



CLEAN & CONNECTED

// 2020 SUSTAINABILITY REPORT



AVANGRID

TABLE OF CONTENTS

INTRODUCTION

- 1 A Message from Our CEO: Powering Today for Prosperity Tomorrow
- 4 Sustainable Business Strategy: ESG+F

2020 BUSINESS OVERVIEW

- 6 Our COVID-19 Response
- 10 2020 Review and Outlook: Renewables
- 16 Operational Portfolio
- 17 2020 Review and Outlook: Networks
- 25 Innovation
- 29 Achievements

ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

- 30 Sustainable Development Goals
- 31 Climate Change Risk Management
- 32 Governance
- 33 Strategy and Risk Management
- 34 Greenhouse Gas Emissions
- 35 AVANGRID Sustainability Team
- 36 Environmental Management
- 38 Biodiversity

SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

- 42 Diversity, Equity & Inclusion
- 44 Our Workforce
- 46 Environmental, Health & Safety
- 48 Avangrid Foundation
- 54 Community and Economic Development

GOVERNANCE: OPERATING WITH THE HIGHEST ETHICAL STANDARDS

- 58 Our Purpose and Values
- 59 Ethics, Integrity and Compliance

FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

- 62 Powering Forward
- 64 Supplier Sustainability
- 65 Report on Green Financing

KEY PERFORMANCE INDICATORS

- 68 Key Performance Indicators

// A MESSAGE FROM OUR CEO

Our industry and our company will play a critical role as we strive to decarbonize the U.S. Now more than ever – by powering today for prosperity tomorrow – we are positioned to lead the way forward.



// LETTER FROM THE CEO

POWERING TODAY FOR PROSPERITY TOMORROW



In the midst of extraordinary events in 2020, challenges became opportunities, and the resilient character of our company and industry helped our communities begin to recover. Together, we are emerging stronger than ever.

As a utility company and clean energy provider, we are frequently a first responder when disaster strikes, and this pandemic has been no exception. Thanks to the efforts of our more than 7,000 employees, our reliable electricity, gas and renewables generation was the engine that kept our cities, hospitals and communities energized.

These times of crisis are also a call to action, particularly as we reflect on pressing issues like climate change. The challenges we have faced over the last year have made several things clear. First, the importance of investing in our future today and of strengthening our collective resiliency to address the challenges to come. And secondly, that through innovation and working together, we can accomplish amazing things.

As we move forward, AVANGRID will continue to do its part to invest in infrastructure, sustainably rebuild our economy and create a cleaner, healthier future. Every step of the way, our actions will be guided by our Environmental, Social, Governance and Financial (ESG+F) sustainability framework, as a better and balanced way to do business – doing good by doing well for our customers, employees, communities and shareholders. The pages of this report, our fifth annual Sustainability Report, are a testament to this commitment.

We aspire to be *The* Leading Sustainable Energy Company in the U.S. A bold goal, but one that is achievable. As the first utility to set a goal for carbon neutrality back in 2017, and as the third largest wind and solar operator* in the U.S., we are already leading the way toward a cleaner energy future – deploying wind and solar nationwide, investing in the future of offshore wind and building a stronger, more resilient grid that will serve as the backbone for this energy transition.

Social investment is a key part of our purpose to create healthier, more sustainable communities every day. We believe we have a responsibility to help our communities grow and thrive, to take action to improve equality for all and to foster a more diverse and inclusive environment that is representative of all voices.

// LETTER FROM THE CEO

A culture of strong, ethical governance drives how we operate our business at every level. We are proud to be recognized as one of the World's Most Ethical Companies by Ethisphere for three years running and listed by *Forbes* and JUST Capital as one of the 2021 JUST 100, an annual ranking of the most just U.S. public companies.

Our focus on financial sustainability makes it all possible, enabling our growth and driving innovation. Built on our ESG+F strategy and our commitment to a cleaner and smarter energy future, we plan to grow faster in the next five years than we ever have, with a goal of delivering bottom-line annual earnings growth of 6%-8%** and investing over \$20 billion.

We are in the
sweet spot: clean
and connected.

Through our major projects, AVANGRID is making significant investments in a cleaner energy future – generating financial and environmental benefits for all our stakeholders for years to come. We are also leading the emerging U.S. offshore wind industry and are poised to make history with our 800 MW joint venture Vineyard Wind 1, the nation's first utility-scale offshore wind farm. Additionally, our New England Clean Energy Connect (NECEC) transmission project will bring 1.2 GW of clean hydropower from Quebec to New England, making it the largest clean energy project in the region.

In 2020, we also announced a proposed merger with PNM Resources, a leading electric provider in New Mexico and Texas, with a goal to achieve 100% emissions-free energy by 2040. This strategic transaction will further our growth in both our clean energy distribution and transmission businesses and will help expand our growing leadership in renewables. The merger is also a great fit culturally, since the companies are built on strong commitments to ESG+F that include carbon neutrality goals. We expect to close the transaction by the end of 2021.

I'm excited about AVANGRID's future and the opportunities that lie ahead. We have ambitious goals, and I truly believe we're in the right place at the right time in the energy transition. We are in the sweet spot: clean and connected. Our industry and our company will play a critical role as we strive to decarbonize the U.S. Now more than ever – by powering today for prosperity tomorrow – we are positioned to lead the way forward.

I want to thank all of our employees for their unwavering commitment to our customers and communities, especially given the challenges related to COVID-19.

Stay safe.



Dennis V. Arriola

CEO

* IHS Markit "North American Wind & Solar Power Ownership Rankings: 2019 Trends & Review," October 20, 2020

**Represents GAAP EPS and Adjusted EPS growth outlook, and reflects the impact of the pending merger with PNM Resources and related transaction costs, and includes AVANGRID projection of PNM Resources for 2022–2025 as of our November 5, 2020, Investor Day





// AVANGRID'S SUSTAINABLE BUSINESS STRATEGY: ESG+F

SUSTAINABLE BUSINESS STRATEGY: ESG+F

ESG goals are the framework by which we deliver our results. This report highlights our sustainable business model and strategy – ESG+F – structured around stewardship of the environment and society, driven by our governance and financial strength.

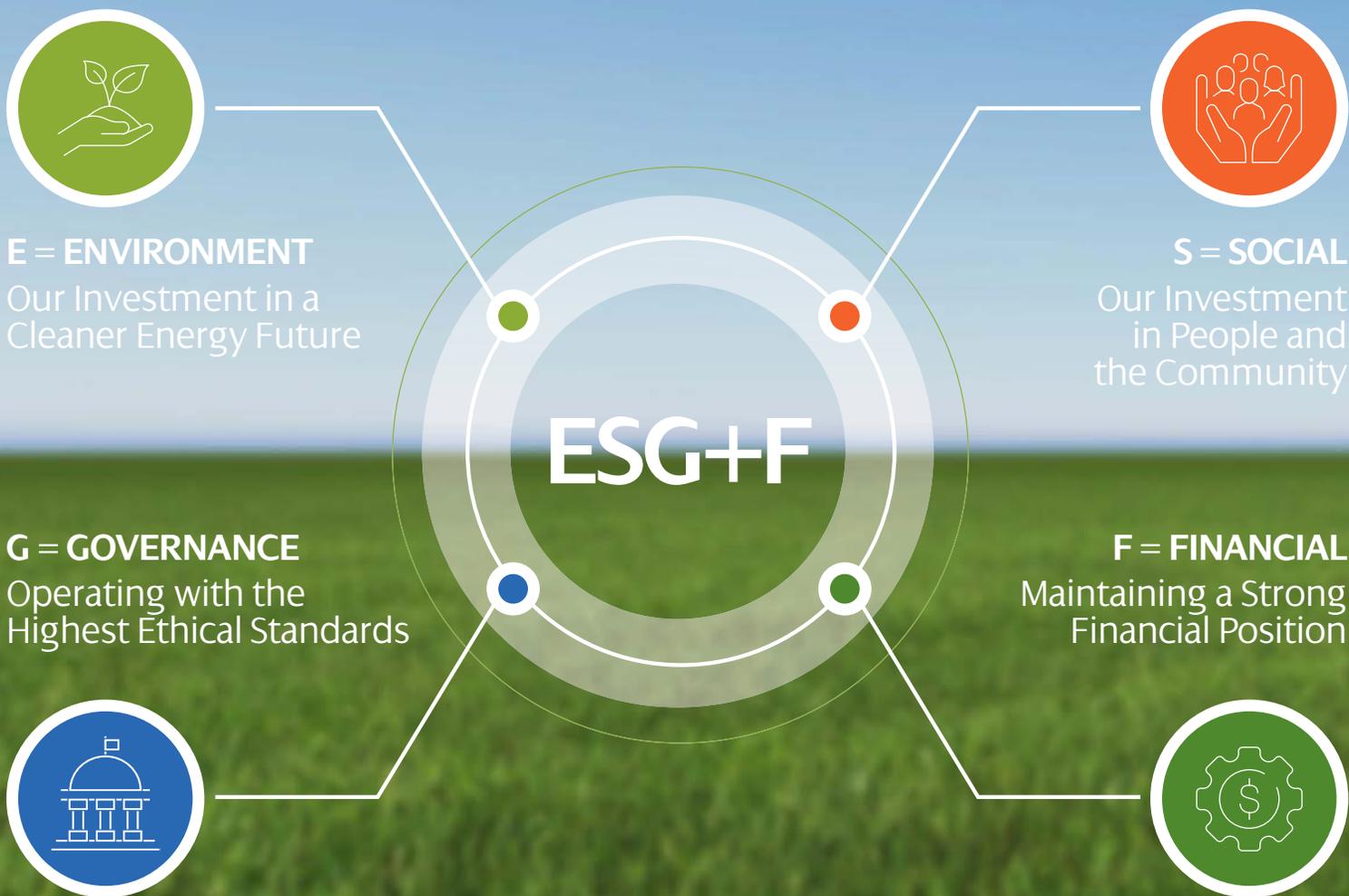
As responsible investing continues to shape the market, it is widely understood that, at its core, the integration of environmental, social and governance (ESG) factors into business processes and decision-making not only benefits society, but also drives performance.

At AVANGRID, we added financial stewardship – *the F* – to ESG because we believe that financial sustainability both promotes and is a result of an ESG-led strategy. We know we must also invest in the future today, using our ESG+F framework to help prioritize our investments in innovation, excellence and efficiency to benefit our customers, communities, employees and shareholders. We are also focused on maintaining a strong financial position from a balance sheet perspective, credit metrics and liquidity. In the energy transition, the strong will have more options and opportunities.

In 2020, we furthered our commitment to sustainability by committing to additional reductions to our Scope 1* emissions intensity and reaching Scope 1 carbon neutrality by 2035, enhancing our supplier sustainability and minimizing the footprint of our fleet and facilities. And our inaugural listing by *Forbes* and JUST Capital as one of the 2021 JUST 100 recognizes that our strategy is vital to understanding our corporate purpose and communicating that to all our stakeholders.

Transparency with our investors and stakeholders about our ESG+F commitments and achievements is critical. In addition to this report, AVANGRID continues to communicate ESG disclosures through the Global Reporting Initiative (GRI) Index, Sustainability Accounting Standard Board (SASB) and the Edison Electric Institute (EEI) and American Gas Association (AGA) ESG/Sustainability template reports, all of which are available in the Sustainability section of AVANGRID's website at www.avangrid.com.

* U.S. Environmental Protection Agency: <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>



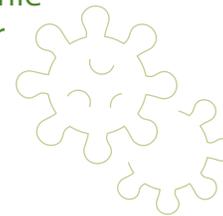


OUR COVID-19 RESPONSE

This year's Sustainability Report stands apart from previous reports, in large part due to the global pandemic that has impacted our lives and our institutions. We've met this health crisis with compassion for those impacted and a focus on problem solving to ensure we provide continued service to our customers and our communities.

The COVID-19 pandemic created extraordinary challenges in our communities. We kept our focus on our customers and our employees, developing solutions to meet the needs of those most impacted by the pandemic. Our efforts spanned our business operations and our charitable giving, all with the goal of supporting our customers and communities in need and keeping our employees safe.

We have a critical role to play in ensuring that essential services such as hospitals, first responders, government and businesses have reliable service – and we'll keep delivering on our promise to support our communities through the COVID-19 pandemic and beyond.



MULTIFACETED RESPONSE TO COVID-19: SUPPORTING THE HEALTH AND WELL-BEING OF OUR EMPLOYEES, OUR CUSTOMERS AND OUR COMMUNITIES

During the early stages of the COVID-19 pandemic, we began educating employees about the potential threat and provided training to help prevent its spread. We immediately enabled employees able to work from home to do so. For frontline personnel not able to work remotely, we quickly put in place protocols designed to separate and protect them. We also took immediate steps to protect the health of our employees and customers by suspending all non-emergency indoor work last spring.

As the first cases of COVID-19 began to emerge in our service territories, we conducted inspections and performed maintenance to protect electrical circuits that serve hospitals and other critical facilities and help ensure uninterrupted service.

// 2020 BUSINESS OVERVIEW

COVID-19 has impacted our economy in devastating ways and imposed financial hardship on many of our customers. Our companies suspended shut-offs for nonpayment, as well as late-payment fees and security deposits. We communicated these measures to customers and encouraged them to reach out to our Customer Care team to make alternative payment arrangements reflecting their economic circumstance and to get help identifying supportive resources to assist them.

AVANGRID and the Avangrid Foundation committed \$2.5 million to COVID-19 response and recovery efforts at the national, state and local levels. Our companies also donated 31,000 protective masks to hospitals in the areas where they operate. We continue to work with our regulators and community partners to find ways to ease the impact of the pandemic, particularly for our most vulnerable customers.

During the pandemic, ensuring the health and safety of our employees has been our primary focus and paramount to our ability to continue to safely deliver reliable electric and gas service to our customers across our operating companies.

We activated our emergency response and business continuity plans and worked with federal, state and local authorities to provide a coordinated response during this unprecedented crisis.

A CLOSER LOOK: PROTECTING OUR EMPLOYEES AND OUR CUSTOMERS

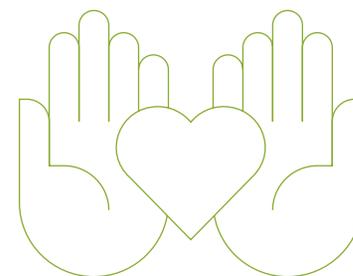
In January 2020, before COVID-19 reached pandemic status, AVANGRID was monitoring the newly discovered coronavirus (2019-nCoV) and preparing to activate a pandemic plan to protect the health

and safety of our employees and the communities AVANGRID serves.

By the time COVID-19 reached pandemic status in March 2020, AVANGRID had moved swiftly to develop collaborative plans with every function, including Environmental, Health & Safety, HR, IT, Fleet & Facilities Management, Legal, Security and Regulatory, to develop risk reduction plans across the company.

We immediately activated a 24/7 COVID-19 employee hotline to field reports and concerns from employees. This team developed a robust contact tracing and notification procedure to track and monitor all confirmed and potential cases across the organization. This process ensures that employees exposed or potentially exposed to COVID-19 act quickly and appropriately to protect themselves, their colleagues and communities, and that workplace re-entry happens only after it's safe to return when work from home is not possible.

AVANGRID rapidly developed and implemented new procedures and best practices, aligned with Centers for Disease Control (CDC) guidance, designed to prevent the spread of COVID-19 in the workplace. Transparency and frequent communication were key in helping our employees adjust to new ways of working and the uncertainty of the health and safety of themselves and their families. We did this through daily email updates, town hall meetings with leadership and with health experts, and direct emails to employees whenever a positive case was identified in their region.



AVANGRID and the Avangrid Foundation committed \$2.5 million to coronavirus response and recovery efforts at the national, state and local levels. Our companies also donated 31,000 protective masks to hospitals in the areas where they operate.



// 2020 BUSINESS OVERVIEW

Due to the need to perform work in the field and our communities, AVANGRID's field workforce was identified as a high-risk population. AVANGRID developed extensive personal protective equipment (PPE) guidance, procured critical supplies to support specific activities and activated a customer screening process to protect workers entering people's homes.

The company's fleet team expanded our work vehicle inventory significantly to enable one-person-to-a-vehicle guidelines.

To help prevent COVID-19 spread at office sites, AVANGRID orchestrated an efficient migration of nearly 60% of its workforce to remote work, supported with strengthened technology capabilities and access to workstations and ergonomic guidance.

When certain critical functions returned to the workplace in summer 2020, the company published an extensive, dynamic guide to new safety measures, including new PPE and social distancing requirements, as well as heightened travel restrictions. To further protect its workforce, AVANGRID instituted mandatory wellness checks and temperature screens in August for all employees reporting into the workplace or the field. To promote employee self-protection and symptom monitoring, AVANGRID sent cloth face coverings and a personal thermometer to every employee's home.

As 2020 drew to a close, AVANGRID focused on reducing the virus' spread and commenced planning for the COVID-19 vaccination phase and an eventual safe and healthy re-entry to the workplace.

AVANGRID FOUNDATION: STEPPING UP TO HELP NEIGHBORS IN NEED DURING THE COVID-19 PANDEMIC

Through our philanthropic arm, the Avangrid Foundation, and through our employee giving and matching programs, we have been there for communities in need to provide humanitarian relief – from Hurricanes Harvey, Maria and Irma to wildfires, tornadoes and other natural disasters. The COVID-19 pandemic was a new kind of humanitarian crisis, with widespread health, social and economic impacts.

With collaboration as the driver and immediate relief the goal, the Foundation committed \$1 million – its single largest charitable donation to date – to national and regional organizations doing critical work on the pandemic's front lines. The Foundation's donations formed part of a larger \$2.5 million response from AVANGRID to provide support directly to the communities served by its eight Northeast utilities and Avangrid Renewables.

A donation of \$1.5 million in corporate funds from the AVANGRID companies responded to needs at the local level. Foundation giving was designed to intertwine with local giving, ensuring the joint response was balanced, complementary and comprehensive.

OUR NATIONAL PARTNERS

National partnerships focused on addressing the U.S.-based emergency response, food insecurity and health and wellness with financial donations to the following organizations:

- Feeding America - \$150,000
- The American Red Cross - \$100,000
- Americares - \$100,000
- Meals on Wheels America - \$100,000

// 2020 BUSINESS OVERVIEW

THE REGIONAL RESPONSE

Awards were also made to multiple coronavirus relief and recovery funds administered by community foundations and affiliate partners. These funds support the critical work of nonprofits providing community-based health and human services and helping meet the basic needs of income-constrained individuals at the state, county and local levels.

Maine:

- COVID-19 Emergency Response Fund (Maine Community Foundation)

Massachusetts:

- COVID-19 Emergency Response Fund for Berkshire County (Berkshire United Way & Berkshire Taconic Community Foundation)

New York:

- Rochester Community Crisis Fund (Rochester Area Community Foundation & United Way of Greater Rochester)
- Central New York COVID-19 Community Support Fund, Cayuga County COVID-19 and the Madison County Rural Poverty Fund (Central New York Community Foundation & United Way of Central New York)
- Western NY COVID-19 Community Response Fund (Community Foundation for Greater Buffalo & United Way of Buffalo & Erie County)
- CFSCNY COVID-19 Response Fund (Community Foundation for South Central New York)

Connecticut:

- Connecticut United Ways COVID-19 Response Fund (joint effort of 15 United Way chapters in Connecticut)
- 4-CT Statewide COVID-19 Relief Fund (donor-advised fund of the Hartford Foundation for Public Giving)

Oregon:

- COVID-19 Emergency Response – Oregon Community Recovery Fund (Oregon Community Foundation)



// A DECADES-LONG PARTNERSHIP IN MAINE BRINGS RELIEF TO FELLOW CITIZENS

In spring of 2020, as the pandemic intensified its grip on Maine, food security became a critical issue, especially for seniors, many of whom depend on Meals on Wheels.

To support this vulnerable population in their community, Central Maine Power (CMP) leveraged its more than 50-year relationship with the United Ways of Maine, donating a total of \$200,000 earmarked to Meals on Wheels to address food insecurity experienced by Mainers because of COVID-19.





// 2020 BUSINESS OVERVIEW

2020 REVIEW AND OUTLOOK: RENEWABLES

Avangrid Renewables is the third largest wind generator in the U.S. with nearly 70 operational wind and solar facilities in 22 states.

With every new project, Avangrid Renewables renews its industry-leading commitment to building the global clean energy economy. It isn't just about delivering clean energy to the public and private utilities and commercial and industrial customers we serve; it is about delivering on the promise of a better energy future, using the abundant renewable resources we have here at home.

Avangrid Renewables is one of the leading providers of clean, renewable wind power in the U.S. with more than 7,800 MW of owned and controlled wind and solar power facilities. In 2020, we continued to add new clean energy generation capacity to the grid.

The company completed construction of three new wind projects with a total capacity of nearly 620 MW:

- 158 MW Otter Creek Wind Farm in LaSalle County, Illinois
- 155 MW Tatanka Ridge Wind Farm in Deuel County, South Dakota*
- 306 MW La Joya Wind Farm in Torrance County, New Mexico

During 2020, Renewables executed over 750 MW of new power purchase agreements, which will drive the construction of additional new clean energy projects in the years ahead.

* Ownership: 85% WEC Energy Group, 15% Avangrid Renewables



Avangrid Renewables also added 366 MW of generation capacity through repowering. “Repowering” refers to a process wherein the company evaluates existing wind facilities and implements upgrades that enable the generation of even more clean energy from the company’s existing footprint. This provides an opportunity to extend the life of existing facilities while maximizing clean power generation.

In addition to Avangrid Renewables’ nationwide onshore wind and solar footprint, the company is also a leader in the emerging U.S. offshore wind industry. Both on- and offshore, 2020 saw tremendous progress on many projects.

// 2020 BUSINESS OVERVIEW



In 2020, Vineyard Wind announced the project will be utilizing GE Renewable Energy's industry-leading Haliade-X wind turbine generators (shown), the most powerful in operation to date.

VINEYARD WIND

Vineyard Wind is a joint venture between Avangrid Renewables and Copenhagen Infrastructure Partners (CIP). The joint venture's first project, Vineyard Wind 1, will have a capacity of 800 MW and be located 15 miles south of Martha's Vineyard. In 2020, the project made significant progress toward delivering clean energy to Massachusetts. Set to become the first U.S. commercial offshore wind project when it begins operation, the project will use GE's Haliade-X wind turbine generators, the most powerful offshore wind turbine to date.

The project will provide enough electricity to power more than 400,000 homes and businesses in the Commonwealth of Massachusetts, create 3,600 Full Time Equivalent (FTE) job years and reduce electricity rates by \$1.4 billion over the first 20 years of operation; it is expected to reduce carbon emissions by more than 1.6 million metric tons per year.*

Vineyard Wind is expected to receive the Record of Decision from the federal Bureau of Ocean Energy Management, the primary federal permit required to begin construction, in April of 2021. Construction is expected to commence in 2021, and the project is anticipated to begin delivering energy in 2023.



Park City Wind will redevelop Barnum Landing (shown), an 18.3-acre waterfront industrial property in Bridgeport, Connecticut, which will host hundreds of local workers to make the project a reality.

PARK CITY WIND

The Vineyard Wind joint venture is also developing the Park City Wind project to supply clean energy to Connecticut. Selected in 2019 by the Connecticut Department of Energy and Environmental Protection in a competitive solicitation process for offshore wind facilities, the 804 MW project would provide approximately 14% of Connecticut's electricity supply and avoid emitting 25 million tons of carbon emissions in the state over the life of the project.**

The proposed offshore wind development is named after the City of Bridgeport, Connecticut, widely referred to as the Park City, and has the potential to establish Bridgeport as an American hub for the emerging U.S. offshore wind industry.

Vineyard Wind is dedicated to making Bridgeport home to Park City Wind's operations and maintenance hub for the 25+-year life of the project, bringing with it long-term jobs and generating millions of dollars in direct expenditures.

The Park City Wind project has committed to invest up to \$12 million to redevelop an 18.3-acre waterfront industrial property in Bridgeport. A renovated Barnum Landing property will host hundreds of local workers hired to do steel fabrication and final outfitting. This labor-intensive work will create new, well-paying union jobs along with a trained workforce prepared for future offshore wind projects, all in support of building valuable Connecticut-based offshore wind capabilities.

* Based on estimated annual generation of VW1 and 2017 ISO-NE carbon intensity

**CT DEEP: <https://portal.ct.gov/DEEP/News-Releases/News-Releases---2020/DEEP-Selected-Power-Purchase-Agreement-for-804-MW-Offshore-Wind-Project-Filed-with-PURA>



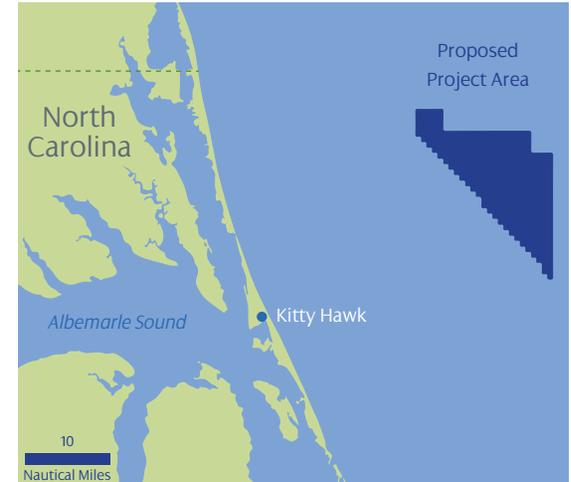
// 2020 BUSINESS OVERVIEW

KITTY HAWK OFFSHORE WIND

Kitty Hawk Offshore Wind is a proposed 2,500 MW offshore wind project to be located approximately 27 miles from the shore of North Carolina's Outer Banks and is wholly owned by Avangrid Renewables. When fully built out, the project is expected to generate enough clean electricity to power the equivalent of 700,000 homes.*

In December 2020, Avangrid Renewables submitted a Construction and Operations Plan (COP) to the Bureau of Ocean Energy Management (BOEM) as part of the federal permitting process for the project's first phase. The COP sets forth the results of an economic impact study, commissioned by Avangrid Renewables and conducted by the Public Strategy Group, which anticipates that the project will drive approximately \$2 billion in economic activity and create hundreds of jobs between 2021 and 2030 with the buildout of the project.

The first phase of the project, anticipated to begin construction as soon as 2024, will have the capacity to generate approximately 800 MW of electricity.



// KITTY HAWK OFFSHORE WIND PROJECT DEPLOYS THE LATEST DATA-COLLECTION TECHNOLOGY

To inform and facilitate the development of the Kitty Hawk Offshore Wind project in a manner that maximizes compatibility with the ocean environment, the Floating Light Detection and Ranging (FLiDAR) instrumentation buoy is being deployed, using advanced technology to collect real-time meteorological and ocean data.

The FLiDAR WindSentinel buoy is an industry-proven technology developed by AXYS Technologies, Inc., that integrates a LiDAR on a moored buoy to provide data on wind speed, wind direction and turbulence at the turbine hub height and across the blade span. Avangrid Renewables selected the WindSentinel system in part due to its minimal impacts to offshore birds and marine mammals.

The FLiDAR WindSentinel buoy has limited landing areas for birds, prevents seals from hauling out onto the buoy and employs anchor chains that minimize entanglements by marine mammals. The buoy is powered by an advanced hydrogen fuel cell, which reduces carbon emissions while reliably powering the sophisticated instrumentation on board. The buoy will be deployed for one year with the possibility of an extended time in a second location within the wind energy area.



* Economic Impact Study of Kitty Hawk Offshore Wind

// 2020 BUSINESS OVERVIEW



OTTER CREEK WIND FARM

Located in LaSalle County, Illinois, the Otter Creek Wind Farm exemplifies the positive impact our wind farms have in their local communities.

The 158 MW wind farm achieved commercial operation in March 2020 and has the capacity to generate more than 504,100 megawatt hours (MWh) annually, or enough to power roughly 60,000 typical Illinois homes in a year. It features 38 Vestas 3.8 MW wind turbines and four Vestas 3.45 MW turbines.

More than just generating power, however, the Otter Creek Wind Farm is an engine of local economic opportunity. Spread over more than 10,000 acres of land, mostly used to grow corn and soybeans, the project's footprint encompasses 76 landowners. The construction effort has resulted in nearly \$12 million in local spending with more than 200 workers on site. Landowner lease and neighbor payments are expected to total roughly \$650,000 in the first year of operation and more than \$30 million over 25 years. New tax revenue is

expected to exceed \$1.1 million in the first year and total roughly \$17 million over the next 20 years.

What's more, T-Mobile US has agreed to a long-term contract for Otter Creek and a purchase of renewable energy credits, which will help the national wireless carrier meet its environmental goals.



10,000
ACRES OF LAND



200
WORKERS ON SITE



\$650,000
LANDOWNER LEASE AND
NEIGHBOR PAYMENTS

CASE STUDY: DOING GOOD IN THE PACIFIC NORTHWEST

Avangrid Renewables is doing its part to ensure a sustainable future for customers in its Pacific Northwest territory by supplying clean renewable power and economic opportunity to the area. During 2020, perhaps nowhere was that impact felt more than in Gilliam County, Oregon, where the 162 MWac Pachwaywit Fields solar generation facility – the largest in Oregon – is being built.

Construction is underway and, at its peak, the project will generate approximately 300 jobs in partnership with local unions. Expected to come online in late 2021, the project will produce enough power to serve the equivalent of about 40,000 homes and will generate an estimated \$1.3 million of taxes and property owner lease payments each year, benefiting the local economy for years to come. The new solar facility will be Avangrid Renewables' 11th renewable energy facility in Oregon and will be built on 1,200 privately owned acres in Gilliam County.

Portland General Electric will purchase the output from the facility and the accompanying renewable energy credits for PGE's Green Future Impact customers, helping them source up to 100% of their energy from a local renewable energy resource that they've helped make possible.





// 2020 BUSINESS OVERVIEW



HELPING OUR CUSTOMERS MEET THEIR SUSTAINABILITY COMMITMENTS

Washington's Puget Sound Energy (PSE) has agreed to purchase the output supplied by the 201 MW Golden Hills Wind Farm, currently under construction in Sherman County, Oregon. The Golden Hills Wind Farm will be Avangrid Renewables' 13th in the Pacific Northwest and an important step toward realizing the company's goal to have over 13 GW in operation by the end of 2025. The new renewable facility will help PSE meet their goals to reduce greenhouse gas emissions while providing additional capacity to serve customers, particularly during winter periods of high electricity demand. This agreement is part of PSE's commitment to the environment and deep decarbonization by investing in more clean energy.

In 2020, we also announced a partnership with a major technology company to power their operations in the Pacific Northwest. Our Montague Wind and Gala Solar projects supply renewable energy to our customer's data centers under long-term power purchase agreements. In addition to generating clean energy, the Montague Wind Farm and Gala Solar provide substantial economic benefits to surrounding communities. More than 400 people were employed in the construction of the two projects, and the projects support approximately 15 full-time positions through their operation. The projects will provide an estimated \$86 million to local communities over their lifetimes in the form of taxes and landowner lease payments.



// 2020 BUSINESS OVERVIEW

AN “INSPIRING” RESPONSE: EMPLOYEES SPRING TO ACTION



During a year unlike any other in recent memory, AVANGRID employees continued to display amazing resiliency while staring down tropical storms, hurricanes, the global pandemic and deadly wildfires. Through it all, Team AVANGRID displayed amazing commitment, dedication, kindness and generosity of spirit.

Nowhere was the impact felt harder than in Portland, Oregon – the home of Avangrid Renewables. Nearly 350 Avangrid Renewables employees live in or near areas that experienced wildfire impacts. Nonetheless, the Avangrid Renewables team demonstrated their commitment to our business and our shared mission.

Our teams continued to operate our wind, solar and Klamath Cogeneration facilities in the West to safely deliver clean electricity to our customers, and our construction team continued work on the Lund Hill Solar Project. Avangrid Renewables corporate employees also did their part to ensure continued successful operations, even as the scale of the evacuations and the ongoing pandemic created significant hurdles for those arranging accommodations.

In addition to providing company resources to help arrange shelter, we took the unusual step of asking members to consider opening their homes to their colleagues. Their response was truly inspiring.

AVANGRID RENEWABLES PROTECTS IMPORTANT BAT HABITAT IN NEW YORK

Bats are critical to the ecosystem, and protecting bat habitats has significant conservation value. This is the case with the Barton Hill Mine in Essex County, New York, an abandoned mine shaft offering a suitable environment for bats to utilize.

In summer 2020, Avangrid Renewables took definitive action to protect this important habitat with a population of bats known to reside in the mine. A team of specialists installed a metal gate across a large entrance to the Barton Hill Mine to protect several species of bats, including the federally endangered Indiana bat, the federally and New York State threatened Northern long-eared bat, and little brown, big brown and Eastern pipistrelle bats. The gating design is unique as it both prevents bat disturbance from human interference and provides adequate space for bat access.

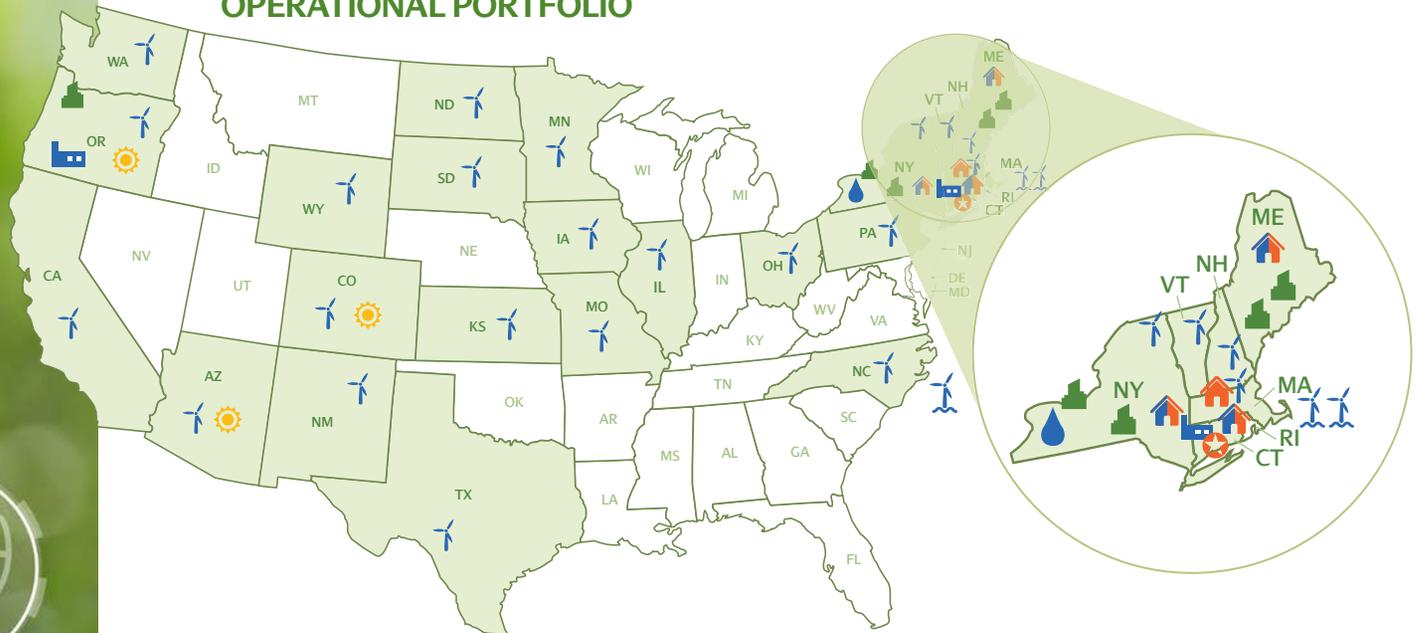
Avangrid Renewables planned this project to mitigate potential impacts from the Roaring Brook Wind Farm, which is under construction, and the Deer River Wind Farm, currently under development.

The U.S. Fish and Wildlife Service and New York Department of Environmental Conservation have identified the project as having high conservation value, as the gate is expected to protect thousands of bats per year, and its completion reduces the nuisance qualities and potential safety risk of an open abandoned mine entrance.



// 2020 BUSINESS OVERVIEW

OPERATIONAL PORTFOLIO



Facilities:

- U.S. Headquarters
- Business Offices
- Wind Power
- Solar Power
- Thermal Generation
- Hydroelectric Plants
- Electric and Natural Gas Utilities
NOTE: Solid orange icon (MA) indicates natural gas only.
- Offshore Wind Under Development



3.3M CUSTOMERS



7,031 EMPLOYEES



\$4.2M IN CHARITABLE GIVING



\$2.8B INVESTMENTS IN 2020

\$38 BILLION
TOTAL ASSETS
WITH OPERATIONS
IN 24 STATES

8,822 MW
GENERATING CAPACITY

90%
EMISSIONS-FREE
CAPACITY



2020 REVIEW AND OUTLOOK: NETWORKS

As customer expectations and government energy and environmental policies continue to evolve, Avangrid Networks is working to support a cleaner energy future through the implementation of new and innovative technologies, additional Distributed Energy Resources (DERs) like rooftop solar and a more sustainable business model.

Avangrid Networks continues to build, reinvest, protect and proactively modernize the grid through significant investments in our electric infrastructure and gas distribution businesses.

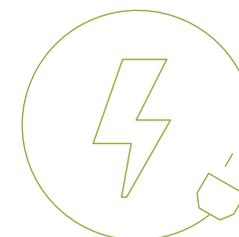
During 2020, Avangrid Networks invested \$1.9 billion completing several projects, including three new substations, and implementing an investment of \$145 million in system automation and technology upgrades that helped improve our infrastructure and technology platforms, while maintaining system reliability and resiliency for our customers.

During the last six years, Avangrid Networks has invested nearly \$8.3 billion to build safe, stable and secure electric networks with greater capacity and improved reliability and resilience, with an eye toward cost-effectively meeting our customers' needs and mitigating environmental impacts.

Increased energy efficiency efforts, along with more robust DER technology and generation, are changing the way energy flows on both the bulk and

distribution electric systems. Combined with the growing adoption of additional transportation technology, mostly in the form of electric vehicles (EVs), Avangrid Networks is expecting that shifts in customer consumption patterns will impact overall system demand, particularly during peak times.

The energy industry continues to experience rapid change. The way customers interact with their utilities has evolved and will continue to evolve. Avangrid Networks remains committed to solving tomorrow's challenges today – delivering safe and reliable electric and natural gas service to our more than 3 million customers across the Northeast. Through innovation and investment, we will continue our pursuit of a cleaner energy system that supports more sustainable communities and delivers on our commitments as the leading sustainable energy company in the U.S.



During 2020, Avangrid Networks invested \$1.9 billion completing several projects, including three new substations, and implementing an investment of \$145 million in system automation and technology upgrades that helped improve our infrastructure and technology platforms, while maintaining system reliability and resiliency for our customers.



// 2020 BUSINESS OVERVIEW

BUILDING CLEAN ENERGY TRANSMISSION INFRASTRUCTURE

We understand that transmission and distribution investments will be critical to modernizing the grid and to support renewables growth. According to the International Energy Agency, this is going to require investment of about \$44 billion per year over the next 20 years in North America alone.



NECEC TRANSMISSION PROJECT

In early 2021, Avangrid Networks broke ground on one of the biggest clean energy projects in the Northeast U.S. with New England Clean Energy Connect (NECEC), a transmission project that will deliver 1,200 MW of renewable hydropower from Quebec to Maine and directly onto the New England grid.

The NECEC transmission project will help Massachusetts meet its clean energy portfolio goals and deliver substantial benefits for Maine, including \$15 million in benefits for electric vehicle (EV) infrastructure and \$15 million to support the expansion of broadband service.

The NECEC will also preserve 40,000 acres of Maine woods and contribute \$6 million toward additional land conservation in the state.

The project will create more than 1,600 jobs during the two-and-a-half-year construction period and provide \$200 million in upgrades to Maine's energy grid, making Maine's electricity service more reliable. The NECEC transmission project will allow more producers of renewable energy in Maine to get their energy on the grid, and because the corridor project will use clean hydropower, it will reduce the use of fossil fuels, cutting 3 million metric tons of harmful emissions each year, the equivalent of removing 750,000 cars off the road.*

Over its 145-mile route, the NECEC was thoughtfully sited and designed to minimize environmental impacts. The 53 miles of new corridor on working forest land will use a new clearing technique of tapered vegetation; the remaining two thirds of the project follows existing power lines created for the state's hydroelectric industry almost a century ago.

Once built, the NECEC will be New England's largest source of renewable energy, representing a fundamental shift away from fossil fuels while simultaneously lowering energy costs in Maine and New England.



NEW ENGLAND
**CLEAN ENERGY
CONNECT**

* U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>





ROCHESTER AREA RELIABILITY PROJECT (RARP)

As part of our commitment to provide safe, reliable service to all customers, Rochester Gas & Electric (RG&E) and AVANGRID have made significant investments to upgrade the electricity transmission system in the Rochester, New York region.

The Rochester Area Reliability Project (RARP) was energized in December 2020 and is in the towns of Chili, Gates and Henrietta and in the City of Rochester. Now complete, the project provides additional power to fill growing demand, increases reliability and accommodates growth and economic development in the Rochester region.

The overall project involved the construction, reconstruction, operation and maintenance of approximately 27.6 miles of 345- and 115-kilovolt (kV) transmission lines; improvements to three existing substations in the towns of Gates and Henrietta, and the City of Rochester; the construction of one new

345 kV/115 kV substation (Station 255) in the Town of Henrietta off East River Road; and upgrades within the fenced-in areas to existing substations in the towns of Lewiston and Somerset in Niagara County.

RARP also provides additional access to the neighboring 345 kV transmission system of the New York Power Authority, coupled with upgrades to existing infrastructure.

RARP was designed with the community in mind by placing most transmission lines along existing transmission and railroad corridors to mitigate impacts to the environment and our neighbors. However, crossing certain ecological resources during the project was unavoidable. To maintain the integrity of the ecosystem, RG&E created a new 12.6-acre free-standing and fully functional wetland. During 2020, RG&E has continued to monitor the wetlands area and will continue for a minimum of five years.



PNM RESOURCES

In October 2020, we announced our intention to merge with PNM Resources. The transaction will further our growth in both clean energy distribution and transmission, as well as help to expand our growing leadership position in renewables.

Our two companies also share the same values as we both are passionate about our customers, employees and the communities we serve. In addition, both AVANGRID and PNM Resources are leaders in environmental, social and governance issues that impact our stakeholders.

Pending regulatory approvals, the transaction is expected to close in the second half of 2021.

The merger is subject to certain conditions including certain regulatory approvals and entry into agreements providing for, and to making filings required to, exit from all ownership interests in PNM Resources' Four Corners Power Plan and certain other customary closing conditions. For additional information, please see AVANGRID's Annual Report on Form 10-K for the year ended December 31, 2020.



// 2020 BUSINESS OVERVIEW

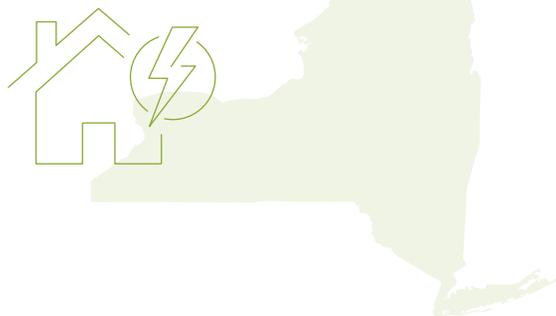
RESILIENCY PLANS

In 2020, Avangrid Networks continued its focus on storm-hardening its electric grid to reduce damage and outages from weather events.

NEW YORK RESILIENCY PLAN

In New York, our two operating companies – New York State Electric & Gas Corporation (NYSEG) and RG&E – continued to move forward with their multibillion-dollar Resiliency Plan. This plan aims to harden the electric system so that the grid can better withstand weather events, enhance vegetation management practices so that we can reduce the risk of trees and branches coming into contact with power lines, and invest in automation technology so that operators can quickly segment and restore service during weather events.

This plan aims to harden the electric system.



MAINE RESILIENCY UPGRADES

Early in 2020, Central Maine Power (CMP) completed a resiliency project on four miles of a southern Maine circuit, replacing all utility poles with taller, more durable poles and conductor wire with coated tree wire that better resists tree branch impacts to address frequent outages on the circuit. More automation was added to the circuit to manage power flow remotely, reducing the impacts of faults.

The company then moved 200 miles north to Jackman, Maine, where in addition to installing the coated tree wire, more durable utility poles and automation features, CMP is piloting a “ground-to-sky” vegetation management approach, extending its regulated trimming zone to reduce the likelihood of trees causing outages. Maine is the most heavily forested state in the nation, and falling limbs and trees from outside the approved trim zone cause the majority of outages, especially in wind storm events. This work will continue throughout 2021.

In 2020, CMP also began installing “animal guards” onto its utility pole top transformers to prevent local outages caused by squirrels on the power lines. Animal contact is responsible for nearly 20% of all outages annually. In 2020, CMP installed 12,000 of these protected transformers and will continue the work into 2021. A win-win for customers and wildlife.

// 2020 BUSINESS OVERVIEW

ENERGY EFFICIENCY PROGRAMS FOR CUSTOMERS

At AVANGRID, we are continually looking for methods to increase energy efficiency while serving our customers through innovative approaches. At its core, the term *energy efficiency* implies a method of reducing energy consumption by using less energy to attain the same amount of useful output.

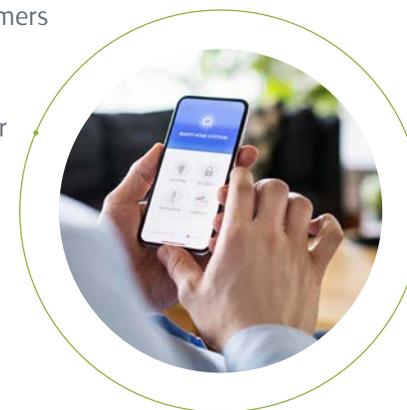
In 2020, Avangrid Networks launched a virtual commissioning pilot that uses energy intelligence software to analyze customer advanced metering infrastructure (AMI) data and delivers personalized energy consulting services to reduce energy consumption and save business customers money.

Customers participating in the pilot receive tailored low-cost, no-cost system- and behavioral-based operational recommendations for improving the energy performance of their homes or businesses.

For instance, we can determine if a customer's HVAC system isn't working correctly and implement code changes to the system that alter scheduling and overall performance.

An added bonus is that this virtual service is essentially a contactless approach to energy savings, where all the consulting is done remotely. This pilot is just one of many ways we demonstrated outstanding agility by pivoting to remote and virtual methods of delivering critical energy efficiency services to residential and business customers in the face of the COVID-19 pandemic.

Not only does the pilot enable our customers to optimize the energy performance of their homes or businesses; it also helps the environment through reduction in air pollution and negative environmental impacts while also making good financial sense, resulting in \$2.30 in electric system benefits for every \$1 invested in energy efficiency.



// TROPICAL STORM ISAIAS

In 2020, all our service territories experienced the destructive impact of Tropical Storm Isaias, the costliest tropical cyclone to affect the Northeastern U.S. since Superstorm Sandy in 2012. In response, the AVANGRID companies engaged in pre-event emergency procedures to prepare for significant impacts across the four electric operating companies, with the brunt of the event centered in United Illuminating (UI) and southeast NYSEG's service areas.

Across our operating companies, we engaged our emergency plans to marshal appropriate levels of materials and resources, and communicated with customers, officials and other key stakeholders. This effort enabled us to meet estimated restoration times and provide resources to municipalities to perform necessary safety efforts to clear roads of downed wires, broken poles and fallen trees.

As a result, AVANGRID's operating companies have been cited by area officials for adopting lessons learned from Superstorm Sandy and Storms Irene and Lee, and creating best practices in areas such as communications, municipal coordination and efficient resource deployment.



// 2020 BUSINESS OVERVIEW

NEW YORK JOINT PROPOSAL AGREEMENT

In November 2020, NYSEG and RG&E announced that the companies accepted the three-year joint proposal agreement approved by the New York Public Service Commission (NYPSC). The approved plan, among other things, provides immediate COVID-19 relief to customers, enables significant investments in the companies' infrastructure and demonstrates the companies' commitments to support the New York Climate Leadership and Community Protection Act. In addition to the NYPSC, the agreement earned support from stakeholders that included customer groups, industry, governmental and environmental interests, with more than 20 parties signing the agreed-upon proposal in June 2020.

As a result of the three-year plan, customers, the companies and stakeholders now have a level of certainty as it relates to the companies' investment strategy moving forward. The plan also allocates significant resources to help mitigate the impact frequently occurring storms have on customers and the companies through preventive measures such as tree trimming, system hardening and the Asset Condition Replacement Program.

COVID-19 Relief

The plan provides up to \$30 million for COVID-19 relief (\$16.5 million for NYSEG and \$13.5 million for RG&E) for the companies' most vulnerable residential and small commercial business customers. It also creates two new electric economic development programs targeted toward both small and large businesses.



Investments in Aging Infrastructure

The approved plan makes significant investments in NYSEG and RG&E's electric infrastructure by investing approximately \$550 million (2020–2023) in NYSEG's Asset Condition Replacement Program and approximately \$309 million (2020–2023) in RG&E's Asset Condition Replacement Program. It also provides for resiliency program investments of \$107 million at NYSEG and \$35 million at RG&E over the 2020–2023 period to improve the resiliency of the companies' electric distribution systems.

Advanced Metering Infrastructure (AMI) and Billing System Enhancement

The approved plan provides for the implementation of AMI technology, or smart meters, for all NYSEG and RG&E electric and gas customers. Smart meters will drive efficiencies, empower customers to better manage their energy usage, eliminate most estimated bills and promote the implementation of distributed energy resources. Meter installation will begin in 2022, with deployment occurring over three years.

// 2020 BUSINESS OVERVIEW

FIRST OF ITS KIND: NON-PIPE ALTERNATIVE

NYSEG is implementing Non-Pipe Alternative (NPA) solutions in the Town of Lansing, New York, that will improve reliability of the company's natural gas system. The NPA solutions are substitutes for traditional gas capital projects, such as pipelines, that utilize alternative technologies to address natural gas system reliability needs.

This project moves the company closer to its goal of supporting reliable energy supply for gas customers without the installation of new natural gas pipelines. These solutions will reduce the amount of natural gas used by existing customers, utilizing beneficial electrification and other approaches to meet energy needs, and most efficiently meet the reliability needs of customers. The result: a reduction in the demand on traditional natural gas that customers use to heat their homes, water and appliances by providing alternate energy sources to meet customer needs.

The solutions are designed to enhance the reliability of service for existing customers in the Lansing area, while also supporting the energy and environmental goals contained in New York's Climate Leadership and Community Protection Act.

Currently, NYSEG serves 270,204 natural gas customers statewide and more than 2,300 in the Lansing area who will benefit from these innovative solutions.



AVANGRID UTILITIES RECOGNIZED WITH NATIONAL STORM RECOVERY AWARD

Working around the clock to restore power safely and quickly to customers is a hallmark of the electric power industry during a crisis and is deserving of recognition. Presented by Edison Electric Institute (EEI) to member companies, Emergency Response Awards recognize recovery and assistance efforts of electric companies following service disruptions caused by extreme weather or other natural events. The winners are chosen by a panel of judges following an international nomination process.

This year, CMP, NYSEG and UI were each recognized by EEI with an Emergency Response Award for their restoration efforts following snow and wind events in April 2020 and Tropical Storm Isaias in August 2020.



CMP has the added honor of being the first utility in the country to respond to a major storm event with what were then new COVID-19 safety protocols.

In the midst of a global pandemic and in the most hazardous of conditions, CMP, NYSEG, UI and their frontline employees worked nonstop to restore service – from our line workers using new pandemic safety techniques in challenging weather, to our logistics teams who fed and housed workers in the face of closed hotels and restaurants, to our contact center representatives who fielded calls from anxious customers getting used to learning and working from home.





// 2020 BUSINESS OVERVIEW

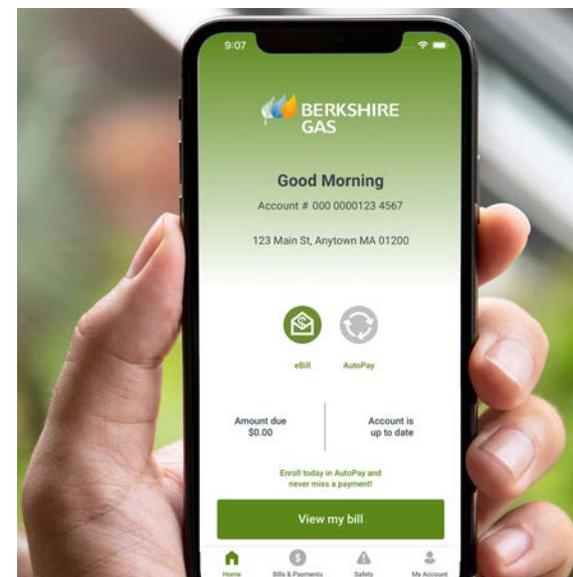
CONNECTICUT UTILITIES OFFER VIRTUAL ASSESSMENTS FOR ENERGY EFFICIENCY PROJECTS WITH INCREASED INCENTIVES FOR COMMERCIAL CUSTOMERS

To help large and small businesses in Connecticut combat the challenges associated with COVID-19 and get back on track with their energy efficiency goals for 2020, more resources were dedicated to support cost-saving energy efficiency upgrades and projects to help streamline operations.

UI, Southern Connecticut Gas (SCG) and Connecticut Natural Gas (CNG) offered virtual assessments and larger energy efficiency incentives to help customers navigate the current economic climate, including incentives that cover up to 75% of project costs.

UI, SCG and CNG developed enhanced incentives for retrofit projects to support large Commercial and Industrial (C&I) businesses with rebates and incentives. Up to 75% of install measure costs for retrofit projects completed in 2020 were covered under the current program offerings.

Eligible projects were based on whole building outcomes, including those that are using high-performance lighting (LED), sustainable office design, interior and exterior lighting and system controls to meet or exceed green building certification requirements.



ANOTHER NOTABLE ACHIEVEMENT

Continuous improvement and innovation efforts continue across our Networks business. For example, in 2020 we expanded newly launched mobile apps for customers to pay bills, to include customers in Maine and Massachusetts.

The mobile apps became a reliable tool for customers during the response to the pandemic, allowing for a 24/7 method of tracking usage and service needs when our routines were impacted.



// 2020 BUSINESS OVERVIEW

INNOVATION

To thrive in changing times, we must adapt and innovate. As a clean energy leader, AVANGRID's vision is to build on innovation that can scale new and emerging technologies over time. That's why we embrace innovation as a core value and are committed to investing in a smarter and cleaner energy future to meet the needs of our customers, improve reliability, reduce environmental impacts and enable climate change goals.

Our efforts continue to include creating an innovative ecosystem that attracts and leverages outside talent with a diversity of perspectives and explores new ways of collaboration with the aim of designing solutions that create sustainable value for society and our stakeholders.

Innovation is a strategic pillar of the organization that affects all business and activities. In 2020, AVANGRID invested more than \$79 million in innovative projects, a 17% increase over the previous year. This diverse portfolio of projects is helping us achieve our ESG+F goals, as we target our innovations to better serve our customers, communities, business operations and shareholders.

An example of technology improvements aimed at the customer experience is the work of the Smart Grids Innovation and Planning team in Avangrid Networks. They are roadmapping our ability to enable high levels of distributed, renewable generation, electric vehicles, heat pumps and battery storage.

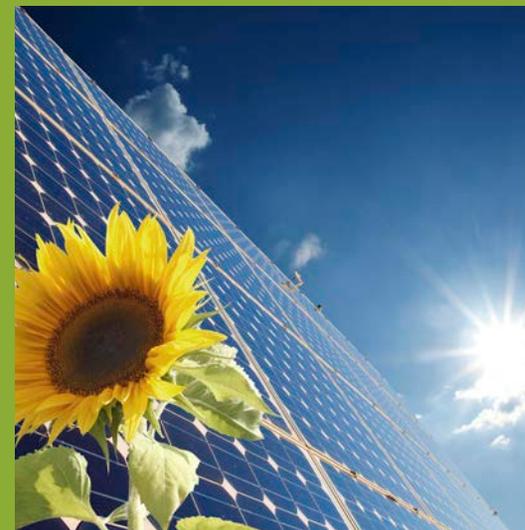
By strategically investing in foundational technologies such as smart meters (AMI), Substation and Circuit Automation, Advanced Distribution Management Systems (ADMS) and

Distributed Energy Resources (DER) Management Systems (DERMS) across our operating companies, we enable DER visibility and control real-time operations and improved reliability.

How we plan and operate the system will evolve, and we'll meet the demand by implementing new tools, revamping our processes and training our people for future capabilities.

Leveraging data, a key company asset, will also serve to improve decision making and increase value for our customers. For example, our New York energy storage pilots are informing the ability of this emerging technology to store energy and deliver electric distribution system and customer benefits by executing on multiple use cases.

AVANGRID spent approximately \$79 million on innovation projects in 2020, an increase from 2019 despite challenges due to the COVID-19 pandemic.



// TESTING FOR THE FUTURE WITH STRONG PARTNERSHIPS

The Energy Smart Community continues to be a key partnership with the City of Ithaca, Tompkins County and Cornell University. We've built the future grid in a test bed environment, which allows us to understand how to scale innovative solutions and integrate emerging technology. Strong partnerships with stakeholder involvement are paramount to exploring new business models and approaches needed to achieve a modern grid and creating sustainable value.





// 2020 BUSINESS OVERVIEW

Electrification of heating and transportation has been identified as a significant emissions reduction opportunity. That is why we are embracing electrification of heating with industry-leading energy efficiency programs, and we are enabling transportation electrification by investing in critical electric vehicle charging infrastructure with make-ready programs and managed EV charging approaches that will assist with addressing customer concerns around range anxiety, as well as inform grid capacity management.

In addition to our commitment to promoting EV deployment for the broader community, we are also looking for opportunities to increase and deploy electric pool, medium and heavy-duty bucket trucks and 100% electric mini excavators for our Networks fleets.

ENABLING THE DIGITAL ENERGY FUTURE TODAY WITH AVANGRID'S INFORMATION TECHNOLOGY INNOVATION

The AVANGRID Information Technology Department is helping to make the digital energy future a reality today. IT Innovation works across AVANGRID business lines and partners with technology providers to execute small-scale pilots and proofs of concepts that leverage the latest developments in advanced data analytics, robotic process automation, edge computing, augmented reality and more.

IT's work in digital innovation has garnered several awards and recognitions in recent years, including the SAP Utilities Excellence in Operations Award, the prestigious SAP SAPPHIRE Innovation Award and the enerTic Digital Growth Award, to name a few.

// NYSEG AND RG&E ADD INDUSTRY'S FIRST ELECTRIC BACKHOE LOADER TO FLEET

In 2020, NYSEG and RG&E became two of the first utilities in the world to incorporate an all-electric backhoe loader into their fleet. The zero-emission construction equipment demonstrates the companies' efforts to reduce emissions and create more sustainable communities.

The concept of an all-electric backhoe was formulated two years ago at a meeting between NYSEG and RG&E's fleet, gas operations/engineering management teams and manufacturer Green Machine, during a discussion focused on future opportunities to continue electrification.

The EV backhoe will be used primarily in NYSEG and RG&E's gas construction business. In addition to reduced carbon emissions, the backhoes offer other benefits, including lower daily operating costs and reduced noise for quieter work zones, allowing for improved communication among workers thus, creating a safer worksite.



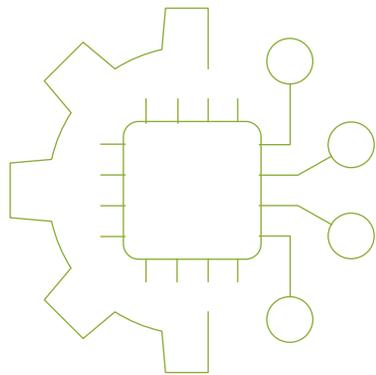
// 2020 BUSINESS OVERVIEW

AUTOMATED ASSET INSPECTION THROUGH EDGE DATA CAPTURE AND DEEP LEARNING

In our Networks business, we implemented edge computing to automate visual powerline inspections – improving speed and accuracy and reducing costs. To achieve this, cameras mounted to AVANGRID’s maintenance trucks provide high-resolution images to edge computing devices that use machine learning to automatically detect visible defects on poles and wires as the trucks drive by, with ever-increasing accuracy.

DEPLOYING TECHNOLOGY TO INCREASE RENEWABLE OPERATIONS EFFICIENCY

Avangrid Renewables launched a major initiative in 2020, called the Zenith Project, to find and extend best practices in operations and to increase efficiency and productivity through standardization and consistency. A new operations and maintenance model is being designed by plant managers and will include standardized process and procedures, along with opportunities to develop improvement initiatives and innovation to be applied across the project fleet.



2020 INNOVATION FORUM AND INNOVATION CHALLENGE

AVANGRID hosts an annual Innovation Forum to showcase and celebrate the most innovative projects across the company. The 2020 AVANGRID Innovation Forum was the first time the event was fully virtual.

The day featured more than 20 speakers, including AVANGRID and Iberdrola executives, innovators from across all business lines, energy-sector startups, and academic and technology partners. It also featured a powerful keynote talk from energy futurist and clean-tech investor Ramez Naam, who is the Chair of Energy and Environment at Singularity University. The day’s topics ranged from deploying drones equipped with AI for infrastructure inspection to understanding the decarbonization potential of green hydrogen and beyond.

The Forum also served as the virtual arena for AVANGRID’s annual Innovation Challenge. This year’s challenge featured six teams comprising AVANGRID subject matter experts and exceptional students from Cornell, Harvard, Maine, MIT and Yale universities. These Challenge Teams spent six months developing innovative solutions with practical applications to AVANGRID’s businesses, covering topics like offshore wind development, grid cybersecurity, hybrid renewables and more. The winning team included three students from Cornell University who presented their solution for enabling EVs to provide valuable services to the grid while providing a new income stream for EV owners.



Each year, the Innovation Forum provides AVANGRID an opportunity for its employees to learn about the most cutting-edge projects and have direct access to the next generation of top-tier talent. The Forum supports our culture of innovation while embodying our core values of agility, collaboration and sustainability.





// 2020 BUSINESS OVERVIEW

ENVIRONMENTAL INNOVATION

Environmental innovation remains critical to our responsibilities as project developers and owners. The Roaring Brook Wind project under construction in 2020 included installation of gates at the Barton Mine cave to protect Northern long-eared bats, which is a protected species under both federal and state laws.

The gating work is part of a mitigation plan the company and the State of New York agreed to as part of the project site permit. This gating project may also fulfill federal mitigation requirements if the Deer River Wind development is built to mitigate potential effects on the Indiana bat, which is an endangered species under federal law.

Gating projects are difficult to find but are highly effective and cost less than other mitigation. These gates work as mitigation by keeping people out of the caves so as not to disturb the bats when they are hibernating, thereby using up their food resources. The gates allow for correct air flow so the air temperature in the cave is maintained where the bats need it.



Barton Mine is the largest remaining New York bat hibernation site in the northeastern U.S., so its protection is a top priority. This initiative is an example of bats more safely coexisting with wind power.



// 2020 BUSINESS OVERVIEW

ACHIEVEMENTS

NETWORKS

- New York Rate Case approval.
- Rochester Area Reliability Project (RARP) integration; 2020 CapEx spend in line with plan (\$1.9B).
- 91.5% Customer Contact Satisfaction. Response to unprecedented number of storms impacting service areas. RG&E has been ranked #1 by J.D. Power in the East Midsize Segment of the 2020 Electric Utility Residential Customer Satisfaction Study.
- Improved safety action plans while ensuring employee safety during the COVID-19 pandemic. Leveraged strategic partnerships and collaborations.
- Gas performance met all mandated KPIs.
- In Maine, the Revenue Decoupling Mechanism investigation and CMP-T revenue shortfall were successfully resolved, and in CT and MA, SAP Global was implemented.
- Obtained all permits, including the Presidential Permit in January 2021, and executed the Interconnection Agreement with ISO-NE. The 2019 referendum on the project proposed for inclusion on the November 2020 ballot was ruled unconstitutional by the ME Supreme Court.

RENEWABLES

- Completed construction of approximately 620 MW of new wind projects and completed 366 MW of repowering projects. In addition, mobilized construction for over 400 MW of new solar and nearly 300 MW of new wind projects.
- Executed contracts for ~750 MW Power Purchase Agreements (PPA), long-term hedges and REC contracts.
- Increased renewables production by more than 11% year over year.
- Vineyard Wind's Park City Wind offshore project and AVANGRID's Kitty Hawk Offshore Wind submitted Commercial Operations Plans to the Bureau of Ocean Energy Management (BOEM).



CORPORATE

- AVANGRID named one of the Best-in-State Employers in Connecticut, an annual list of America's best employers by *Forbes*.
- AVANGRID recognized on *Forbes* and JUST Capital 2021 JUST 100 List, a list of America's best corporate citizens, ranking number one within the utility industry for its commitment to the environment and the communities it serves.
- For the third consecutive year, AVANGRID earned the World's Most Ethical Companies award from the Ethisphere Institute – one of only nine honorees in the Energy and Utilities sector.
- AVANGRID hosted the fourth annual Innovation Forum, "The Green Grid," which featured keynote addresses from national climate and energy leaders and provided a showcase for AVANGRID employees' latest innovation projects and partnerships with technology blue chips, promising startups and world-class academics.





// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

SUSTAINABLE DEVELOPMENT GOALS



AVANGRID supports achievement of the 17 Sustainable Development Goals (SDGs) approved by the member states of the United Nations for the years 2015–2030. In particular, we are focused on the goals targeting affordable and clean energy (SDG 7) and climate action (SDG 13).

AVANGRID has incorporated these goals into the company's strategy and sustainability policy. Pursuant to these principles, AVANGRID focuses its efforts on affordable, clean energy while nurturing sustainable communities through investments in research, development and innovation and social action at the local and national levels.

This is aligned with the company's continued stewardship for action on climate. AVANGRID is committed to contributing to the social and economic development of the communities in which it operates, and to the protection of the environment through its sustainable energy business model.

SUSTAINABLE DEVELOPMENT GOALS

AFFORDABLE AND CLEAN ENERGY



AVANGRID's core energy generation activity is clean, emission-free wind and solar energy. In 2020, 90% of the installed generating capacity owned by AVANGRID was emission-free. Through the company's smart grid technology, we are providing customers with cleaner, reliable, consistent energy, with renewables and traditional generation working together in the U.S. energy mix. We will continue to invest in clean energy. We have recently updated our emissions targets:

TARGET: Increase Renewables' installed capacity by more than 100% by 2025 compared with 2015.

CLIMATE ACTION



Increased use of renewables reduces the average emissions of U.S. energy. In addition to AVANGRID's continued growth in renewable energy capacity, the company also seeks to reduce operational emissions and energy losses in transmission and distribution,

TARGET: 35% decrease in Scope 1* greenhouse emissions intensity (measured in grams of CO₂ per kilowatt-hour of energy produced) by 2025 compared with 2015, and to be Scope 1 carbon neutral by 2035.

* Scope 1 emissions include all direct greenhouse gas emissions from sources that are owned or controlled by the AVANGRID Group such as power generation facilities, offices and fleet vehicles. Greenhouse gases include carbon dioxide (CO₂), sulfur hexafluoride (SF₆) and methane (CH₄).

// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

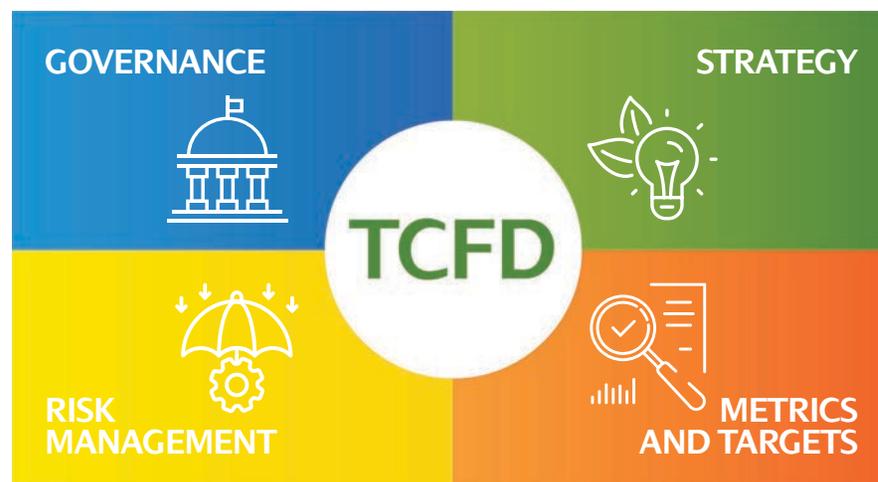
CLIMATE CHANGE RISK MANAGEMENT

AVANGRID AND THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-Related Financial Disclosures (TCFD) to encourage investors to have sufficient information regarding the risks relating to climate change and the way each company manages it.

In June 2017, the Task Force published recommendations to include an analysis of risks and opportunities relating to climate change in annual financial reports, as well as the adjustment of the company's strategy and governance thereto.

The 11 recommendations of the TCFD are structured around four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets.



// SUPPORTING NEW YORK'S ENVIRONMENTAL GOALS – AVANGRID'S APPROACH TO EVOLVING STATE ENERGY AND ENVIRONMENTAL POLICIES

New York's adoption of the Climate and Community Protection Act (CLCPA) in 2020 has transformed the way policymakers and regulators approach state energy policy and environmental goals in the state.



Among other things, the CLCPA establishes a 70% renewable energy target by 2030 and a zero-emissions goal by 2040. While these policies have led to accelerated growth in renewable generation, AVANGRID's two New York utilities – NYSEG and RG&E – have proposed a suite of potential projects that enable new renewable generation and provide network capacity to accommodate these new projects.

Additionally, as part of the joint proposal settlement approved in November 2020, the companies have committed to structure their natural gas system planning with the objective of achieving a zero-net increase in gas usage. To accomplish the objective, the companies will promote and incentivize the use of heat pumps and will place increased emphasis on Non-Pipe Alternatives to help reduce natural gas consumption over time in alignment with state goals.

Additionally, the companies will continue to fix all leaks in the gas system each year, as has been their practice over the last 20 years. This is a rare industry best practice that has led to reduced levels of lost gas, increased safety and reliability, and higher customer satisfaction. The companies will also fund a study on how the natural gas business may change due to the CLCPA and will perform a Renewables Integration Study.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

GOVERNANCE

AVANGRID's Board of Directors considers the fight against climate change a strategic priority for the company. In 2021, the Board of Directors approved updates to AVANGRID's Climate Change Policy to incorporate new emissions goals. The Climate Change Policy articulates AVANGRID's commitment to contributing to the achievement of Goals 7 and 13 of the UN Sustainable Development Goals (SDGs). The AVANGRID Board of Directors, through its Compensation, Nominating and Corporate Governance Committee, reviews the policy annually to ensure alignment with AVANGRID's current climate-related goals and objectives.

The Board of Directors oversees AVANGRID's policies and procedures for managing sustainability and environmental, social and governance risk. The Chief Executive Officer of AVANGRID, who is a member of the AVANGRID Board, is responsible for sustainability and citizenship.

The Compensation, Nominating and Corporate Governance Committee is responsible for overseeing environmental, social and governance ("ESG") risk management and AVANGRID's non-financial sustainability reporting.

The Chief Risk Officer (CRO), who reports to the Chief Financial Officer, evaluates the risks of direct or indirect economic losses resulting from external events, including the risk related to climate change. The CRO is responsible for preparing the information and for reporting to the Audit and Compliance Committee and the Board of Directors.

In 2020, the AVANGRID Environmental, Social and Governance Committee was established as a management committee to support AVANGRID's ESG and sustainable development strategies, policies, programs, practices and initiatives. This committee is comprised of corporate and operating senior leaders and is responsible for reviewing and monitoring AVANGRID's sustainability and climate change-related activities, performance and disclosures.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

STRATEGY AND RISK MANAGEMENT

The fight against climate change and the company's leading role in the transition to a low-carbon economy is one of the key drivers of the company's strategy. While the risks and uncertainties presented by climate change represent an enormous challenge, it is also an opportunity for growth through mitigation and adjustment activities.

AVANGRID's strategy is aligned with the objectives of the Paris Agreement, clearly committing to the decarbonization of the energy system through renewable energy, storage and smart grids, together with the commitment to achieve the SDGs. We are also investing in infrastructure to protect customers from the threat of flooding and the increasing frequency and severity of storms.

AVANGRID's Board of Directors and senior management identify and evaluate the risks associated with climate change to the company. Every year, the risk tolerance levels are reviewed and approved through risk policies and limits that establish the qualitative and quantitative risk appetite at the level of the group and at each of the principal businesses and corporate functions. In addition, the Board regularly discusses major risks and threats and the different exposures of the group, as well as compliance with the risk policies, limits and approved indicators.



AVANGRID monitors the risks arising from climate change, which can be grouped into:

- **Physical:** Potential material impacts on facilities from more frequent and more intense storms, increase in wind speed and heat waves, coastal flooding.
- **Transitional:** Associated with the process of global decarbonization, including regulatory changes, market prices, technologies, reputation.
- **Other:** Such as risks in the supply chain and social phenomena. We continuously monitor the threats to which our company might be exposed under several scenarios as part of our risk management process. We manage these risks by including climate projections in our planning process and evaluating different scenarios and their impacts.

AVANGRID's efforts to combat climate change are focused on the development of electric energy from renewable sources, with development of innovative efficient technologies with lower intensity of CO₂ emissions. But AVANGRID's climate action goes beyond generation of clean energy. We are also investing in infrastructure to protect customers from the threat of flooding and the increasing frequency and severity of storms.

In 2020, AVANGRID updated its strategy and published its Outlook 2020–2025. This plan includes initiatives and projects allowing the group to take full advantage of the opportunities offered by decarbonization policies regarding electricity generation, the trend toward electrification of demand, the reality of the digital transformation and the possibility of integration of the entire system thanks to the electricity grids.

METRICS AND TARGETS

Annually AVANGRID reports on key indicators relating to climate and to the strategy of the fight against climate change, including the greenhouse gas emissions inventory; emissions intensity figures; reduction targets; energy use, intensity and mix; renewable installed capacity; use of water; and research, development and innovation (R&D&I).

We have set new goal targets.

Targets:

- Reduce the intensity of Scope 1* greenhouse gas emissions of our generation capacity by 35% by the year 2025 compared to a year 2015 baseline and be Scope 1 carbon neutral by the year 2035.
- Continue to focus on renewable energy, targeting an increase in renewables installed capacity of more than 100% by the year 2025 compared to a year 2015 baseline.

REDUCE SCOPE 1 GREENHOUSE GAS
SCOPE 1 GREENHOUSE GAS EMISSIONS BY 35% VS. 2015



INCREASE IN RENEWABLES INSTALLED CAPACITY
DOUBLE RENEWABLES INSTALLED CAPACITY BY 2025 VS. 2015



* Scope 1 emissions include all direct greenhouse gas emissions from sources that are owned or controlled by the AVANGRID Group such as power generation facilities, offices and fleet vehicles. Greenhouse gases include carbon dioxide (CO₂), sulfur hexafluoride (SF₆) and methane (CH₄).



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

GREENHOUSE GAS EMISSIONS

In 2020, the emissions intensity from our owned generation was 51 grams of CO₂ per kWh of electricity produced (113 lbs. per MWh). This is a 30% reduction compared to 2019, a year with an unprecedented need for power from the Klamath cogeneration plant which compensated for an atypically low level of hydroelectric generation in the Northwest last year. As we continue to grow our renewables footprint, the intensity of the emissions from our generation fleet keeps a downward trajectory.

Compared to our baseline year 2015, CO₂ emissions intensity decreased 20%. Although we didn't reach our internal goal for 2020, mainly due to external factors that limited production like local transmission events or renewable supply curtailments experienced during the year, AVANGRID is one of the cleanest energy companies in the U.S. with an intensity emission seven times lower than the U.S. utility average in 2020.* As a leader in renewable energy, we are strongly committed to reducing our carbon intensity rate by investing in wind and solar generation technologies and to keeping that level well below the industry average.

Because our renewable energy facilities generate electricity with little or no emissions of CO₂ and other byproduct pollutants, our customers can receive credit for the carbon emissions they have offset through the purchase of renewable energy.

The 19,391 GWh of renewable electricity produced by AVANGRID in 2020 allowed customers to avoid 14 million metric tons of CO₂ emissions. That's roughly equivalent to the emissions avoided by removing 3 million cars from the road for a year.**



14M MT
CO₂ EMISSIONS AVOIDED



3M CARS
REMOVED FROM THE ROAD

SUPPORTING CLEAN RENEWABLE ENERGY

In New York State, NYSEG and RG&E provided customers with an opportunity to support clean, renewable wind energy. Customers can sign up to cover the cost to deliver 200 kWh or more of wind energy to the New York power grid.

In 2020, NYSEG and RG&E customers supported enough clean, renewable wind energy to offset the equivalent of 33,588 metric tons of CO₂. That's equivalent to the CO₂ emissions from consuming 3,779,458 gallons of gasoline or the equivalent CO₂ emissions from meeting the energy needs of about 3,876 typical U.S. homes for an entire year.**

N.Y. WIND ENERGY

// 2020 PROGRAM RESULTS

	Wind Power Generated	Customers Participating
NYSEG	35,293,036 KWh	10,368
RG&E	12,212,120 KWh	3,979
TOTAL	47,505,156 KWh	14,347

* Source: U.S. DOE EIA Electric Power Monthly (February/March 2021), data available through November 2020.

**U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

AVANGRID SUSTAINABILITY TEAM

SETTING A CLEAN ENERGY AGENDA FOR ALL EMPLOYEES

It's important that AVANGRID employees have an opportunity to help meet our sustainability goals. The AVANGRID Sustainability Team, made up of a dedicated group of 40+ volunteers, has worked to engage all employees to be part of a sustainable culture at work and home for more than a decade. In the past five years, the Sustainability Team has aligned itself with AVANGRID's clean energy goals and focused on recycling, energy efficiency and electric vehicle awareness.

2020 was no different.

The team's achievements in 2020 included:

- The third "E-Bike 4 U" contest became the "E-Bikes 4 U" contest when the team expanded the contest by awarding two electric bikes. More than 325 employees were eligible to win an electric bike. An employee in Maine and an employee in New York have been riding their e-bikes since July.
- The team launched the "EV Every Day" initiative. EV Every Day is a collaboration with Smart Grid Innovation, Fleet Services and Corporate Communications. The initiative was launched during National Drive Electric Week, September 26 –October 4. EV Every Day puts employees behind the wheel of an AVANGRID EV and lets them contribute to the company's EV future. EV Every Day shows that driving an electric vehicle is fun and accessible.



The AVANGRID Sustainability Team has several guiding principles:

- The team supports AVANGRID's objective to be carbon neutral by 2035.
- The team believes in a sustainable energy future for the U.S.
- The team promotes energy conservation. Methods include use of renewable energy, reduction in the use of valuable natural resources, and use of electric, hybrid or compressed natural gas vehicles.
- The team supports responsible environmental policies.
- The team supports recycling and reuse of materials when possible.

The team is looking forward to an exciting 2021, featuring more EV Every Day participants, more e-bike contests and more sustainability initiatives. If progress on the coronavirus pandemic continues, the team looks forward to resuming Sustainability Expos around the company – an essential way for employees to engage with the company's goals.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

ENVIRONMENTAL MANAGEMENT

AVANGRID's aggressive sustainability goals have captured the attention of industry peers, investors and customers. In addition to our goal to be Scope 1 carbon neutral by 2035, we have defined a set of goals to reduce the environmental impact of our facilities.

- 25% reduction in carbon footprint by 2030
- 50% more green energy by 2030
- 50% fewer tons of paper used

AVANGRID is committed to recycling waste, managing resources and reducing the amount of harmful emissions in our facilities and service territories.

FLEET

AVANGRID has pledged to integrate Plug-In Hybrid Electric Vehicles (PHEVs) and Electric Vehicles (EVs) into the fleet to assess their capabilities in different vocations and geographical regions. In 2020, SCG received their first two EVs, and Berkshire Gas Company received its first, all being used in a daily field work capacity.

AVANGRID also launched our Clean Fleet Project with very aggressive green fleet targets, the most prominent of which is 60% of the fleet being clean energy by 2030.

2020 also welcomed to RG&E an industry-leading, full-size EV backhoe. Development of the unit from concept to delivery has been a multi-year project, and the unit was on site and ready for construction season.

To assist in increasing and encouraging the purchase and use of PHEVs and EVs, AVANGRID has installed charging stations at multiple company locations – allowing employees to charge their PHEV or EV at no cost.

WASTE

We are excited to continue our drive toward the Sustainable Office, now in our second year. The program aims to increase recycling and reduce waste. For example, we have eliminated all Styrofoam containers from our seven cafeterias and have replaced them with environmentally friendly products, compostable wares and other recycled products. Many products such as cups containing eggs, yogurt and fruit look like clear plastic but are made from “green ware” made from plants.

Looking to the future, our cafeteria service will be running promotions on the use of reusable coffee cups to further reduce waste, along with the installation of LED lights. Post-COVID-19, other efforts will transition away from paper towels to hand dryers in restrooms and community recycling facilities.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

WATER

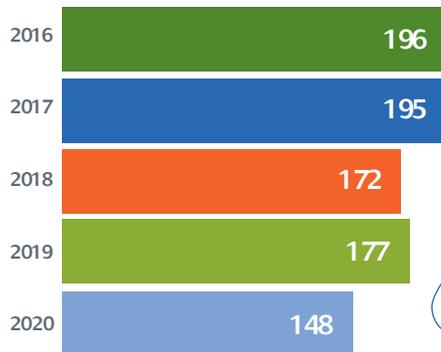
Water is a basic and irreplaceable natural resource in many AVANGRID activities. The company's awareness of this dependency and of the risks arising from water shortages has led it to set itself the objective of ensuring an increasingly rational and sustainable use of this resource.

In 2020, AVANGRID facilities used approximately 3.3 million cubic meters of water. The water is predominantly used for the steam cooling process at Klamath, our combined cycle cogeneration plant in Oregon. Klamath Cogen is one of the nation's most efficient and competitive plants and produces both electricity and steam. Recycled municipal wastewater supplied by a treatment plant is used for cooling, and approximately two thirds evaporates.

With 90% of AVANGRID's installed renewable capacity being predominately wind that does not need water to generate electricity, we have one of the lowest water use intensities per MWh generated in the U.S.

// WATER WITHDRAWAL FOR GENERATION

(Cubic meters/GWh)



98% of the water used by Klamath Cogeneration is treated wastewater.



CENTRAL MAINE POWER LAUNCHES ELECTRIC VEHICLE CHARGER PILOT

Transportation currently accounts for half of Maine's greenhouse gas emissions tied to fossil fuel combustion, so collaboration is imperative to find solutions that enable electric vehicles. To understand consumer preferences in funding the installation of Level 2 chargers for EVs across the state, CMP launched a pilot program as part of a state effort to determine what incentives are more valued by developers, fleet managers, municipal planners and others who decide to install chargers.

CMP offered a "make-ready" solution, in partnership with ReVision Energy, where the company installs, maintains and retains ownership of the electrical infrastructure needed to connect to the charging pads, and offers incentives up to \$4,000 toward the cost of the infrastructure when applicants agree to install a minimum of four "plugs." Level 2 chargers, which are 240 volts and must be professionally installed, typically charge vehicles about five times faster than a Level 1, 120-volt charger, depending upon the car.

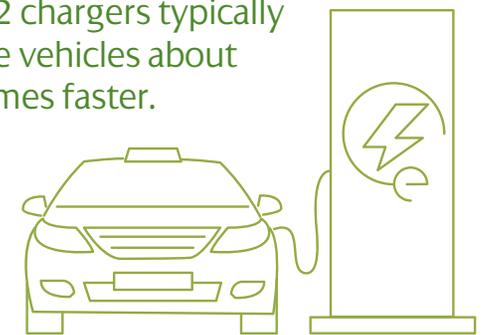
The location and availability of chargers is one of the most important factors people consider as they decide whether to purchase an EV, which is the driver for collecting information for Maine as part of a plan to make EVs more accessible.

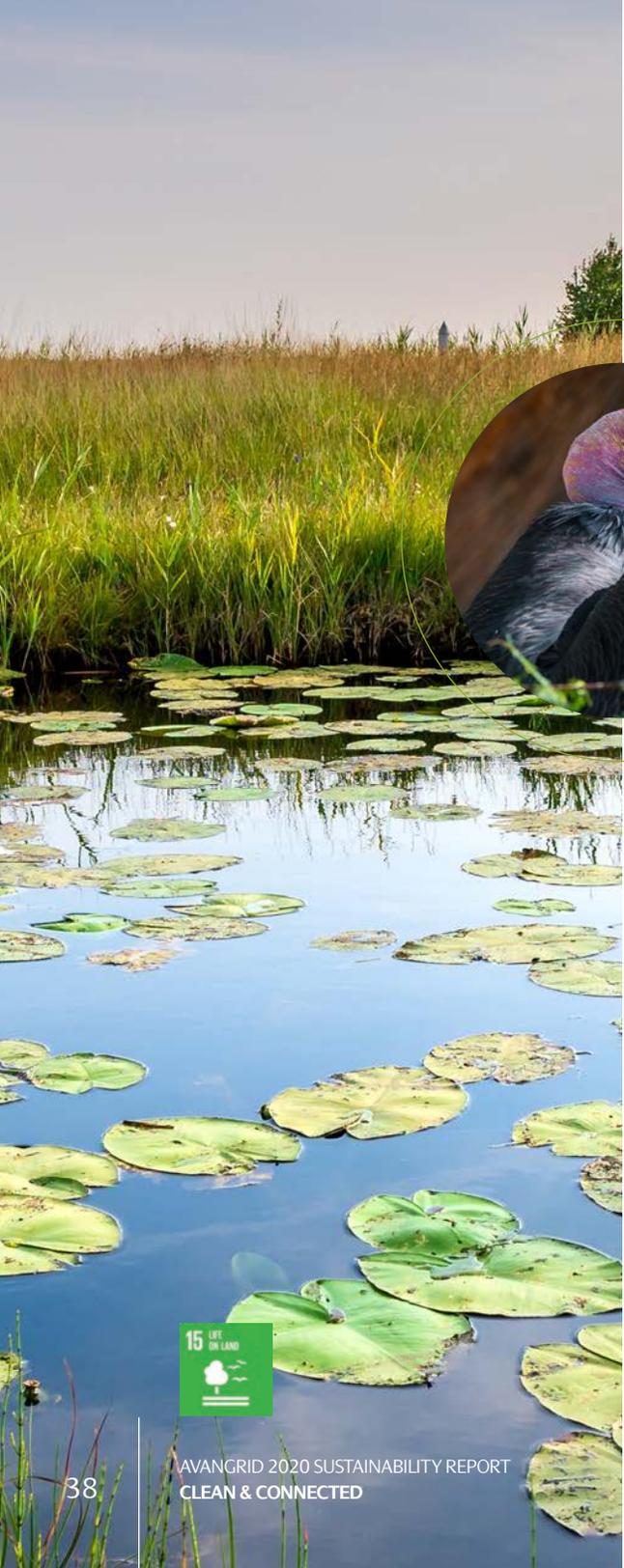
The pilot was approved by the Maine Public Utilities Commission (MPUC) to promote the beneficial electrification of the transportation sector, part of a package passed by the Maine State Legislature in



2019, and is intended for applicants installing chargers in workplaces and public spaces such as municipalities, multi-unit residences, company garages and commercial spaces.

Level 2 chargers typically charge vehicles about five times faster.





// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

BIODIVERSITY

As an energy company committed to expanding our fleet of renewable energy resources for our customers and partners, and supporting initiatives that focus on sustainable energy models, we value stewardship and conservation in numerous ways across the business.

We actively partner with nonprofit conservation and environmental organizations to deliver energy and new projects and work collaboratively and transparently with regulatory agencies at the local, state and federal levels. That commitment to healthier, sustainable communities begins with strict compliance with environmental laws, regulations and applicable industry standards.

But it's important to look beyond those obligations to see how we can be a long-term partner with the communities where we live, work and play, and actively protect and promote wildlife and its habitats.

Our Networks business continues to invest in a long-term integrated plan for protected species, while our Renewables business has a long legacy of engaging conservation leaders and local community input that helps guide our decisions for development of new project sites.

We invest in extensive programs for the protection of wildlife species as part of how we operate our fleet. In 2020, our investments included funding of studies (e.g., Wind Wildlife Research Fund and eagle technology and physiology research), habitat mitigation (e.g., committed to preservation of Indiana bat habitat) and avoidance and minimization measures (e.g., siting design and curtailment procedures).

Preserving ecosystems and biological diversity is essential for sustainable development and is an extension of our core values integrated into our day-to-day environmental management practices. Some 2020 examples include:

INNOVATIVE CONSERVATION PROPOSAL BUILDS ON INDUSTRY-LEADING WILDLIFE PROTECTION INITIATIVES AT THE MANZANA WIND POWER PROJECT

Avangrid Renewables' holistic approach to conservation is illustrated by our efforts in the western U.S. to protect and restore the population of critically endangered California Condors. The California Condor is the largest landbird in North America.

The Condor population declined precipitously during the 20th century due to habitat loss, poaching and lead poisoning from the consumption of hunting ammunition left in the carcasses of field-dressed kill. After dwindling to just 27 individuals in the mid-1980s, the population of Condors has recovered to over 500, thanks to the extraordinary efforts of a broad coalition of regional governments and nonprofits across the western U.S. and other interested stakeholders.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE



The Avangrid Foundation, the primary philanthropic arm of the AVANGRID family of companies, is also committed to the survival of the mythical “thunderbird” as part of their investments in biodiversity and climate action. Since 2019, the Avangrid Foundation has awarded a total of \$100,000 to the Oregon Zoo to support Condor recovery efforts.

Avangrid Renewables is also a corporate member of the Zoo and provides additional annual funding to support the Condor recovery program. In addition, since 2018, the Foundation has actively partnered with Liberty Wildlife, a bird rescue organization in Arizona, and in 2020 contributed \$25,000 to the Ventana Wildlife Society in Monterey, California, after the Dolan Fire destroyed their Big Sur Condor Sanctuary.



As recovery efforts continue and the wild population of Condors expands, so does the potential risk of interaction with human development. Avangrid Renewables is committed to developing and managing our projects responsibly and engaging fully and transparently with relevant regulatory agencies to secure the necessary permits for operation and to develop comprehensive risk management plans when necessary.

At our Manzana Wind Power Project in Southern California, we’ve deployed a handful of innovative technologies to evaluate their effectiveness as part of the company’s Wildlife Protection Program. From high-precision optical technology to identify protected avian species and evaluate their flight paths to detection and deterrent systems, Manzana has also implemented a technology to specifically manage risk to California Condors.



Avangrid Renewables is committed to developing and managing our projects responsibly and engaging fully and transparently with relevant regulatory agencies to secure the necessary permits for operation and to develop comprehensive risk management plans when necessary.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

The U.S. Fish and Wildlife Service has outfitted most free-flying Condors with a VHF radio transmitter, GPS transmitter or both to track their locations. This technology provides the opportunity to detect and respond to a potential collision risk at Manzanita, for example, by curtailing turbines and assessing the area for potential attractants.

Avangrid Renewables has proactively contracted with a third party to monitor Condor movements using geofence technology.

If a Condor comes too close to the project's turbines, the company's National Control Center can curtail wind turbines until the bird has left the area. Utilizing this type of technology helps manage risks to the species while enabling the operation of the wind farm. Our operations personnel are always on the alert for potential wildlife concerns at the site, coordinating closely with the Wildlife Compliance team.

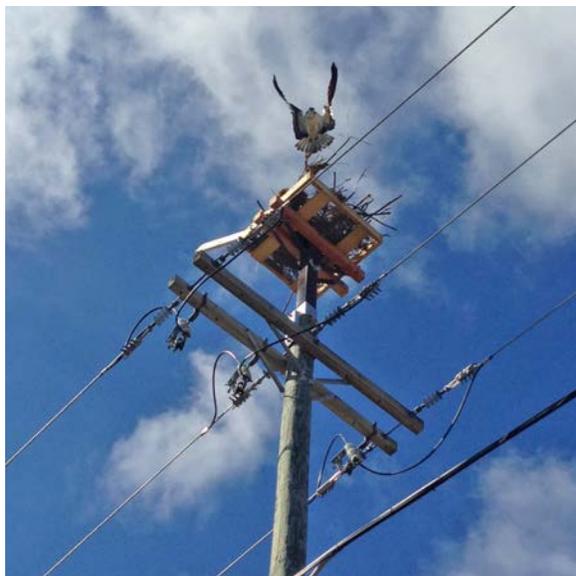
In addition to the innovative technologies and procedures deployed at Manzanita, the company is working to further mitigate the risk, however small, of any possible future impact to the Condor population from our wind operations.

The company has applied for an incidental take permit at Manzanita from the U.S. Fish and Wildlife Service and prepared a conservation plan, inclusive of an innovative approach to mitigation and committing over \$500,000 to fund an additional full-time employee at the Oregon Zoo.

The Zoo's Jonsson Center for Wildlife Rehabilitation, in rural Clackamas County, Oregon, is home to one of the largest Condor breeding facilities in the country. The additional employee would enable the Zoo to enhance its program by increasing the potential for successful Condor breeding and subsequent release into the wild. If the permit is granted, this conservation plan will complement Avangrid Renewables' comprehensive Wildlife Protection Program and support the long-term recovery of California Condors in the American West.



// ENVIRONMENT: OUR INVESTMENT IN A CLEANER ENERGY FUTURE

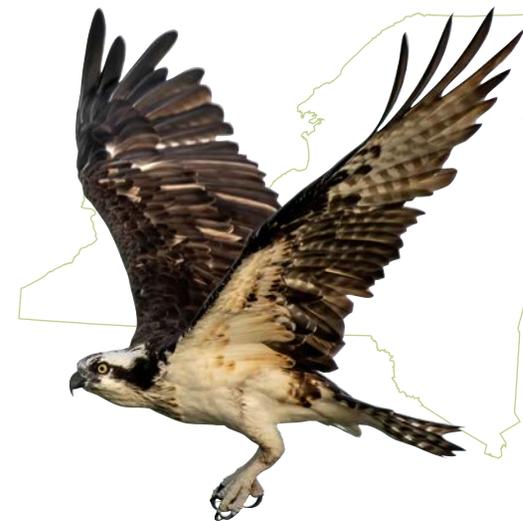


SNOWBIRDS RETURN EACH YEAR TO NEW PERCH THANKS TO NYSEG

The Osprey is a predatory bird that is listed as a species of special concern by the New York State Department of Environmental Conservation, and every spring it returns to the Finger Lakes region of New York to mate and prey on the fish living in the famous waterbodies.

Since the early 1990s, NYSEG employees have been relocating Osprey nesting systems from utility poles. In some cases, the crews would construct extenders to increase the height of the pole and allow the bird to nest away from the equipment. Additionally, the NYSEG crews erect decoy poles or separate nesting systems further away from the power equipment.

This work has led to great partnerships with community organizations like the Cayuga Bird Club, and is made possible with company and volunteer resources, not only to protect wildlife, but to also safeguard our electricity delivery systems from interference caused by nesting birds.



Since the early 1990s, NYSEG employees have been relocating Osprey nesting systems from utility poles. In some cases, the crews would construct extenders to increase the height of the pole and allow the bird to nest away from the equipment.





// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

DIVERSITY, EQUITY AND INCLUSION



At AVANGRID, we believe we have a role to play in society to improve opportunities for our employees, contribute to the economic development of our communities and ensure our customers always have access to safe, affordable and reliable service for their energy needs.

DESTINATION: AVANGRID

Our vision is for AVANGRID to be a place where talented and committed people want to build long-term careers.

Our employees provide the energy and innovation that drive AVANGRID, enabling us to continue putting customers first and to succeed in a competitive market.

To meet the challenges of the future, we must ensure our employees are safe, empowered and enabled to bring their unique perspectives and personal best to the workplace every day.

In 2020, we renewed our focus on Diversity, Equity and Inclusion (DE&I) and invested in initiatives designed to build workplace culture, positively impact the day-to-day employee experience and respond to feedback about what matters most to our employees.

DIVERSITY, EQUITY & INCLUSION

At AVANGRID, diversity encompasses all the dimensions that make each of us one of a kind, including ethnicity, race, age, gender, sexual orientation, personality, beliefs, experiences, perspectives and more. We believe innovation thrives in equitable and inclusive environments where inherent worth is recognized, authenticity is valued, and everyone feels part of a shared purpose. Our Diversity, Equity and Inclusion strategy has three areas of focus, with annual initiatives tied to each:

- 1. Increase Representation:** Increase diverse representation, especially in positions of influence and decision-making at AVANGRID.
- 2. Drive Opportunity:** Remove barriers and promote equitable opportunities to grow and develop at AVANGRID.
- 3. Build Community:** Establish and sustain pathways for connection with others inside and outside of AVANGRID.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

Any continuous improvement journey offers a chance for progress, and the roadmap to Destination: AVANGRID is constantly evolving. Throughout, we remain focused on making meaningful, lasting progress at AVANGRID.

With a sustained commitment from our leaders and stakeholders, we will continue applying our strategy, listening to our employees and holding ourselves accountable – and we will get better every day.

DIVERSITY, EQUITY & INCLUSION (DE&I) COUNCIL

Our Diversity, Equity and Inclusion Council, launched in 2020, is made up of leaders from across our business and geographies, including the chair of each of our Business Resource Groups. The Council provides stewardship of our DE&I agenda, leads in efforts to embed DE&I into operating norms and advises on DE&I initiatives by integrating perspectives on culture, strategy and business priorities.

THRIVING COMMUNITY OF BUSINESS RESOURCE GROUPS

Our 2020 employee community groups include WomENergy, AVAN-Veterans, the AVANGRID African American Council for Excellence, Pride@AVANGRID and the Hispanic Organization for Leadership and Awareness.

These employee-led groups execute awareness campaigns and provide opportunities for professional networking, career development and community building.

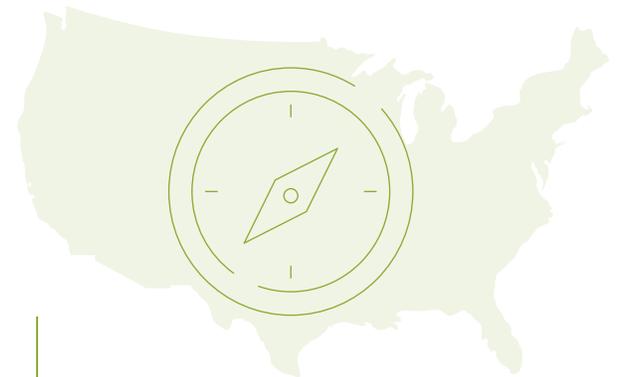


RACISM IN CORPORATE AMERICA: EXECUTIVE WORKSHOPS

In 2020, AVANGRID worked with an outside consulting firm to conduct 12 workshops on Racism in Corporate America. AVANGRID executives and their direct reports engaged in frank discussion, gained awareness of the history of structural racism in America and undertook actions to continue the dialogue with their teams.

EXECUTIVE GOALS IN PLACE FOR UNCONSCIOUS BIAS TRAINING AND DIVERSITY IN SUCCESSION PLANS

AVANGRID's executive leadership team has clear targets in place for the next two years to ensure that the majority of the workforce engages in Unconscious Bias training and that succession plans are progressively more diverse in race and gender.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

OUR WORKFORCE

Diversity encompasses all the dimensions – seen and unseen – that make each of us one of a kind. Applicants and employees are invited to voluntarily provide race, ethnicity and gender identity to AVANGRID, so we highlight those characteristics when we report on progress.

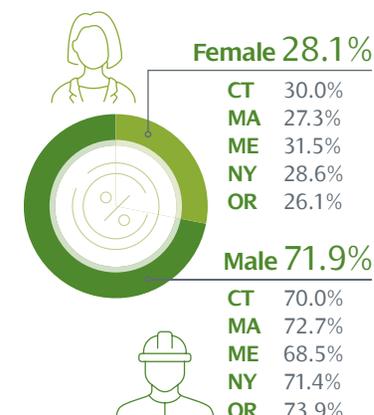
Our goal is for AVANGRID's workforce to reflect the communities it serves and to continue growing the community and campus partnerships critical to enhancing awareness of career opportunities at AVANGRID. Ongoing activities to diversify Senior Leadership roles include bringing a diversity lens to succession and development planning, and cultivating relationships with diverse external talent channels for future opportunities.

// EMPLOYEE DEMOGRAPHICS

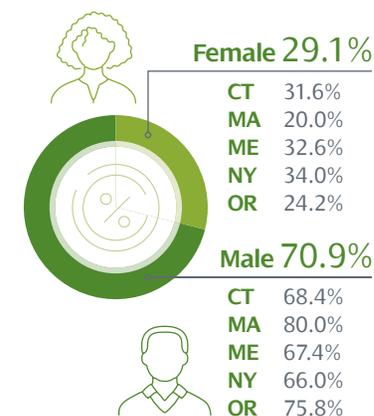
ALL EMPLOYEES RACE/ETHNICITY	ALL	CT	MA	ME	NY	OR
% of Employees by State		25.1%	2.5%	17.4%	42.1%	6.1%
American Indian or Alaskan Native	0.3%	0.1%	0.6%	0.7%	0.3%	0.2%
Asian	2.5%	4.1%	0.6%	1.3%	1.7%	6.6%
Black or African American	5.8%	13.6%	0.6%	0.8%	5.1%	1.2%
Hispanic or Latino	6.3%	13.6%	2.8%	2.1%	4.3%	3.3%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
Two or More Races	1.2%	1.2%	0.0%	1.2%	1.1%	2.1%
White	76.9%	64.9%	83.5%	90.8%	84.1%	55.6%
Did Not Provide	7.0%	2.5%	11.9%	3.1%	3.4%	30.5%
TOTAL	100%	100%	100%	100%	100%	100%

SENIOR LEADERSHIP RACE/ETHNICITY	ALL	CT	MA	ME	NY	OR
% of Senior Leaders by State		32.5%	5.0%	15.2%	16.6%	20.5%
American Indian or Alaskan Native	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian	2.3%	3.1%	6.7%	0.0%	0.0%	3.2%
Black or African American	2.3%	4.1%	0.0%	0.0%	4.0%	1.6%
Hispanic or Latino	7.0%	13.3%	6.7%	6.5%	6.0%	0.0%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Two or More Races	2.0%	2.0%	0.0%	2.2%	0.0%	1.6%
White	70.5%	67.3%	46.6%	78.3%	82.0%	69.4%
Did Not Provide	15.6%	10.2%	40.0%	13.0%	8.0%	24.2%
TOTAL	100%	100%	100%	100%	100%	100%

ALL EMPLOYEES GENDER RATIO



SENIOR LEADERSHIP GENDER RATIO



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

LISTENING TO EMPLOYEES

The Loop, AVANGRID's annual employee engagement survey, provides specific and actionable insights about how employees feel about working at AVANGRID. The Loop survey asks about a wide range of topics, from resources and leadership to culture and belonging. The Loop gives every employee at AVANGRID an opportunity to share their thoughts about what's working and where we have room to improve, and to drive continuous improvement priorities each year.

The 2020 results of The Loop indicate improvement across important measurement areas including:

- **Engaged and Enabled** – In 2020, 67% of employees feel engaged and 69% feel enabled – an improvement of 12% for employees being both engaged and enabled.
- **Participation** – Participation rate remained strong despite the challenges of COVID-19, with 73% of employees taking the survey this year, compared with 74% last year.

THE LOOP

- **Safety** – Rated as our greatest strength for three years in a row, 86% of employees agree that we are focused on safety.
- **Respect & Recognition** – Employees' response to "AVANGRID shows care and concern for employees" had the largest gain among all survey items, up 18% from 2019.

// INVESTING IN EARLY CAREER PROGRAMS

Each year we invest in a variety of strategic early career and campus partnerships with organizations working to advance professional and leadership diversity in the workplace. Our 2020 Summer Intern cohort was the most diverse in AVANGRID history, with approximately 50% of participants being women and 35% identifying as a person of color. Over 50% of eligible summer interns are hired, making the program a key talent pipeline at AVANGRID.

Over one third of respondents agreed "significant action" was taken based on last year's Loop survey results, showing that department-level action plans and company-wide communications were successful.

SUMMER INTERNS



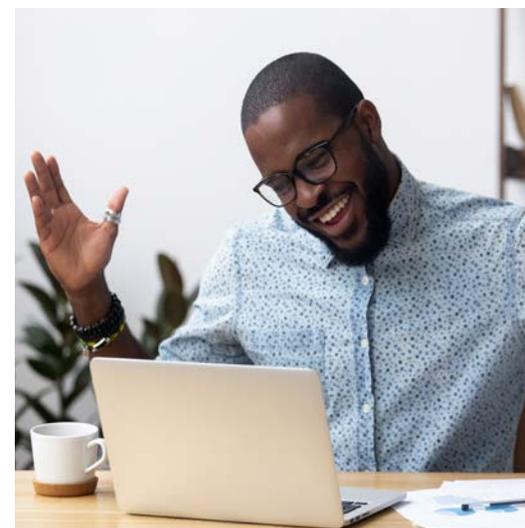
50% WOMEN



35% PEOPLE OF COLOR



50% CONVERSION RATE



2020 ACHIEVEMENTS

- Joined as signatories on Paradigm for Parity and CEO Action for Diversity & Inclusion.
- Offered special employee giving and match campaigns throughout the year for COVID-19, social justice and equality, and education.
- Launched new Gratitude employee recognition platform and celebrated over 3,000 appreciation moments and service anniversaries.
- Continual focus on mental health awareness and resources throughout COVID-19 response.
- Implemented a new online learning platform that offers all employees unlimited access to over 43 billion hours of courses ranging from professional development to technical skill-building.

// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

ENVIRONMENTAL, HEALTH & SAFETY

PROMOTING EMPLOYEE HEALTH & WELL-BEING

At AVANGRID, supporting employees' health and well-being is paramount. In 2020, during the COVID-19 pandemic, AVANGRID Health & Wellness launched programs designed to promote employee physical, financial and emotional health and social connectedness.

As the impacts of the COVID-19 pandemic challenged employees' overall health, well-being and sense of community, AVANGRID expanded access to its Engage health and well-being app to all employees, a free benefit that had previously been available only to participants in the company's medical plan. The Engage app offers employees a holistic approach to well-being and provides informative resources for physical and emotional health. By submitting top health goals into the program, like stress management or smoking cessation, along with interests, such as fitness or personal growth, users can receive tailored information and resources.

Connecting with others and getting exercise was never as critical to maintaining good emotional and physical health as it has been during the pandemic. To promote physical health and social engagement, AVANGRID conducted two company-wide activities challenges through the Engage well-being app in 2020, including a "Fall Trailblazers" team competition in October. Over 100 teams across AVANGRID participated in the challenge, and together achieved nearly 145 million steps in one month.



Understanding that good financial health is another key to overall well-being, AVANGRID forged a partnership with Utilities Employees Credit Union in summer 2020 to provide employees and their families access to educational financial resources. Through this program, all AVANGRID employees have free access to e-courses and webinars designed to strengthen money management skills, build resilience for uncertain times and promote financial empowerment.

In October 2020, AVANGRID launched an extensive mental health initiative to provide support and valuable resources to employees in need. The approach included professionally led mental health webinars, a manager training course to help leaders better understand how to support their team members and a program to train specialized mental health "first aid" advocates within the organization.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY



Finally, in a year when reducing the spread of respiratory illnesses, like influenza, was more important than ever before, AVANGRID rolled out its annual “flu” vaccination program in September 2020, which offered thousands of free vaccines to all employees as well as family members covered under the company’s medical insurance plan. Despite pandemic challenges, AVANGRID succeeded in conducting 15 on-site vaccination clinics safely. All these programs will be expanded in 2021 to further support employees’ overall health and well-being.



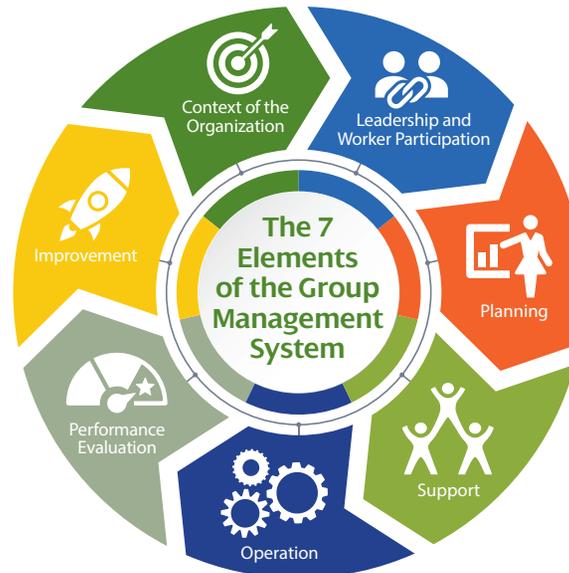
ASR 2020: AVANGRID RENEWABLES AND AVANGRID NETWORKS BECOME ISO 45001 CERTIFIED



In 2020, Avangrid Renewables and Avangrid Networks completed their ISO 45001: 2018 Occupational Health & Safety Management Systems audits and became certified.

As safety is a core value at AVANGRID, Environmental, Health & Safety has adopted the international ISO standard for occupational health and safety to save lives by improving the safety of employees, contractors, visitors, customers and other interested parties. This standard helps to ensure the reduction of workplace risks and the creation of better, safer working conditions.

// ELEMENTS OF THE AVANGRID ISO 45001: 2018 COMPLIANT MANAGEMENT SYSTEM



While OHSAS 18001 focused on the concept of controlling hazards, ISO 45001 encourages risk-based thinking and an approach based in collaboration and prevention to reduce risks before they materialize. This philosophy aligns with AVANGRID’s goal to create and foster a “learning and improving” safety culture.

These certifications were particularly meaningful because AVANGRID is currently in a “transitional” phase between OHSAS 18001 and ISO 45001. The audits, conducted virtually due to COVID-19, were performed by TÜV Rheinland and supported by several members of the EH&S, Renewables and Networks teams.

Employees’ dedication and hard work throughout the year continuously advanced the effectiveness of AVANGRID’s management systems and helped to make AVANGRID the safest workplace possible.

TÜV Rheinland is an international company with more than 140 years of experience in the security and quality fields. It is a leader in technical services worldwide and is the certification body in ISO 45001:2018 for the AVANGRID Group.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

AVANGRID FOUNDATION

In 2020, every community across the country was touched by disruptions in the social fabric and daily life as emergencies like hurricanes and wildfires, COVID-19 and inequities magnified as a result of the pandemic, including barriers to education, social and racial justice, and economic inclusion.

As the primary charitable arm of AVANGRID, whose mission is dedicated to building sustainable communities and investing in the most vulnerable among us, the Avangrid Foundation was prepared to address unprecedented need through an exceptional \$1 million COVID-19 emergency response, while providing more than \$3 million as a “steady hand” to preserve venerable institutions and support organizations on the front lines protecting the environment, workforce development, youth and education, serving basic needs and promoting arts and culture.

Starting in January, the Avangrid Foundation announced a special focus on investments supporting diversity, equity and inclusion with an emphasis on the 100th anniversary of the ratification of the 19th Amendment and women’s suffrage. Approximately \$1 million in investment locally and nationally was aligned with this campaign to support programs and organizations led by women, serving women and girls, and honoring women, women-identified and non-binary persons, particularly with Black, Indigenous and people of color (BIPOC) and underrepresented groups in leadership.

Investment includes grants for public art by femme/female/gender non-confirming artists, voter education and inclusion with organizations like the ACLU and the museum dedicated to heroine Susan B. Anthony, supporting Native American youth to connect to work and a cultural heritage in forest science, and continuing support for the traveling exhibit with the National Building Museum – “Evicted” – illuminating how the American housing crisis has disproportionately impacted poor families and is a driver of poverty in communities of color across the country.

Driven to create and sustain vibrant places, promote greater equality and inclusion and improve well-being in our communities, the Foundation continues to execute a vision to make a meaningful impact.

The Foundation continues to deepen their commitment to this work and to support communities post COVID-19 recovery and into the future. This work embodies the impact of ESG+F through an unwavering commitment to invest in our customers, colleagues and communities. Driven to create and sustain vibrant places, promote greater equality and inclusion and improve well-being in our communities, the Foundation continues to execute its vision to make a meaningful impact.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

AVANGRID AT SEA: A GLOBAL VOYAGE FOR CLIMATE ACTION WITH DARWIN200

AVANGRID and the Avangrid Foundation know science and innovation drive us forward, equipping us with more information about the vast world around us and helping us create a better tomorrow. In 2020, the Avangrid Foundation funded the Darwin200 project, a modern-day voyage retracing Darwin's steps to bring into global focus modern issues facing the environment and oceans today.

Consisting of 27 legs, the two-year global voyage is planned to set sail in 2022, departing from Plymouth, England, and returning to Falmouth, Massachusetts.

The Darwin200 ship will stop in every major port where Darwin made landfall, including 50 one-week stays along the route, which spans from England, to the shores of South America, to the islands of the Pacific and beyond.



A worldwide competition will identify the most capable young scientists, naturalists and conservationists from 200 different countries and states, representing at least 50 different languages and cultures from across the globe. The Avangrid Foundation will support 10 of these scientists, or "Darwin Leaders." The Avangrid Foundation Leaders will be selected from various parts of the U.S., including communities we serve in New England and across the country.

In teams of four, the Darwin Leaders will visit one of the 50 ports visited along the HMS *Beagle* route and use the ship as a floating laboratory to study land-based wildlife and analyze the change of the last 200 years – with a focus on effective modern sustainability and conservation solutions to reverse detrimental impacts to the natural ecosystem.



"These young ambassadors, representing 200 different locations around the world, will all have the potential and opportunity to become future leaders in the environmental movement, and to reach and inspire vast audiences worldwide."

Dr. Sarah Darwin

Charles Darwin's
great-great-granddaughter





// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

STEPPING UP TO HELP NEIGHBORS IN NEED DURING THE COVID-19 PANDEMIC

The Avangrid Foundation has helped respond to its share of emergencies – from Hurricanes Harvey, Maria and Irma to home fires, tornadoes and other natural disasters. The COVID-19 pandemic, however, posed new challenges as a widespread health, social and economic crisis. Its effects have touched every household and community across the nation and nearly every country around the world.

With conditions rapidly evolving and new information emerging, answering immediate needs was essential, yet planning for the longer-term ripple effects was also critical. The common thread that emerged in our response efforts was collaboration.

The \$1.5 million activated by the business addressed needs at the local level, with the Foundation's giving designed to intertwine with the local response wherever possible, ensuring the balanced response was both complementary and comprehensive. In doing so, the collective impact and benefit to the community were maximized; where local funds become constrained, regional and national funds can step in to close the gap.

The Foundation's donations formed part of a larger \$2.5 million response from AVANGRID in support of the vibrant and diverse communities served by its eight Northeast utilities and Avangrid Renewables.



WORKING TOGETHER FOR JUSTICE AND EQUALITY EMPLOYEE GIVING CAMPAIGN

During 2020, as communities across the country began having critical conversations about equality, justice and civil liberties, AVANGRID upheld its commitment to be a driver of positive community change with the launch of an employee matching gift campaign. Standing with our communities, customers and colleagues in promoting greater

justice and equality across race, social and economic lines, AVANGRID and its philanthropic arm, the Avangrid Foundation, announced the *Working Together for Justice and Equality* employee giving campaign to match gifts to eligible organizations dollar for dollar. This voluntary campaign was open to all AVANGRID full-time and part-time employees, and raised thousands of dollars benefiting organizations such as the NAACP Education & Empowerment Foundation, NAACP Legal Defense & Education Fund, ACLU Foundation and Southern Poverty Law Center.

// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY



WILDLIFE REHABILITATION

Part of our commitment to sustainable development is being dynamic stewards of our environment – helping safeguard critical species, habitats and natural resources to ensure the preservation of our planet and all that lives on it.

Building on partnerships with wildlife rehabilitation centers aimed at sustaining efforts to treat a variety of injured wildlife in and around the places where AVANGRID has an expanding operating presence and to build awareness for biodiversity and habitat preservation, the Avangrid Foundation awarded \$100,000 in grants through its first-ever nationwide request for proposals.

Eleven grantees were selected to receive funding with an expanded scope of injured wildlife to include a focus on all terrestrial and offshore avifauna, as well as threatened and endangered wildlife. The grants span organizations in nine states including Arizona, California, Connecticut, Maine, New Mexico, New York, Ohio, Oregon and Pennsylvania.

These grants will provide lifesaving care for injured wildlife by funding facilities upgrades at rehabilitation centers, equipment and medical supplies, operational expenses and expansion of educational and conservation programming to build awareness for biodiversity.

The 2020 Wildlife Rehabilitation grantees were: Liberty Wildlife, UC Davis California Raptor Center, Ojai Raptor Center, Sharon Audubon Center, Roaring Brook Nature Center, Center for Wildlife, Hawks Aloft, Whispering Willow Wild Care, Nature's Nursery, Blue Mountain Wildlife and Wildlife Works.

AVANGRID FOUNDATION RESPONDS TO WESTERN WILDFIRES

In September 2020, multiple wildfires swept through parts of California and Oregon. Oregon was particularly hard hit. A deadly combination of unusually high winds and dry weather helped fuel the rapid expansion of multiple wildfires, resulting in hundreds of thousands of acres burned and countless residents being forced to evacuate.

In response, the Avangrid Foundation supported several frontline organizations who provided emergency disaster relief to our communities great and small.



As part of the Avangrid Foundation Disaster Responder Partnership, the Foundation provided a \$50,000 supplemental gift to the American Red Cross to meet basic human needs, such as emergency shelter, medical care, food, water and hygiene.

The grant not only helped the American Red Cross continue its relief efforts but ensured that the organization can prepare for and meet recovery assistance needs in the future.

In California – where wildfires also engulfed wide swaths of land – the Avangrid Foundation provided a \$20,000 grant to the Ventana Wildlife Society Big Sur Condor Sanctuary for emergency recovery and operations.

As the Foundation typically partners with organizations invested in restoring the critically endangered Condors back to nature, portions of this gift supported an emergency rebuild to several facilities that were destroyed during the Dolan Wildfire. The recovery efforts included a total rebuild of all facilities lost – including the Condor release facility – and a repair to all damaged facilities.

The grant also provides operational support for the San Simeon, California, facility where ongoing work continues to address top recovery actions, such as increasing Condor population size and increasing the number of nesting pairs while reducing impacts from key threats.





// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

CREATING HOPE AND COMMUNITY THROUGH ART

Art and culture are at the heart of what makes communities sustainable, vital and vibrant. The arts can be a powerful voice in the community, healing us in times of struggle and providing an outlet for self-expression, cultural representation and creative imagination.

AVANGRID and the Avangrid Foundation have worked to amplify that voice as a vehicle for social good and community support through a challenging year. As a leading sustainable energy company, AVANGRID is dedicated to preserving and enriching our communities. The advancement of education and the arts, of heritage and of culture is a critical pathway to accomplish this.

PUBLIC ART: WHERE ALL THE WORLD'S A STAGE

Art of any kind connects and unites us. Particularly in a time of social distancing, breaking down barriers to access – barriers to connection – becomes essential. Public art stands out in this moment. It's free to view, open to everyone and can build a sense of identity and belonging within a community. It revitalizes our public spaces and even helps boost local economies.

WALL\THERAPY

Launched in 2011, WALL\THERAPY is an art and community intervention project, using public murals to inspire and build community in Rochester, NY. With the help of "community therapists," dedicated volunteers, and co-curator and lead organizer Erich Lehman, WALL\THERAPY creates a 24/7, open-access art gallery.



As the COVID-19 pandemic forced a new reality, WALL\THERAPY met the moment with a reimagined 2020 curation embracing all creative disciplines and artists through 10 mini-grants made possible by #AVANGives. Designed to honor the 19th Amendment centennial, the program has helped directly support local artists as they create pockets of impact citywide. It has shown firsthand how art can heal our cities, enhance representation and lend a voice to those unheard, and bring the community together into open dialogue.

Art of any kind connects and unites us. Particularly in a time of social distancing, breaking down barriers to access – barriers to connection – becomes essential.

// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

MAKE IT YOUR OWN MURAL FEST

Northeast Indiana Regional Partnership's Mural Fest shows public art can offer a new way to experience a city. Across 11 days in September, artists used Northeast Indiana's 11 counties as their canvas, installing a collection of bold and vibrant murals for all to enjoy.

The festival drew artists from near and far – from communities with strong ties to AVANGRID, like Portland, Oregon and Rochester, to overseas in Belarus – showing how art builds community beyond borders.

Not only does Mural Fest beautify underutilized spaces; it puts an innovative spin on economic development. The festival represents a real investment in the local economy, quality of life and the region's collective ability to attract and retain talent.

CELEBRATING WOMEN: 100 YEARS OF THE RIGHT TO VOTE

On August 26, 2020, the 19th Amendment – which upheld women's right to vote – marked its 100-year milestone. Securing victory took years of persistent agitation, resistance and protest. The amendment's ratification stands as a symbol to women across the nation and around the world that they could be empowered to advocate for their needs, rights and interests.

#wednesdaysforwomen

To honor this momentous occasion, Avangrid Foundation's 2020 giving included a focus on diversity and inclusion, with special emphasis on women and girls. The Foundation organized a slate of grants, initiatives and communications dedicated to women and applied a hashtag to collect and share these stories across AVANGRID social platforms: #wednesdaysforwomen.



#AVANGives

At AVANGRID, employees have a voice in charitable giving through the #AVANGives program. The 2020–2021 #AVANGives series called for nominations of qualified nonprofits working for women, diversity and inclusion – and received responses from employees at all levels of the company and across all geographies. Twelve nonprofits were selected to each receive a \$5,000 gift to further their work to advance equality and serve women, girls and diverse groups in our communities.

Grantees:

- Judy Dworin Performance Project (Hartford, CT)
- Maine Women's Lobby Education Fund (Augusta, ME)
- Rahab's Sisters (Portland, OR)
- Days for Girls (Unadilla, NY Chapter)
- Child Hunger Outreach Partners (Towanda, PA)
- Portland Community Squash (Portland, ME)
- The Center for Family Justice (Bridgeport, CT)
- WALL\THERAPY (Rochester, NY)
- Camp Abilities (Brockport, NY)
- My Happy Place (Mason City, IA)
- Jessica's Closet (Jacksonville, VT)
- Stand With Me (Binghamton, NY)



The Avangrid Foundation is driven to help communities and individuals be vital, vibrant and resilient by putting our resources into what really matters, such as reducing barriers to access in education, arts and culture and enhancing health and wellness by preserving the natural environment and creating safe, green places and spaces. This work also means boosting basic services from neighborhoods to nationwide.





// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

COMMUNITY AND ECONOMIC DEVELOPMENT

Providing clean, essential energy to millions of customers safely is a critical part of what we do. We also seek to be a model of inspiration for creating economic, social and environmental value in our communities, and we act positively to affect local development, generate employment and give back to the community – it’s one of our core values.

Sustainability is about meeting needs and then fostering the long-term growth not just of AVANGRID and our utilities and renewable energy companies, but also the communities where we live and serve. Our efforts and achievements in 2020 prove that by working together, we can deliver a more accessible clean energy model that promotes healthier, more sustainable communities every day.

COVID-19 RESPONSE AND RECOVERY

It was an unprecedented year for companies and communities across the country. At AVANGRID, we met the demands of the moment, relying on existing community partnerships to respond to the COVID-19 crisis and help our communities begin to recover.

Our philanthropic efforts are designed to help sustain strong communities and serve the needs of the most vulnerable. In 2020, the AVANGRID companies and the Avangrid Foundation joined forces to contribute \$2.5 million, divided between nonprofits serving the communities where we operate and national organizations that also have affiliates and programs in the 24 states where AVANGRID has an operating presence.

CENTRAL MAINE POWER INVESTS \$100,000 IN FULL PLATES FULL POTENTIAL EMERGENCY FUND, ENSURING STUDENTS HAVE ACCESS TO MEALS DURING SCHOOL CLOSURES

In normal times, more than 80,000 Maine students rely on school meals as their primary source of nutrition. While Maine continued efforts to slow the transmission of COVID-19, the need for nutritious meals greatly increased as more and more hardworking families faced hardships.

Seeing this increased need, CMP stepped up and donated \$100,000 to the Full Plates Full Potential emergency fund established specifically for COVID-19 related school closures. The emergency fund was created to ensure students across Maine have access to nutritious school meals while schools are closed.

“During this crisis, more than ever, school meals are the first and best safety net for kids. School emergency food programs are doing everything they can to reach their students. CMP’s donation is timely and critical for kids. We’re in this for the long haul, and thanks to CMP, Maine children will continue accessing nutritious meals.”

Justin Alfond

Co-Founder of Full Plates Full Potential.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

JOBS FOR MAINE'S GRADUATES

Through the ongoing support of the Avangrid Foundation and the dedication of local CMP executives who serve on the Board of Directors of Jobs for Maine's Graduates (JMG,) the national organization, Jobs for America's Graduates, awarded the Foundation its prestigious Partner in Education Award for making investments in JMG and Maine students by "adding value to our Board of Directors, providing volunteers in our classrooms, and investing funds in our mission – all of which have enabled JMG to expand and deepen our services."

JMG serves 10,000 middle and high school students across Maine who face significant barriers to educational and career success. Longitudinal analysis first conducted in 1998 and replicated regularly since finds that JMG students achieve "significant, consistent and sustained wage increases after high school." The Foundation is proud to support JMG's persistent success in connecting at-risk youth with careers, higher education and overall life success.

SMART KIDS PLUGGED IN

In response to the COVID-19 pandemic and the introduction of widespread distance learning, UI began outreach through schools as an alternative to deliver efficiency measures and program information through the Smart Kids Plugged In project.

The objective was simple: help customers save energy and money during an economically challenging time. More than 12,000 students across 50 schools were reached through the program.



50 SCHOOLS

MORE THAN 12,000 STUDENTS

BRIDGEPORT, CT
34 schools

HAMDEN, CT
10 schools

MILFORD, CT
6 schools



12 FOOD BANKS

2,010 CUSTOMERS

The program provided Energy Saving Kits to make energy-efficient upgrades to homes easier. In the box:

- 4 - 9W A19 LED light bulbs (2700k)
- 1 - Niagara Bubble Faucet Spray Aerator
- 1 - Niagara Earth Showerhead (Chrome)
- 1 - TrickleStar 7-Outlet Advanced Power Strip



// ENERGY STAR PARTNER OF THE YEAR SUSTAINED EXCELLENCE AWARD

In 2020, United Illuminating, Connecticut Natural Gas and Southern Connecticut Gas received the ENERGY STAR Partner of the Year Sustained Excellence Award for partners demonstrating outstanding leadership, year over year.





// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

UI & SCG PROVIDE SUPPORT FOR DOWNTOWN BUSINESSES AS THEY RECOVER FROM COVID-19 IMPACTS

As part of a broader commitment to support COVID-19 relief and recovery, UI and SCG provided \$20,000 to Bridgeport's Downtown Special Services District to help small, independent, ground-floor businesses plan and execute their reopening.

Another \$20,000 grant helped the Economic Development Corporation of New Haven/REX Development provide micro-grants so that downtown restaurants and shops can provide safe outdoor dining and retail spaces.

By offering this support, UI and SCG provided much-needed help to these small businesses as they adapted to new health and safety requirements and gave them a spring back as the economy reopens.

The funding allowed the Bridgeport Downtown Special Services District to provide micro-grants and technical assistance to downtown businesses to develop reopening plans and successfully relaunch.

UI, SCG AND CNG AWARD \$441,540 IN GRANTS TO HELP 59 CT NONPROFITS CUT ENERGY COSTS

UI, SCG and CNG distributed \$441,540 in grants aimed at helping community and neighborhood organizations statewide improve energy efficiency and reduce their energy costs.

The three Connecticut subsidiaries of AVANGRID awarded grants to 59 nonprofit organizations in 26 different communities throughout Connecticut. The grants, ranging from about \$2,640 to \$12,821, were provided under the state's Neighborhood Assistance Act (NAA) Tax Credit Program.

Connecticut's NAA Tax Credit Program offers a corporate tax credit to encourage businesses to provide financial support to qualified local nonprofit organizations. Since 2010, UI, SCG and CNG have awarded \$3.8 million in grants through the program.



// SOCIETY: OUR INVESTMENT IN PEOPLE AND THE COMMUNITY

NYSEG AND RG&E TACKLE FOOD INSECURITY AS PART OF COMPANY'S VOLUNTEER WEEK EFFORT

NYSEG welcomed dozens of volunteers and donors to their office location in Vestal during International Volunteer Week to collect canned food and empty bottles and cans in support of CHOW (Community Hunger Outreach Warehouse) Programs in the Binghamton area. This event was part of a global effort by AVANGRID to address food insecurity.

More than 1,870 redemption bottles and cans and two barrels of canned goods were collected for donation to CHOW to support their meal programs throughout the Binghamton and Broome County area.



Joining the effort, RG&E employees held a drive-thru food collection today to benefit Foodlink and its partner agencies. The company collected more than 400 pounds of donated canned food and other nonperishable food items to help replenish Foodlink's shelves as food insecurity remains a top issue in the region.

With the uncertainty of our current world, especially in light of the pandemic and increased food insecurity, partnerships are indispensable toward relieving some of the burdens that the vulnerable in our communities face.

NEW YORK STREETLIGHT CONVERSIONS BRING ENERGY SAVINGS TO MUNICIPALITIES

In 2020, NYSEG and RG&E replaced 27,723 older, cobra-head style streetlights with new efficient LED lights across 151 municipalities in New York. The streetlight program began in late 2019 and has since converted 35,069 streetlights within 187 municipalities in the NYSEG and RG&E service areas.

These streetlight conversions provide municipalities with significant energy savings while simultaneously helping beautify streetscapes, modernizing equipment and providing more direct lighting to the roadways. The company achieved 137% of its conversion goal in 2020 and continues to work directly with municipal officials to promote the benefits of these conversions and the positive impact they have on our communities.

The company plans to continue to build on the success of this program and convert another 15,000 streetlights in 2021. The company will also expand the program in 2021 to include the conversion of decorative streetlights. In total, there are 103,612 streetlights eligible for conversion in the service area.



“We’re very pleased to announce the start of an energy and cost savings project to upgrade our streetlights to LED fixtures. This project will save dollars, save energy and promote a green environmental practice in Orchard Park for years to come.”

Wayne Bieler

Orchard Park Town Engineer





// GOVERNANCE: OPERATING WITH THE HIGHEST ETHICAL STANDARDS

OUR PURPOSE AND VALUES

OUR PURPOSE

Working together to deliver a more accessible **clean energy model** that promotes healthier, more sustainable communities every day.

Our purpose, strategy and actions are inspired by and built on three core values:



SUSTAINABLE

We seek to be a model of inspiration for creating economic, social and environmental value in our communities, and we act positively to effect local development, generate employment and give back to the community.



AGILE

We act efficiently and with passion to drive innovation and continuous improvement at both the local and global levels.



COLLABORATIVE

We work together toward a common purpose and mutual benefit while valuing each other and our differences.

// GOVERNANCE: OPERATING WITH THE HIGHEST ETHICAL STANDARDS

HOW WE DO BUSINESS ETHICS, INTEGRITY AND COMPLIANCE

A Recognized Leader in Compliance

During 2021, AVANGRID was recognized for the third consecutive year as one of the World's Most Ethical Companies by the Ethisphere Institute, a global thought leader in defining standards for ethical business practices. The honor is extended to companies that recognize and are committed to influencing and driving positive change in the global business community.

The company was one of only nine honorees in the Energy and Utilities category.

AVANGRID has also been awarded Compliance Leader Verification certification by the Ethisphere Institute. This certification is awarded exclusively to companies that maintain best-in-industry corporate compliance programs and is granted only after an extensive assessment process. This certification is a further demonstration of the priority placed on compliance and ethics at the company.

The due diligence process to achieve Compliance Leader Verification requires that Ethisphere Institute's researchers and analysts conduct detailed reviews of an organization's compliance and ethics-related initiatives, and benchmark them against corporate and industry best practices, including in the following areas:

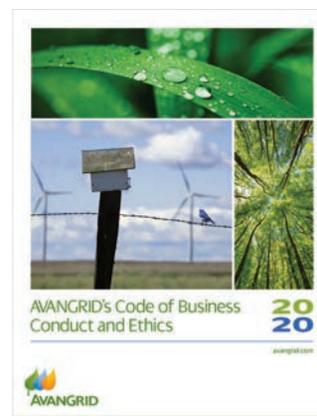
- Ethics and compliance program resources and structure
- Employee perceptions of ethical culture
- Written standards
- Training and communications
- Risk assessment, monitoring and auditing
- Enforcement, discipline and response
- Employee knowledge of ethics and compliance concepts
- Senior leader support for the compliance environment



COMMITMENT TO ETHICS AND INTEGRITY

AVANGRID is committed to the promotion of its environmental, sustainability and governance goals. Our strategy and actions are inspired by, and built on, values and behaviors established by the Board of Directors and articulated in our Code of Business Conduct and Ethics.

AVANGRID's commitment creates value in a sustainable way by focusing on integrity and social responsibility in business, with the goal of benefiting our employees, the customers we serve and the communities in which we operate. During 2020, in recognition of this commitment, AVANGRID was included in the annual *Forbes* and JUST Capital 2021 JUST 100 list of America's Best Corporate Citizens. Within this list, AVANGRID was ranked number one within our industry for our commitments to the environment and to the communities we serve.



AVANGRID's Code of Business Conduct and Ethics can be found at www.avangrid.com.



// GOVERNANCE: OPERATING WITH THE HIGHEST ETHICAL STANDARDS

EMBEDDED IN THE BUSINESS

AVANGRID's Compliance Division is independent of business and management and reports directly to the Audit and Compliance Committee. The Compliance Division was established by the Board of Directors to oversee and monitor the company's actions to prevent and correct illegal or fraudulent conduct. Duties include disseminating and ensuring compliance with the Code of Business Conduct and Ethics and related company policies and procedures; fostering an ethical culture against improper conduct, wrongful acts, corruption and fraud; and verifying the effectiveness of the company's corporate compliance program while recommending improvements to achieve the highest ethical standards.

AVANGRID promotes a culture of compliance by proactively embracing preventive controls and education, and by correcting identified compliance concerns through robust, fair and transparent policies and practices. To promote transparency, the Compliance Division publishes an annual report describing its program activities, including new initiatives, on the company's public website. AVANGRID is committed to leadership and continuous improvement in the field of corporate ethics.

As a response to the COVID-19 pandemic and to support employees working from home, AVANGRID enhanced its training and communications with online educational opportunities, including a series of film and speaker events to facilitate awareness of ethical issues.

//ETHICS BY THE NUMBERS



100%
ANNUAL ETHICS TRAINING
COMPLETION RATE
(employees not on leave)



94% OF EMPLOYEES
STRONGLY AGREE OR AGREE
that they have a strong awareness
and understanding of our compliance
program and the resources available
to support them.

SUPPLIERS' CODE OF ETHICS

AVANGRID extends its ethical standards under the Code of Business Conduct and Ethics to all its vendors. Vendors are required by contract to comply with the Suppliers' Code of Ethics, available on the company's public website. Both the Code of Business Conduct and Ethics and the Suppliers' Code of Ethics were updated in 2020 to further reinforce AVANGRID's commitment to human rights.

In keeping with its goal of continuous improvement, in 2020, the Compliance Division continued to refine its ethics and compliance screening process for vendors. This process supplements existing due diligence – improving what are already considered industry-leading practices.

// GOVERNANCE: OPERATING WITH THE HIGHEST ETHICAL STANDARDS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

AVANGRID established in 2020 a new ESG Committee as a permanent internal body to support AVANGRID sustainable development strategies, policies, programs, practices and initiatives. This committee is comprised of corporate and operating senior leaders that review and monitor AVANGRID's sustainability and climate change activities, performance and disclosures. This committee also provides technical, informational and advisory support to the CEO as appropriate to help further the AVANGRID Group corporate purpose and strategy.

CORPORATE SECURITY

Annually, AVANGRID participates in and hosts a number of internal and external cyber and physical security exercises to help the organization prepare for cyber and physical security threats and incidents. These exercises allow us to identify gaps and further strengthen or harden our security posture at a corporate, business and functional level.

The 2020 COVID-19 pandemic allowed AVANGRID to utilize the security command system that spans across a wide variety of technical and operational departments and create a communication flow from the very top executive down through the first responders working critical positions. While no one was prepared for the pandemic to impact the nation the way it did, AVANGRID quickly formed a team to collaborate and respond to the growing threat in the early months of 2020.



Lessons learned from the previous year's security exercise allowed us to identify ahead of time that we needed a mass communication system for employees and to ensure that the company had enough bandwidth and licensing to allow for employees to connect efficiently from remote locations, utilizing their business continuity plans.

We conducted benchmarking across all levels of the business, and maintaining internal and external communications was critical to mitigate both safety and security concerns for both employees and company assets.

Cyber and Physical Security Exercise

In the fall of 2020, the Corporate Security team conducted a live drill exercise to assess manual operations and restoration efforts resulting from simulated physical and cyber-attacks on the organization with the goal of involving more areas of the business.

Deploying field crews to electrical substations, natural gas facilities and a wind farm, the exercise involved 125 employees in various roles including planners, first responders and incident responders.

During the simulation, the control centers and operations centers lost connectivity, remote visibility and communication with these facilities, driving staff to manual operations and maintaining communication with those out in the field and the reliability coordinators within the regions.

Other scenarios included vendor impacts, critical system outages, ransomware throughout our Customer Care Centers, substation physical attacks and a Personal Identifiable Information (PII) data breach involving vendors and employees' sensitive data.

As a result of the drill, we gained valuable lessons learned related to security training for field personnel and other staff members who can serve as alternates for their departmental incident responders during crisis response.





// FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

POWERING FORWARD

At AVANGRID, Sustainability equals ESG **plus F**. We know a company cannot make a material and lasting impact if it is not also delivering sustainable financial returns. Our investments over the next five years will help drive the energy transition, strengthening our business and positioning AVANGRID to be the long-term leader in clean energy.



As the U.S. recovers from the COVID-19 pandemic, AVANGRID will support this recovery and the country's future economic growth by continuing to invest in clean and critical infrastructure and by generating jobs that will directly combat climate change and build a road to carbon neutrality. Sustainability, both in energy and in business, is the future. To be a leader in Sustainability, AVANGRID will use its ESG+F framework – with a sharp focus on the financial component – to drive our strategy and inform our asset allocation decisions.

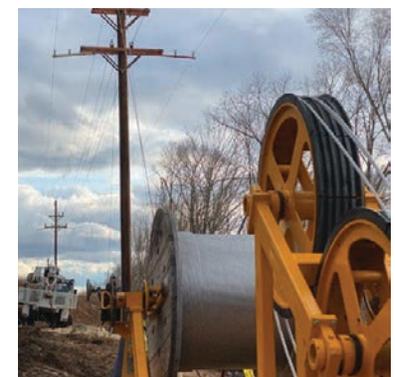
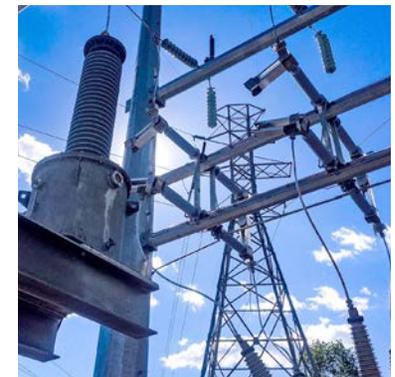
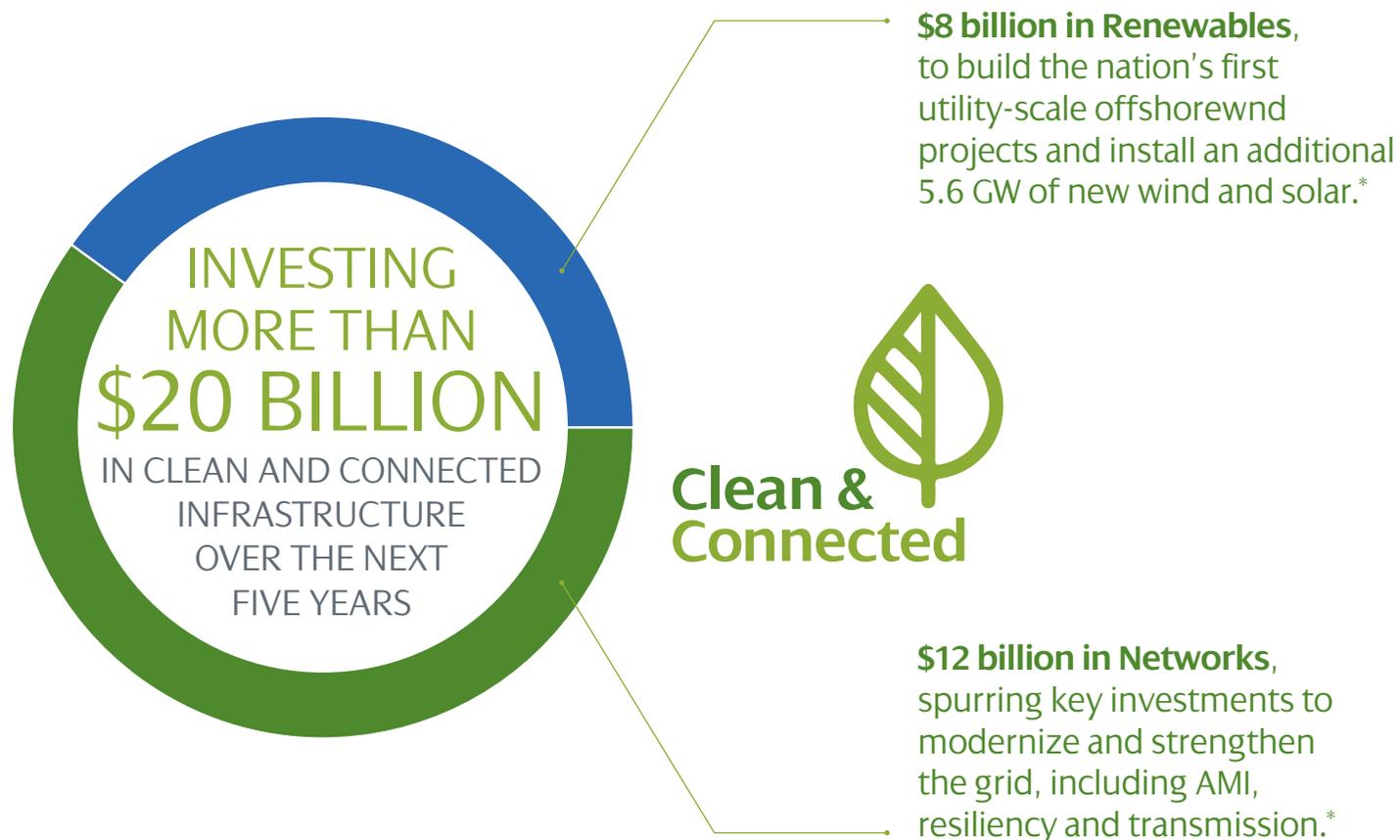
Our Long-Term Outlook, as updated on November 5, 2020, includes a disciplined capital investment plan of over \$20 billion through 2025 to deliver long-term consistent financial performance and build shareholder value. These investments in regulated and contracted businesses will generate predictable earnings and growing cash flows for AVANGRID.

In Networks, we will invest over \$12 billion to modernize and strengthen the grid through advanced metering infrastructure, resiliency and transmission projects. The over \$8 billion invested in Renewables will support the development of our pioneering offshore wind projects and significant buildout of an additional 5.6 GW of solar and wind resources across the U.S. With these additions, AVANGRID expects to reach a total installed capacity of 13.2 GW by 2025, an increase of approximately 74% compared to 2020.

To support these ambitious plans for growth, AVANGRID will continue to focus on maintaining solid investment-grade credit ratings and securing access to capital. Reflecting our dedication to ESG+F, AVANGRID is also focused on promoting responsible financing and ethical business practices and in maintaining these commitments across the supply chain.



// FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

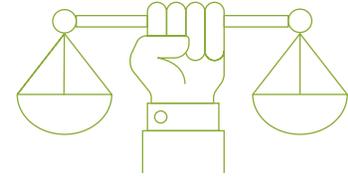


* Includes AVANGRID projection for PNM Resources for 2023–2025 based on publicly available information.



// FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

SUPPLIER SUSTAINABILITY



With the responsibility and the ability to motivate its suppliers to improve their environmental, ethical and social performance through actions that foster excellence in their management of sustainability, AVANGRID is fervent in its efforts to do business with sustainable, transparent, fair and ethical providers.

Consistent with our commitment to continuous improvement, AVANGRID’s purchasing division has designed a new assessment system that evaluates supplier performance aligned to our sustainable business strategy and the UN’s Sustainable Development Goals.

Our new assessment system is divided into three primary sustainability areas – Environmental, Social and Governance – with the results contributing to our strong financial position. This tool evaluates suppliers during the purchasing process to identify potential risk and confirm that their modus operandi is aligned with our policies, principles and responsibilities to meet sustainability goals.

// SUSTAINABLE MANAGEMENT MODEL FOR THE SUPPLY CHAIN: INFORMATION ASSESSED

ENVIRONMENTAL (40%)

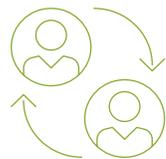
- Existing Policies
- Management Systems
- Greenhouse Gases
- Biodiversity
- Climate Change
- Water Management

SOCIAL (30%)

- Human Rights
- Diversity
- Management Systems
- Contribution to Society
- Reporting and Transparency

GOVERNANCE (30%)

- Existing Policies
- SDG
- Ethics and Compliance
- Sanctions
- Stakeholders
- Supply Chain



WE PROMOTE COMPLIANCE WITH HUMAN RIGHTS FROM OUR SUPPLIERS.

Online awareness module “Together for sustainable development” accessible to all suppliers, their employees and stakeholders.

REPORT ON GREEN FINANCING

In 2020, AVANGRID continued to tap ever-deepening pools of capital, seeking to invest in the transition to a low carbon economy. On April 7, 2020, AVANGRID completed its third green bond issuance with a \$750 million five-year bond, the proceeds of which are being allocated to projects that are expected to go into service during 2021. AVANGRID is now the eighth largest green bond issuer in the U.S., with a total issued of \$2.1 billion.*

AVANGRID is now the eighth largest green bond issuer in the U.S., with a total issued of \$2.1 billion.



GREEN BOND						
CUSIP	ISSUER	ISSUE DATE	NET PROCEEDS (\$M)	MATURITY DATE	COUPON	
05351WAA1	AVANGRID	Nov '17	\$595	Nov '24	3.15%	
ASSETS ALLOCATED						
PROJECT	TYPE	LOCATION (STATE)	IN-SERVICE DATE	INSTALLED CAPACITY (MW)	OWNERSHIP %	AMOUNT ALLOCATED (\$M)
Amazon Wind Farm U.S. East	Onshore wind	NC	Dec '16 - Feb '17	208	100%	\$395
Gala Solar Plant	Solar	OR	Oct '17	56	100%	\$100
Twin Butte II	Onshore wind	CO	Dec '17	75	100%	\$100
AMOUNT INVESTED BY AREA						
AREA	INVESTMENT % ALLOCATED		AMOUNT ALLOCATED (\$M)			
Renewables	100%		\$595			
SUSTAINABILITY INDICATORS						
INSTALLED CAPACITY (MW)	2020 OUTPUT ATTRIBUTABLE TO THE BOND (GWH)		2020 CO ₂ AVOIDED DUE TO THE BOND (MT)			
339	936		661,532			

* Bloomberg, 2/22/21

// FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

GREEN BOND						
CUSIP	ISSUER	ISSUE DATE	NET PROCEEDS (\$M)	MATURITY DATE	COUPON	
05351WAB9	AVANGRID	May '19	\$745	May '29	3.80%	
ASSETS ALLOCATED						
PROJECT	TYPE	LOCATION (STATE)	IN-SERVICE DATE	INSTALLED CAPACITY (MW)	OWNERSHIP %	AMOUNT ALLOCATED (\$M)
Montague	Onshore wind	OR	Oct '19	201	63%	\$167
Karankawa	Onshore wind	TX	Dec '19	307	64%	\$251
Patriot	Onshore wind	TX	Jun '19	226	59%	\$182
Otter Creek	Onshore wind	IL	Mar '20	151	69%	\$145
AMOUNT INVESTED BY AREA						
AREA	INVESTMENT % ALLOCATED		AMOUNT ALLOCATED (\$M)			
Renewables	100%		\$745			
SUSTAINABILITY INDICATORS						
INSTALLED CAPACITY (MW)	2020 OUTPUT ATTRIBUTABLE TO THE BOND (GWH)		2020 CO ₂ AVOIDED DUE TO THE BOND (MT)			
885	1,273		899,726			

GREEN BOND						
CUSIP	ISSUER	ISSUE DATE	NET PROCEEDS (\$M)	MATURITY DATE	COUPON	
05351WAC7	AVANGRID	Apr '20	\$744	Apr '25	3.20%	
ASSETS ALLOCATED						
PROJECT	TYPE	LOCATION (STATE)	IN-SERVICE DATE	INSTALLED CAPACITY (MW)	OWNERSHIP %	AMOUNT ALLOCATED (\$M)
Colorado Green	Wind repower	CO				
La Joya	Onshore wind	NM				
Roaring Brook	Onshore wind	NY				
Lund Hill	Solar PV	WA				
Golden Hills	Onshore wind	OR				
Montague II Solar	Solar PV	OR				

Proceeds of the April 2020 bond are financing projects that were under construction at December 31, 2020, and projects that will be constructed in 2021.

// FINANCIAL: MAINTAINING A STRONG FINANCIAL POSITION

TAX EQUITY						
	ISSUER Aeolus VII		ISSUE DATE Feb '20, Apr '20		NET PROCEEDS (\$M) \$307	
ASSETS ALLOCATED						
PROJECT	TYPE	LOCATION (STATE)	IN-SERVICE DATE	INSTALLED CAPACITY (MW)	OWNERSHIP %	AMOUNT ALLOCATED (\$M)
Montague	Onshore wind	OR	Oct '19	201	37%	\$97
Karankawa	Onshore wind	TX	Dec '19	307	36%	\$140
Otter Creek	Onshore wind	IL	Mar '20	151	32%	\$70
AMOUNT INVESTED BY AREA						
	AREA Renewables		INVESTMENT % ALLOCATED 100%			AMOUNT ALLOCATED (\$M) \$307
SUSTAINABILITY INDICATORS						
	INSTALLED CAPACITY (MW) 659		2020 OUTPUT ATTRIBUTABLE TO THE BOND (GWH) 506		2020 CO₂ AVOIDED DUE TO THE BOND (MT) 357,811	

TAX EQUITY						
	ISSUER Patriot		ISSUE DATE Jun '19		NET PROCEEDS (\$M) \$128	
ASSETS ALLOCATED						
PROJECT	TYPE	LOCATION (STATE)	IN-SERVICE DATE	INSTALLED CAPACITY (MW)	OWNERSHIP %	AMOUNT ALLOCATED (\$M)
Patriot	Onshore wind	TX	Jun '19	226	41%	\$128
AMOUNT INVESTED BY AREA						
	AREA Renewables		INVESTMENT % ALLOCATED 100%			AMOUNT ALLOCATED (\$M) \$128
SUSTAINABILITY INDICATORS						
	INSTALLED CAPACITY (MW) 226		2020 OUTPUT ATTRIBUTABLE TO THE BOND (GWH) 220		2020 CO₂ AVOIDED DUE TO THE BOND (MT) 155,755	

// KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE	UNIT	2020	2019	2018
Revenues	\$M	6,320	6,336	6,477
% Revenues from clean energy	%	17.9	15.7	16.6
Operating expenses	\$M	5,451	5,338	5,361
Operating income	\$M	869	998	1,116
Net income	\$M	581	667	587
Earnings per share	\$/share	1.88	2.16	1.92
Total assets	\$M	37,823	34,394	32,167
Equity	\$M	15,826	15,539	15,403
Accrued investments	\$M	2,808	2,981	1,726
ENVIRONMENTAL PERFORMANCE	UNIT	2020	2019	2018
Installed capacity ¹	MW	8,822	8,360	7,586
Emissions-free installed capacity	MW	7,982	7,520	6,738
% Emissions-free installed capacity	%	90	90	89
Total net electricity production	GWh	22,142	20,960	20,057
Emissions-free production ²	GWh	19,391	17,479	17,335
% emissions-free production	%	88	83	86
Energy produced under certified environmental management systems	%	12	17	14
EMISSIONS³	UNIT	2020	2019	2018
CO ₂ emissions from power generation	mt	1,146,051	1,541,422	1,092,022
CO ₂ emissions rate from power generation	g CO ₂ /kWh	51	73	54
CO ₂ emissions rate from power generation	lbs CO ₂ /MWh	113	162	119
Methane leaks (1 year in arrears)	mt CO ₂ eq	231,950	221,614	232,122
SF ₆ leaks	mt CO ₂ eq	31,776	120,382	17,110
Scope 1 GHG emissions (CO ₂ eq)	mt	1,416,448	1,934,393	1,363,231
Scope 2 GHG emissions (CO ₂ eq)	mt	297,283	231,192	381,533
Scope 3 GHG emissions (CO ₂ eq)	mt	24,528,246	19,892,852	21,590,220
NO _x emissions from power generation	mt	149	183	159
NO _x emissions rate from power generation	mt/GWh	0.007	0.009	0.008
SO ₂ emissions from power generation	mt	6	7	6
SO ₂ emissions rate from power generation	mt/GWh	0.0003	0.0003	0.0003
Particulate matter emissions from power generation	mt	19	23	20
Particulate matter emissions rate from power generation	mt/GWh	0.001	0.001	0.001

// KEY PERFORMANCE INDICATORS

WATER		UNIT	2020	2019	2018
Water withdrawal for Klamath power generation		m ³	3,351,213	3,709,797	3,444,000
% treated wastewater		%	98	98	95
Water withdrawal for generation/production		m ³ /GWh	148	177	172
Water discharged		m ³	1,446,193	1,496,645	1,468,973
WASTE		UNIT	2020	2019	2018
Hazardous waste		mt	683	1,711	1,252
Recycled/reused		%	11	59	29
Per electricity generated		mt/GWh	0.03	0.08	0.06
Non-hazardous waste		mt	163,475	313,462	100,016
Recycled/reused		%	3	132	17
Per electricity generated		mt/GWh	7	15	5
Total amount of fines relating to the environment		\$M	0.011	0.010	0.075
SOCIAL PERFORMANCE		UNIT	2020	2019	2018
Consumers	Total customers	M	3.31	3.28	3.25
	Electric	M	2.28	2.26	2.24
	Gas	M	1.03	1.02	1.01
	Customers with smart meters	%	38	39	39
	Incremental Annual Electricity Savings from Energy Efficiency Measures	MWh	186,911	192,861	167,282
Customer Satisfaction Index	RG&E	%	92.2	90.3	91.4
	NYSEG	%	90.9	91.0	91.0
	Central Maine Power	%	89.9	87.0	87.0
	UI	%	90.1	91.0	93.9
	CNG	%	91.0	88.7	88.3
	SCG	%	92.8	90.3	88.6
	Berkshire Gas	%	93.9	94.4	95.0
		%			
Quality of Service	SAIFI	%	1.37	1.17	1.22
	CAIDI	%	1.84	1.93	2.07
Economic Benefits	Social Funds ⁴	\$M	7.1	5.7	4.5
	Avangrid Foundation	\$M	4.2	3.9	2.5
	Volume of purchases	\$M	3,183	2,890	2,299
	Purchases from U.S. suppliers	%	97	97	97
	R&D	\$M	79.3	67.6	54.7

// KEY PERFORMANCE INDICATORS

EMPLOYMENT, HEALTH & SAFETY		UNIT	2020	2019	2018	
Employment	Number of employees	#	7,031	6,597	6,449	
	Full-time contracts	%	99.9	99.8	99.8	
	Employees with collective bargaining agreement	%	48.9	49.0	48.3	
	Average age of workforce	Years	45.14	45.8	46.3	
	Average years of service of workforce	Years	12.55	13.4	14.1	
	Women as % of workforce	%	28	28	29	
	Hours of training	Mill	0.20	0.23	0.19	
	Hours of training per employee	h	26.90	34.5	28.0	
	Employees expected to retire in next 5 years	#	2,611	2,553	2,421	
	Employees expected to retire in next 10 years	#	3,281	3,293	3,026	
	Employee turnover	%	6.93	9.47	9.82	
	Health & Safety	Total hours worked	Mill hr	13.90	13.08	12.80
		Recordable incident rate	RIR	2.47	3.57	2.92
Lost time incident rate		LTIR	0.60	0.52	0.58	
Occupational disease rate		ODR	0.00	0.00	0.00	
Work-related employee fatalities		#	0	1	0	
Work-related contractor fatalities		#	0	0	0	
Days away, restricted and transfer (DART) rate, employee		DART	1.71	1.98	1.89	
Contractor lost time incident rate (LTIR) ⁵	LTIR	0.20	0.39	0.27		

¹ Solar capacity is now being reported in MWdc.

² The environmental and green attributes attributable to the electric generation from Avangrid Renewables' facilities have been or likely will be sold or transferred to third parties, who are solely entitled to the reporting and other rights to all renewable energy credits, emissions reductions, offsets, allowances and the avoided emissions of greenhouse gas pollutants, collectively environmental attributes. Avangrid Renewables is not claiming ownership of any environmental attributes from its renewable generation fleet for any purpose, including compliance with any federal or state law or reporting to any federal or state agency, or any other present or future federal, state, local, international, foreign or voluntary renewable energy, emission reduction or emissions trading program.

³ Data shown is the inventory (as of April 2021) to be submitted for verification in 2021 pursuant to the Greenhouse Gas Protocol of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

⁴ Measured according to London Benchmarking Group (LBG) model standards. It only recognizes projects that involve voluntary contributions for social or environmental protection ends, for nonprofit purposes and that are not restricted to groups related to the company. Includes Avangrid Foundation contributions.

⁵ A new methodology has been implemented in 2020 based on a weighted average of the level 1 contractor rate (70%) and level 2 contractor rate (30%). Without the weighted average, Contractor LTIR is 0.28.

// NON-U.S. GAAP FINANCIAL MEASURES

RECONCILIATION OF NON-GAAP ADJUSTED NET INCOME (LOSS) – \$M (UNAUDITED)	2020	2019
Net Income	\$581	\$667
Adjustments:		
Mark-to-market adjustments – Renewables	5	(76)
Restructuring charges	6	6
Accelerated depreciation from repowering	9	33
Impact of COVID-19	29	-
Merger costs	6	-
Legal settlement – Gas storage	5	-
Income tax impact of adjustments*	(16)	10
Adjusted Net Income	\$625	\$640

RECONCILIATION OF ADJUSTED NON-GAAP EARNINGS (LOSS) PER SHARE (EPS)	2020	2019
Earnings Per Share	\$1.88	\$2.16
Adjustments:		
Restructuring charges	0.02	0.02
Mark-to-market adjustments – Renewables	0.02	(0.25)
Accelerated depreciation from repowering	0.03	0.11
Impact of COVID-19	0.9	-
Merger costs	0.02	-
Legal settlement – Gas storage	0.01	-
Income tax impact of adjustments*	(0.05)	10
Adjusted Earnings Per Share	\$2.02	\$2.07
Weighted Avg # of Shares (M)	309.5	309.5

* **2020:** Income tax impact of adjustments: \$(1) million from MtM adjustment, \$(2) million from accelerated depreciation, \$(2) million from restructuring charges, \$(8) million from COVID-19 impacts, \$(1) million from legal settlement – gas storage and \$(2) million from merger costs for the year ended December 31, 2020.

* *Includes corporate and other non-regulated entities as well as intersegment eliminations.*

* **2019:** \$20 million from MtM adjustment, \$(9) million from accelerated depreciation, \$(2) million from restructuring charges, for the year ended December 31, 2019.

During the year ended December 31, 2020, the company identified various immaterial corrections that originated in prior periods. The company has revised the prior periods to reflect these immaterial corrections. The corrections resulted in a decrease of \$33 million in net income for the year ended December 31, 2019.

USE OF NON-U.S. GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we consider adjusted net income and adjusted earnings per share as non-GAAP financial measures that are not prepared in accordance with GAAP. The non-GAAP financial measures we use are specific to AVANGRID and the non-GAAP financial measures of other companies may not be calculated in the same manner. We use these non-GAAP financial measures, in addition to GAAP measures, to establish operating budgets and operational goals, to manage and monitor our business, to evaluate our operating and financial performance and to compare such performance to prior periods and to the performance of our competitors. We believe that presenting such non-GAAP financial measures is useful because such measures can be used to analyze and compare profitability between companies and industries by eliminating the impact of certain non-cash charges. In addition, we present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance.

We define adjusted net income as net income adjusted to exclude restructuring charges, mark-to-market earnings from changes in the fair value of derivative instruments, accelerated depreciation derived from repowering of wind farms, a legal settlement, costs incurred related to the PNM Resources Merger and the impact of the global coronavirus (COVID-19) pandemic. We believe adjusted net income is more useful in understanding and evaluating actual and projected financial performance and contribution of AVANGRID core lines of business and to more fully compare and explain our results. The most directly comparable GAAP measure to adjusted net income is net income. We define adjusted earnings per share, or adjusted EPS, as adjusted net income converted to an earnings per share amount. The use of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, AVANGRID’s GAAP financial information, and investors are cautioned that the non-GAAP financial measures are limited in their usefulness, may be unique to AVANGRID, and should be considered only as a supplement to AVANGRID’s GAAP financial measures. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools.

Non-GAAP financial measures are not primary measurements of our performance under GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with GAAP.

Investors and others should note that AVANGRID routinely posts important information on its website and considers the Investor Relations section, www.avangrid.com/wps/portal/avangrid/Investors, a channel of distribution.



// FORWARD LOOKING STATEMENTS

FORWARD LOOKING STATEMENTS

Certain statements in this report may relate to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “would,” “could,” “can,” “expect(s),” “believe(s),” “anticipate(s),” “intend(s),” “plan(s),” “estimate(s),” “project(s),” “assume(s),” “guide(s),” “target(s),” “forecast(s),” “are (is) confident that” and “seek(s)” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on business, results of operations or financial condition of the business and other statements that are not historical facts. Such statements are based upon the current reasonable beliefs, expectations, and assumptions of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors are discussed and should be reviewed in our Form 10-K and other subsequent filings with the SEC. Specifically, forward-looking statements include, without limitation: the future financial performance, anticipated liquidity and capital expenditures; actions or inactions of local, state or federal regulatory agencies; success in retaining or recruiting our officers, key employees or directors; changes in amount, timing or ability to complete capital projects; adverse developments in general market, business, economic, labor, regulatory and political conditions; fluctuations in weather patterns; technological developments; the impact of any cyber breaches or other incidents, grid disturbances, acts of war or terrorism, civil or social unrest, natural disasters, pandemic health events or other similar occurrences; the impact of any change to applicable laws and regulations affecting operations, including those relating to the environment and climate change, taxes, price controls, regulatory approval and permitting; our ability to close the proposed merger with PNM Resources, the anticipated timing and terms of the proposed merger, our ability to realize the anticipated benefits of the proposed merger with PNM Resources and our ability to manage the risks of the proposed merger; the COVID-19 pandemic and its impact on business and economic conditions; the implementation of changes in accounting standards; and other presently unknown unforeseen factors.

Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Other risk factors are detailed from time to time in our reports filed with the SEC, and we encourage you to consult such disclosures.

// SUSTAINABLE DEVELOPMENT GOALS

Released in 2015 and projected out through 2030, the United Nations Sustainable Development Goals (SDGs) channels an ambitious agenda for governments, businesses and organizations to inspire and accelerate action toward sustainable development.

Many of the SDGs align with AVANGRID’s key sustainability issues, particularly the goals targeting affordable and clean energy (SDG 7) and climate action (SDG 13). Throughout the report and in the map below, we have identified our targeted goals and others where we make a direct contribution.

SUSTAINABLE DEVELOPMENT GOALS



PAGE	RELEVANT SDG	SECTION
10	7, 9	2020 Review and Outlook: Renewables
12	7, 9, 14	Kitty Hawk Offshore Wind Project Deploys the Latest Data-Collection Technology
13	7	Case Study: Doing Good in the Pacific Northwest
14	7, 13	Helping our Customers Meet their Sustainability Commitments
15	15	Avangrid Renewables Protects Important Bat Habitat in New York
18	7, 17	NECEC Transmission Project
23	9	First of its Kind: Non-Pipe Alternative
24	9	Connecticut Utilities Offer Virtual Assessments for Energy Efficiency Projects with Increased Incentives for Commercial Customers
25	9	Innovation
28	15	Environmental Innovation
31	13	Climate Change Risk Management
32	7, 13	Governance
33	7, 13	Strategy and Risk Management
34	7, 13	Greenhouse Gas Emissions
36	6, 7, 13	Environmental Management
37	6	Water
38	15	Biodiversity
40	15	Innovative Conservation Proposal Builds on Industry-Leading Wildlife Protection Initiatives at the Manzana Wind Power Project
41	15	Snowbirds Return Each Year to New Perch Thanks to NYSEG

PAGE	RELEVANT SDG	SECTION
42	5, 10	DE&I
44	5, 10	Our Workforce
46	3	Promoting Employee Health & Well-Being
48	5, 11, 16, 17	Avangrid Foundation
49	13, 14	AVANGRID at Sea: A Global Voyage for Climate Action with Darwin200
50	2, 3, 10, 16	Stepping Up to Help Neighbors in Need During the COVID-19 Pandemic Working Together for Justice and Equality Employee Giving Campaign
51	15, 17	Wildlife Rehabilitation
52	15, 16, 17	Creating Hope and Community Through Art
53	5	Celebrating Women: 100 Years of the Right to Vote
54	2	Community and Economic Development
55	2, 8, 17	Jobs for Maine’s Graduates Smart Kids Plugged In
56	8, 11	UI & SCG Provide Support For Downtown Businesses as they Recover from COVID-19 Impacts UI, SCG and CNG Award \$441,540 in Grants to Help 59 CT Nonprofits Cut Energy Costs
57	2, 11	NYSEG and RG&E Tackle Food Insecurity as Part of Company’s Volunteer Week Effort New York Streetlight Conversions Bring Energy Savings to Municipalities
62	7, 8, 9, 11	Powering Forward



// VISIT US AT [AVANGRID.COM](https://www.avangrid.com) AND CONNECT WITH US:      