

GOVERNANCE

BUILT TO CREATE LONG-TERM VALUE FOR OUR STAKEHOLDERS

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

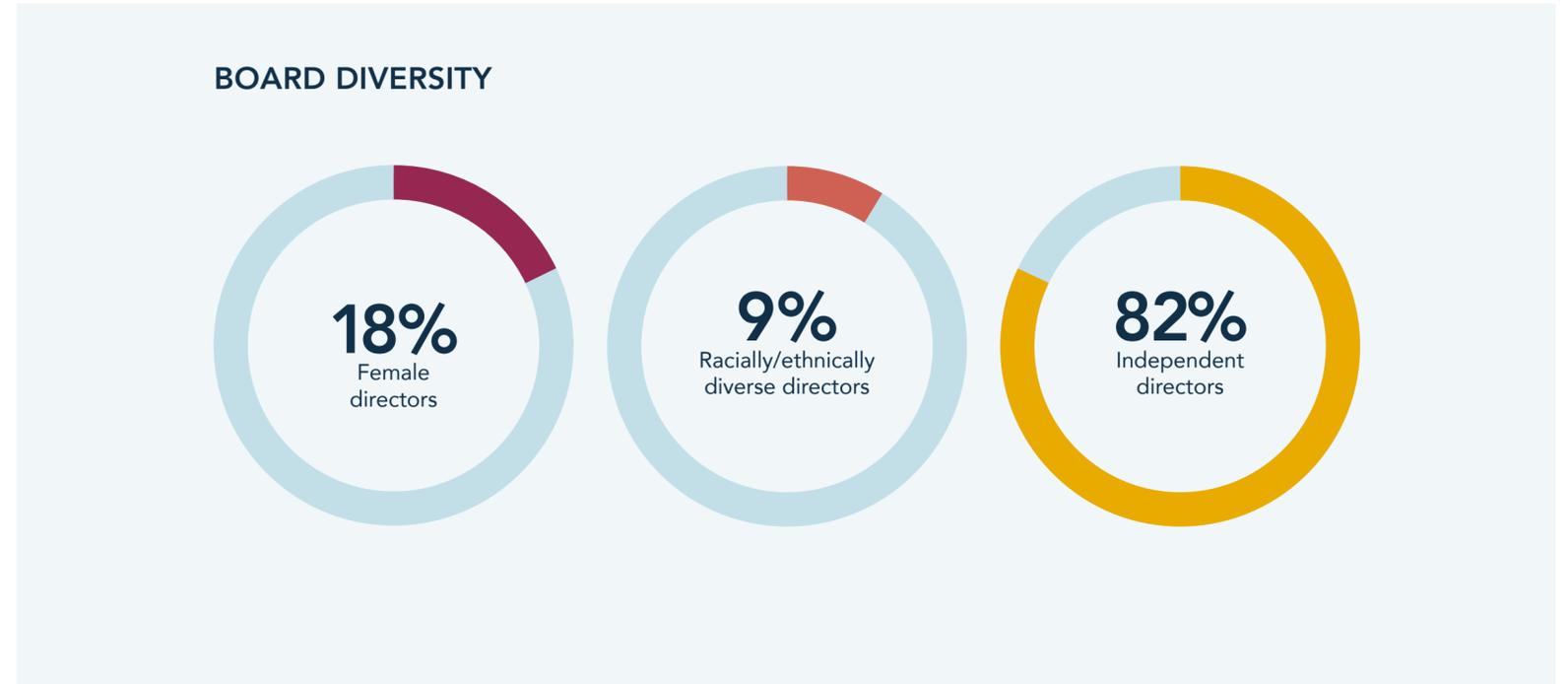
A strong corporate governance framework, including oversight from an experienced board of directors, is critical to our success and to maintaining the trust of our shareholders and other stakeholders. In February 2021, we updated our annual performance scorecard to include an ESG metric that accounts 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 ⁴¹ 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.⁴² 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.



59.5 YRS

average age

8 YRS

average tenure

41. Michele Evans served on the board until her passing in January 2021. 42. Percent ownership of CEI represents LNG shares held as of Dec. 31, 2020.

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 Act⁴³ 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. We also actively engage with U.S. regulators on other topics relevant to the LNG industry, such as safety.

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](#).

READ MORE

Read more in our ESG Metrics and Disclosure Appendix:

[Political engagement and lobbying](#)

Cheniere supports the Congressional Review Act effort in the United States to restore federal regulation of methane emissions.

43. Cheniere (2021, April 20), Twitter, <https://twitter.com/Cheniere/status/1384603876859449351>.

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](#)