

Supply Chain Management: Fostering Strong Supplier Relations

High-quality suppliers are critical partners as we work to lead a responsible energy future. Chesapeake is dedicated to maintaining our ethical, safe and high-performing supply base.

2021 Supply Chain Snapshot

3,084

Suppliers provided goods or services
(direct and indirect)

242

Suppliers evaluated through
our qualification process in 2021

99.1%

U.S.-based suppliers

38%

Amount of total spend with U.S.-based small
businesses (750 employees or fewer)

As of Dec. 31, 2021

Our Supply Chain department, in conjunction with our Operations and Health, Safety, Environmental and Regulatory (HSER) teams, protects the company by managing the inherent risks associated with supplier relationships. Through robust supplier qualification, sourcing, contracting and performance-management processes, we help to ensure that our suppliers are delivering safe, efficient and high-quality service to our stakeholders.

Before entering a relationship with a supplier, we evaluate the company's safety and environmental record and financial performance. Further, the prospective supplier must agree to abide by Chesapeake's [Supplier Code of Conduct](#), including our Human Rights policy, and to execute appropriate contracts to govern its relationship with Chesapeake.

Supplier Qualification Process

Step 1 Supplier Request Form	Supplier must be sponsored by a Chesapeake representative.
Step 2 Registration & Screening	Suppliers register and complete the supplier profile questionnaire. The Supplier Code of Conduct is introduced.
Step 3 Performance Evaluation	The Chesapeake Supplier Quality team conducts a supplier performance evaluation reviewing categories such as environmental performance, financial health and social (health, safety and workplace).
Step 4 Contracting & Enablement	A contract is signed, Supplier Code of Conduct compliance is confirmed and insurance is verified.
Step 5 Approval	Supplier is approved to begin work with Chesapeake.

Upholding Our Supplier Code of Conduct

Our Supplier Code of Conduct mandates that all suppliers share Chesapeake's commitment to providing a safe and ethical workplace and to conducting operations in an environmentally and socially responsible manner. It also identifies methods for reporting concerns and ethical issues and requires that suppliers abide by our commitment to human rights.

Suppliers agree to our Supplier Code, including our Human Rights policy, during their qualification process and Chesapeake's Security team monitors on-site for compliance.

Our Supply Chain team monitors the performance of active suppliers using a risk-based approach. Suppliers with higher risk profiles are re-evaluated more frequently, allowing for a faster response should a supplier violate our Supplier Code or otherwise not meet performance standards.

Performance Management

Certain suppliers also participate in Chesapeake's Supplier Performance Management Program, a scorecard system evaluating each company's operational, financial and HSER performance. Through this program, suppliers are encouraged to provide feedback to Chesapeake during business review meetings to collaborate and improve our collective performance.

Supplier Diversity Program

Our Supplier Diversity Program works to increase the number of diverse suppliers hired by Chesapeake and to encourage the availability of a healthy and diverse supplier base to support our business. Aligned with our core values, this effort supports our diversity, equity and inclusion (DEI) commitment by providing opportunities for historically disadvantaged businesses to compete and secure opportunities with Chesapeake. We are currently tracking our supplier population according to self-reported diversity identifiers to set a baseline for progress.