

# 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 counterparties, 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 counterparties 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.

### [READ MORE](#)

Read more in our [ESG Metrics and Disclosures Appendix](#):

[Supplier due diligence](#)

[Charitable organization due diligence](#)