

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Southcross Energy Partners LLC (“Southcross”) believes that a focus on Socially Responsible Investing (“SRI”), which integrates environmental, social and corporate governance (“ESG”) considerations in our business decisions, is essential to creating value for our investors and developing a more sustainable long-term strategy for our company and equity partners.

Southcross believes that it has a moral obligation to play a role in making the world a better place to live through SRI, and that doing so creates a more appropriate risk-return profile for our investments. Southcross works closely with our equity partners and customers to build businesses with a like-minded commitment toward ESG issues.

Southcross’s fundamental ESG building blocks or policies can be summarized as follows:

Environmental Policy

- We encourage and embrace the efficient use of natural resources and continuously look for and expect the best environmental solutions for Southcross’s operations.
- We believe that economic considerations in isolation do not provide sufficient guidance for environmentally conscious decision-making that balances the interests of individuals, communities and future generations.
- We seek to fully comply and/or exceed compliance with applicable environmental regulatory requirements.

Social Policy

- We treat all employees, stakeholders and others who are affected by Southcross’s activities fairly and without prejudice to gender, race, ethnic or national origin, socioeconomic status, age, religion or disability.
- We seek to ensure that Southcross’s underlying employees and companies comply with the highest ethical standards.
- We believe our activities should not only benefit our employees and stakeholders, but the community as a whole.

Corporate Governance Policy

- We seek to ensure that our business practices comply fully, in appearance and deed, with all applicable laws and regulations.
- We strive to maintain Southcross’s reputation by exhibiting diligence, honesty, fairness and transparency in all of our business dealings.

To address key ESG concerns in more depth, Southcross has implemented a Responsible Investment Policy (*see* Exhibit A) and an Environmental, Health and Safety Policy (*see* Exhibit B).

In addition to this top down approach, Southcross requires all of its companies and employees to embrace ESG issues from the bottom up and requires a like-minded ESG policy/commitment and reporting of such activities to Southcross's Board of Managers. This information is used by Southcross to quantitatively measure ESG activities and impact on the performance of the company.

Southcross remains committed to a strong, hands-on approach towards ESG issues to promote a more sustainable society.

**SOUTHCROSS ENERGY PARTNERS LLC
RESPONSIBLE INVESTMENT POLICY**

I. Policy Statement

Southcross's Responsible Investment Policy sets forth environmental, health, safety, labor, governance and social issue guidelines applied to Southcross's investment process. Southcross believes that a responsible investment policy helps to create a better society for current and future generations and ultimately maximizes investment returns to our investors.

Southcross recognizes that our equity partners have a duty to act in the best long-term interests of their beneficiaries. In this fiduciary role, our equity partners recognize that environmental, social and corporate governance (ESG) issues can affect investment performance and, accordingly, seek to align that performance with the broader objectives of society.

In an effort to avoid the appearance of impropriety with regard to decisions by certain entities affiliated or associated with federal, state, or local governments, Southcross adopts the following Policy with regard to proposed contributions to Public Officials.

II. Principles of Responsible Investment

Southcross is sensitive to our equity partners' commitment to the following Principles of Responsible Investment ("PRI") as set forth in the United Nations Principles for Responsible Investment standards below. In addition, we recognize that compliance with PRI is a core component of our equity partners' investment philosophy and processes to ensure superior investment performance over the longer-term.

- A. Incorporating ESG issues into investment analysis and decision-making processes
- B. Being active owners and incorporating ESG issues into ownership policies and practices
- C. Seeking appropriate disclosure on ESG issues by the entities in which investments are made
- D. Promoting acceptance and implementation of PRI within the investment industry
- E. Working together to enhance effectiveness in implementing PRI
- F. Reporting on activities and progress towards implementing PRI

III. Southcross's Investment Guidelines

Southcross has adopted a set of comprehensive responsible investment guidelines to be followed prior to and during an investment in or development of an asset as provided below. Such guidelines are consistent with the Private Equity Council's guidelines as adopted by member firms.

- A. Consider environmental, public health, safety and social issues associated with target assets when evaluating whether to invest in particular assets, as well as during the period of ownership.
- B. Seek to be accessible to, and engage with, relevant stakeholders as appropriate.
- C. Seek to grow and improve the company for long-term sustainability and to benefit multiple stakeholders, including on environmental, social and governance issues.
- D. Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
- E. Remain committed to compliance with applicable national, state and local labor laws in the countries in which we invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.
- F. Maintain strict policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, similar laws in other countries and the OECD Anti-Bribery Convention.
- G. Respect the human rights of those affected by our investment activities and seek to confirm that our investments do not flow to companies that utilize child or forced labor or maintain discriminatory policies.
- H. Provide timely information to our investors on the matters addressed herein, and work to foster transparency about our activities.

IV. Southcross Reporting and Recordkeeping

Southcross invests growth capital to develop and to provide infrastructure and services in the midstream sector of the oil and gas industry in North America. In the normal course of implementing this strategy, the investment guidelines provided above are woven into our existing policies, procedures and reporting requirements, including our relationships and governance associated with our equity partners. No additional record keeping requirements are considered necessary.

As a firm, Southcross is not a signatory to the United Nations Principles for Responsible Investment program and is not subject to any PRI reporting requirements. While supportive of the ideals promoted by this program, Southcross believes that our narrow investment strategy/geographic focus lies outside of the intended scope of signatories.

SOUTHCROSS ENERGY PARTNERS LLC HEALTH, SAFETY & ENVIRONMENT (HSE) POLICY

I. POLICY STATEMENT

The policy of Southcross Energy and its related employees, contractors and companies (collectively referred to as “Responsible Parties”) is to conduct business in a manner that respects the environment as well as the health and safety of its employees, its customers, its contractors and the communities where we operate. The foundation for Southcross Energy’s success is achieving outstanding health, safety, and environmental performance equivalent with operational excellence and positive financial results.

II. GUIDING PRINCIPLES

To accomplish our HSE Policy, Southcross Energy will:

- A. Demonstrate visible and active leadership in all our business activities by providing leadership necessary to manage and communicate HSE commitment, expectations and accountability in the same manner as any other critical business function.
- B. Make it clear to all Responsible Parties that working safely is a shared responsibility. Expect all Responsible Parties to take personal responsibility to understand and implement the Guiding Principles of this HSE Policy.
- C. Comply with all applicable HSE laws, legislation, international agreements and regulations in the countries or communities where we operate and implement responsible controls where such laws, legislation and regulations do not exist.
- D. Promote training for Responsible Parties to perform their job safely and effectively utilizing their knowledge and skills to maintain a safe and healthy work environment.
- E. Identify and assess potential hazards and threats to people, the environment, and assets. Implement reasonable and practicable actions to eliminate, mitigate, or manage these risks.
- F. Continue to minimize the impact of our operations, products, and services on the environment by implementing economically feasible projects that promote energy efficiency and use natural resources effectively.
- G. Strive to achieve our goal of eliminating environmental and safety incidents. In the event an incident occurs, appropriate response, corrective action and reporting will be performed in a timely manner.
- H. Work proactively with Responsible Parties to develop and advance effective approaches to human health, safety, and environmental protection.
- I. Ensure that policies and procedures are in place to implement these Guiding Principles. These policies and procedures will be kept in the HSE Manual and all managers/supervisors will be responsible for the implementation of this HSE Policy.

By adopting this HSE Policy and set of Guiding Principles, Southcross Energy demonstrates its commitment to conduct business in a manner that protects human health and the environment. We intend to make consistent measurable progress in implementing these Guiding Principles and apply them to all aspects of our operations.