



HEALTH AND SAFETY

BUILT TO PROTECT COLLEAGUES AND COMMUNITIES

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 14](#)).
- 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 and reporting potential hazards and working with management to develop solutions. 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.

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.

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 pre-qualify, monitor and evaluate contractors that perform physical work on our premises (see [page 47](#)).

Operational safety training: We conduct enterprise-wide training and development to equip our workforce with the skills and knowledge required to complete work safely. We maintain a role-specific qualification and competency matrix to facilitate compliance with internal standards and applicable regulations. In 2020, Cheniere piloted a virtual reality (VR) field training simulator (FTS) that immerses users in a virtual

recreation of our plants to practice standard operating procedures. Operators gain critical knowledge needed both to assess and prevent accidents and releases and to learn how to return to safe operations quickly after process interruptions.

Maintaining safety in our marine operations: Since 2016, Cheniere has safely produced, loaded and exported over 1,350 LNG cargoes totaling more than 95 million metric tons of LNG. Cheniere’s marine operations play a critical role in maintaining the safety of LNG shipping. Our primary focus is identifying, managing and mitigating potential risks that may occur during the arrival, loading and departure of vessels from our terminals, including potential incidents such as collision, fire or injuries. While responsibility for the safe management of a vessel ultimately rests with its owner, we apply a robust vetting process to all vessels that interact with Cheniere personnel and assets. In 2020, our marine operations implemented a range of safety protocols in response to COVID-19, including zero-contact operations to protect incoming vessel crews and our own teams at the ship/shore interface.

CASE STUDY

Read additional case studies online:

[Remaining moored to a culture of safety](#)

[Rewarding safety leadership](#)

READ MORE

Read more in our ESG Metrics and Disclosures Appendix

[Safety training](#)

[Safety targets](#)

[Communicating with stakeholders on health and safety](#)

COMBINED EMPLOYEE AND CONTRACTOR TRIR AND LTIR*



We have achieved steady and significant improvements in recordable safety incidents over the past five years. Combined employee and contractor TRIR decreased by 68% from 2016 to 2020 and by 42% from 2019 to 2020 alone. Combined LTIR decreased by 65% from 2016 to 2020 and 42% from 2019 to 2020. We are extremely proud to report zero recordable incidents or lost-time safety incidents for Cheniere employees in 2020. We also achieved zero employee or contractor fatalities over the past four years.

* TRIR and LTIR are calculated per 200,000 hours per the OSHA standard. 2019 metrics may differ slightly from those previously published due to a change in calculation methodology to better align with industry practice.

SAFETY TARGETS



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 us 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](#)