
<tr>
<td><strong>COMMUNITIES</strong></td>
<td>Security, human rights and rights of Indigenous peoples</td>
<td>EM-EP-210a.3</td>
<td>Communities – Community engagement p. 41</td>
</tr>
<tr>
<td></td>
<td>Discussion of engagement processes and due diligence practices with respect to</td>
<td></td>
<td>Governance – Business ethics and compliance p. 45</td>
</tr>
<tr>
<td></td>
<td>human rights, Indigenous rights and operation in areas of conflict.</td>
<td></td>
<td>Governance – Responsible value chain p. 47</td>
</tr>
<tr>
<td></td>
<td>Community relations</td>
<td>EM-EP-210b.1</td>
<td>Communities – Community engagement p. 41</td>
</tr>
<tr>
<td></td>
<td>Discussion of process to manage risks and opportunities associated with community</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>rights and interests.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td>Business ethics and transparency</td>
<td>EM-EP-510a.2</td>
<td>Governance – Business ethics and compliance p. 45</td>
</tr>
<tr>
<td></td>
<td>Description of the management system for prevention of corruption and bribery</td>
<td></td>
<td>Governance – Responsible value chain p. 47</td>
</tr>
<tr>
<td></td>
<td>throughout the value chain.</td>
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<tr>
<td></td>
<td>Discussion of corporate positions related to government regulations and/or policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>proposals that address environmental and social factors affecting the industry.</td>
<td></td>
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</tr>
</tbody>
</table>

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**Cheniere Energy | 2020 Corporate Responsibility Report**
## IPIECA/GRI INDEX

The index below references the IPIECA/API/IOGP 4th edition Sustainability Reporting Guidance for the Oil and Gas Industry (2020). This index also references GRI Standards and indicators relevant for our business.77

### MODULE: GOVERNANCE AND BUSINESS ETHICS

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IPIECA/API/IOGP INDICATOR</th>
<th>GRI DISCLOSURE</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOV-1: Governance approach</td>
<td>C1; C2; C3; C4; C5; A2; A3; A4; A5; A6; A7</td>
<td>102-16; 102-17; 102-18; 102-20; 102-22; 102-23; 102-26; 102-30; 102-31; 102-32; 102-35; 102-56</td>
<td>Introduction – Our vision and values pp. 6-7; Introduction – Our approach to sustainability pp. 8; Climate – Governance pp. 16-17; Governance – Corporate governance pp. 43; Governance – Business ethics and compliance pp. 45; Governance – Responsible value chain pp. 47;Appendix – Assurance pp. 48; 2021 Proxy Statement[78] pp. 17, 28</td>
</tr>
<tr>
<td>GOV-2: Management systems</td>
<td>C1; C2; C3; C4; A1; A4; A5</td>
<td>103-2</td>
<td>Introduction – Our approach to sustainability pp. 8; Climate – Board oversight and management approach p. 16; Climate – Strategy pp. 17-18; Climate – Risk management pp. 19-22; Environment – Board oversight and management approach p. 26; Team – Board oversight and management approach p. 30; Health and Safety – Board oversight and management approach p. 34; Communities – Board oversight and management approach p. 38; Governance – Board oversight and management approach p. 43</td>
</tr>
<tr>
<td>GOV-3: Preventing corruption</td>
<td>C1; C2; C3; C4</td>
<td>205-2</td>
<td>Governance – Business compliance and ethics p. 45; Governance – Responsible value chain p. 47</td>
</tr>
<tr>
<td>GOV-5: Public advocacy and lobbying</td>
<td>C1; C2; A1</td>
<td>415-1; 102-13</td>
<td>Governance – Political engagement p. 46; Key Performance Data p. 53</td>
</tr>
</tbody>
</table>

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### IPIECA/GRI INDEX CONTINUED

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IPIECA/API/IOGP INDICATOR</th>
<th>GRI DISCLOSURE</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MODULE: CLIMATE CHANGE AND ENERGY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCE-1: Climate governance and strategy</td>
<td>C1; C2; C4; A1</td>
<td>Built for the energy transition p. 12</td>
<td>Climate – Governance p. 17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Strategy pp. 17-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Risk management pp. 19-22</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Metrics and targets pp. 23-24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate Scenario Analysis: Transitional Risk</td>
</tr>
<tr>
<td>CCE-2: Climate risk and opportunities</td>
<td>C1; C2; C3; A1</td>
<td>102-15</td>
<td>Climate – Strategy pp. 17-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Risk management pp. 19-22</td>
</tr>
<tr>
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<td>Climate – Metrics and targets pp. 23-24</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Climate Scenario Analysis: Transitional Risk</td>
</tr>
<tr>
<td>CCE-3: Lower-carbon technology</td>
<td>C1</td>
<td></td>
<td>Climate – Strategy pp. 17-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Metrics and targets pp. 23-24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environment – Air quality p. 28</td>
</tr>
<tr>
<td>CCE-4: Greenhouse gas emissions</td>
<td>C1; C2; C3; C4</td>
<td>305-1; 305-2; 305-4</td>
<td>Climate – Metrics and targets pp. 23-24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key Performance Data pp. 49-51</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case Study: Managing GHG emissions across the value chain</td>
</tr>
<tr>
<td>CCE-5: Methane emissions</td>
<td>C1; C2; A2; A3</td>
<td></td>
<td>Climate – Strategy pp. 17-18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Climate – Metrics and targets pp. 23-24</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key Performance Data pp. 49-51</td>
</tr>
<tr>
<td><strong>MODULE: ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENV-1: Freshwater</td>
<td>C3</td>
<td></td>
<td>Environment – Our focus areas p. 26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case Study: Assessment of water-related risks</td>
</tr>
<tr>
<td>ENV-3: Biodiversity policy and strategy</td>
<td>C1; C2; C3; A4</td>
<td>304-2</td>
<td>Environment – Board oversight and management approach p. 26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environment – Biodiversity p. 27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case Study: Protecting biodiversity and reducing impacts during construction</td>
</tr>
<tr>
<td>ENV-4: Protected and priority areas for biodiversity conservation</td>
<td>C1; C2</td>
<td>305-7</td>
<td>Environment – Biodiversity p. 27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environment – Air quality p. 28</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key Performance Data p. 51</td>
</tr>
<tr>
<td>ENV-5: Emissions to air</td>
<td>C1; C2</td>
<td>306-3</td>
<td>Environment – Effluents and waste p. 27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Health and safety – Emergency response p. 26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key Performance Data p. 51</td>
</tr>
<tr>
<td>ENV-6: Spills to the environment</td>
<td>C1; C2; C4</td>
<td></td>
<td>Environment – Effluents and waste p. 27</td>
</tr>
<tr>
<td>ENV-7: Materials management</td>
<td>C1; C2</td>
<td></td>
<td>Environment – Effluents and waste p. 27</td>
</tr>
</tbody>
</table>

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79. Cheniere retained Deloitte and Touche LLP to conduct limited assurance of select climate and environment indicators included in this report for the year ended Dec. 31, 2020, including: total Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 1 GHG emissions intensity, methane emissions intensity, criteria air pollutant emissions and criteria air pollutant emissions intensity.[link to external assurance document]
## IPIECA/GRI INDEX CONTINUED

### MODULE: SAFETY, HEALTH AND SECURITY

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IPIECA/API/IOGP INDICATOR</th>
<th>GRI DISCLOSURE</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
</table>
| SHS-1: Safety, health and security engagement | C1; C2; C3; A1; A2 | 403-1; 403-2; 403-3; 403-4; 403-5 | Health and safety – Occupational health and safety p. 35  
Health and safety – Process safety p. 36  
Health and safety – Emergency response p. 36  
Governance – Business ethics and compliance p. 45  
Governance – Responsible value chain p. 47 | Case Study: Remaining moored to a culture of safety |
| SHS-2: Workforce and community health | C1; C2; C3; A1 | 403-6 | Built for resilience in the face of a global crisis p. 14  
Health and safety – Occupational health and safety p. 35 | Case Study: Responding to Hurricane Laura |
| SHS-3: Occupational injury and illness incidents | C1; C3; A3; A4 | 403-9 | Health and safety – Occupational health and safety p. 35  
Key Performance Data pp. 52-53 |
| SHS-6: Process safety | C3 | 403-7 | Health and safety – Process safety p. 46 |

### MODULE: SOCIAL

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IPIECA/API/IOGP INDICATOR</th>
<th>GRI DISCLOSURE</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
</table>
| SOC-1: Human rights due diligence | C1 |  | Communities – Community development p. 39  
Governance – Business ethics and compliance p. 45  
Governance – Responsible value chain p. 47 |
| SOC-2: Suppliers and human rights | C1; A1 |  | Communities – Community development p. 39  
Governance – Business ethics and compliance p. 45  
Governance – Responsible value chain p. 47 |
| SOC-5: Workforce diversity and inclusion | C1; C2; C3; A1 | 405-1 | Built to progress diversity, equity and inclusion p. 13  
Team – Supporting diversity, equity and inclusion p. 32  
Key Performance Data p. 51  
Case study: Building a diverse and local workforce |
| SOC-6: Workforce engagement | C1; C2; A1 |  | Team – Attracting, engaging, and developing talent p. 31  
Case Study: Emerging Professionals Network (EPN) |
## IPIECA/GRI INDEX CONTINUED

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IPIECA/API/IOGP INDICATOR</th>
<th>GRI DISCLOSURE</th>
<th>LOCATION OR RESPONSE</th>
</tr>
</thead>
</table>
| SOC-7: Workforce training and development | C1; C2 | 404-2 | Team – Attracting, engaging, and developing talent p. 31  
Health and safety – Occupational health and safety p. 35  
Case study: Building and diverse and local workforce |
| SOC-8: Workforce non-retaliation and grievance mechanism | C1 | | Team – Board oversight and management approach p. 30  
Governance – Business compliance and ethics p. 45 |
| SOC-9: Local community impacts and engagements | C1; C2; C3; A1 | 413-1; 413-2 | Introduction – Focusing on relevant ESG topics p. 10  
Community – Community engagement p. 41  
Case study: Responding to community feedback |
| SOC-10: Engagement with Indigenous people | C1 | | Community – Community engagement p. 41 |
| SOC-12: Community grievance mechanisms | C1; C2; A1; A3 | | Community – Community engagement p. 41  
2019 Corporate Responsibility Report p. 63 |
| SOC-13: Social investment | C1; C2 | 201-1 | Community – Community development p. 39  
Key Performance Data p. 53 |
| SOC-14: Local procurement and supplier development | C1; A6 | 204-1 | Community – Community development p. 39  
Governance – Responsible value chain p. 47 |
| SOC-15: Local hiring practices | C1; A2 | | Built to progress diversity, equity and inclusion p. 13  
Team – Supporting diversity, equity and inclusion p. 22  
Community – Community development p. 39  
Case study: Building and diverse and local workforce |
API
American Petroleum Institute

BCF
Billion cubic feet

CCUS
Carbon Capture, Utilization and Storage
is a process that captures carbon dioxide (CO₂) emissions from large emitting sources and either reuses or stores it and thereby prevents or reduces the volume of CO₂ entering the atmosphere

CH₄
Methane

CO₂
Carbon dioxide

CO₂e
Carbon dioxide equivalent is the number of metric tons of CO₂ emissions with the same global warming potential as one metric ton of another greenhouse gas

DEI
Diversity, equity and inclusion

EMS
Environmental management system

EPA
U.S. Environmental Protection Agency

ESG
Environmental, Social and Governance

GRI
Global Reporting Initiative

GHG
Greenhouse gas

GWP
Global Warming Potential is the value describing the radiative forcing impact of one unit of a given GHG relative to one unit of CO₂ over a given period of time

IEA
International Energy Agency

IMO
The International Maritime Organization (IMO) is the United Nations’ specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. IMO’s work supports the U.N. SDGs

IPCC
Intergovernmental Panel on Climate Change

IPIECA
A global oil and gas industry association that encourages improvement in the environmental and social performance of the industry (formerly the International Petroleum Industry Environmental Conservation Association)

IOGP
International Association of Oil and Gas Producers

ISO
International Organization for Standardization

LDEQ
Louisiana Department of Environmental Quality

LNG
Liquefied natural gas

MMscf
Million standard cubic feet

NGO
Non-governmental organization

N₂O
Nitrous oxide

NOₓ
Nitrogen oxides reported as NO and NO₂

ODEQ
Oklahoma Department of Environmental Quality

OGCI
Oil and Gas Climate Initiative

OSHA
The Occupational Safety and Health Administration was created in 1970 to ensure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education and assistance

Paris Agreement
An agreement made in 2015 in which all 196 parties to the United Nations Framework Convention on Climate Change agreed to work to limit global temperature rise to well below 2°C and given the grave risks, to strive for 1.5°C

SASB
Sustainability Accounting Standards Board

SDGs
The U.N. Sustainable Development Goals are a call for action by all countries to promote economic growth, tackle climate change and environmental protection and address social needs, including education, health, social protection and labor opportunities

SDS
The IEA’s Sustainable Development Scenario (SDS) presents the scenario whereby nations work together to successfully limit climate change, by transforming the energy market and addressing air pollution

SO₂
Sulfur dioxide

SOₓ
Sulfur oxides reported as SO₂

TCEQ
Texas Commission on Environmental Quality

TCFD
Task Force on Climate-related Financial Disclosures

U.N.
United Nations

VOC
Volatile organic compounds
## RECONCILIATION OF NON-GAAP MEASURES

The following table reconciles our Consolidated Adjusted EBITDA to U.S. GAAP results for full year 2020 (in millions):

<table>
<thead>
<tr>
<th>Description</th>
<th>FULL YEAR 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(85)</td>
</tr>
<tr>
<td>Net income attributable to non-controlling interest</td>
<td>$586</td>
</tr>
<tr>
<td>Income tax provision</td>
<td>$43</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>$1,525</td>
</tr>
<tr>
<td>Loss on modification or extinguishment of debt</td>
<td>$217</td>
</tr>
<tr>
<td>Interest rate derivative loss, net</td>
<td>$233</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>$112</td>
</tr>
<tr>
<td>Income from operations</td>
<td>$2,631</td>
</tr>
</tbody>
</table>

**Adjustments to reconcile income from operations to Consolidated Adjusted EBITDA:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization expense</td>
<td>$932</td>
</tr>
<tr>
<td>Loss from changes in fair value of commodity and FX derivatives, net</td>
<td>$215</td>
</tr>
<tr>
<td>Total non-cash compensation expense</td>
<td>$108</td>
</tr>
<tr>
<td>Impairment expense and loss on disposal of assets</td>
<td>$6</td>
</tr>
<tr>
<td>Incremental costs associated with COVID-19 response</td>
<td>$69</td>
</tr>
<tr>
<td><strong>Consolidated Adjusted EBITDA</strong></td>
<td><strong>$3,961</strong></td>
</tr>
</tbody>
</table>

The following table reconciles our Consolidated Adjusted EBITDA guidance to Net income attributable to common stockholders for the full year 2020 (in billions):

<table>
<thead>
<tr>
<th>Description</th>
<th>FULL YEAR 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to common stockholders</td>
<td>$0.2</td>
</tr>
<tr>
<td>Net income attributable to non-controlling interest</td>
<td>$0.6</td>
</tr>
<tr>
<td>Income tax provision</td>
<td>$0.1</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>$1.5</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>$0.9</td>
</tr>
<tr>
<td>Other expense, financing costs, and certain non-cash operating expenses</td>
<td>$0.4</td>
</tr>
<tr>
<td><strong>Consolidated Adjusted EBITDA</strong></td>
<td><strong>$3.8</strong></td>
</tr>
</tbody>
</table>
I. POLICIES AND PROCEDURES
This report includes descriptions of various policies, values, standards, procedures, processes, systems, programs, initiatives, assessments, technologies, practices and similar measures related to our operations and compliance systems ("policies and procedures"). References to policies and procedures in this report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances, factors or considerations that may cause implementation of other measures or exceptions in specific instances.

II. FORWARD-LOOKING STATEMENTS
This report includes forward-looking statements within the meaning of applicable securities laws, including the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934. Generally, the words “expects”, “believes”, “anticipates”, “plans”, “will”, “shall”, “estimates”, “intends” and similar expressions identify forward-looking statements, which are generally not historical in nature. Important factors that could cause actual results to differ significantly from those expressed in or implied by these forward-looking statements include our ability to estimate accurately the time and resources necessary to meet the reporting and assurance testing standards applicable to additional measures we expect to include in future reports, as well as the other risks and uncertainties described in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ending December 31, 2019 (under the headings “Risk Factors” and “Information Regarding Forward-Looking Statements” and elsewhere) and our subsequent reports, which are available through the SEC’s EDGAR system at sec.gov and on our website at cheniere.com.

Forward-looking statements are not guarantees or assurance of performance. They are included for the purpose of providing management’s current expectations and plans for the future, based on the beliefs and assumptions of management and the information currently available to management. Forward-looking statements are subject to risks and uncertainties. Although we believe that forward-looking statements in this report are based on reasonable assumptions, we can give no assurance that any such forward-looking statements will materialize.

Important factors that could cause actual results to differ significantly from those expressed in or implied by these forward-looking statements include our ability to estimate accurately the time and resources necessary to meet the reporting and assurance testing standards applicable to additional measures we expect to include in future reports, as well as the other risks and uncertainties described in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ending December 31, 2019 (under the headings “Risk Factors” and “Information Regarding Forward-Looking Statements” and elsewhere) and our subsequent reports, which are available through the SEC’s EDGAR system at sec.gov and on our website at cheniere.com.

Forward-looking statements speak only as of the date they were made and except to the extent required by law, we undertake no obligation to update any forward-looking statement because of new information, future events or other factors. Because of these risks and uncertainties, readers should not place undue reliance on these forward-looking statements or use them for anything other than their intended purpose.

III. WEBSITE REFERENCES
This report contains references to Cheniere’s website. These references are for readers’ convenience only. We are not incorporating this report by reference into any other document posted on cheniere.com or sec.gov and are not incorporating any other document posted on either website into this report.

IV. THIRD-PARTY WEBSITES
This report also includes links to websites owned and operated by third parties, which are provided for readers’ information and convenience only. We are not responsible for these websites or their content.

V. TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
In referring to the TCFD or in referring to alignment with the TCFD, Cheniere does not thereby endorse the TCFD or accept as its own the scope, terms and recommendations of the TCFD, and Cheniere does not commit to doing so in the future. Cheniere does not adopt TCFD’s references to materiality as indicators of materiality for Cheniere in particular.

VI. NO EXTERNAL AUDIT
Except where and how specified in “Assurance” and where otherwise stated, this report and the data presented in it have not been externally audited, assured, attested or verified.

Cheniere retained Deloitte and Touche LLP to conduct limited assurance of select climate and environment indicators included in this report for the year ending December 31, 2019. The full report can be found at cheniere.com.

VII. NO WARRANTY
We make no warranty, express or implied, regarding the accuracy, adequacy, completeness, legality, reliability or usefulness of this report.
If you have questions about any information contained in our report or would like to provide feedback, please contact sustainability@cheniere.com.

This report is available digitally to help reduce our environmental footprint.