



---

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES AND PROGRAMS

At Sendero, we are committed to being the best in all we do. This includes developing, evaluating and upholding economically smart, environmentally conscientious, socially responsible and sustainable ESG policies and programs for our business. Below are the policies and programs currently in place at Sendero, which are designed to help us maintain the highest standards in our business and the communities in which we operate. The policies detailed in this document are neither exhaustive nor exclusive and are subject to change as Sendero expands its business operations. Human Resources and EHS department leads, under the direction of Sendero senior leadership, are responsible for the implementation of this ESG policy and metrics tracking.

### ENVIRONMENTAL

Sendero is committed to operating in an environmentally responsible manner in every aspect of our business. Specifically, our environmental compliance programs meet or exceed the minimum federal, state and local regulatory requirements and permits. We also strive to adhere to industry best practices, which are incorporated in our environmental framework to ensure that we are monitoring and minimizing our impact on the environment around the communities in which we operate. In addition, we routinely collaborate with peers and industry trade associations in an effort to share best practices, lessons learned, and benchmark our performance. In addition, Sendero's Environmental Health and Safety Department conducts employee training on environmental compliance and best practices on a regular basis. In the event a potential non-compliance issue is identified, we will promptly investigate the issue, and if necessary, disclose same to the proper regulatory authorities.

### SOCIAL

Sendero recognizes the need to be proactive in the protection of our employees and communities. Accordingly, as a proactive measure, we have implemented policies tailored to Safety, COVID-19, Human Rights, Community Responsibility and Involvement, Equal Employment Opportunity, Disability, Workplace Violence Prevention and Emergency Preparedness. Our policies and programs reflect Sendero's commitment to build a responsive and responsible standard of our long-term and short-term operations as described in greater detail below.

#### Safety

Sendero considers the safety and health of its employees, customers, contractors, visitors and the public to be of paramount importance. We believe that no operational priority or service commitment can ever justify endangering the life, safety or health of any individual. In support of our safety philosophy, Sendero manages its business operations in accordance with the following principles:

Sendero complies with all applicable safety and health regulations. Sendero operates with certain safety and health processes designed to continuously improve its safety performance. Notably, our safety and health processes will:

- Encourage a personal commitment to safety and health for everyone at all times.
- Foster enthusiasm, employee ownership and pride for innovative and proactive safety initiatives.
- Create an understanding that safety is a core value that will never be compromised.
- Recognize group and individual achievements for safety and health initiatives.

At Sendero, we routinely evaluate our operations to assure effectiveness and provide feedback for continuous safety and health improvement. Accordingly, Sendero's evaluations will:

- Focus on the root causes of occupational injuries, illnesses, near-misses and incidents, then implement plans and policies to prevent the reoccurrence of same.
- Monitor the safety and performance of its contractors.

Sendero believes that safety excellence is critical to its employees' success and the success of the Company. In line with our safety excellence standard, our employees and contractors will:

- Question any practice, procedure or situation that could adversely impact the safety and health of employees, contractors, visitors or the safety of Sendero's operations.
- Complete training to maintain their responsibility to protect the health and safety of the environment.

### **COVID-19**

Sendero monitors and follows the latest CDC guidelines and precautions to protect employees, their families, and the Company from COVID-19. Sendero's resiliency during the global pandemic is attributed to our use of protective measures ranging from engineering and administrative controls, personal protective equipment, and conservative quarantine and isolation requirements. These measures have allowed Sendero to maintain its successful operations throughout the COVID-19 pandemic.

### **Human Rights**

Sendero is committed to the protection and preservation of human rights of all its stakeholders. This commitment is embedded in the culture and values which define the Company and reflected in our policies and actions directed toward our employees, contractors, suppliers, temporary and migrant workers, and the communities in which we operate.

Sendero strives to create an environment of respect for all individuals. Accordingly, we do not tolerate corruption, discrimination, harassment, forced or child labor in any form.

We are committed to an inclusive, safe and ethical workplace as demonstrated within our Policies and Programs regarding Community Responsibility and Involvement, Equal Employment Opportunity, Disability, Workplace Violence Prevention, and Safety Policies. Our human resources policies require compliance with local laws concerning employment and individuals' rights in

every community in which we operate, including indigenous communities. We work with our communities and suppliers to encourage cultural, economic and social development.

### **Community Responsibility and Involvement**

Sendero is committed to supporting the communities around our locations through financial contributions, volunteer activities, membership in key organizations and community partnerships with a broad range of charitable and local organizations. Not only do we work here, we live here! Please visit our website for the most current list of programs, community organizations and charities Sendero supports. [Senderomidstream.com](http://Senderomidstream.com)

### **Equal Employment Opportunity**

Sendero is fully committed to recruiting, hiring, training, employing, promoting, compensating and administering all terms, conditions and privileges of employment without regard to age, color, national origin, pregnancy, race, religion, gender, sexual orientation, military service, veteran status, disability, genetic information or any protected class recognized by federal, state or local laws. Any employee who unlawfully discriminates against another employee because of his or her status as a member of any of the foregoing groups will be subject to disciplinary action, up to and including termination of employment.

### **Disability Accommodations**

Sendero is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal employment opportunities for qualified persons with disabilities. All employment practices and activities at Sendero are conducted on a non-discriminatory basis, including interviewing and hiring procedures, requests for accommodations, equal pay, job assignments, seniority lists and all forms of leave.

The Company will comply with any federal, state or local laws that provide individuals with disabilities greater protection than prescribed under the ADA.

### **Workplace Violence Prevention**

Sendero is committed to preventing workplace violence and to maintaining a safe work environment for its Stakeholders. As detailed below, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its Premises.

All employees should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, “horseplay”, or other conduct that may be dangerous to others. Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on any characteristic protected by federal, state and local laws.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible

to an employee's immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, employees should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Employees, vendors nor contractors should ever place themselves in peril.

Sendero is committed to conducting prompt and thorough investigations of all reports of threats of (or actual) violence and suspicious individuals or activities. The identity of the individual making a report will be protected to the extent practical. In order to maintain workplace safety and the integrity of its investigation, Sendero may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Sendero encourages employees to discuss disputes or differences with other employees with their supervisor or with Human Resources before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes, and will not retaliate against employees for raising good faith concerns.

### **Emergency Preparedness**

Sendero develops emergency preparedness plans and trains employees on the intricacies of these plans. Should an incident occur, we are confident that Sendero's employees will be equipped to minimize the impact to the general public, employees and contractors, and the environment.

## **GOVERNANCE**

### **Governance Framework & Board Overview**

Sendero conducts its business with transparency and integrity. The Company's Board of Managers (the "Board") and executive team strive to achieve operational excellence and provide a valuable experience for Sendero's producer customers, employees, and capital providers. The Board focuses on the following core responsibilities:

- Evaluating and approving Sendero's strategic objectives and financial plans.
- Overseeing the integrity of financial statements and financial reporting processes.
- Evaluating performance and compensation of senior executive management.
- Monitoring environmental, health and safety program performance.
- Promoting ethical behavior and compliance with laws and regulations.

Sendero's six-member Board is comprised of its Chief Executive Officer and Chief Financial Officer plus four members representing equity investors.

The Board holds regularly scheduled meetings at least four times throughout the year and holds additional meetings as necessary to carry out its responsibilities. Materials are distributed to the Board in advance of each regularly scheduled meeting. Members of the Board are expected to be prepared for meetings and to participate actively in the Board's deliberations. In 2021, Sendero's Board meeting attendance was 100% for all meetings, including quarterly and special meetings.

### **Board Oversight of ESG**

The Board prioritizes responsible operations and for that reason reviews ESG matters, notably environmental performance and health and safety matters as follows:

- Environmental Performance. Sendero's Chief Executive Officer provides the Board with periodic updates on Sendero's environmental initiatives.
- Health and Safety. The Board receives monthly updates concerning Sendero's safety performance and metrics, as well as periodic updates on improvements to Sendero's safety program.

### **Financial Oversight**

The Board fulfills its corporate finance oversight responsibilities by reviewing financial matters including, but not limited to:

- Financial status and capital structure;
- Debt and equity financings, and compliance with covenants of material debt instruments;
- Cash management; and
- Other banking activities, including relationships with banking constituents.

For added transparency, Sendero engages an independent registered public accounting firm to conduct an annual audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America. The independent auditor reports directly to the Board.

### **Business Ethics**

Our Business Ethics Policy relates to the legal and ethical standards of conduct for Executives and upper management and sets forth Sendero's expectations regarding the conduct of its Executives while acting on the Company's behalf. The Company strives to apply high ethical, moral and legal principles in every aspect of business conduct.

Along with complying with federal, state and local laws, all Executives should observe high standards of business and personal ethics when performing assigned duties. This requires using honesty and integrity when dealing with other employees, the public, the business community, customers, suppliers and governmental and regulatory authorities. Executives must avoid any activity or interest that might reflect unfavorably upon his or her own or the Company's reputation.

While we cannot detail every situation that could arise; Executives and upper management must

observe not only the letter of these guidelines, but the spirit as well. Most notably the following categories are specifically outlined for adherence:

- Compliance with Laws, Rules and Regulations
- Acceptance of Gifts, Favors and Entertainment
- Political Contributions

For further explanation and guidelines in any of these categories, you may obtain a copy of our full Business Ethics Policy by emailing your request to Jen Morrill, [jmorrill@senderomidstream.com](mailto:jmorrill@senderomidstream.com).

### **Conflicts of Interest**

Conflict of interest generally describes any situation in which an individual's own interest may influence the way they conduct company business. A conflict of interest can arise when private interests interfere or, or appear to interfere, with the Company's business. Sendero's Policy prohibits such conflicts of interest because they impair our ability to make objective decisions for the Company. The divided loyalty caused by a conflict of interest can result in personal harm and could damage the Company's reputation. To avoid these conflicts, which usually involve situations from which Sendero's personnel (or their family members) can improperly benefit personally due to their position with the company, we require adherence to the following guidelines:

- We make business decisions in the best interest of the Company and our shareholders regardless of our personal interest.
- We deal with our suppliers, contractors and customers fairly and impartially – free from any conflicting interests.
- We strive to prevent conflicts of interest from arising by avoiding circumstances where Sendero's interests could be comprised. Where potential conflicts are identified, we take the appropriate steps to ensure that the Company's interest are properly safeguarded.
- We scrupulously avoid even the appearance of a conflict between improper personal interest and the Company's business interest.
- We avoid any investment, interest, association, or activity that may cause others to doubt the Company's fairness or integrity, or that may interfere with our ability to perform job duties objectively and effectively.
- We refrain from actions that might impair our independent judgment or provide an unfair advantage to a supplier, contractor or customer.

The main premise of Sendero's Conflicts of Interest Policy is that we do not take for ourselves or for others outside the Company, opportunities that belong to Sendero Midstream.