Our journey continues:

Advancing the clean energy transition

/ 2023 Sustainability Report

Avangrid A member of the Iberdrola Group

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About This Report

The reporting period is January 1, 2023, to December 31, 2023, unless otherwise stated. Avangrid's Internal Audit department performed an independent validation of selected significant key performance indicator (KPI) data. Avangrid's Greenhouse Gas (GHG) emissions data received limited assurance by an independent third party. In addition, Iberdrola annually engages an independent third party to audit its Consolidated Statement of Non-Financial Information – Sustainability Report. To date, Avangrid has adopted the results of Iberdrola's Materiality Assessment as relevant to drive the focus of our sustainability KPIs and priorities.

01 Introduction

A Letter from Avangrid CEO Pedro Azagra

The demand for safe, renewable, affordable and reliable energy to power our cities, homes and businesses today – while helping to ensure the well-being of future generations – has never been greater.

Because of this, even as our industry faces a range of unprecedented challenges, we're working hard every day to address this demand.

In this year's Sustainability Report, I'm excited to share how Avangrid, a member of the Iberdrola Group, is helping to create a clean energy future – to promote the best outcomes for our customers, our communities, our employees and the environment.

Looking back at 2023, we took significant steps to advance our sustainability commitments, which set us up to hit the ground running in 2024. Notably, the first turbine from Vineyard Wind 1 (VW 1) started on December 31, 2023. VW 1 represents the first large-scale offshore wind facility in the U.S. Throughout the year, we made critical progress in the construction of this project, including installation of VW 1's turbines and construction of the facility's onshore substation, which made first power possible. On January 2, 2024, we began exporting recurrent power into New England. When complete, this groundbreaking project is expected to enable Avangrid to deliver over 800 megawatts (MW) of renewable energy from 62 wind turbines – enough to power 400,000 homes.

We also overcame legal challenges and were ultimately able to make progress on our New England Clean Energy Connect (NECEC) 145-mile transmission line that, when complete, will bring 1.2 gigawatt (GW) of clean hydro power from Canada to New England. In addition, we reached agreements on rate cases in Maine and New York, which will allow us to continue making critical reliability investments to our electric grid, while minimizing cost impacts to our customers.

We are continuing to deliver exceptional service to our customers, who are at the core of everything we do, by increasing the resiliency of our grid and enhancing our ability to respond to critical situations such as impacts from storm events. In 2023, we invested more than $2.3 billion in our networks to support the clean energy transition and adapt to impacts from climate change. To drive resiliency and reliability, we continued capital investments across our networks to achieve substation modernization, storm resiliency program grid automation, pole replacement programs, projects related to improvement of system operations and updating aging infrastructure.

We accomplished all this while advancing our sustainability commitments. With respect to the environment, we have grown our renewable energy capacity by 51%[1] to 8.8 GW. We have doubled the number of sustainable fleet vehicles, achieving more than 11% of the total light duty fleet, and 44% of our electricity in our corporate buildings is now renewable.

Regarding our communities and employees, we have made substantial progress toward a goal of 35,000 employee volunteer hours by 2025, expanding training opportunities for Avangrid employees in areas like leadership, safety, cybersecurity and increasing our 2023 annual spend with diverse suppliers[2] to more than $284 million in support of our $300 million commitment by 2025.

We do all of this while holding ourselves to the highest ethical, compliance and governing standards, including engaging an independent, third-party organization to routinely assess our governance practices.

In addition, we continue to build on our position as a leader in sustainable finance as we increase our ability to provide affordable, renewable energy while reducing climate risks. In 2023, we grew our green financing position by $2.1 billion for a total of $5.0 billion by year-end 2023.[3]

Our commitments as a leader in the clean energy transition are continuing to evolve, and they reflect our dedication to serving the needs of our customers and communities today, while helping to ensure the well-being of generations to come. I'm excited for the opportunity to continue leading this remarkable organization, which is dedicated to a brighter future for all.

Pedro Azagra / CEO

[1] From 2015 baseline.

[2] Supplier diversity includes purchasing goods and services from suppliers within the following business classifications (at least 51% owned and operated): Ethnic minority-owned, women-owned, service-disabled veteran-owned, veteran-owned, people with disabilities, and lesbian, gay, bisexual, and transgender (LGBTQ+) owned businesses.

[3] Green financing refers to any structured financial activity created to ensure a better environmental outcome.

Sustainability Strategy and Highlights

As one of America's most reliable and innovative leaders in renewable energy, we're moving forward purposefully and confidently to transition our communities toward a healthier, more prosperous tomorrow. Avangrid's corporate purpose reflects our commitment to a clean energy model that benefits the communities we serve.

To accomplish this, we have evolved our corporate values around three concepts that inspire our strategy:

- **Sustainable:** We seek to be a model of inspiration for creating economic, social and environmental value in our communities and we act with intention to have a positive effect on local development, to generate employment and to contribute to the communities we serve.
- **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.

At Avangrid, our decisions and actions are guided by our **Sustainability Goals**. This means that as we continue to maintain and grow our strong financial performance, we are also strengthening our position as one of the largest clean energy providers recognized for our just and ethical leadership.

We hold these values in common with the Iberdrola Group, a global energy leader and our controlling shareholder, which has been leading the transition to an equitable, clean energy future for nearly a quarter century.

The Iberdrola Group crystallized its sustainability commitments and leadership in renewables during the **2023 United Nations 28th Annual Climate Change Conference (COP28)**. Here, Iberdrola was recognized as the company with the greatest leadership at the conference by Influence Map (an independent global think tank focused on analyzing the influence of organizations on climate policies and their alignment with the Paris Agreement).

We continue to bring our sustainability commitments to life through efforts to address climate change while we help decarbonize the U.S. economy. We're doing this through the generation of renewable energy, investing in our networks, protecting and enhancing the natural environment and ensuring the safety and well-being of our customers, our employees and our communities.

Knowing that the external challenges we address through our commitments are always evolving, we will continue to review, revise and expand our goals to optimize how we meet current and future challenges.

Our success empowers us to move our sustainability commitments forward as we help create a clean energy future, and we're proud to share how we're bringing these commitments to life in Avangrid's 2023 Sustainability Report.

Progress Toward Sustainability Goals

In 2023, we made significant progress toward our commitments, with notable growth and impact to reduce our emissions, support our communities and drive a safer, more inclusive workplace. Here is an overview of accomplishments and commitments:

Environmental Impact

- Installed 877 EV charging points throughout our networks (compared to 531 in 2022).
- Today, 44% of the energy used by our corporate buildings is renewable, and our goal is to achieve 100% renewable electricity use in our corporate buildings by 2030, which will help reduce emissions across our own physical footprint (scope 2).
- More than 11% of our fleet has been converted to alternative energy vehicles with a goal to convert 60% of our fleet, including 100% of our light duty fleet, to alternative energy sources by 2030 (scope 1).
- We invested more than $203 million in Leak-Prone Main Gas Pipeline replacement to reduce fugitive emissions (scope 1). This supports the average replacement of 100 miles of leak-prone gas pipeline annually.

Social Impact

- Our employees volunteered over 23,000 hours, exceeding our volunteering goal of 14,000 hours by more than 60%. Employees volunteered in 26 states across the company's service and operating areas, supporting more than 350 organizations.
- More than 35,000 safety observations were completed in 2023. These safety observation programs, in addition to monthly safety meetings, are dedicated to sharing critical safety updates and promoting a learning/improving safety culture while also building critical skills for managers and supervisors to boost engagement for all employees.
- In 2023, our Business Resource Groups (BRGs) hosted over 97 events – promoting inclusive conversations and diverse thinking throughout the organization.
- We spent $284 million with diverse suppliers in 2023, accelerating us toward our $300 million annual spend goal with diverse suppliers by 2025.

Governance & Financial Practice Commitments

- By holding ourselves to high ethical standards through the Avangrid Compliance Program, we earned our third consecutive two-year term with Ethisphere's prestigious Compliance Leader Verification. This verification is given to companies with best-in-industry compliance programs. We have held this verification since 2019 and are committed to maintaining it in the future.
- We completed our annual independent, third-party review to assess our governance practices and the operations of our Board and its committees.
- We maintained and built on our position as a leader in sustainable finance in the U.S., growing our green financing position by $2.1 billion for a total of $5.0 billion. Our near-term goal for 2025 is to ensure at least 67% of our debt is associated with sustainable criteria.

"At Avangrid, our focus on sustainability is core to every decision we make, and our business is guided and strengthened by our sustainability commitments. As we look to the future, we'll continue to address critical issues like climate change, protecting biodiversity, building opportunities for our employees and helping our communities access the resources they need to thrive. This report provides a detailed look into how we bring these commitments to life."

Laney Brown / Vice President, Sustainability

Sustainability Goals Scorecard

Environmental	Metrics	2022 Actuals	2023 Actuals	2025 Plan	2030 Plan	SDG Alignment
Carbon neutral for scopes 1 and 2 (reduction from 2020)[1]	Scopes 1 and 2 carbon neutral by 2030	10%	1%	Carbon Neutrality Implementation Strategy aligned with SBTi[2] milestones[3]		7 Affordable and Clean Energy
Emissions-free installed capacity	GW	8.7	8.8	9.5	12.5	
	% growth from 2015	49%	51%	65%	114%	
Storage capacity	Installed storage (MWh)	0	0	0	1,050	11 Sustainable Cities and Communities
Network EV charging points	Installed chargers (ks)	0.53[4]	1.65	3	15	
Vehicle fleet to alternative energy vehicles by 2030, including 100% of light duty fleet	% alternative fuel fleet	6%	11%	30%	60%	
Renewable electricity in corporate buildings	% electricity consumption	5%	44%	80%	100%	13 Climate Action
Network investments in climate mitigation and adaptation	$M - cumulative	-	$185	$750	$4,000	
Recycled water in thermal gas generation	% recycled water	-	97%	>95%	>95%	

Social	Metrics	2022 Actuals	2023 Actuals	2025 Goal	2030 Goal	SDG Alignment
Women in executive positions	% women in executive positions	35%	35%	40%	40%	3 Good Health and Well-Being
Women in senior leader positions (Paradigm for Parity)	% women in senior positions	30%	27%	40%	50%	
Third-party pay equity analysis performed and actioned annually	Third-party pay equity analysis	✓	✓	✓	✓	
Accident rate (employees)	TRIR	2.64	2.11	1.85	1.61	5 Gender Equality
Employees under ISO 45001 certification	% employees	98%	98%	98%	98%	
Employee training	Hours per employee/year	42.5	46	>40	>40	
Cybersecurity training	# hours (ks)	29.2	37.7	28.6	29.3	
Corporate volunteering	# hours	10,464	23,308	35,000	45,000	10 Reduced Inequalities
Purchases from diverse suppliers	$M in diverse suppliers	$195	$284	$300	$400	
Sustainable purchasing awards	% suppliers	-	≥80%	≥82%	≥85%	

Governance and Financial	Metrics	2022 Actuals	2023 Actuals	2025 Goal	2030 Goal	SDG Alignment
Maintain governance and sustainability system with best governance practices	Third-party independent assessment	✓	✓	✓	✓	17 Partnerships for the Goals
Maintain an effective compliance program utilizing industry best practices	U.S. best practices – third-party verification	✓	✓	✓	✓	
Sustainable finance	% total financing	55%	62%	67%	80%	

[1] 2020 base year emissions were recalculated and adjusted due to unreported emissions which were identified in the 2023 AENOR third-party verification.

[2] SBTi (Science Based Targets initiative).

[3] Avangrid undertakes its best efforts to achieve this commitment. The company therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the company value, quality of supply, social/labor conditions, and a fair transition.

[4] The cumulative 2022 total is .77 installed chargers (ks).

Recognition for Our Sustainability and Social Impact Leadership

Avangrid's Sustainability Accolades in 2023 Cement the Company as a Clean Energy Leader

- **JUST Capital's JUST 100** (2021-2024) – One of America's best corporate citizens for four consecutive years.
- **Ethisphere's World's Most Ethical Companies** (2019-2024) – Recognized leader in ethics, compliance and governance practices for six consecutive years.
- **Ethisphere's Compliance Leader Verification** (since 2019) – A rigorous review of our ethics and compliance program and corporate culture.
- **USA Today's Listing of America's Climate Leaders** (2023) – For reducing our core emissions intensity.
- **World Finance's Most Sustainable Company in the Electric Services Industry** (2023) – For putting green values at the forefront of business operations.
- **World Finance's Best Corporate Governance** (2023) – For commitment to transparency and ethical principles.
- **Bloomberg Gender-Equality Index** (2023) – For building a diverse and inclusive workplace.
- **S&P Global's Sustainability Yearbook Member** (2021-2023) – One of the world's most sustainable companies for three consecutive years.
- **FTSE4Good Index Series by FTSE Russell** (2018-2023) – For strong environmental, social and governance practices.
- **Smart Electric Power Alliance's 2030 Club** (2023) – For our aggressive carbon reduction commitments.
- **2023 Utility Decarbonization Index by National Public Utilities Council** (2023) – Ranked second among U.S. utilities for decarbonization efforts.
- **Emergency Assistance Award by Edison Electric Institute** (2023) – For mutual aid efforts to support power restoration in Nova Scotia following Hurricane Fiona.
- **Emergency Response Award by Edison Electric Institute** (2023) – For the extraordinary restoration efforts in Maine and New York following Winter Storm Elliot in December 2022.
- **Top Innovator by Public Utilities Fortnightly** (2023) – For a cybersecurity project to improve our proactive defense strategies.

America's Most JUST Companies CNBC 2021 – 2024

2024 World's Most Ethical Companies ™ Ethisphere 6-Time Honoree

2024 Ethisphere Compliance Leader Certification

USA Today America's Climate Leaders 2023 statista

Bloomberg Gender-Equality Index 2023 Member Subsidiary

FTSE4Good

EEI Emergency Response Award

02 Business Focus on a Clean Energy Future

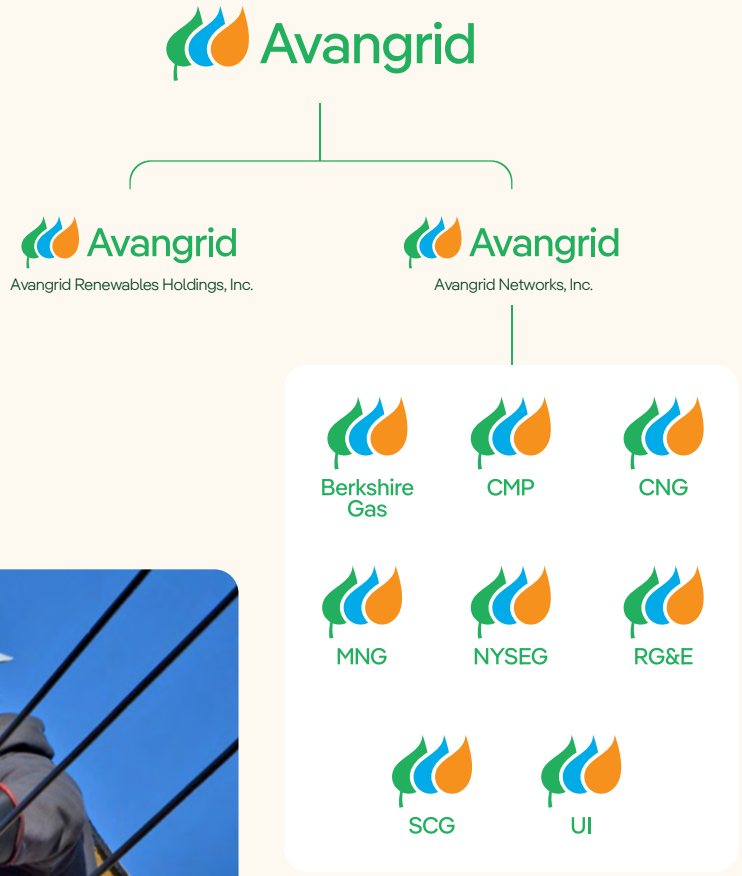
Business Focus on a Clean Energy Future

In 2023, we overcame substantial challenges across the energy industry to achieve numerous significant milestones – from closing rate cases in New York and Maine and resuming construction on our New England Clean Energy Connect (NECEC) project, to overwhelmingly defeating a ballot initiative favoring government-controlled power in Maine and advancing construction of Vineyard Wind 1 (VW 1).

Avangrid's overall success is dependent on our ability to help create a clean energy future for all. To achieve this, we're investing in our network infrastructure, increasing our generation capacity of renewable energy and innovating across our operations to create positive outcomes for our customers, communities, the environment and our shareholders.

Our commitment to a clean energy future also contributes to our financial success. In 2023, we delivered 18% growth in net income when compared to 2022 after excluding the 2022 gain from the restructuring of the company's New England offshore wind lease partnership agreement and upfront tax benefits from the enactment of the Inflation Reduction Act.* We're proud of our strong financial performance and recognize that it is essential to help create a clean energy future.

Our Company Structure



* $181 million of the 2022 gain from the restructuring of the offshore wind lease partnership agreement and $37 million for upfront tax benefits.

Selected 2023 Operational Data

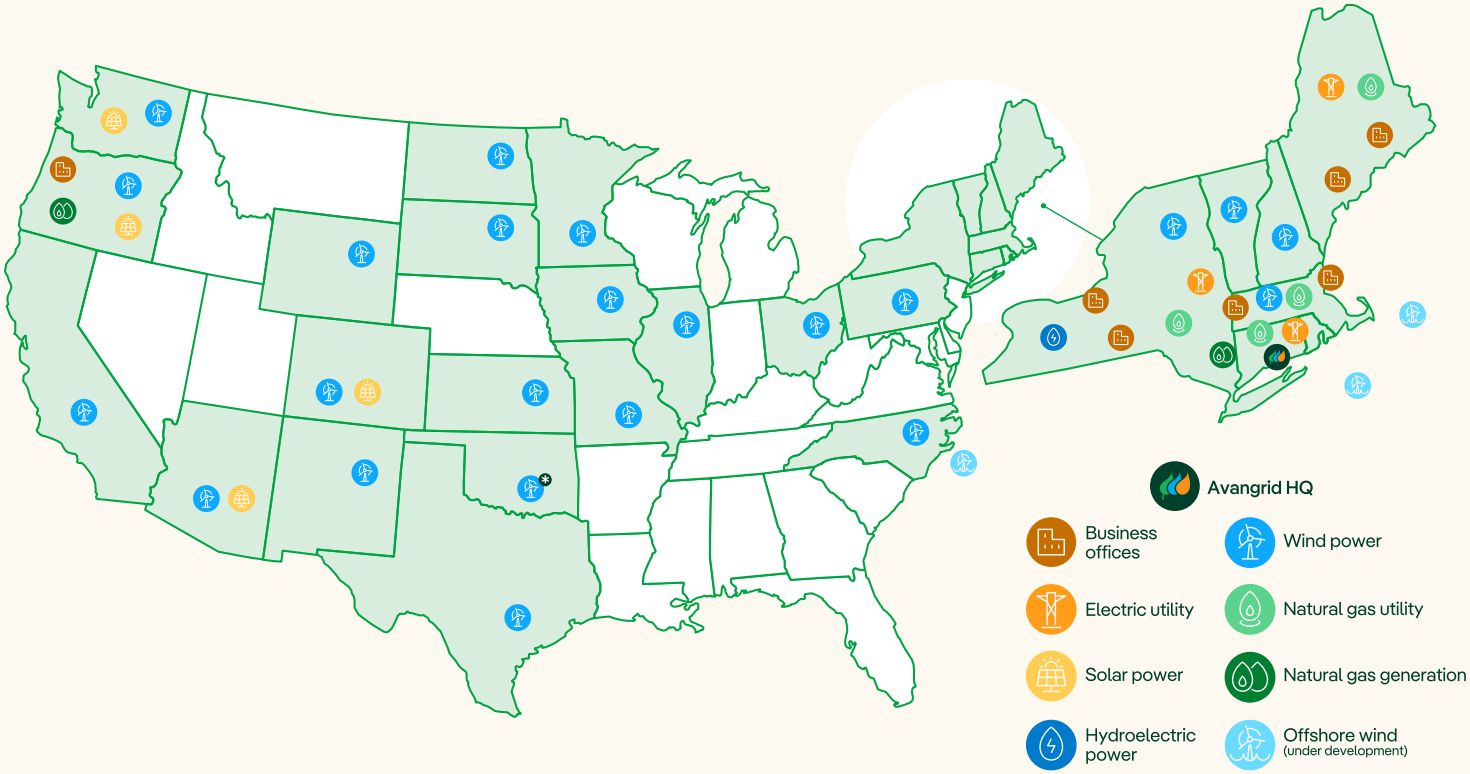
35,670
electricity delivered (GWh)

185,839,014
natural gas delivered (DTh)

9,673
installed capacity (MW)

23,326
net electric generation (GWh)

7,999
employees



8.8 GW
Emissions-free installed capacity

91%
Emissions-free capacity

4th
Largest onshore wind and solar renewables generator

$44 B
in assets

26 GW
Renewables pipeline

* In January 2024, Avangrid announced an onshore wind project in Oklahoma, which will expand the company's U.S. footprint to 25 states.

2023 Impacts at a Glance

62% Sustainable Finance

as we increase our ability to provide **affordable, renewable energy while reducing climate risks**

Named One of America's Most JUST Companies

by **JUST Capital**

3rd party assurance for GHG emissions

across **scope 1, scope 2 and scope 3**

$4.4 million in disadvantaged communities

in **EV charger infrastructure** for greater, more equitable access

ISO 45001 certification

for **98% of employees**

3rd largest bonds issuer of Green, Social and Sustainability

in the U.S. **among utilities***

* Bloomberg 1/22/2024

$284 million spent with diverse suppliers

in support of our **$300 million commitment by 2025**

$102 million invested in energy innovation

Achieved 94% participation in our 401(k) Plan

and **enhanced the 401(k) match** for all new hires

23,308 hours of corporate volunteering

37,740 hours of cybersecurity training

2023 Networks

We marked several key achievements across our networks business throughout the year, from addressing key regulatory issues to empower our sustainable growth, to introducing technology updates that better serve our customers. Notable highlights include:

- **Invested more than $2.3 billion across Avangrid networks**, with a focus on system improvements to increase resiliency against storms, to add automation technology to quickly restore service and to strengthen our network to increase reliability for our customers. In 2023, both New York State Electric and Gas (NYSEG) and Rochester Gas & Electric (RG&E) delivered their best reliability results in the last five years, with significant year-over-year improvements.
- **Resumed construction of our New England Clean Energy Connect (NECEC)** project, a fully permitted transmission line project that will connect 1,200 MW of power to the New England electrical grid in Lewiston, Maine. Once complete, it will support New England's largest source of renewable energy.
- Received an overwhelmingly **positive outcome on a referendum** that would have seized Central Maine Power's (CMP) assets by eminent domain and delayed critical work needed to modernize our grid to meet Maine's climate policy goals.
- Continued our focus on operational excellence, resulting in **improved customer service**.
- Continued deployment of advanced metering infrastructure – or **smart meters** – across our service areas, with more than 1.5 million electric and natural gas smart meters installed by year's end.
- Received the **Edison Electric Institute's (EEI) Emergency Response Award** for our recovery and restoration efforts following the impacts of Winter Storm Elliot in December 2022 in Maine and New York.
- Earned EEI's **Emergency Assistance Award** for our mutual aid efforts in Nova Scotia, Canada following Hurricane Fiona.
- Collaborated with the City of Ithaca, Cornell University and Siemens PTI to advance the **Ithaca Future Grid Project** (with support from the New York State Energy Research and Development Authority). This project (which was led by NYSEG) focused on electricity demand modeling for electric vehicles, heat pumps and solar PV in alignment with Ithaca's goal for community-wide carbon neutrality by 2030.
- Worked with our local communities to support two **EV Charging and Fueling Infrastructure Grants** awarded in Maine ($15 million) and New York ($14.7 million) to expand EV charging infrastructure across those states.
- Awarded a $30 million grant from the **U.S. Department of Energy's Grid Deployment Office** under the Grid Resilience and Innovation Partnerships program. This grant, awarded to CMP, will allow the utility to accelerate the deployment of smart grid technologies to help reduce the frequency and impact of power outages.
- Completed a **Non-Wires Alternatives project** at NYSEG to improve power quality and load conditions for 1,270 residential and small business customers served by the Stillwater substation in Saratoga County.
- **Received regulatory approval to build, own and operate three energy storage system pilot projects** in Bridgeport, New Haven and North Haven, Connecticut. These projects, led by United Illuminating (UI), represent approximately $16 million in total investments and involve adding microgrids capable of producing up to 16 hours of electricity for critical facilities during an outage. This will provide reliable, resilient power to the elderly and to underserved communities during outages and will be an additional tool in the toolbox to provide reliable service to all our customers.

2023 Renewables

We made significant progress across our renewables business, advancing our work on several clean energy projects and achieving commercial operation on others. Accomplishments include:

- **The first turbine from Vineyard Wind 1** started on December 31, 2023, with recurrent power on January 2, 2024.
- Completion of a **first-of-its-kind, $1.2 billion tax equity package on Vineyard Wind 1**. This investment is helping the state of Massachusetts work toward its goal of reducing greenhouse gas emissions by 50% by 2030 through the delivery of renewable offshore wind energy.
- Continued to power the green energy future in 24 states as the **fourth-largest onshore wind and solar renewables generator in the U.S.** Highlights include:
  - Achieved commercial operation of Oregon's largest photovoltaic plant to date, Pachwáywit Fields (205 MWdc).
  - Announced plans to build the Camino Solar project, Avangrid's first solar project in California. This 57 MWdc solar plant will be adjacent to our Manzana Wind farm and will employ more than 100 people during construction.
  - Began building the Powell Creek Solar farm in Ohio. When complete, it will generate more than 202 MWdc of renewable energy, enough to power 30,000 homes annually.
  - Began construction of True North, a 321 MWdc solar farm in Falls County, Texas, that will supply clean, renewable energy to power the technology company Meta's operations in the region.

2023 Finance

In 2023, we updated our Green Financing Framework, first published in 2017, to reflect our overall sustainability strategy. In doing so, we aligned our financing eligibility criteria as investments that result in a substantial contribution to climate change mitigation as defined in the European Union (EU) Taxonomy, the leading standard for green finance globally.

2023 Finance highlights include:

- Added to our existing green bond portfolio by issuing $2.1 billion (increasing our green bond portfolio to $5.0 billion).
- Ranked as the third largest utility Green, Social & Sustainability bonds issuer in the U.S. and ninth overall[1] with $4.2 billion issued. (Green bonds are bonds issued with a mission of promoting the role that debt capital markets can play in financing toward environmental and social sustainability.)
- Closed a first-of-its-kind tax equity package for our Vineyard Wind 1 project. This $1.2 billion investment transaction provides financing for our Vineyard Wind 1 project.
- Earned recognition by **World Finance** (an international publication focused on the financial industry) with two awards – The **Most Sustainable Company in the Electric Services Industry Award** and the **Best Corporate Governance Award**.
- In 2023, we delivered 18% growth in net income when compared to 2022 after excluding the 2022 gain from the restructuring of the Company's New England offshore wind lease partnership agreement and upfront tax benefits from the enactment of the Inflation Reduction Act.[2]

[1] Bloomberg 01/22/2024

[2] $181 million of the 2022 gain from the restructuring of the offshore wind lease partnership agreement and $37 million for upfront tax benefits.

Corporate Innovation

At Avangrid, we know that innovation is key to developing solutions needed to advance the clean energy transition. We invested $102 million in innovation in 2023 by partnering with numerous organizations, including colleges and universities, and empowering collaboration among our employees to advance the energy industry. Highlights from this year included:

- Launching the **Greentown Labs Go Energize** program with Vineyard Wind 1 to support five startups that are developing solutions for the offshore wind industry.
- Continuing our **Avangrid Accelerators Program** to turn employee-driven ideas into projects that have the potential for expansion across the enterprise. The 2023 cohort included 15 participants from across the company who led 14 unique projects in machine learning, drones, 3D printing and more.
- Hosting our **Clean Energy Hackathon** with a focus on **Innovation Collaborations** with several universities including MIT, Yale, University of Massachusetts, Clarkson University, Rochester Institute of Technology, University of Bridgeport and University of Connecticut. Pictured to the right is the award-winning team from MIT.
- Strengthening support for energy innovation by extending a **collaboration with Yale University** focused on advancing the clean energy transition. This collaboration, which began in 2019, supports research into solar energy, battery storage, electric vehicles, energy policy, clean energy leadership, market development, corporate net-zero commitments and others related to accelerating the growth of clean energy.
- Hosting our **Digital Summit** where technology leaders from around the country showcase the latest digital solutions for the energy industry. The 2023 event featured disruptive technologies that will advance smart grids, improve operations efficiency and enhance the customer experience.

"Leading change requires us to invest in the talent that drives it," said CEO **Pedro Azagra**. "The Hackathon is an important way for us to engage with current students and help to develop the future clean energy workforce."

03 Our Ongoing Commitment to Climate Action

Net Zero Strategy for Climate Change

Climate change is an unprecedented global challenge that is elevating the need for clean energy solutions around the globe. At Avangrid, we recognize the urgency of this challenge.

Our actions are rooted in our commitment to mitigate climate change and adapt to the resulting physical and transition climate risks to the company. We have established realistic yet aggressive climate targets and achieved progress toward these targets through the implementation of the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), which is discussed throughout this Report and is included in the Appendix.

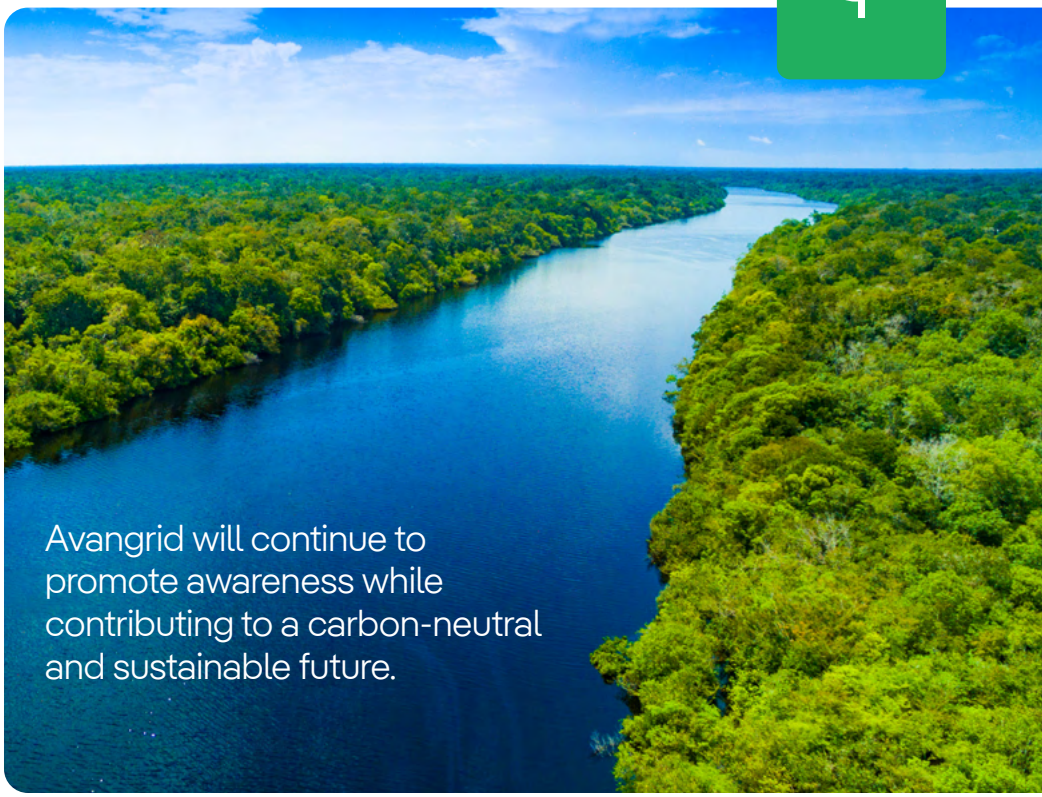
Climate Action and Corporate Governance

Our commitment to address climate change is a priority in the Avangrid Governance and Sustainability System.

Avangrid's Climate Action Policy establishes the framework for our strategy in the fight against climate change, which is in line with the Paris Agreement and the 2030 Agenda. This policy describes our goals related to climate change and provides that Avangrid will continue to promote awareness while contributing to a carbon-neutral and sustainable future. Our Climate Action Policy is reviewed periodically by the Board of Directors, with the assistance of the Governance and Sustainability Committee, to consider updates to address expected and evolving climate change impacts.

We have strategically implemented management controls aimed at executing our Climate Action Policy. For example:

- We initiated a cross-functional Climate Risk Steering Committee in 2023 responsible for the analysis and development of a scenario-based risk and opportunity assessment aligned with the TCFD framework. Avangrid's CFO is the executive sponsor of this committee.
- Avangrid's Vice President, Sustainability chairs the Sustainability Committee, the responsibilities of which include development of our Sustainability goal strategy and actions to ensure the achievement of our commitments. The goal updates are shared with Avangrid's Management Committee and the Board of Directors' Governance and Sustainability Committee. Avangrid's Chief Risk Officer regularly reports to the Audit Committee on major Sustainability considerations and enterprise risks and the steps taken to monitor or mitigate exposure to the company of such risks.
- The Vice President, Sustainability reports to the Governance and Sustainability Committee on the company's Sustainability-related risks including climate-related risks.



Climate Strategy with a Customer Focus

Avangrid is dedicated to implementing robust climate actions while ensuring we continue to deliver cost-effective, high-quality customer service and efficient and reliable operations.

Our focus on this work is critical to preserving customer affordability while we facilitate a Just Energy Transition (see Chapter 5 for more detailed discussion).

Our growth is tied to our efforts to address climate change, and this growth is supported by increasing electric and renewables demand. The International Energy Agency (IEA) Renewables 2023 report shows that, under current policies and market conditions, global renewable capacity is already on course to increase by two-and-a-half times by 2030.

Avangrid's Net Zero strategy, demonstrating our plan in action, is focused on achieving carbon neutrality for our scope 1 and 2 emissions by 2030.*

We are committed to transforming the current energy model into one that prioritizes the well-being of people and the conservation of the planet. Our efforts here include the following items (more detailed information is available in Chapters 2 and 4):

- **Critical progress on Vineyard Wind 1 (VW 1)** in 2023, including installation of VW 1's turbines, construction of the offshore substation and the first turbine started on December 31, 2023.
- **As the fourth-largest onshore wind and solar renewables generator in the U.S.**, we continued to power the green energy future in 24 states.
- **Resumed construction of our New England Clean Energy Connect (NECEC) project,** which has the potential to become New England's largest source of renewable energy.
- **Advanced EV-managed charging programs** in New York and Connecticut that incentivize customers to charge their EV during off-peak hours.
- **Supported adoption of EV-charging stations and electric heat pumps** through robust customer incentive programs.
- **Installed more than 1.5 million electric and natural gas smart meters** to provide customers with more convenience, information, control and choice in managing their energy use.
- **Received approval of $2.25 billion for Phase 2 for the New York Climate Leadership and Community Protection Act (CLCPA) transmission investment** for NYSEG and RG&E by NY regulatory agencies.

Our Commitment to a Just Transition

Advancing a **Just Transition** is a cornerstone of our overall strategy. The concept of a Just Transition builds on global frameworks to address climate change, human rights and inclusive growth. It recognizes the need to anticipate the social implications of the shift to a low-carbon economy and the increasing impacts of climate change. Avangrid is developing a Just Transition framework and plans to deliver a more accessible clean energy model that promotes sustainability through respectful engagement with communities and customers. **For Avangrid, working toward a Just Transition means focusing on greening the economy in a way that is fair and inclusive.**

"We're committed to helping our customers and communities transition to a cleaner tomorrow. One way we're doing so is by helping electrify the transportation sector – from expanding access to EV chargers to making sure we responsibly integrate new EV load onto the electric grid."

Scott Bochenek / Program Director, Smart Grid Innovation

* Compared to our 2020 baseline.

Value Chain Engagement and Low-Carbon Initiatives

Our suppliers are an essential part of our business and we set high expectations for them to understand and adhere to our sustainability policies and standards.

Since 2020, we have assessed our suppliers based on our environmental, social and governance (ESG) criteria (43 factors total) and use these assessments to determine each supplier's ESG score. Our evaluation model analyzes the potential supplier's environmental information including environmental policy, emissions, biodiversity, water management and circular economy.

A continual shift toward renewables and beneficial electrification is essential to reducing carbon emissions and the impacts of climate change. Accordingly, we are investing in several solutions to increase both the generation of and access to clean, renewable energy. We also recognize that as a provider of energy from natural gas, we must invest in improvements to existing natural gas infrastructure to advance decarbonization while helping our customers adopt lower emissions technologies. Our 2023 actions and investments include:

- **Invested $203+ million in Leak-Prone Main gas pipeline replacement** to reduce emissions from leak-prone pipes.
- **Advanced leak-detection technologies as part of our Gas Emission Reduction Strategy** to reduce emissions across our network, including the use of satellites to assist in early detection of methane emissions.
- **Procured Renewable Natural Gas** from dairy farms in New York and analyzed opportunities to expand our footprint at additional farms, wastewater treatment facilities and landfills. These locations produce biogas resulting from decomposing organic matter. The biogas is captured, cleaned and introduced into our existing natural gas pipeline network.
- **Installed high-efficiency heating systems** to help customers transition to electric heat pumps and other electric heat technologies as a cleaner, lower emissions-intensive option for heating.
- **Filed our first Natural Gas Long-Term Plan** by NYSEG and RG&E, which represents the companies' commitment to provide safe, reliable and affordable energy service that delivers sustainable reductions in greenhouse gas emissions while preserving customer choice.

We are focused on improving our customers' quality of life by enabling emissions reduction technologies across every aspect of the economy that we touch. From reducing our own carbon footprint, to working with our partners and suppliers to further develop the market and workforce, to enabling our customers to adopt more efficient, renewable and lower-emitting technologies, we are committed to helping our communities transition to a clean energy economy.

Aligning Policy Engagement with the Paris Agreement

Avangrid has strong governance, processes and controls in place. Collectively, these help to ensure that any political and charitable contributions and association memberships align with our purpose and values and our governance and sustainability system, including our commitment to the Paris Agreement. We participate in industry and trade associations based on their alignment with:

- Avangrid's purpose and values.
- Our strategy to create sustainable long-term value for our shareholders.
- Our key stakeholders' and leadership's critical efforts toward the clean energy transition and the fight against climate change.

We are focused on improving our customers' quality of life by enabling emissions reduction technologies across every aspect of the economy that we touch.

For associations with whom we have substantial engagement, Avangrid discloses how these organizations align with our climate change policies, sustainability targets and the Paris Agreement. The determination of which associations we consider key is based on an assessment of relevant facts and circumstances. See the Public Advocacy section of our company website for additional information on our annual public review of climate positioning of our material trade associations.

Managing Climate Risks and Opportunities

In the normal course of business, Avangrid is exposed to a variety of risks, including political and regulatory risks, climate-related risks, credit and investment risks, cybersecurity risks and other operational risks.

In connection with its oversight function, the Avangrid Board of Directors oversees management's identification, assessment and mitigation of risks related to our company, business and people. Recognizing the critical role that Avangrid's Board of Directors plays in oversight of the strategies and risks of climate change, the Board's Governance and Sustainability Committee receives regular reports on our climate action strategy.

To further our commitments to address climate change, any decision to move forward with new investments must incorporate an analysis of climate risks along with plans and a budget to mitigate these risks. To help inform how and where we invest to address climate change, we monitor for emerging risks, including those that may impact our supply chain and our network and renewables operations.

In 2023 we conducted a comprehensive qualitative risk assessment of climate-related transition risks and opportunities.

This process included:

- **Identifying key climate risks and opportunities** through interviews with Avangrid stakeholders and a comprehensive review of internal and external documents.
- **Assessing the risks and opportunities** including designating a time horizon, probability rating, impact rating and mitigation/adaptation status for all identified risks and opportunities.
- **Integrating the risks into our Enterprise Risk Management System** to support the ongoing review of climate-related risks and opportunities embedded into our risk governance and procedures.

The key climate-related transition risks and opportunities are identified in the graphic on page 21.

In addition to the climate-related quantitative and qualitative transition risk and opportunities assessment, Avangrid also modeled climate risk scores for all our business assets with consideration for select physical risk perils (acute and chronic), scenarios and time horizons.

The scenarios were chosen to correspond to the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathways (SSPs) and represent possible futures believed to be reasonably likely.

The scenarios included a low-emissions scenario (SSP 1-2.6) and a high-emissions scenario (SSP 5-8.5).*

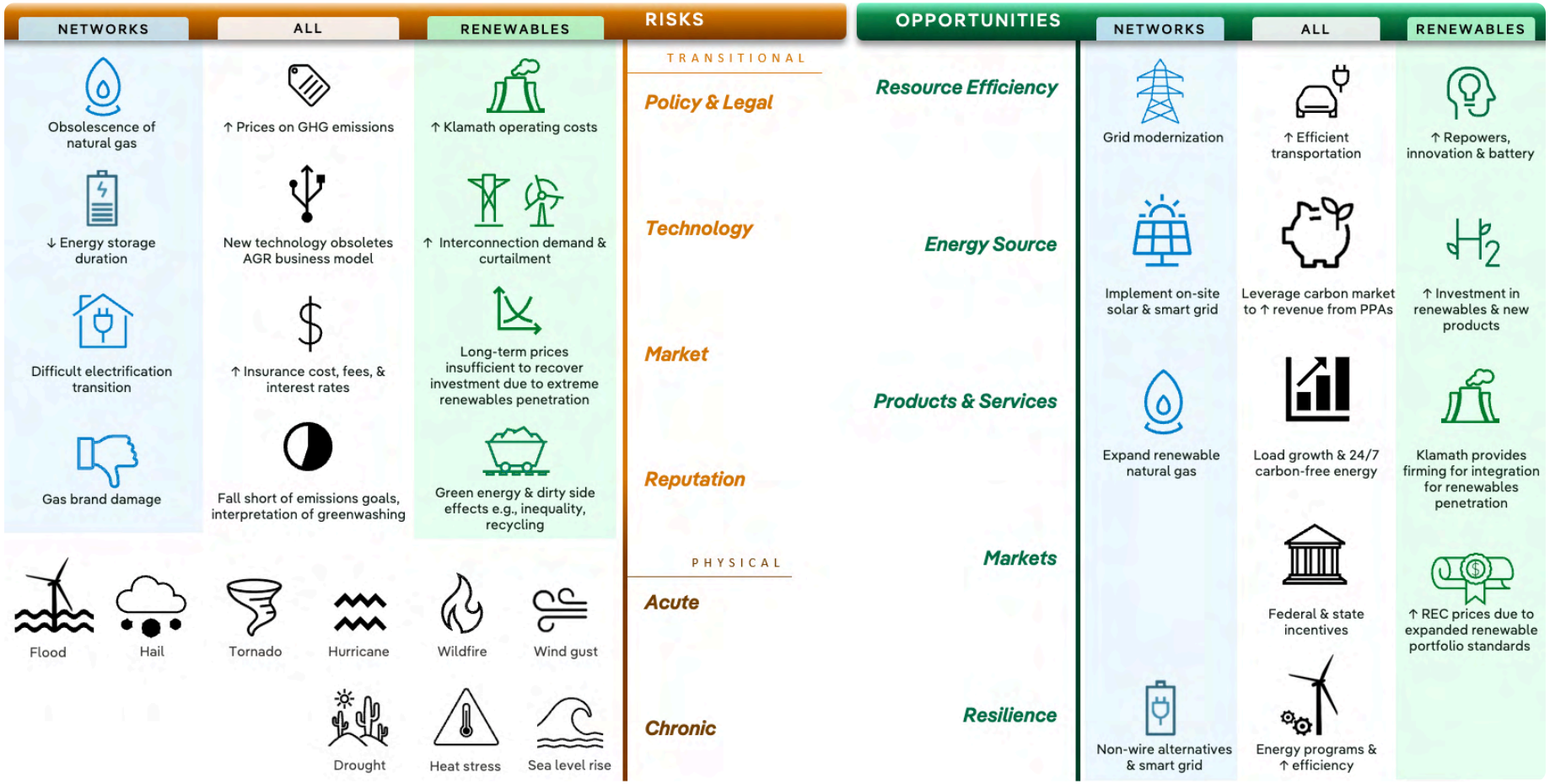
The acute perils selected included flood, hail, hurricane, tornado, wildfire and wind speeds and the chronic perils included drought, sea level rise and heat stress.

For every existing Avangrid asset location, current and future physical risk scores by peril were developed. Objective risk scores were then calculated for each location and projected under the two selected climate scenarios. Risk scores represent the historical and potential future frequency and severity of the acute perils based on multiple underlying climate models and unique peril characteristics.

* SSP 1 corresponds to Sustainability – Taking the Green Road (low challenges to mitigation and adaptation). RCP 2.6 is a very optimistic pathway. According to the IPCC, RCP 2.6 requires that carbon dioxide (CO_2) emissions start declining by 2020 and go to zero by 2100. For RCP 2.6, those negative emissions would be on average 2 Gigatons of CO_2 per year ($GtCO_2$/yr.) and global temperature rise is likely to be below 2°C by 2100. SSP 5 corresponds to Fossil-fueled Development – Taking the Highway (high challenges to mitigation, low challenges to adaptation). In RCP 8.5, emissions continue to rise throughout the 21st century. It is generally taken as the basis for worst-case climate change scenarios and was based on what proved to be overestimation of projected coal outputs.

Risks and Opportunities: TCFD Recommendations

Avangrid faces high risks a well as opportunities in the transition into a low emissions business model.



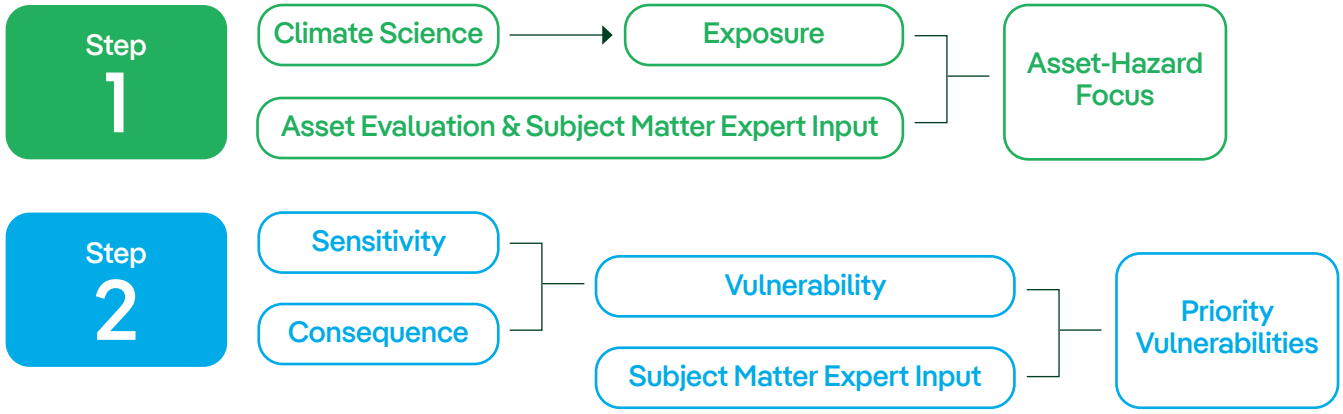
Case Study

Networks Physical Asset Vulnerability and Resiliency Assessment

Two of our operating companies, NYSEG and RG&E, conducted a detailed vulnerability study to support the development of a Climate Change Resilience Plan. The study assessed each company's electrical transmission, distribution and substation assets across five climate hazards: temperature, precipitation, flooding, wind and wind-and-ice in combination. In their analysis, NYSEG and RG&E used climate projections prepared by Columbia University and the New York State Energy Research and Development Authority.

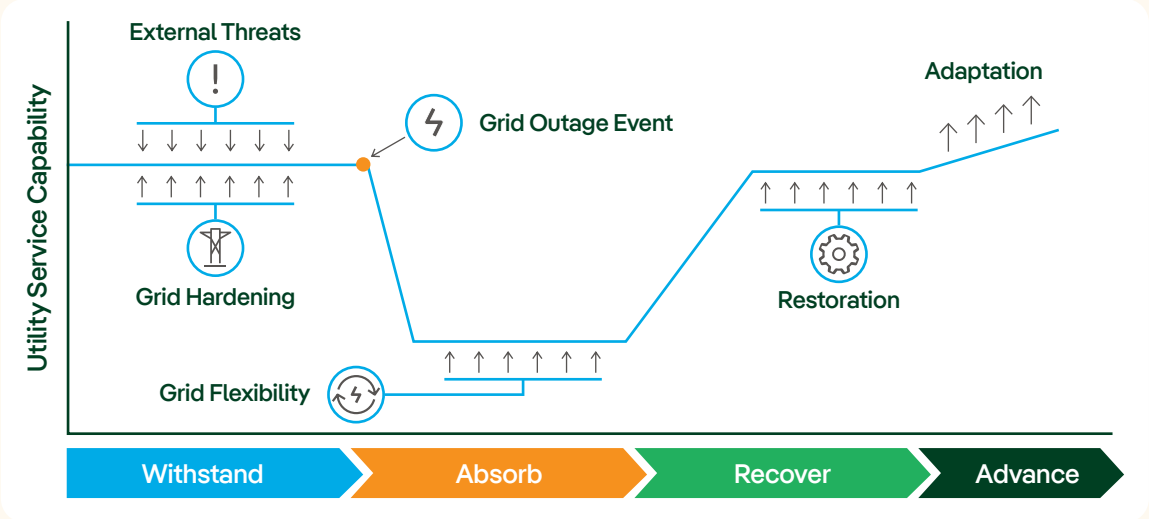
The vulnerability assessment identified asset–hazard combinations considered priorities. This assessment is composed of three main components: exposure, sensitivity and consequence. Exposure is the degree to which assets could face climate hazards, and determinations are based on an asset's location and climate hazard projections in that area. Sensitivity is the degree to which assets could be affected by exposure to climate hazards, and consequence is defined as the magnitude of negative outcomes when an asset is damaged.

Vulnerability Assessment Methodology



Vulnerability assessments were conducted on both companies' physical assets and operational processes. These assessments help us understand respective vulnerabilities to climate-driven risks and evaluate climate resilience adaptation measures to address those vulnerabilities. Continued development of adaptation strategies will improve system-wide resilience to climate hazard vulnerabilities.

Resiliency Framework to Address Climate-Driven Risks



Climate hazards in the NYSEG and RG&E service areas include high temperatures, flooding, wind and wind-and-ice. Under the SSPs planning scenario climate projections, extreme temperatures and flooding are expected to increase across the service territory.

Priority vulnerabilities were identified through study findings and through input from stakeholders and subject matter experts. The study also included potential resilience measures to strengthen the infrastructure, absorb the impacts of climate hazards and increase the ability to respond in the aftermath of an event while continuing to adapt to climate change risks.

The companies leveraged the vulnerability findings to develop a resiliency plan for specific locations along with system-wide enhancements with prioritized actions. These actions also considered impacts and benefits to Disadvantaged Communities (DAC).* The Climate Vulnerability Study and Resilience Plan can be found here: **New York Climate Resiliency Plan - NYSEG**.

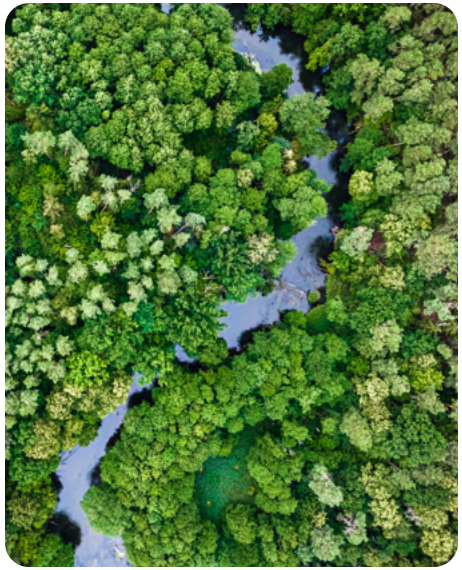
Because climate risks extend beyond our service areas across New York, planning is underway in Maine and Connecticut for a similar, detailed climate vulnerability and resiliency study (to be completed in 2024). These studies will form a baseline that we will continually review and update.

At Avangrid, we are taking both mitigative and adaptive measures to address the threat of climate change. This means implementing strategies and systems to monitor and address both the acute and chronic risks that climate change can cause. Our efforts to assess and mitigate against climate risks help us to support our customers while protecting our communities from increasingly severe weather events and while providing reliable and safe energy.

* DACs are communities that "have historically been overburdened by environmental pollution" and are now also exposed to climate hazards, like flooding and extreme heat. (Source: Ensuring Equity Inclusion - New York's Climate Leadership & Community Protection Act [ny.gov]).

Emissions Reduction Metrics and Targets

In 2023, we updated our Climate Action Policy and put in place ambitious new goals to reduce climate impacts over previous years' commitments. These targets are based on years of experience as a leader in the transition to a clean energy future.



Climate change presents an unprecedented global challenge, and we are committed to achieving a clean, sustainable and equitable energy future. By investing in our network's infrastructure, expanding generation of clean, renewable energy and protecting our customers, communities, employees and our environment from the increasingly significant impacts of extreme weather events, we are delivering a more robust, sustainable and equitable energy future designed to increase stability while addressing climate impacts.

Climate Metrics and Targets

Target by 2030	Metrics Reported Annually
Net Zero strategy focused on achieving carbon neutrality for our scope 1 and 2 emissions by 2030 across the enterprise.	• % reduction in scope 1 and 2 emissions compared to 2020 baseline. • % of renewable electricity in corporate buildings. • % of alternative energy vehicles. • emissions intensity (CO_2 eq g/kwh).
Network investments in climate mitigation and adaptation	• $M - cumulative.
Increasing our emissions-free capacity.	• GW of emissions-free installed capacity. • % growth in installed capacity growth from 2015 baseline.

04 A Comprehensive Approach to Protecting the Environment

A Comprehensive Approach to Protecting the Environment

In 2023, we continued our commitment to sustainable development, climate action and environmental stewardship. These commitments are embedded in the policies that direct our day-to-day and long-term business practices.

These policies undergo periodic review, are approved by the Board of Directors and reflect our response in the fight against climate change and our commitment to protect the environment and biodiversity.

In addition to our own policies, our work is guided by the **United Nations' Sustainable Development Goals** (SDGs), an international set of goals developed by the United Nations to help make global progress towards a range of critical environmental, social and financial targets that will help create a more just and sustainable world. Specific to the protection and enhancement of the environment, we advance **SDG 6** (clean water and sanitation), **SDG 7** (affordable and clean energy), **SDG 11** (sustainable cities and communities), **SDG 12** (responsible consumption and production), **SDG 13** (climate action), **SDG 14** (life below water) and **SDG 15** (life on land).

To make progress on our commitments to the natural environment while building a model for renewable energy in harmony with nature and our communities, we have prioritized three lines of action: 1) climate action, 2) protection of biodiversity and 3) circular economy (ensuring the reuse and regeneration of materials in an environmentally sustainable way to minimize waste).

Avangrid's Commitment to Environmental SDGs

We describe our efforts regarding climate action in Chapter 3 of this report. At a high level, this includes our commitment to achieve carbon neutrality for scope 1 and scope 2 greenhouse gas emissions across our operations by 2030, to address climate change in our strategy and risk management work and to reduce emissions across the communities we serve.

We are also actively working toward enterprise-wide International Standards Organization (ISO) 14001 certification (ISO's comprehensive environmental standard). By the end of 2024 we plan to have a fully integrated Environmental Health and Safety (EH&S) Management System that will incorporate these standards with a goal to capture 98% of the employee population across Avangrid.

Summary of 2023 Policy Commitments

1. Sustainable Development Policy

- Establishes the general framework for the management of Avangrid's sustainable development strategy.
- Incorporates the Sustainable Development Goals (SDGs) into our business model.
- Includes stakeholder engagement commitments tied to employees and communities.

2. Sustainability Policy

- Articulates the principles Avangrid has adopted to implement sustainability commitments.
- Focused on:
  - Providing affordable energy services and improving energy efficiency.
  - Increasing available clean energy.
  - Advancing safety and reliability across both energy services and employees.
  - Reducing the environmental impact of our activities.
  - Creating shared value in a sustainable manner.
  - Contributing to the communities served by Avangrid and to more inclusive and equitable economic growth.

3. Environmental Policy

- Principles to achieve our commitment to nature and the environment and to promote environmental sustainability and respect for nature.
- Priority lines of action include:
  - Climate action.
  - Protection of biodiversity.
  - Circular economy.

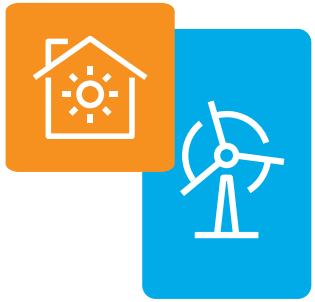
4. Climate Action Policy

- Principles to advance our leadership in the fight against climate change.

5. Biodiversity Policy

- Framework for Avangrid's actions to support and preserve biodiversity.

These commitments are embedded in the policies that direct our day-to-day and long-term business practices.



These policies undergo periodic review, are approved by the Board of Directors and reflect our response in the fight against climate change and our commitment to protect the environment and biodiversity.

Environmental Goals

Environmental Goal	Metrics	2023 Actuals	2025 Goal	2030 Goal	Actions Underway to Meet Goals
Carbon neutral for scopes 1 and 2 (reduction from 2020)[1]	Scopes 1 and 2 carbon neutral by 2030	1%	Carbon Neutrality Implementation Strategy aligned with SBTi[2] milestones[3]		• Continued renewable capacity growth renewable capacity growth. • Invested more than $203 million in Leak-Prone Main Gas Pipeline replacement to reduce fugitive emissions (scope 1) in 2023. • Strategic commitment to implementing renewable electricity in corporate buildings. • Continued to advance reduction in our fleet, facilities and within network emissions to support scope 1 and 2 emissions reduction.
Emissions-free installed capacity	GW	8.8	9.5	12.5	• 1.8 GW of renewable projects under construction. • ~26 GW of pipeline to support future growth.
	% growth from 2015	51%	65%	114%	
Storage capacity	Installed storage (MWh)	0	0	1,050	• Renewable pipeline: Bundled solar and battery projects (planned). • Battery implementation programs in Networks to support growth in Connecticut and New York (ongoing).
Network EV charging points	Installed chargers (ks)	1.65	3	15	• Added 877 new charging points in 2023, exceeding goal of 500. • Increased EV website traffic by 800% with EV awareness campaign. • Launched managed charging programs at NYSEG and RG&E. • Continue to develop Load Management Technology & Commercial Managed Charging Programs to further advance strategy.
Vehicle fleet to alternative energy vehicles by 2030, including 100% of light-duty vehicles	% alternative fuel fleet	11%	30%	60%	• Light-duty alternative fuel fleet, including forklifts, represents 11.4% of the total fleet. All Avangrid alternative fuel fleet is 11.2% (2023). • Reviewed and revised Green Fleet Strategy in 2023.
Renewable electricity in corporate buildings	% electricity consumption	44%	80%	100%	• Continue to develop solar plans for buildings, car ports and parking lot. • 100% green energy for the sites in CT and MA. • Aim to contract 100% renewable energy for NY and ME.
Network investments in climate mitigation and adaptation	$M - cumulative	$185	$750	$4,000	• $2 billion CLCPA transmission project planned. • Continued investment in network automation and resilience to support customer reliability during increased extreme weather events. • Climate vulnereability and resiliency studies complete for New York and underway for Connecticut and Maine.
Recycled water in thermal gas generation	% recycled water	97%	>95%	>95%	• Klamath power plant is the only facility that uses water in its cooling system, and nearly 100% of this water is either waste or recycled water. • The remaining water from the process is recycled back to the waste water facility.

[1] 2020 base year emissions were recalculated and adjusted due to unreported emissions which were identified in the 2023 AENOR third party verification.

[2] SBTi (Science Based Targets initiative).

[3] Avangrid undertakes its best efforts to achieve this commitment. The company therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the company value, quality of supply, social/labor conditions, and a fair transition.

Empowering Our Customers to Increase Energy Efficiency

As we expand renewable energy generation, we are also helping our customers adopt more energy-efficient, less carbon-intensive technologies.

Our work here includes several programs that improve our customers' quality of life while lowering their energy costs, increasing their energy efficiency and minimizing their environmental footprints. We make these programs available to our residential, commercial, industrial and institutional customers. Some examples include:

- **Increasing access to EV charging stations by investing more than $7.6 million on EV charger infrastructure**. This included $4.4 million in infrastructure investments across our networks to support EV charger installations in our disadvantaged communities.
- **Incentivizing adoption of electric heat pumps**. In 2023, more than 7,700 new heat pumps were adopted by our customers.
- **Installation of more than 1.5 million electric and gas smart meters**. These provide customers with more information, control and choice in managing their energy use.
- **Offering rebates through our Commercial and Industrial Program**. These rebates provide incentives to commercial customers, helping improve the efficiency of their facilities through the installation of new high-efficiency technologies and equipment.
- **Offering incentives through our Small Business Program**. These incentives help our small business electric customers improve the efficiency of their facilities through the installation of new high-efficiency technologies and equipment to replace existing, less efficient equipment.
- **Advancing beneficial electrification through the NYS Clean Heat Program**. This program provides incentives that spur beneficial electrification across the state of New York for residential and commercial customers through the installation of efficient heat pump technology.
- **Providing site-specific, cost-effective natural gas savings measures**. We provide incentives for commercial, institutional and industrial business customers to make retrofits that improve energy efficiency.

Throughout the year, we achieved significant and measurable impacts across our energy efficiency programs, including a total of approximately 28,000 MMBTUs of lifetime savings. Additionally, our Conservation and Load Management team made appearances at over 300 events across the company's service areas to increase customer awareness of our energy efficiency programs.

Impact at a glance

$7.6 million
invested in EV charger infrastructure

7,000+
electric heat pumps adopted by our customers

28,000
MMBTUs of lifetime savings in energy efficiency programs

300+
customer energy efficiency program events

Reducing Our Own Emissions and Those of Our Suppliers

Replacing direct fossil fuel use with electricity and renewable energy is critical to reducing carbon emissions and the impacts of climate change. At Avangrid, we are investing in solutions that increase the generation of – and expand access to – renewable energy from sources like wind and solar.

In 2023, we continued our efforts to reduce emissions across all aspects of the economy that we touch. This includes efforts to reduce our own carbon footprint while working with our partners and suppliers to further develop an emissions-free market and workforce. Our efforts here include:

- **Working to eliminate sulfur hexafluoride (SF6) emissions**. SF6 is the most potent greenhouse gas, and we're working with Iberdrola to address SF6 emissions across our operations while supporting manufacturers' efforts to create SF6-free technologies.
- **Operating our Active Network Management DER integration pilot**. In 2023 we completed installation of 17 MW of grid-side solar generation through this pilot. We did this through a flexible interconnection scheme that, in lieu of paying costly system upgrades, enables us to automatically curtail output for the few times of the year that their generation causes impact on our system. In addition, the system can be used to manage energy storage and EV charging in the future.
- **Establishing a near-term goal to generate 9.5 GW of emissions-free energy capacity by 2025**.
- **Assisting many of our suppliers in their efforts to reduce emissions**. This includes:
  - Encouraging smaller suppliers to attend the United Nations' training program on sustainable procurement practices to help them identify and reduce their emissions.
  - Adopted policies to require that suppliers have undergone third-party audits to verify their adherence to our expectations.
  - Setting a goal in 2023 to have at least 77% of our suppliers meet our sustainability standards, which we exceeded by achieving greater than 88% compliance.

Protecting and Enhancing Biodiversity

The loss of biodiversity and the degradation of ecosystems are occurring rapidly around the world, creating significant environmental, economic and social risks. As an energy leader, we recognize our responsibility to respect and maintain biodiversity and ecosystems by addressing these risks within our business strategy.

Our Biodiversity Policy helps ensure we preserve biological diversity and natural ecosystems as we continue to create a more sustainable energy future. To better protect and enhance biodiversity, we support Iberdrola's Biodiversity Plan with the goal of achieving a net positive impact on the ecosystems where it operates by 2030. This plan considers the impacts on species and ecosystems derived from the group activities throughout its entire facilities' life cycle and focuses on three areas of action: measure, act, and transform and lead.

At Avangrid, we undertake the following environmental assessments to promote the protection and preservation of biodiversity:

- After identifying and defining a project area, a Critical Issues Analysis is conducted to define the environmental features of the area in addition to permitting that may be required to develop and operate the project.
- Environmental surveys are conducted to characterize and quantify the features of the project site pursuant to local, state and federal jurisdiction.
- The project is designed to avoid protected and sensitive environmental features and resources wherever possible. If avoidance is not possible, the impacts are minimized through design features. Agencies are consulted for impacts which may require compensatory mitigation.
- Permits are finalized in coordination with applicable federal, state and local agencies.
- When approved, the project is prepared for construction and monitored in accordance with the environmental requirements.

The areas where Avangrid operates serve as habitats for a variety of flora and wildlife, some of which are under regulatory protection. For projects with potential to be located within or adjacent to these areas, an analysis is conducted, which prioritizes avoiding these protected areas. If unavoidable, an environmental assessment is carried out and the mitigation hierarchy is applied. The project is then determined to be authorized or not authorized by proper authorities. Such authorization is based on the consideration that while use of some sensitive habitats could not be avoided, the measures utilized prevented the activities from having significant impacts on the protected habitats and species. If, following the impact assessment process, it was determined that the presence of such facilities in protected spaces or in high biodiversity-value areas was approved, the project is required to implement measures to prevent, minimize, mitigate and compensate for possible adverse effects.

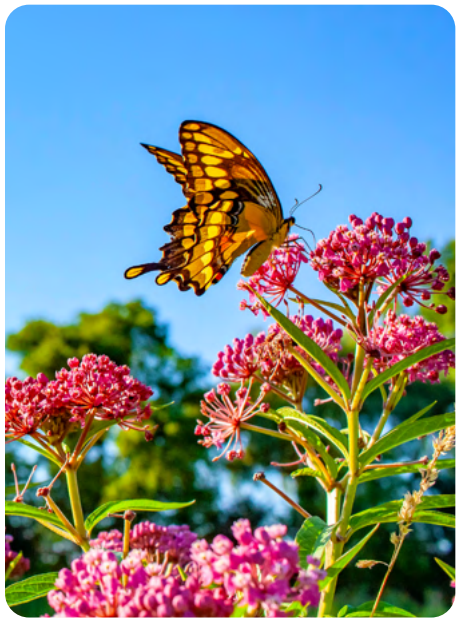
Facilities Within or Adjacent to Protected Spaces (PS) or in High Biodiversity-Value (HBV) Areas

Facility	Surface Area Inside PS or HBV	Surface Area Inside PS	Adjacent Facilities	Type of Protection
Renewables				
Onshore wind farms	107.62 ha	0	0	Key Biodiversity Areas
Networks				
Power lines	1,805 km	497 km	-	Marine Protected Area, National Wildlife Refuge, Wildlife Sanctuary, State Conservation Area, Bird Sanctuary, Nature Preserve, Forest Preserve, National Park Service Wilderness, US Department of Agriculture (USDA) National Forest, National Scenic Trail, Wildlife Area and Key Biodiversity Areas
Substations	15 units	2 units	-	USDA National Forest, Wildlife Area and Key Biodiversity Areas
Transformation centers	7,577 units	1,502 units	-	National Wildlife Refuge, State Park, Sanctuary, Marine Protected Area, Nature Preserve, Bird Sanctuary, Wildlife Sanctuary, Conservation Area, Forest Preserve, National Scenic Trail, USDA National Forest and Key Biodiversity Areas

Protecting and Enhancing Biodiversity – 2023 Highlights

Building a "Beaver Fence" to Prevent Flooding in Maine: CMP, together with the U.S. Department of Agriculture and the Maine Department of Inland Fisheries and Wildlife, successfully installed a beaver fence on a road owned by CMP. This new beaver fence is designed to prompt beavers to build dams elsewhere, protect wildlife and better ensure reliable power while helping to keep the road open.

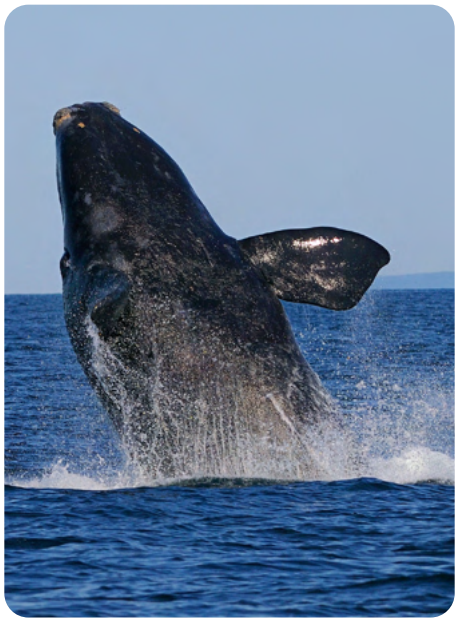
Working with the U.S. Fish and Wildlife Service to Restore Atlantic Salmon Habitat: NYSEG and the U.S. Fish and Wildlife Service (USFWS) are working together to remove the Indian Rapids and Fredenburgh Falls dams that are blocking Atlantic salmon from upstream habitat on the Saranac River. This project is the result of years of collaboration with USFWS, Trout Unlimited and other public-private partners. Removing these dams will help reestablish salmon runs in the largest tributary on the New York side of Lake Champlain.



Improving Butterfly Habitat Across Upstate New York: Monarch butterflies play a vital role in the health of ecosystems and, along with bees and other pollinators, are critical to global food crop production. In the spring of 2023, NYSEG and RG&E committed to help preserve habitat for monarch butterflies through a voluntary conservation program with USFWS. Through this program, NYSEG and RG&E are implementing practices like mowing brush to enable nectar plants like milkweed to thrive in order to support the well-being of monarch butterflies.

Protecting and Restoring Onshore Wildlife via the Avangrid Protection Plan: To further protect biodiversity, this plan uses suggested practices developed by the Avian Power Line Interaction Committee (an organization of more than 70 utilities and government agencies) to minimize risks to birds and other wildlife. In 2023, we retrofitted a substation to protect wildlife and incorporated wildlife protective measures in the design phase for three new projects. We will continue to incorporate wildlife protection materials during the construction phase for all new construction projects.

Supporting Fishermen with Updated Gear for North Atlantic Right Whale Conservation: Avangrid worked with the Massachusetts Lobstermen's Association and Net Your Problem to arrange a gear swap-out program to allow fishermen to receive new gear for free or lower cost to comply with updated rules.



This program will help to reduce life-threatening entanglements for the critically endangered North Atlantic Right Whale. Net Your Problem collected gear surrendered by the fishermen as part of the program to facilitate a solution to reuse or recycle the rope and other gear traded in.

Preserving Green Space in Portland, Maine: The Avangrid Foundation is helping protect forested land through transferring one of the largest parcels of green space in Portland, Maine, over to the City of Portland. This effort will support public access to – and awareness of – this uninterrupted, environmentally sensitive and important land that connects to a network of trails.

Collaborating to Protect and Restore Kennebunk Plains

Central Maine Power, along with their partners the Kennebunk, Kennebunkport & Wells Water District, the Maine Department of Inland Fisheries and Wildlife and The Nature Conservancy, completed Phase II of an ongoing restoration project. This project was implemented to address a severe soil erosion problem occurring on a segment of a CMP powerline corridor in the Kennebunk Plains, a state-owned refuge located within the Branch Brook Watershed, a source of municipal drinking water for over 25,000 local customers. As part of the project, CMP worked with our stakeholder partners to restore and stabilize eroded areas along the 1.2-mile segment length.

The project has already brought benefits to the community, including restoration of fragile land area, the arrest and control of further erosion to assist in limiting the negative impact on water quality and improved habitat conditions by limiting motorized vehicle access within this fragile area. The final portion of this $1 million restoration effort is planned to start in spring 2024.

NECEC Is Building a More Sustainable Energy Future

Our efforts extend beyond environmental stewardship and careful, forward-looking natural resource management. Sustainability is a commitment to helping our communities thrive. We strive to adhere to the highest standards of environmental protection, performance and safety during design, siting, construction and operation to replace and promote the long-term sustainability of this project. NECEC was thoughtfully sited and designed and is being constructed to avoid natural resource impacts wherever possible, to minimize unavoidable impacts and to mitigate and compensate for unavoidable impacts, consistent with our commitment to environmental stewardship.

Environmental Protections

- No herbicides will be used along Segment 1 of this transmission line, nor within 75 feet of any waterbody or within 100 feet of streams within the Gulf of Maine Distinct Population Segment of Atlantic salmon habitat.
- Conservation of nearly 53,000 acres of land to promote habitat connectivity, mature forest conservation, deer wintering areas and riparian habitat.
- Contributing an additional $7.5 million in in-lieu fees to compensate for unavoidable impacts (e.g., temporary and permanent wetland fill, vernal pool fill) and other compensation fees for fish habitat improvement, endangered and non-game wildlife protection, rare plant surveys and land conservation.
- $15 million for EV infrastructure.
- $15 million Heat Pump Fund to be used for the installation in Maine of heat pumps or other future efficient heating technologies.

Education

- $6 million in educational funds that will provide for vocational and training programs in Franklin and Somerset counties, as well as for scholarships, internships and research at the University of Maine.

Economic Development

- $10 million to be invested in broadband infrastructure and expanded fiber optic capacity in host communities, thereby generating much-needed economic development for western Maine.
- $50 million Low Income Relief Fund; $140 million Rate Relief Fund.
- $5 million Franklin County host communities.

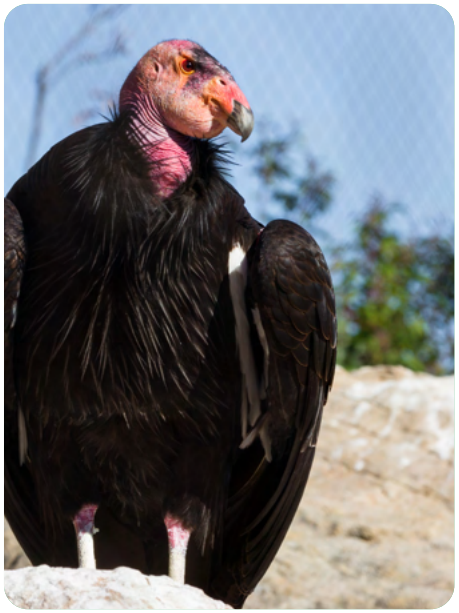
Collaborating with Stakeholders to Enhance Biodiversity

Throughout the year, we collaborated with (and supported the efforts of) numerous stakeholders to protect and enhance biodiversity across our service areas. Examples of these efforts include:

- **Marine Mammals of Maine:** This organization responds to stranded marine mammals and sea turtles in southern and midcoastal Maine. With donations from CMP and the Avangrid Foundation, the Marine Mammals of Maine organization cares for sick, injured and abandoned seals from all over New England, studies East Coast marine mammal populations and educates about global marine mammal conservation.

- **Liberty Wildlife:** This Phoenix, Arizona-based wildlife rehabilitation organization received critical funding from our renewables business and the Avangrid Foundation. Liberty Wildlife cares for over 11,000 ill, injured and orphaned wildlife each year. In addition to rehabilitation, Liberty Wildlife engages in environmental and natural history education and awareness programs for the public and for K-12 schoolchildren. Liberty Wildlife also engages with partners to conduct research into wildlife and conservation efforts, and through the U.S. Department of the Interior operates one of only two licensed Non-Eagle Feather Repository centers in the country, providing registered Indigenous Americans with a no-cost, legal source of feathers for religious and spiritual practice.

- **Oregon Zoo Foundation:** Founded in 1888, the Oregon Zoo empowers people to create a better future for wildlife, inspiring the community to respect animals and act on behalf of the natural world. We provided donations from Avangrid and the Avangrid Foundation to support the organization's commitment to creating engaging experiences and advancing the highest level of animal welfare, environmental literacy and conservation science. The Oregon Zoo is saving species and preserving ecosystems through on-the-ground recovery efforts, research and education.



In 2023, the Avangrid Foundation awarded $140,000 in grants to 15 wildlife rehabilitation centers as part of its Wildlife Rehabilitation Program.

Wildlife Rehabilitation Program

Avangrid Foundation

Circular Solutions to Minimize Environmental Impacts

As a company with facilities and operations across 24 states, we are committed to minimizing resource use and waste and establishing circular processes that keep materials in use at high value for the long term.

To help ensure the sustainable use of resources across our operations, we adhere to an overarching environmental policy that requires we:

- Work to improve the economic circularity of our business activities – and that of our suppliers.
- Commit to the sustainable use of natural resources.
- Implement lifecycle analyses.
- Commit to the eco-design of our business infrastructure.
- Apply the waste hierarchy, the optimization of waste management and the use of recycled materials.

In addition, during 2023 we ensured that the processes by which our waste is collected and transported reflected our environmental commitments.

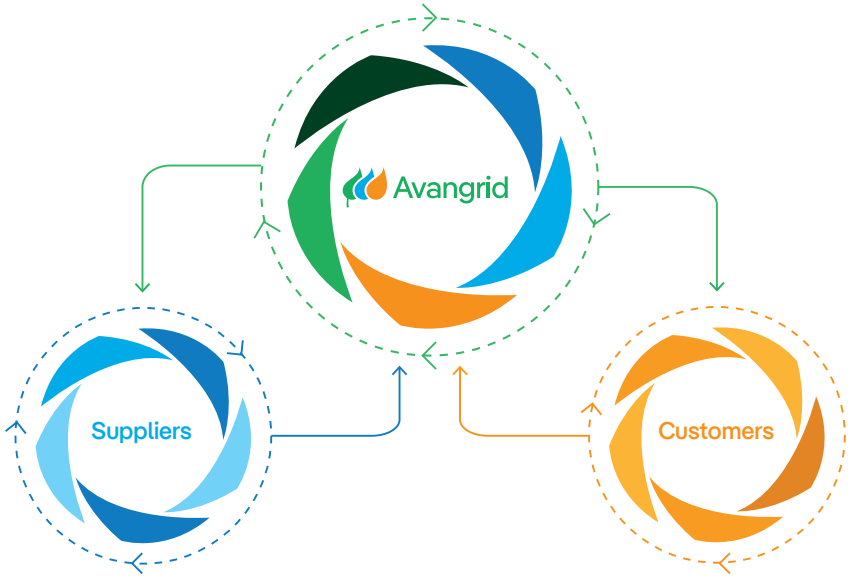
Engaging in a Circular Economy

A key component of our efforts to reduce our environmental footprint includes engaging in a circular economy. The four levers of a circular economy are: Reduce, Reuse, Recycle and Redesign. Some of our efforts to engage in a circular economy include:

- **Blade recycling:** To enhance the circularity of our business, we plan to recycle 100% of wind turbine blades decommissioned across our wind farms by 2030 (with a near-term goal to recycle 50% of all blades decommissioned by 2025). In 2023, we also established a goal to repower or refurbish over half of our installed wind capacity by 2032, which could result in the decommissioning of around 3,000 blades. Our recycling targets will divert 30,000 tons of these decommissioned blades from being landfilled, although Avangrid will defer to reusing existing blades where it makes sense. In Q4 2023, Avangrid executed its first construction contract to include recycling. Under this contract, we plan to recycle over 100 turbine blades that will be decommissioned for a wind farm repower, diverting over 1,000 tons of materials from landfill.

Reduce
- Consumption of raw materials (water, fossil fuels, etc.).
- Emissions, lightweight corporate fleet.

Reuse/Recycle
- Blades and PV modules.



Redesign
Improve our supply chain through:
- Use of low environmental impact materials: recycled and recyclables.
- Inclusion of responsible design criteria, life-cycle analysis and environmental product declaration.

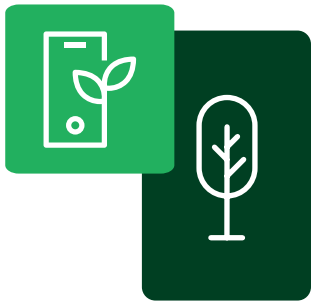
Reduce
- CO_2 emissions.

Reduce
Stimulate energy efficiency through electrification:
- Electric mobility.
- Heat (residential and industry).

- **Extending blade lifespan:** In addition to recycling these blades, we aim to extend their lifespan (on average, we have 4,000 wind turbines in operation across our company). To better maintain these turbines, our Renewables Onshore Management team launched a new turbine inspection program in 2023 that utilizes drones and digital scanning technology to allow for a more thorough visual inspection. In 2023, we inspected approximately 25% of all turbines in the fleet and were able to detect various cases that could have led to more severe and expensive damage to our assets. As a result, we were able to proactively repair upwards of 50 blades, which will lead to higher availability and increased reliability, and we are now aware of certain other blades that need to be more closely monitored. We plan to continue with this program going into 2024.
- **Enhancing marine biodiversity with nature-inclusive design:** As part of our work on Vineyard Wind 1, we worked with the ECOncrete® company and local contractors to install marine "mattresses" to protect underwater cables while helping to create a healthier environment. These articulated concrete block mattresses (ACBMs) act as cable protection while creating habitats that encourage the growth of marine flora and fauna, reducing the dominance of invasive species and boosting biodiversity. By deploying these ACBMs, we can shield cables from long-term damage while helping to enhance the marine environment through the maintenance of habitats for a wide range of organisms.
- **Recycling transformers and other oil-filled electrical equipment across our networks business:** We evaluate the condition of our electrical equipment, repairing whatever can be repaired. Equipment that can't be repaired is sent out for proper recycling and/or disposal. In addition, established design standards promote a long life expectancy of the equipment in an outdoor environment. Treated utility poles may be reused for their original purpose at an alternate location, transferred to a third party or sent for proper offsite disposal. Meters, relays and other equipment with circuit boards are recycled as electronics waste.
- **Reducing waste and water usage across our operations:** In 2023, we continued to ensure that waste collection and transportation processes from across our operations reflect our environmental commitments, including the diversion of over 447 tons of solid waste from our East Coast facilities from landfills through recycling. A portion of the remaining waste is incinerated at a waste-to-energy facility. In 2023, our efforts to reduce waste within our facilities resulted in:
- 239 tons of cardboard recycled.
- 257 tons of zero sort plastics and paper recycled.
- 48 tons of clean wood recycled.
- 403 tons of waste incinerated at a waste-to-energy facility.
- **Recycling mobile electronic devices:** We also continued our company-wide mobile device recycling program. In collaboration with a third-party vendor, we donated the proceeds from this effort to the Arbor Day Foundation to plant trees. Since we began this collaboration in 2022, we have recycled 924 devices, resulting in 1,931 pounds of greenhouse gas emissions reduced and 4,952 trees planted.

Water Conservation Across Our Operations

Water is consumed across a variety of processes at Avangrid companies, including construction, generation, sanitation, fleet maintenance, heating, cooling and more. Installation of water-saving equipment such as low-flow toilets has helped to minimize and manage the amount of water required, even as we expand our activities. 91% of Avangrid's installed renewable capacity is predominately wind that does not need water to generate electricity. Our Klamath power plant is the only facility that uses water in its cooling system, and nearly 100% of this water is either waste or recycled water.



Impact at a glance

14% reduction
in emissions intensity associated with generation

> $203 million
invested in Leak-Prone Main Gas Pipeline replacement to reduce fugitive emissions (scope 1)

$30 million
in grants for EV charging and fueling infrastructure awarded in Maine and New York

924 devices
recycled, resulting in 1,931 pounds of greenhouse gas emissions reduced and 4,952 trees planted

05 Creating Positive Social Impacts

Creating Positive Social Impacts

As Avangrid grows, so does our responsibility to create positive social impacts. Like our commitment to a clean energy future, we work every day to help make a more just and equitable world.

Avangrid's Commitment to Social SDGs

We're doing this by implementing a social impact strategy focused on the needs of **our employees, the communities where we operate, our customers and our supplier partners**.

Our near- and long-term social impact commitments align with the **United Nations' Sustainable Development Goals** (SDGs), an international set of goals developed by the United Nations to help make global progress towards a range of critical environmental, social and financial targets that will help create a more just and sustainable world. The SDGs specific to our social commitments include **SDG 2** (zero hunger), **SDG 3** (good health and well-being), **SDG 5** (gender equality), **SDG 8** (decent work and economic growth) and **SDG 10** (reduced inequalities).

In 2023, more than 1,200,00 meals were provided to address food insecurity.

Social Goals

Social Goal	Metrics	2023 Actuals	2025 Goal	2030 Goal	Actions Underway to Meet Goals
Women in executive positions	% women in executive positions	35%	40%	40%	Maintain executive level ongoing activities including: • Recruiters present diverse slate of candidates. • Increased mentorship opportunities. • Interview panels with at least one woman. • Provide various development experiences in support of gender equity.
Women in senior leader positions (Paradigm for Parity)	% women in senior positions	27%	40%	50%	
Third-party pay equity analysis performed and actioned annually	Third-party pay equity analysis	✓	✓	✓	• Annual assessment with continuing implementation of recommended actions (ongoing).
Accident rate (employees)	TRIR	2.11	1.85	1.61	• Continued focus on preventative actions to reduce TRIs. • Implementation of High Energy Assessments (HECA), focused on risk identification and prevention. • Continued monthly leadership review of organizational safety performance.
Employees under ISO 45001 certification	% employees	98%	98%	98%	• Successful completion of internal and external audits across renewables and networks to maintain certifications. • Extensive work to prepare the organization for implementation of our Integrated Environmental, Health and Safety Management System (ISO 14001 and ISO 45001 Certifications).
Employee training	Hours per employee/year	46	>40	>40	• Increased instructor-led leadership training. • Continue advancing instructor-led leadership courses (across various levels of leaders).
Cybersecurity training	# hours (ks)	37.7	28.6	29.3	• Conducted more than 200 company-wide training and awareness sessions. • Conducted Cybersecurity Awareness Month (CSAM) and Infrastructure Protection Awareness Month campaigns, including drafting over 150 awareness communications and materials. • Continue to evaluate and expand our training and awareness program. • Enhance phishing reporting and metrics.
Corporate volunteering	# hours	23,308	35,000	45,000	• International Volunteer Week resulting in 5,504 hours of volunteer time. • Strategic push to increase company-organized volunteer activities. • Continue to integrate volunteering into business operations (team meetings, new hire training, etc.). • Continue to improve communication and engagement with field-based employees.

Continued on page 39

Social Goals - continued

Social Goal	Metrics	2023 Actuals	2025 Goal	2030 Goal	Actions Underway to Meet Goals
Purchases from diverse suppliers	$M in diverse suppliers	$284	$300	$400	• Hosted first Supplier Diversity Summit. • Began a partnership with the Rochester Procurement Equity Project – a pilot project designed to leverage the impact of corporate and institutional procurement dollars within Rochester's communities of color. • Continue to build on the foundation to grow diverse Supplier Procurement Strategy. • Assessing process to capture Tier 2 indirect spend.
Sustainable purchasing awards	% suppliers	≥80%	≥82%	≥85%	• Exceeded 2023 commitment of 77%. • Continued awareness and support in Sustainability compliance. • Increased audit to validate ESG actions.

Avangrid employees energized for good

Our employees are the force behind so many of the positive social impacts we help create. To help further their impact, our Energized for Good initiative elevates the opportunity for Avangrid employees to volunteer and give back.

A Just Transition to a Green and Equitable Economy

For Avangrid, working toward a Just Transition means focusing on greening the economy in a way that is fair and inclusive.

As described in Chapter 3 of this report, the concept of a Just Transition builds on global frameworks to address climate change and recognizes the need to anticipate the social implications of the shift to a low-carbon economy and the increasing impacts of climate change.

Avangrid's purpose in developing a Just Transition framework and core practices is to deliver a more accessible clean energy model that, in addition to addressing climate change, promotes sustainability through respectful engagement with communities and stakeholders. This means ensuring that social issues are considered when assessing and delivering green energy solutions and the potential disproportionate impacts of climate change on communities and customers.

To bring these commitments to life, we have developed a **Just Transition framework** to best address social, economic and environmental challenges with a focus on four core areas: customers, workforce, communities and suppliers.

	Customers	Workforce	Communities	Suppliers
Principles	Support customers in the clean energy transition by ensuring equitable access to sustainable solutions.	Ensure the clean energy transition is fair and inclusive for existing and new workers.	Understand and empower communities in the Just Transition with a focus on disadvantaged communities.	Support suppliers and suppliers' workforce for increased resilience in the changing environment.
Core Practices	Provide our customers with resources and insights to reduce their environmental footprints and energy costs.	Promote diversity, reskilling and equal access to opportunities. Create impactful jobs for people to participate in and contribute to a clean energy future.	Work in partnership with our communities to advance the clean energy transition and economic development.	Engage and support suppliers in their path toward a Just Transition. Expand opportunities for our diverse suppliers.
Actions	Empower our customers with digital tools to better manage their energy usage. Provide programs, products and services to reduce energy usage. Prioritize emergency response services to help our customers during critical events and situations.	Commit to addressing the corporate leadership gender gap. Invest in strategic partnerships with organizations working to advance diversity in the workplace. Grow high-quality jobs, skills and education opportunities for current and future workforce.	Establish, nurture and maintain relationships with stakeholders by providing ongoing, timely information. Prior to launching new capital projects, we use a variety of tools to proactively inform customers and community members about how our work may impact them while creating a means for sharing feedback.	By 2025, increase spend to $300 million with diverse suppliers. Hosted the 2023 Inaugural Supplier Diversity Summit.

Across the four Just Transition core areas, there is an inherent and intentional overlap. Below are several highlights that speak to positive actions and impacts from our Just Transition efforts during 2023:

Serving Our Customers' Diverse Range of Needs

Throughout 2023, we provided direct assistance to a range of customers, with a focus on helping them reduce costs, increase energy efficiency and more. Highlights of these actions are described below.

Helping residential customers in need: We provide for the needs of a range of customers across our communities, including seniors with limited resources and low- to moderate-income customers. Our work here includes:

- **Providing for the needs of seniors across our communities** with direct assistance and through partnerships with community-based organizations, including:
  - Efforts by a team of our customer service representatives at CMP who volunteer with **Spectrum Generations**, a community-based organization that provides for the needs of senior citizens in central Maine. Our employees join Spectrum Generation members each month to provide in-person customer assistance.
  - In addition, some of our employees volunteer to deliver food to seniors, in partnership with **Meals on Wheels** and Spectrum Generations.
  - In Monroe County, New York, RG&E employees volunteered at the **Salute to Seniors** event, sponsored by the County's Office of Aging, to answer questions. During this event, our employees aided more than 350 seniors and other customers.
- **Low- and moderate-income customer assistance:** We spent more than $8 million in energy efficiency initiatives for low- and moderate-income customers, saving them more than 28,000 MMBTUs in energy reductions.

Increasing energy efficiency for residential customers: We continued efforts to help our residential customers increase energy efficiency while decreasing immediate and long-term costs. Our work here included:

- **The Multifamily and the Affordable Multifamily Energy Efficiency Program:** Through this program, we provide residential, commercial and institutional customers across New York with electrical equipment replacement and rebates to help reduce energy usage in apartment and condominium complexes.
- **The Smart Solutions Gas and Electric Programs:** Through this online portal, residential customers can access point-of-sale rebates on energy-efficient products of their choice.

- **The Retail Lighting Program:** We engaged directly with lighting manufacturers and retailers to lower the purchase price of selected ENERGY STAR® certified light-emitting diode (LED) bulbs. Participating retailers agree to offer instant discounts on LED bulbs at storefronts located within the NYSEG and RG&E service areas. This program has a particular focus on discount and thrift stores located within our low-income neighborhoods and disadvantaged communities.

Decreasing energy demand (and costs) for business customers: We aid our commercial customers, helping them to reduce their energy usage and operating costs. Some programs include:

- **The Small Business Direct Install Program:** Offers incentives to small business customers to enable them to improve their facilities' efficiency.
- **The Commercial and Industrial Program:** Provides incentive-based rebates to commercial and industrial customers to improve their facilities' efficiency through the installation of new technologies and equipment.

Building Equity and Opportunity Across Our Workforce

- **Vineyard Wind 1**, the first large-scale offshore wind farm in the U.S., contributes to all pillars of our Just Transition. We forecast that Vineyard Wind 1 will create 3,600 competitively paying jobs in the renewable energy field. To date, this project has already created 937 jobs over two years of construction, which is nearly double our commitment of 500 union jobs.
- **Pachwáywit Fields solar farm**, built by Avangrid, achieved commercial operation in 2023 and will generate enough electricity to power 40,000 homes. The project created 300 jobs during its construction.
- **United Illuminating (UI) Union Scholars Program** is a partnership between UI, Utility Workers Union of America Local 407-1 and Avangrid to help ready the next generation of line workers.
  - Avangrid and our partners are working with two technical high schools in Connecticut to create this first-of-its-kind program.
  - The 10-week program will provide nine high school students with hands-on technical training and fieldwork experience, helping them to prepare for meaningful careers in renewable energy.

Helping Our Communities Thrive

- Avangrid's legal team, in collaboration with Baker McKenzie and 60 partner organizations and corporate legal departments, received the prestigious **Corporate Pro Bono Award** from The Pro Bono Institute for the innovative Justice in Action pro bono project. Justice in Action brings lawyers from all over the world together for "sprints" where volunteers work on issues related to children's rights and human rights, equity, opportunity for vulnerable communities and strengthening justice systems.
- As part of our community outreach and energy savings programs, NYSEG and RG&E meet with customers in their neighborhoods at local food pantries, schools, senior centers and community events. As part of this outreach, they provide our most vulnerable customers with energy-saving kits, which serve a dual purpose: instant savings while also advertising and endorsing the statewide Affordable Multifamily Energy Efficiency Program. This local, in-person engagement allows customers to speak directly with fellow customers who have participated, which can strongly influence their decision to sign up for the programs.
- Working with our local communities, Avangrid supported two EV Charging and Fueling Infrastructure Grants that were awarded in Maine ($15 million) and New York ($14.7 million), helping to expand EV charging infrastructure across those states.
- Through the Avangrid Foundation and our operating companies' corporate giving, we have funded more than $500,000 for initiatives that support climate education and awareness and protections for biodiversity.
- To strengthen our nonprofit partnerships, CMP hosted its first nonprofit meetup with our charitable giving recipients. The event included 30 representatives from 20 nonprofits to discuss CMP's structure and history, charitable giving process and resources available for payment assistance.
- When considering planning and investments in our Networks business, we take into consideration disadvantaged communities when prioritizing capital investments. The goal is to enable our companies to favor capital investments that provide net benefits to these communities and discourage capital investments that would result in a disproportionate burden.

Engaging Suppliers in Their Path Toward a Just Transition

- Avangrid and RG&E have joined with some of the largest employers in the Greater Rochester region to participate in the Rochester Procurement Equity Project. This pilot project is a collaboration between the Rochester Area Community Foundation and the region's local businesses to leverage purchasing power to benefit Black and Brown-owned businesses in Rochester. As a contributor to this project, RG&E has helped fund the project for two years. We've also engaged with the project through data sharing and company representation.
- We hosted our first Supplier Diversity Summit in 2023, which provided an opportunity for our suppliers to network with teams across the businesses and hear from executives on program support and priorities.
- We also increased the visibility and awareness of Avangrid's Supplier Diversity program by launching an Avangrid Supplier Diversity website, engaging in outreach with our employees, and hosting supplier matching events..

Prioritizing Our Employees

We're focused on creating a workplace where talented and committed employees build meaningful, long-term careers. We accomplish this by fostering a workplace culture that seeks out diverse perspectives, values continuous improvement, and recognizes and rewards behaviors and ideas that prepare our employees to meet the challenges of the future.

We are proud to share that CMP was the 2023 recipient of Best Companies Group's "Best Places to Work in Maine" Award, and in Connecticut we were recognized by Forbes as one of America's Best-In-State Employers for 2023.

We also prioritize the safety, health and well-being of our employees – from their physical safety and financial security, to our diversity, equity and inclusion commitments, to mental health and wellness, all within a respectful work environment. We bring these commitments to life by investing in programs and tools that empower our employees' personal and professional growth while helping them connect with and support each other, and by addressing their individual needs and the needs of their families.

In 2023, we made progress toward the goals we set the year before. This includes commitments to increase diversity across our workforce, to expand opportunities for our employees while prioritizing their safety and well-being, to address gender equity and to create a more diverse, equitable and inclusive workplace.

Sisay Desta
CMP Inventory Clerk,
Fleet Department

Advancing Gender Equity

We continued our efforts to increase gender diversity across our executive leadership team through the growth and development of women executives. In 2023, we were recognized for our leadership on gender parity when we earned inclusion in the Bloomberg Gender-Equality Index.

This global index measures gender equality of its members across five pillars: leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies and external brand.

"We're committed to fostering a diverse and inclusive workplace that empowers women to reach their full potential," said **Pedro Azagra**, Avangrid CEO.

Kimberly A. Harriman
Senior Vice President,
Public & Regulatory Affairs

Demographic Breakdowns of Our Workforce as of December 31, 2023

All Employees Race and Ethnicity

Percent of Total

All Employees	ALL	CT	MA	ME	NY	OR
% of Employees in State		**24.4%**	**3.9%**	**16.4%**	**42.0%**	**4.7%**
American Indian or Alaska Native	**0.5%**	0.2%	– %	0.5%	0.5%	1.1%
Asian	**3.4%**	5.4%	3.9%	1.5%	2.2%	9.1%
Black or African American	**5.8%**	13.1%	2.3%	1.0%	4.8%	3.2%
Hispanic or Latino	**8.5%**	16.3%	7.4%	1.8%	5.4%	8.8%
Hawaiian Native or other Pacific Islander	**0.1%**	0.1%	0.0%	0.0%	0.1%	0.8%
Two or more races	**2.0%**	1.8%	2.3%	1.8%	2.0%	2.7%
White	**78.1%**	61.4%	81.0%	91.6%	83.9%	72.4%
Did not provide	**1.6%**	1.7%	3.2%	1.8%	1.1%	1.9%

Senior Leadership Race and Ethnicity

Percent of Total

Senior Leadership*	ALL	CT	MA	ME	NY	OR
% of Senior Leaders in State		**31.3%**	**7.7%**	**16.2%**	**17.3%**	**14.5%**
American Indian or Alaska Native	**– %**	– %	– %	– %	– %	– %
Asian	**3.1%**	3.6%	– %	1.8%	– %	3.9%
Black or African American	**2.3%**	3.6%	– %	– %	4.9%	2.0%
Hispanic or Latino	**11.6%**	20.9%	11.1%	7.0%	9.8%	5.9%
Hawaiian Native or other Pacific Islander	**0.6%**	0.9%	– %	– %	– %	2.0%
Two or more races	**2.6%**	0.9%	3.7%	5.3%	1.6%	2.0%
White	**77.0%**	68.2%	77.8%	82.5%	78.7%	82.4%
Did not provide	**2.8%**	1.8%	7.4%	3.5%	4.9%	2.0%

* Senior Leaders are defined as Director or equivalent and above.

Gender Ratio

All Employees Gender Ratio

Percent of Total

	Female	Male	Undeclared
ALL	27.8%	72.1%	0.1%
CT	30.1%	69.8%	0.1%
MA	30.5%	69.1%	0.3%
ME	29.3%	70.6%	0.1%
NY	27.8%	72.1%	0.1%
OR	28.7%	71.0%	0.3%

Senior Leadership Gender Ratio

Percent of Total

	Female	Male	Undeclared
ALL	27.3%	72.4%	0.3%
CT	30.0%	70.0%	– %
MA	7.4%	88.9%	3.7%
ME	35.1%	64.9%	– %
NY	24.6%	75.4%	– %
OR	33.3%	66.7%	– %

Diversity, Equity & Inclusion

We're committed to creating inclusive workplaces where every employee is valued and has access to equitable opportunities for professional growth and development. To build, sustain and empower a diverse workforce with a rich mix of differences, we have prioritized diversity, equity and inclusion (DEI) initiatives in three areas:

- Increasing diverse representation, especially in leadership positions.
- Promoting equitable opportunities to grow and develop.
- Establishing pathways for community and connection with others.

In 2023, Avangrid made great strides in the DEI space:

- Our Senior Vice President and Chief Human Resources Officer Kyra Patterson was named a 2023 Woman on the Rise by Paradigm for Parity, a coalition that supports companies in achieving their commitment to gender parity. This annual recognition honors women who are breaking barriers in corporate leadership and showing the value of gender parity and racial equity in the workforce.
- Our DEI Executive Council launched with the mission to inspire a more diverse and inclusive organizational culture, to advocate for DEI across the entire company and to promote more connections between employees and their senior leaders.
- The DEI team, in partnership with Learning & Development, is building off our existing trainings and introduced a required "Inclusion at Work" training course. This is designed with Avangrid employees in mind and aims to empower them with the knowledge and skills necessary to foster an inclusive workplace.
- We hosted our second annual Avangrid Diversity Week for employees. In addition to the Business Resource Group (BRG) Fair, the week included our first ever DEI Executive Roundtable, Supplier Diversity Summit, Union Trade Jobs Fair and keynote speaker.

Forging a Partnership with Disability:IN to Support Diversity

Avangrid is committed to increasing diversity and inclusion for all employees and continues to forge a strategic partnership with Disability:IN. This collaboration is focused on enhancing workplace inclusivity for individuals with both visible and invisible disabilities. Recognizing the unique challenges and barriers that disabled employees may face, Avangrid is proactively working to create an environment that is accommodating and empowering. Our partnership with Disability:IN, a leading nonprofit driving disability inclusion in the global business community, allows Avangrid to leverage expert insights and resources to ensure our practices and policies are aligned with the best standards in disability inclusion. By doing so, Avangrid is adhering to its core values while also paving the way for a more diverse and inclusive energy sector.

"There is a shift happening in the utility industry. If we expect our employees to build long-term, enduring careers at Avangrid, then we must provide an environment that attracts diversity, offers development opportunities, promises career growth and nurtures employee engagement — thereby driving and delivering employee retention. We see ourselves as a destination employer, and we will continue to ask all to help create and support this focus. This will be critically important, not just for today, but also for our next 100 years as a leading clean energy company."

Kyra Patterson / Senior Vice President and Chief Human Resources Officer - People & Organization, EH&S and Security

Building Inclusion Through Our Business Resource Groups

Our BRGs provide spaces where Avangrid employees from different cultures, ethnicities, identities and backgrounds can celebrate who they are while raising important issues in a supportive environment. BRGs are open to all employees, either as members or allies.

Each BRG is actively involved in helping Avangrid build and sustain a diverse workforce with an inclusive culture that reinforces every individual's sense of being valued and connected through equitable opportunities to grow and thrive.

- **The Avangrid African American Council for Excellence** (AAACE) builds a culturally progressive workplace through career development for all African American/ Black employees. Providing members with resources like mock interviewing practice, this group is also focused on building an internal pipeline of Black and African American talent at Avangrid.
- **The Avangrid Coalition for Asian Pacific Americans** (ACAPA) empowers our Asian American and Pacific Islander members and allies to become leaders within Avangrid and our communities. This group marks Asian American and Pacific Islander Heritage Month as well as the Lunar New Year by celebrating traditions and engaging employees across the company.
- **AVAN-Veterans** promotes career development and enrichment for our employees who have served. This group hosts a regular coffee chat series where they support locally owned businesses and hold recruitment events focused on helping veterans transition out of active duty and into the workforce. They also run volunteer events with organizations like Habitat for Humanity.
- **CARE (Avangrid Community for all Abilities and Resource for Excellence)** supports both our customers and colleagues with disabilities or additional needs and those whose lives are touched by them. Their work includes fundraising for organizations that support the needs of people living with disabilities. In November 2023, this included record-breaking volunteer participation to support programming at Equicenter (NY) through their Hoof-It for Heroes event.
- **HOLA (Hispanic Organization for Leadership and Awareness)** fosters an environment where our Hispanic employees are empowered in their careers, lives and communities. In total, HOLA represents two dozen cultures, and in 2023 this BRG launched a new initiative – a virtual coffee chat – that brings together pairs of employees from across the company to share background about their cultures and to practice their English- and Spanish-speaking skills.
- **Pride@Avangrid** builds a workplace where lesbian, gay, bisexual, transgender, queer and intersex individuals (LGBTQI+) can bring their authentic selves to work every day. In 2023, the group hosted a meaningful Pride Month that included raising the pride flag at Avangrid office locations, an all-employee webinar and attending the Legacy of Pride Night at Yankee Stadium.
- **WomENergy** increases the visibility of women, unleashing their potential while driving business results and raising awareness of gender parity. In 2023, WomENergy called on its members to be fearless and hosted a series of coffee chats, including one that featured male allies speaking on allyship.

BRG highlights

Over 15%
of our employees participate in one of our seven BRGs.

97 events
were hosted in person or virtually by our BRGs.

Comprehensive Employee Benefits

Benefits Impact at a Glance

- We achieved a **94% participation rate in Avangrid's 401(k) Plan** and enhanced the 401(k) match for all new hires.
- **Almost 70% of Avangrid employees completed an in-house personal finance training** module that provides employees with tools and resources to develop their money management skills and to make confident financial decisions.
- Close to **300 employees participated in our emergency savings fund,** which includes a payroll deduction feature – this tool helps employees create a realistic savings target, track progress and celebrate milestones to stay on track.
- **More than 400 employees registered for our Backup Dependent Care benefit** (an 87.9% increase over 2022) and we saw over 1,300 Backup Care uses in 2023 (108% increase from 2022). Avangrid's absenteeism savings are estimated to be over $800,000 in 2023 due to employees using Backup Care.
- We partnered with the National Council for Behavioral Health to offer employees Mental Health First Aid at Work Certification Training. In 2023, we had **105 trained advocates volunteer their time to listen and provide guidance to others regarding mental health resources**. These Mental Health Advocate employees have provided guidance to:
  - 370 employees.
  - 445 referrals to our Avangrid well-being and benefit programs.
  - 260 community outreaches that translated into referrals into community resources (non-Avangrid employees).

Benefits Overview

Our compensation, health and retirement programs are designed to attract, retain and empower employees to meet business and customer needs across a variety of markets and locations and within the increasingly competitive market in which we operate.

We take a **"Total Health" approach** to benefits and well-being with inclusive programs designed to support employees' physical, financial, emotional and social health, as well as their families', throughout various stages of life. Many of our programs are available to all union and non-union employees.

2023 company programs include:

- Comprehensive, high-quality health, dental, vision, life and disability plans.
- Generous 401(k) match program (i.e., 150% on up to 8% of non-union employee contributions) with 94% of the population participating in the plan.
- Paid Parental Leave for those welcoming a new child through birth, surrogacy, adoption or foster care placement.
- Fertility and family-forming care and coverage.
- Diabetes, pre-diabetes, hypertension and musculoskeletal focused programs.
- Education and tuition reimbursement assistance programs, including student loan debt repayment program for non-union employees.
- Emergency Savings program.
- Subsidized Back Up care for children, elder family members and those with special needs including tutoring, test prep and camp options.
- Programs that support local nonprofits by offering a cash match for employee donations, as well as direct donations recognizing employee volunteer hours.
- A variety of value-added options that allow employees to make choices that meet their individual needs, including telemedicine, claims navigation, mental health resources, financial wellness and education programs, legal assistance, identity theft protection and auto/home/pet insurance.

Well-Being & Emotional Health

In 2023 we continued to expand our focus on employee health and well-being, including the creation of a department that focuses on Total Employee Health. We were honored to receive gold status from the American Heart Association (AHA) based on its new Workforce Well-Being Scorecard. The AHA created this scorecard in 2022 with the goal of helping employers evaluate the health and well-being cultures of their workforces, to identify gaps and to determine how their efforts compare to peer organizations. According to the AHA, Avangrid was recognized for our implementation of quality workforce health and well-being programs and for our culture of health best practices.

We continued to focus on the mental and emotional health of our employees all year with mindfulness webinars where we averaged over 200 employees per session. During May's Mental Health Awareness Month, we focused on raising awareness and stamping out the stigma of mental health issues. We committed resources to have a professional athlete address stigma and his personal journey to defeat mental illness.

Over 700 employees attended the event and many more watched the replay. Nearly 100% agreed, or strongly agreed, that this presentation made them feel that the company cares about their mental health. We also conducted a Recharge Mental Health Journey team challenge, offered mental health manager training to educate managers about the stigma associated with mental health issues and coached them on how to speak to and engage employees. Health & Well-Being also partnered with Avangrid's Diversity, Equity and Inclusion and Business Resource Groups to present a panel discussion titled "Establishing Boundaries to Maintain Your Mental Health."

As we continued to expand our Early Intervention program for work-related musculoskeletal injuries, we also addressed needs related to non-work-related musculoskeletal injuries. This digital/virtual program, called Hinge Health, addresses these needs. Launched in September 2023, over 300 employees are participating in the program.

As part of our efforts to enhance our health and well-being program and address our employees' needs, we will be expanding program offerings in 2024 to include diabetes and cancer prevention programs for our employees and their families.

Financial Health

Avangrid provides employees with a robust financial well-being program to help them build their financial confidence and to support their financial health. In 2023 we:

- Developed a personal finance training series which will provide employees with strategies, tools and resources to develop their money management skills and make confident financial decisions. Module 1, The Basics of Budgeting and Saving, was launched in August 2023 in which around 70% of the population participated.
- Offered numerous financial planning events, including 1:1 sessions with financial experts and guest speakers. A highlight was Optimizing the Future You: Financial Well-being Resources, a virtual and in-person event, with 150 employees participating and another 289 visiting the virtual experience, which was full of useful resources. Ninety percent of employees who participated provided positive feedback.
- Offered an innovative emergency savings program that helps employees track progress and celebrate milestones with a payroll deduction feature to make saving simple.
- Joined the Worker Financial Wellness Initiative by JUST Capital and PayPal to help us continue enhancing our programs and resources via the Initiative's research, tools and diverse network.

Student Loan Debt Repayment Program

In 2023, we introduced our new Student Loan Debt Repayment program. As one of the first energy companies in the U.S. to offer this program, we are helping many of our employees address one of the biggest financial burdens they – and millions of other Americans – face. Through this program, eligible employees are offered a $250 monthly payment, up to a $9,000 lifetime maximum, paid directly to their eligible student loan provider(s).

In 2023, more than 600 employees participated in the Student Debt Repayment program, saving over $1,581,780.

"Taking advantage of this benefit allows me to pay down my student loans quicker than I planned. This means more freedom to do the things I love."

Jordan Noll-Lamantia
Talent Acquisition Manager

Professional Development

We continued to provide training opportunities for employees with a focus on leadership development and mentorship. 2023 highlights include:

- Launch of Leadership Development Journeys: These training programs were created for the vice president level (leading organizations), senior director and director levels (leading leaders), manager/supervisor (leading people) and individual contributor (leading self), each with distinct learning objectives and curriculum focused on building an inclusive work environment.
- Enhancements to Leadership Essentials Program: This training curriculum helps all new people leaders to create inclusive environments and ensure that they develop the skills and knowledge to effectively lead their teams and to engage in professional growth.

In 2023, our employees logged a total of 20,051 hours (about two and a half years) of leadership training and 13,260 online leadership course training hours. Overall, our average training per employee was 46 hours in 2023.

Environmental, Health & Safety

We are committed to providing our employees with a safe and healthy workplace, and we continuously emphasize and embed a no-harm culture across our company. To bring this commitment to life, we provide our employees with ongoing safety training and awareness programs; we use Environmental, Health & Safety (EH&S) Excellence Awards to highlight proactive and exemplary safety behavior; and all leaders across Avangrid have a portion of their variable compensation tied directly to health and safety goals.

We also implemented new resources to help strengthen our existing commitment to workplace safety. This included the creation of a Gas Compliance and Operational Performance Group to focus specifically on compliance. This group conducts inspections, manages operator qualification programs, and tracks and reports regulatory requirements to help ensure we comply with all federal and state pipeline safety regulations. This group's work also reflects our commitment to fostering a culture where the safety of employees, customers and communities is the top priority.

The impact of our commitment to a safety-first culture is paying off where it matters most – across our operations. In 2023, for example, our Klamath Energy facility in Klamath Falls, Oregon, celebrated one million hours without a Lost Time Accident (LTA), and our Southern Connecticut Gas Milford Liquified Natural Gas plant celebrated six years without an LTA.

Mentoring Program to Advance Professional Development

We continued to move the Avangrid Mentoring Program forward over the course of the year. This program supports the professional development of our employees through knowledge sharing, building connections and the creation of meaningful relationships. Since the program launched in 2021, over 400 mentor matches have been established and over 4,000 mentoring hours have been recorded, with participants giving the program an overall satisfaction score of 4.5 out of 5.

Avangrid MENTORING

"From a mentor perspective, it's a great opportunity to share your knowledge and your career path and to help shape someone's life. As a mentee, it's a great opportunity to get coaching advice and to learn from someone who's been through the steps you are going through right now."

Liberna Charles / Vice President of Talent Management and DEI

Integrated EH&S System
Over the last decade we have implemented an enterprise-wide Health and Safety Management System (HSMS) and an Environmental Management System across various levels of the company. Avangrid is already certified by the International Organization for Standardization (ISO) to the ISO 45001 Health & Safety standard across all lines of business (ISO 45001 is one of the most rigorous workplace safety standards in the world). This includes implementation of an ISO 45001-certified HSMS across our onshore renewables and networks business areas. By the end of 2024, we plan to have a fully integrated EH&S Management System that will incorporate these standards with a goal to capture 98% of the employee population across Avangrid.

EH&S Training
To further ensure the health and safety of our employees, we continue to implement our comprehensive – and mandatory – EH&S training. The specific EH&S training each employee receives is determined by their job description, with different requirements between office employees and field employees. In 2023, 94% of Avangrid employees across our corporate, networks and renewables businesses completed their EH&S training.

Examples of training initiatives focused on keeping employees safe include:

- **Ergo Power:** Since musculoskeletal/soft tissue problems account for Avangrid's most frequent injuries, we escalated our ergonomics program in 2023 to reduce injuries and educate employees on ergonomic best practices. We completed 34,704 field-based e-learning/in-person modules and 1,328 office-based e-learning training modules.
- **Alert Driving:** Every year, Avangrid employees drive millions of miles. To reduce the risk this presents to our employees and the public, the Avangrid team completed 42,175 interactive training sessions. This computer-based training creates a profile for each participant and provides targeted instruction to dramatically reduce their highest-risk driving behaviors and the risk of an on-road accident. In addition, 95 employees from across the company completed in-person/virtual defensive driving courses.
- **Slip Simulator:** Building on our risk-based approach to safety, we have provided 2,849 employees with in-person slip-simulator training. This training helps employees learn behaviors to navigate slippery or slick terrain to reduce the risk of injury.

Environmental Health & Safety

Recognizing Employees for EH&S Excellence

The annual EH&S Excellence Awards recognize employees, managers, teams and contractor partners who excel at promoting best practices and innovation in support of EH&S performance. Avangrid demonstrates commitment to continuous improvement regarding EH&S initiatives by putting a spotlight on our greatest champions – those who lead by example, live our company's values, demonstrate our behavioral model and support our learning and continuous improvement culture.

In 2023, we recognized five EH&S Excellence Awards winners and 10 runners-up. To select these, we asked our employees to identify Avangrid's greatest environmental, health and safety champions from across the company. All nominations were then judged by an esteemed panel that included leaders from our networks and renewables businesses and members of our Skilled Safety Panels and Strategic Safety Board.

"Good Catch of the Year" 2023 Winners

Category: Innovation Champion
Winner: Networks Technical Training. Jim Fox and his team developed a virtual training that is now being used to prepare workers for the hazards they'll face on the job. By creating a virtual environment, learners familiarize themselves with tasks and situations they need to master without subjecting them to physical harm.

Category: Team Champion
Winner: The New York Vegetation Management Team, led by Paul Paradine. As part of their commitment to biodiversity and safety, this team has created and maintained butterfly sanctuaries and has also spearheaded efforts to prevent osprey from nesting on poles containing energized lines and equipment.

Partnering with Our Communities to Create Long-Term, Positive Impacts

We're committed to making a positive impact in the communities we serve, including and beyond the services we provide to our customers.

We seek to make a positive social impact through the philanthropic giving of the Avangrid Foundation, corporate donations, employee giving and volunteerism. We also seek to better understand the needs of our communities – and how we can help – through stakeholder engagement.

In 2023, Avangrid and the Avangrid Foundation together donated more than $4.7 million to support initiatives in 27 states across the country.

Most of our corporate contributions were allocated to support institutions that work with social welfare, education, health and food security. In 2023 this included:

- **eBill Program Supporting Food Banks:** For every customer that signed up for the company's eBill service during the months of November and December, Avangrid subsidiaries donated $2 to seven local food banks to support food security in Maine, New York and Connecticut. The donation provided approximately 100,000 total meals across these Avangrid service areas.
- **Lighting Up the Arts Program:** UI announced an award in grant funding to 16 local arts organizations in New Haven. These grants, funded by UI's Lighting Up the Arts program, will enhance the city's arts and culture sector as a driver for economic development in the region.
- **Project SHARE Heating Fund:** RG&E supported the Project SHARE Heating Fund for income-eligible customers in need facing energy emergencies. The Project SHARE Heating Fund is designed to help our income-eligible customers with active disconnect notices in our service areas. The fund is administered by Heart Share Human Services of New York.
- **Make a Wish Maine:** CMP supported Make a Wish Maine, a nonprofit institution that grants wishes to kids with life-threatening medical conditions with the goal of changing the lives of the kids it serves.

In 2023, Avangrid and the Avangrid Foundation together donated more than $4.7 million to support initiatives in 27 states across the country.

Red Cross National Disaster Responder Program

In May 2023, the Avangrid Foundation marked the start of Hurricane Preparedness Week by recommitting to the American Red Cross National Disaster Responder Program with a $250,000 donation. What is most impactful is that these funds proactively ensure the Red Cross is prepared to help meet the needs of people locally and across the United States who are affected by disasters. Avangrid teams serve as first responders during natural disasters and, as such, experience firsthand the urgent needs of families and communities during challenging times. This contribution brings Avangrid's lifetime donations to the Red Cross to more than $4.6 million and illustrates our long-term commitment to supporting the Red Cross.

Hanson Box Project

In 2023, the Avangrid Foundation began a partnership with the Don Hanson Charitable Foundation and the Jane Goodall Institute to launch the Hanson Box Project in the U.S. This program provides first-class educational resources, free of charge, to thousands of schools across the country. More than 2,500 elementary and middle schools across Avangrid's service areas in New York, Maine, Massachusetts and Connecticut were the first to receive free resource boxes full of educational books, lesson plans and activity kits to help teachers inspire their students.

Investing in Our Communities Through the Avangrid Foundation

Since 2001 the Avangrid Foundation, which is the centerpiece of our philanthropic work, has invested more than $38.9 million to address critical needs across our communities with a focus on four key pillars:

- Higher Education, Training and Research.
- Biodiversity and Climate Action.
- Arts and Culture.
- Community Partnerships and Social Action.

In 2023, the Foundation provided over $2.8 million in grants to 97 nonprofits to create positive impacts across these four pillars. This includes more than $557 thousand to support training and research programs and initiatives, $477 thousand to protect biodiversity and address climate change, $115,000 to support arts and culture and nearly $1.7 million to advance the work of organizations and initiatives addressing social action and critical social issues.

Social action

Education and research

Biodiversity + climate action

Arts and culture

Since 2001 the Avangrid Foundation has invested more than $38.9 million to address critical needs across our communities with a focus on four key pillars.

2023 Community Impact at a Glance

23,308 hours of employee volunteering

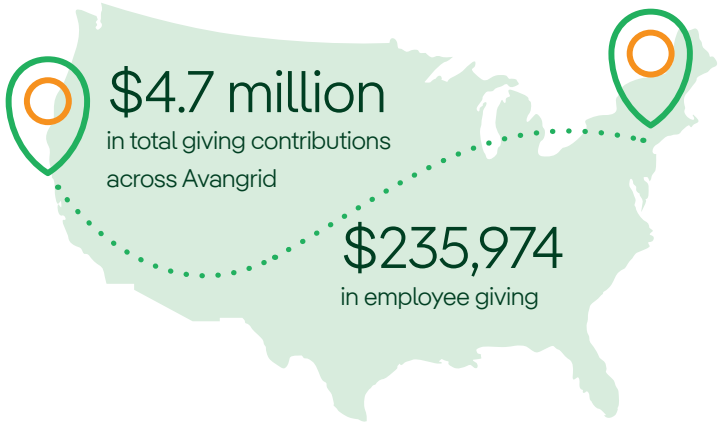
1,227,150 meals provided to address food insecurity

364 nonprofit organizations supported by volunteers

$2.8 million in corporate giving across Avangrid Foundation four key pillars

19 build sites from employee volunteering events

170 pints of blood donated through seven blood drives



Community Engagement Through Employee Volunteerism

Our employees are the force behind so many of the positive social impacts we help create. To help further their impact, our Energized for Good initiative elevates the opportunity for Avangrid employees to volunteer and give back. This program creates volunteer opportunities through partnerships established by the Avangrid Foundation and helps our employees maximize the impact of their volunteer work by providing a $15 donation for every hour an employee volunteers with an eligible nonprofit organization (up to 100 hours each year per employee).

We are thrilled to report that in 2023 our employees volunteered over 23,300 hours – far exceeding our goal of 14,000 hours and more than doubling our 2022 hours. In doing so, Avangrid supported 364 nonprofit organizations across our communities and our employees' efforts generated over $314,885 donated through Energized for Good.

Longer term, our goal is to reach 35,000 employee volunteer hours per year by 2025. To get there, we continue to incorporate volunteerism into our organizational culture. As an example, we regularly incorporate volunteer opportunities during team meetings, and we launched a pilot initiative that includes a volunteer activity during new employee orientations.

We also work to directly support our employees' bold, creative and impactful volunteer efforts. During our company-wide Volunteer Week, our teams volunteered for over 5,500 hours in support of 33 different nonprofit organizations. Some examples of these efforts include:

- **Sterling House Community Center (Connecticut):** A team of 18 Avangrid volunteers teamed up with preschoolers to plant flower bulbs, build an outdoor play kitchen and restock the Community Center's food pantry.
- **Habitat for Humanity Portland Region (Oregon):** Volunteers from our renewables business helped build and decorate a custom playhouse for a local child experiencing a life-altering loss. The playhouse design was created around the child's interests and featured sunflowers and a cat.
- **Wild Wings Wildlife Rehabilitation (New York):** RG&E volunteers assisted this nonprofit organization, which provides care for permanently injured, non-releasable animals, by stacking firewood, providing landscaping and replacing barriers around the property.
- **Pine Tree Camp (Maine):** CMP volunteers cleaned trails, painted buildings, helped with landscaping and more to help Pine Tree Camp continue to provide kids and adults with disabilities access to recreational experiences year-round.

"It's incredible to see the positive force we can create when we come together as a company. Everything we do at the Avangrid Foundation is to help our communities thrive and build a better tomorrow. Our volunteer work last year supported initiatives that provide critical services like shelter and food security, the protection of our biodiversity and access to education and job training."

Pablo Colón / Director of Corporate Citizenship, Avangrid and Executive Director, Avangrid Foundation

Prioritizing Stakeholder Engagement

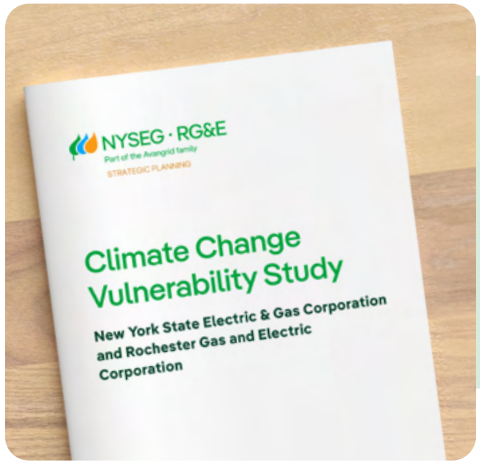
To transform the current energy model into a new one that prioritizes the well-being of people and the conservation of the planet, Avangrid needs the strong engagement of our stakeholders. Avangrid formally and informally engages a broad range of our main stakeholders on an ongoing basis, including our customers, Avangrid people, shareholders and financial community, supply chain, communities and the environment.

Our current classification was updated in 2023 to simplify the map of stakeholders and enrich the segmentation of stakeholders by taking into consideration the current needs of the areas and business.

Stakeholder Engagement Model

As part of the Iberdrola Group, Avangrid leverages a stakeholder engagement model that seeks to increase transparency and understanding. This model is inspired by widely acknowledged international standards AA 1000 SES (2015) and sustainability indexes. It is based on an ongoing improvement process involving 10 phases.

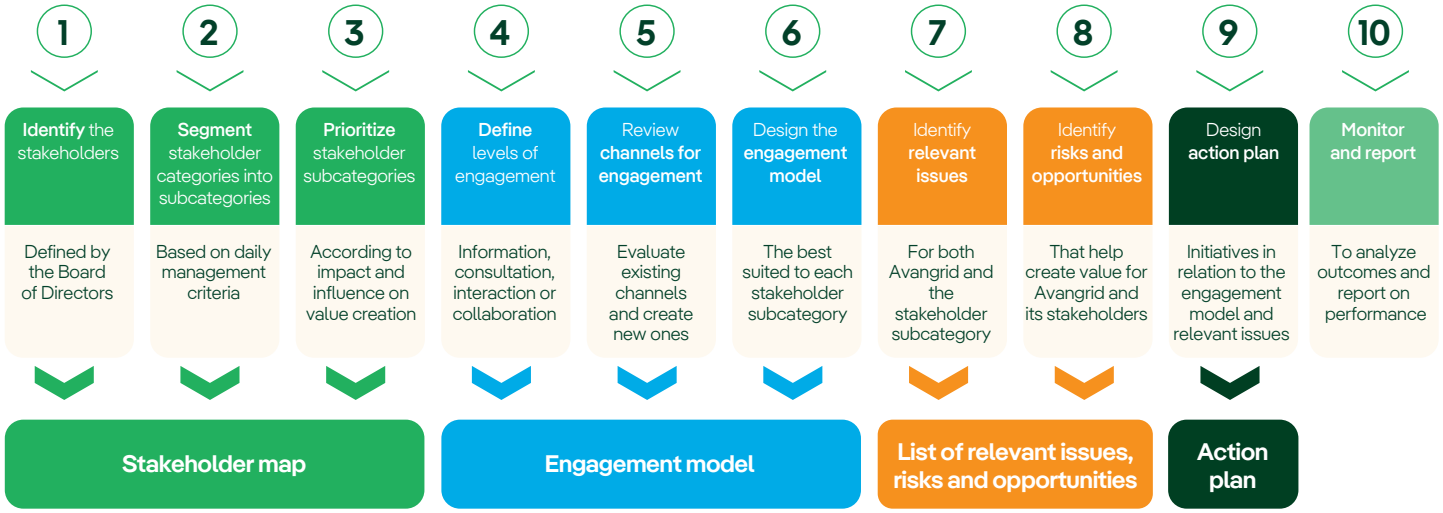
This stakeholder process is implemented across the organization using a shared reporting tool for the management of Avangrid's stakeholder groups across our businesses. The business areas identify groups of sub-stakeholders that are relevant and that should be addressed in a specific way, along with defining relevant themes, channels (phone, email, assemblies, meetings, events, social networks and others) and the degree of engagement: listening, information, interaction or collaboration.



Best Practice: Joint Climate Change Resilience Strategy

To gain a deeper understanding of the electric grid`s vulnerability to climate-driven risks on NYSEG and RG&E, these companies conducted a "Climate Change Vulnerability Study"* for New York State. To carry out this study, the opinions of numerous stakeholders, including experts in this field, have been gathered to jointly identify the existing strengths and gaps in the impact of climate change. Throughout the process, stakeholders and multisectoral alliances have been identified in detail, and a prioritization exercise has been carried out according to vulnerability and exposure to risk.

Stakeholder Engagement Model Ensuring a Process of Continual Improvement



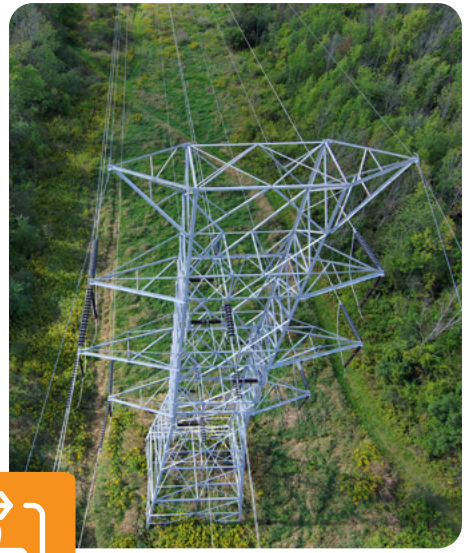
* More information can be found here: **New York Climate Resiliency Plan - NYSEG**.

Communities as a Fundamental Stakeholder

Avangrid has teams dedicated to building relationships with the communities where our renewables and networks businesses are located during all stages of our operations. In our networks business, for example, the Public Outreach team demonstrates what it means to listen to the community's needs. This team uses a variety of tools to proactively inform customers and community members about potential project impacts while also providing easy-to-access resources to contact us with any questions or concerns. This "Design with the Community in Mind" approach is based on the transformative perspective shift where our decision-making is guided through the lens of our customers.

Avangrid aims to ensure that every project is designed and engineered to mitigate the potential disruption or inconvenience to our communities as we work to improve the resiliency and reliability of our network.

We also continued to build our commitments to address our communities' needs through energy savings programs and by meeting with customers to engage them in these programs in their neighborhoods – at local food pantries, local schools, senior centers and community events. This local, in-person engagement allows customers to speak directly with each other and to hear from peers who have participated, which can strongly influence their decision to sign up for energy savings programs.



Collaborating with the Navajo Tribal Utility Authority

Avangrid and the Navajo Tribal Utility Authority (NTUA), the largest multi-utility enterprise owned and operated by a Native American tribe, signed a Memorandum of Understanding in 2023 to explore opportunities to develop new green energy projects (up to 1 GW). Through this partnership, we will research potential energy projects within the Navajo Nation in New Mexico and Arizona. Ultimately, our goal is to help bring reliable, affordable and renewable energy to power Navajo Nation homes and businesses. As part of this partnership, we'll work with NTUA to explore ways that these potential projects could also benefit from the Inflation Reduction Act (IRA), which is the largest climate investment in the U.S. and global history. The IRA includes a pathway for Native American tribes to make meaningful greenhouse gas emissions reductions through the development of clean energy.

Digital Tools to Advance Customer Service and Engagement

We work every day to provide our customers with exceptional service while helping them reduce their environmental footprints and their energy costs.

As communications become more digitized, we have also expanded how our customers can interact with us by putting a greater emphasis on digital tools that can be accessed via mobile devices. To help reduce the time it takes to serve our customers, we continue to automate to process customer requests. We also want to ensure that our customers know that we're listening and that they can expect to hear back from us, whether it's in response to a service request or a power outage. Finally, we continue to prioritize and improve our emergency response capabilities so that our customers can depend on us to provide and restore essential power services and to help ensure their safety and the safety of their communities.

Digital Tools for Customers

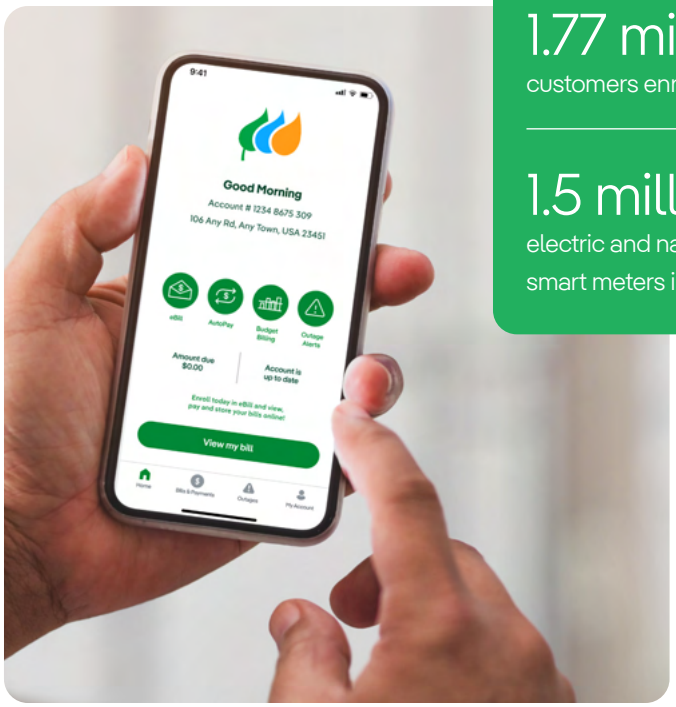
We're also helping our customers transition to a clean energy future by providing the resources they need to reduce their environmental footprints and by meeting their growing energy demand with access to clean, renewable power. In 2023, we prioritized a mobile-first mentality – to empower our customers with digital tools so they can better manage their energy usage, billing and account preferences.

2023 Digital Highlights

- Increased participation in our eBill, which grew to 1.28 million customers – an 8% increase over 2022.
- Surpassed one million app downloads – a 31% increase over 2022.
- Enrolled 1.77 million customers in outage alerts – an increase of 26% over 2022. Now, over 77% of Avangrid customers are enrolled in outage alerts.
- Released a redesigned customer journey, incorporating automation for digital account creation and faster service for customers while infusing self-service options.
- Introduced a new mobile-digital payments interface that provides a more seamless user experience.

We are also prioritizing how we communicate with our customers. In 2023, CMP premiered a podcast titled On the Line by CMP. This podcast provides a new way for us to connect with our customers and to help them further understand our work in their communities as we prepare for a clean energy future – from creating the infrastructure to support the transition to electric vehicles, to increasing energy from renewable sources.

In 2023 we also installed more than 1.5 million electric and natural gas smart meters as part of our advanced metering infrastructure project. Our smart meters provide more convenience, control and choice for our customers when it comes to understanding and managing their energy use. Since smart meters automatically measure hourly energy use, monthly bills are based on actual usage as opposed to estimates.



Impact at a glance

1.28 million
customers participated in eBill

1 million
app downloads

1.77 million
customers enrolled in outage alerts

1.5 million
electric and natural gas smart meters installed

Prioritizing Emergency Response

Emergency response is one of the most important ways we support our customers and communities. We have a fundamental responsibility to the public as they depend on us in critical situations to keep our services operating and to restore services promptly if there is an outage. In 2023 we prioritized the rollout of new outage communications processes to deliver faster updates to customers about estimated restoration times so they can plan and make decisions accordingly. We also continued to advance priorities aimed at addressing our customers' critical needs. Some examples include:

- In our networks operating companies, we have Emergency Response Plans that are activated when power outages occur due to severe weather or other risks impacting the operation of our electric system. In addition to restoring power promptly, our employees work to provide accurate and up-to-date information to all impacted stakeholders so customers and other stakeholders can stay informed.
- Storm-related emergencies are "all-hands-on-deck" situations, and nearly all employees have a specific storm role, which can be different from their everyday role. For example, some of our internal audit analysts become social media coordinators during storms, to answer customers' online questions quickly. Other employees may switch from their normal roles to serve as "wire guards," which literally entails guarding downed power wires until the situation is made safe.

Additionally, we will, when needed, move resources among the Avangrid family of companies to help address critical needs in other service areas, such as power outages during severe storms. This level of flexibility across our resources helps us address our customers' needs in the most critical circumstances. For example, in December 2023, Avangrid deployed nearly 900 line workers and other employees, as well as a specialized mobile command center from NYSEG, RG&E (New York) and UI (Connecticut), to assist CMP in restoration efforts in Maine. This happened after a powerful windstorm knocked out power to more than 400,000 customers.

Avangrid deployed nearly 900 line workers and other employees, as well as a specialized mobile command center from NYSEG, RG&E and UI to assist CMP in restoration efforts in Maine.

Advancing Equity and Sustainability Among Our Suppliers

Our suppliers are more than just vendors; they are essential partners who help us address the immediate needs of our customers while advancing our efforts to create a clean energy future.

We provide our suppliers with resources and support so they can work toward the increasingly stringent environmental and social standards we expect them to meet. We're also committed to creating greater equity across our supply chain as we support and engage an increasingly diverse supplier network. Through these efforts, we are helping to create a clean energy future with opportunities for all.

Supplier Diversity Program

Avangrid has set an aspirational goal to increase our supplier diversity spend to $300 million by 2025. This includes our commitment to promote an inclusive environment through equitable and competitive business practices that increase our purchase of goods and services from ethnic minority-owned, women-owned, service-disabled veteran-owned, veteran-owned, people with disabilities and lesbian, gay, bisexual, transgender, queer and intersex individuals (LGBTQI+) owned businesses.

In 2023, we surpassed our diverse supplier spend goal by 24%. Our actions included:

- Growing our supplier diversity program's internal and external presence and visibility.
- Partnering with a woman-owned business on a welding pilot program that led to the supplier showcasing the creativity diverse companies can bring to projects.
- Hosting our first Supplier Diversity Summit at our headquarters in Connecticut. Here, we proactively connected diverse suppliers with Avangrid contacts; hosted a panel on Avangrid's commitment to sourcing, diversity and sustainability; and heard from speakers representing minority and women-owned businesses.
- Presenting our Supplier Diversity Awards to two of Avangrid's diverse suppliers – McNDT Pipeline, Ltd. and Pterra LLC – for exceeding expectations in innovation, quality and service.
- Recognizing WECS Renewables, a woman-owned business, as one of the Global Supplier of the Year Award recipients.

2023 Supplier Diversity & Sustainability at a Glance

Supplier Diversity

- Exceeded diversity spending target by 24% ($284 million).
- Awarded contracts to 18 new diverse suppliers.
- Held our first Avangrid Supplier Diversity Summit in October.
- Increased the visibility and awareness of Avangrid's Supplier Diversity program through:
  - The launch of a new Supplier Diversity website.
  - Internal communications, external conferences and supplier matching events.

Supplier Sustainability

- 88% of Avangrid suppliers that received an award greater than $1 million complied with our sustainability standards.
- Assisted 117 suppliers to become more sustainable.
- Recruited 12 small and medium-sized suppliers to participate in the "Training Program: Sustainable Suppliers," developed by the United Nations Global Compact.

Our Commitment to Responsible Sourcing

Avangrid is committed to protecting and conserving the environment, creating positive social impacts and helping to build a clean energy future. This includes our commitment to making sustainable purchasing decisions. Avangrid's suppliers are an essential part of our business, and we set expectations for them that ultimately help to amplify the impact we have when it comes to lowering carbon emissions, increasing higher ethical standards, protecting worker safety and supporting human rights. Since 2020, we have assessed suppliers based on our ESG criteria, and we use these assessments to determine each supplier's ESG score.

To help our suppliers meet our sustainability expectations, we provide additional examples and guidance on improvement. In 2023, we set a goal to have at least 77% of our main suppliers meet our sustainability standards, and we exceeded this goal by achieving 88% compliance. Since the start of this initiative in 2020, more than 350 of our suppliers have improved to the level that we consider sustainable.

We continued to advance this commitment further by partnering with the Avangrid Compliance team to provide extra assistance to 20 main suppliers with underdeveloped compliance management systems.

In 2023 we also participated in ESG audits conducted on our top suppliers. The main objective of these audits was to validate the accuracy of the ESG questionnaire and suppliers' responses to it. The audits were done in person by an independent audit firm at these suppliers' facilities. Our Procurement department's Sustainability Team was involved from the beginning to the end of the audit process. Ultimately, the outcome of the audits showed that our sustainability questionnaire provides a reasonable assessment of the ESG maturity of our suppliers.

We also helped our suppliers become more sustainable through a training program. Early in 2023, we encouraged our suppliers that are small and medium-sized enterprises to participate in the UN Global Compact's Sustainable Suppliers Training Program.

Environmental

- Environmental policy
- Emissions
- Biodiversity
- Water management
- Circular economy

Social

- Human rights
- Diversity
- Management systems
- Contribution to society
- Reporting

Governance

- Policies
- SDGs
- Ethics and compliance
- Sanctions
- Stakeholders
- Supply chain

06 Ethical Leadership in Governance and Compliance

Ethical Leadership in Governance and Compliance

At Avangrid, we're focused on creating safe, reliable and efficient networks and building clean energy projects that serve communities across the country.

This, along with our unwavering commitment to socially responsible business practices, makes us one of the most consistently recognized and awarded leaders in corporate governance, compliance and ethical practices.

We were honored to be recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, to be included in the CNBC and JUST Capital JUST 100 Companies, and to be named Most Sustainable Electric Company and Best Corporate Governance by World Finance.

We were also recognized as one of America's Climate Leaders by USA Today, were included in Bloomberg's Gender-Equality Index and were named a 2023 Sustainability Yearbook Member by S&P Global. Additionally, we maintained Ethisphere's Compliance Leader Verification, which entails a rigorous review of our ethics and compliance program and corporate culture. These are just some of the awards and recognitions we received in 2023 for our socially responsible leadership practices. Behind each of these recognitions and awards, a highly respected third party has conducted a deep assessment of our ESG commitments and ethical practices across our operations.

Governance and Sustainability

Avangrid's Governance and Sustainability System is essential to our corporate purpose and to the creation of sustainable value for all stakeholders, including our customers, communities, shareholders and society at large.

Board of Directors: Led by our chairman, the Board is focused on oversight of sustainability-related risks and opportunities, including impacts on Avangrid's overall strategy. The Board is responsible for defining and overseeing the policies, strategies and guidelines for the management of the group, making strategic decisions and oversight of overall risks with emphasis on strategic risks including risks related to major projects, climate change and the response to extraordinary external events.

Chief Executive Officer: Responsible for the company's performance and long-term success. The Chief Executive Officer oversees execution of our strategy in accordance with the Governance and Sustainability System and strategy set by the Board – including regularly reporting back to the Board on the status of our sustainability goals, initiatives and actions.

Chief Risk Officer: Oversees the risk management function and is responsible for coordinating with the business to identify, assess and report risks due to climate change such as extreme weather events, flooding and other natural disasters. The Chief Risk Officer regularly reports to the Board's Audit Committee on Avangrid's major risks.

Executive Management: Under the direction of our CEO, executive management executes the long-term growth plan and key initiatives defined by our Board and implements our sustainability strategy. Our leaders are responsible for day-to-day management of sustainability-related risks and opportunities and for achieving specific sustainability-related goals.

Sustainability Committee: This internal management committee coordinates our sustainability commitments across the organization and provides leadership on sustainable development strategies, policies, programs, practices and initiatives to inform and advance these commitments. The Committee meets quarterly and includes cross-functional representatives from Legal, General Services, Risk, Internal Audit, Investor Relations, Environmental Health and Safety, Avangrid Foundation, Compliance and our networks and renewables businesses.

Climate Risk Steering Committee: This cross-functional committee is responsible for the analysis and development of a scenario-based risk and opportunity assessment aligned with the TCFD framework and the ongoing climate-risk assessment and management, reporting and oversight.

Diversity, Equity & Inclusion Executive Council: This council is comprised of key members of Avangrid's senior leadership and the BRG executive sponsors to inspire a more diverse and inclusive organizational culture, advocate for DEI across the entire company and promote more connections between employees and their senior leaders.

Governance Highlights as of April 2024

- 14 members of the Board of Directors.
- 57% independent Board members.
- 71% who self-identify as women and/or diverse.
- 64% of Board members have risk management experience.
- 50% of Board members have financial experience.
- 50% of Board members have environmental and climate experience.
- 62 years average age.
- 6.3 years average tenure.

Diversity

71%
of our 14-member Board self-identify as women and/or diverse.

Experience

Aligning Compensation with Sustainability

Our Executive Compensation Program is designed to effectively reward performance while reflecting the responsibilities of our executive officers. Our philosophy is to offer compensation that makes it possible to attract, retain and motivate highly talented professionals in a way that aligns our business strategy with our sustainability goals, without motivating or rewarding excessive risk-taking.

Executive Performance Aligned with Our Sustainability Commitments

Environmental

Renewable Energy

As an industry leader in clean energy projects, the growth of our onshore and offshore renewable portfolio is key to the delivery of our stated sustainability goals, our drive toward net zero and our aggressive emissions targets. We have set goals for key deliverables for our large-scale growth projects that in turn support our environmental commitments.

Supplier Sustainability

Improving the sustainability of our suppliers is critical to our success, and we partner with them to understand and adhere to our standards. At an executive level we have objectives to support increases in volume of diverse supplier activity across the full spectrum of society, including ethnic minorities, women, veterans, LGBTQI+ and people with disabilities.

Social

Diversity, Inclusion and Gender

We set goals across our organization to ensure we are living the values of Diversity, Equity and Inclusion, every day and across all aspects of our organization. At the executive level we have prioritized initiatives in key areas such as increasing diverse representation, especially in positions of leadership.

Health and Safety

We are committed to providing our employees with a safe and healthy workplace, and we continuously embed a safety-first culture across the company. To support this, our health and safety goals are measured based on achievement of targeted employee lost injury rates and percent of providers that meet the threshold of criteria to be considered a sustainable provider.

Governance/Operational

Customer Excellence

We strive to put our customers first and to ensure that focus on our customers is paramount in everything we do across all business areas. Our executives are held accountable for high customer service standards and for ensuring the continuous improvement of our customer journey.

Minimizing Customer Service Interruption

We are dedicated to generating safe and reliable electricity for our customers. Access to reliable and dependable energy is our pledge to our customers. We measure ourselves on recognized achievement of industry standard metrics such as system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) as a measurement of success.

Board of Director's Sustainability Oversight

Audit Committee

- Oversight and monitoring of financial statements and other financial information that is provided to shareholders and others.
- Assists the Board with independent and internal audit functions.
- Appoints the independent registered public account firm and pre-approves the services performed.

Governance and Sustainability Committee

- Oversees the company's corporate governance policies and procedures, ESG risk management and non-financial sustainability reporting, and Governance and Sustainability System.
- Compliance and ethics program oversight.
- Oversees annual self-evaluation of the Board.

Compensation & Nominating Committee

- Approves and administers executive officer compensation, executive incentive compensation plans, and equity-based plans.
- Reviews and makes recommendations on succession planning and Board composition.

At Avangrid, we prioritize our sustainability commitments. Because of this commitment, compensation and incentive packages for our CEO and other members of our senior management team incorporate goals related to the company's effectiveness in meeting our sustainability goals.

Ignacio S. Galán

John E. Baldacci

Daniel Alcain López

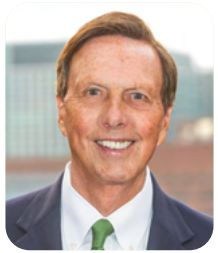
Pedro Azagra Blázquez

María Fátima Báñez García

Robert Duffy

Patricia Jacobs

Teresa Herbert


John L. Lahey

Agustín Delgado Martín

Santiago Martínez Garrido

José Sáinz Armada

Alan D. Solomont

Camille Joseph Varlack

Governance System Incorporating SDGs

To accomplish our sustainability goals, we have embedded governance and compliance best practices into company policies which are rooted in the United Nations Sustainable Development Goals (SDGs). These sustainable governance policies and initiatives are routinely reviewed, updated and presented for approval by the Board.

Integrating the United Nations Sustainable Development Goals Across Our Sustainability Commitments

Sustainable Development Policy

- Establishes the basic principles and framework of management of sustainable development strategy, corporate social responsibility practices and incorporation of SDGs into business and strategy.

Climate Change Policy (SDGs 7 and 13)

- Sets forth the framework for Avangrid's actions to fight climate change.
- Articulates Avangrid's climate action goals including GHG emission reduction goals.

Biodiversity Policy, Environmental Policy and Sustainability Policy (SDGs 6, 7, 12, 13, 14, 15 and 16)

- Sets forth a framework for Avangrid's actions to support and preserve biodiversity, protect the environment and promotes sustainability.

People Management Policy, Human Rights Policy, Equal Opportunity Policy and DEI Policy (SDGs 5 and 8)

- Sets forth principles of Avangrid human resources management, commitment to equal employment opportunity and providing a workplace free from discrimination and harassment and respect for human rights.

* Avangrid governance and sustainability system available at avangrid.com.

Business Integrity and Our Sustainability Strategy

Under the leadership of our Chief Compliance Officer, our Compliance Division works across the organization to ensure that we comply with an extensive and complex array of legal, regulatory and ethical requirements that align with our own sustainability strategies and meet or exceed the highest ethical behavior.

Enhanced Avangrid Compliance Unit

In 2023, we expanded leadership involvement in our Governance and Sustainability System by establishing an enhanced Compliance Unit. A direct benefit of this new unit is to strengthen our Compliance Program by adding resources devoted to governance and compliance oversight. Avangrid's Compliance Unit will oversee the company's existing Compliance Program and report to the Governance and Sustainability Committee of the Avangrid Board of Directors. It includes an independent chair, the Avangrid Chief Compliance Officer, heads of other areas related to risk management and regulatory compliance and a non-voting secretary. Operationally, the Compliance Program will continue to be overseen by Avangrid's Chief Compliance Officer.

The foundation for our Compliance Program is the Avangrid Code of Business Conduct and Ethics (Code) and the criteria for an effective compliance program established under Chapter 8 of the U.S. Federal Sentencing Guidelines for Corporations. This Code applies to all directors, officers and employees across our entire company. It expresses our core ethical values, establishes standards of conduct and includes guidance to help employees at all levels of our organization make appropriate, informed decisions when faced with questions and issues of an ethical nature. The Code is reviewed and updated routinely to ensure it remains current with any ethical challenges our employees may face as well as with best practices.

To put into practice the expectations found in the Code, Avangrid has a 24/7 independent reporting helpline that enables employees, consultants, contractors, suppliers and the public to seek guidance on ethics and compliance-related matters and to report any situations or concerns that may require investigation. Avangrid's Compliance Unit is tasked with addressing any issues and concerns raised through the helpline or brought to its attention through any other communication channel.

Along with our Code of Business Conduct and Ethics, we maintain an operational Compliance Plan that is approved annually and reviewed regularly by the Compliance Unit and the Avangrid Governance and Sustainability Committee. This plan includes activities such as employee training and communications, conflict of interest reporting and resolution, third-party reviews and due diligence, a crime prevention plan, compliance risk assessments and ethical culture measurements, as well as external reviews of the effectiveness of the Compliance Program. As a statement of our commitment to ethical conduct, a more detailed report on our Compliance Plan and annual program activities can be found on our public website.

To reinforce our Code of Business Conduct and Ethics and our Compliance Plan, we provide our employees with regular training and education to ensure compliance and ethical conduct. Our training program advances our commitment to creating an inclusive and diverse work environment while helping to ensure appreciation of the importance of ethics and compliance in our complex regulatory environment. Each year, approximately 100% of our employees complete annual training on ethics and compliance.

"Our Governance and Sustainability System is the cornerstone of our business and helps guide our decisions. To us, being a good corporate citizen is about so much more than just compliance. It's about upholding the values of integrity, transparency and accountability to build a better tomorrow. Doing it right matters."

German Gonzalez Avecilla
Vice President,
Chief Compliance Officer

Supplier Code of Business Conduct to Protect Human Rights

In addition to our employees, we expect our vendors to act ethically, and we have supplemented our Code with a **Supplier Code of Business Conduct** which we include in our vendor contracts. The Supplier Code of Business Conduct sets forth the expectation that all our vendors comply with the law and with key ethical principles (including, but not limited to, those addressing anti-corruption and human rights, health and safety, and the company's increased expectations around non-retaliation measures) if they are to conduct business with Avangrid. The Supplier Business Code of Conduct cannot be waived or amended without authorization from the Chief Compliance Officer.

Respect for human rights is an integral value across our company in our own operations, in the communities where we serve and operate and in our efforts to help create a more just and sustainable world.

Our commitment to respecting human rights means that we adhere to a strict set of guidelines for abiding by internationally recognized principles for protecting human rights. We treat all people with dignity and with respect. Moreover, we have in place measures to uphold and respect human rights, including, for example, steps taken throughout the company to protect the rights of ethnic minorities and indigenous peoples, and employees' right to associate and engage in collective bargaining.

Our human rights policies and practices are consistent with applicable international standards, including the following:

- The United Nations Global Compact and Guiding Principles on Business and Human Rights.
- The Declaration on Fundamental Principles and Rights at Work.
- The Social Policy of the International Labor Organization and the United Nations Sustainable Development Goals (SDGs).
- The Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises, which sets out norms of responsible social behavior by multinational firms.

We consider our suppliers to be strategic business partners who play an essential role in protecting human rights, and we require them to adhere to our Supplier Code of Business Conduct and associated contractual terms and conditions. Within our Supplier Code of Business Conduct is the expectation that our suppliers comply with all applicable laws and regulations, including those addressing:

- Forced labor.
- Child labor.
- Freedom of association and collective bargaining.
- Health and safety.

Respect for human rights is an integral value across our company in our own operations, in the communities where we serve and operate and in our efforts to help create a more just and sustainable world.

Prioritizing Cybersecurity

The issue of cybersecurity has become even more critical in our increasingly digital world. To address this, Avangrid has put in place measures to help assess, identify and manage material cybersecurity-related risks.

These measures have been integrated across our respective business units and throughout the company's overall risk management framework.

Our corporate security department continued this work in 2023, empowering Avangrid to navigate and address an evolving risk landscape impacted by factors like physical acts of sabotage against the grid, disruptions to global supply chains and international acts of war or terrorism.*

Avangrid possesses a multi-layered security management approach, consisting of controls, measures and designs aimed at reducing the risks of unauthorized access or unsanctioned use of our facilities, critical assets and infrastructure, such as our transmission and distribution system. Avangrid's cybersecurity framework is based on the framework set forth by the National Institute of Standards and Technology, which consists of five key functions:

1. Identify risks to people, assets and information.
2. Protect through appropriate safeguards.
3. Detect anomalies for further investigation.
4. Respond with coordination and appropriate action.
5. Recover any capabilities or services impaired.

Top Cybersecurity Advancements in 2023

- Avangrid obtained a score of 97 out of 100 from a cyber ratings organization that evaluates threats, vulnerabilities and risk mitigations to over 25,000 companies. The score surpasses average industry figures in network and application security.
- Over 800 vulnerability assessments completed and 48 penetration tests performed, exceeding the goal of 676 and 10, respectively.
- Received the Lewis Latimer Top Innovator in Design Award for our Cybersecurity Simulation in Metaverse project.
- Partnered with leading technology companies to organize the Avangrid Digital Summit and Tech Shows.
- Continued to grow the impact of our robust training and awareness program.

Cybersecurity Training and Awareness Program for Employees

Our Training and Awareness program provides the needed "muscle memory" to minimize employee practices/exposing the company to cyber and physical security risks. In 2023 Avangrid conducted 200+ company-wide training and awareness sessions with more than 37,000 training hours, encompassing:

- A holistic messaging campaign to raise cybersecurity hygiene, training and staff awareness.
- Mandatory training (personally identifiable information, acceptable use, phishing, etc.).
- Workplace violence prevention and response training.
- Cybersecurity Awareness Month and Infrastructure Protection Awareness Month campaigns, including drafting over 150 awareness communications and materials.

Corporate Security

* Please refer to the risk factor "Security breaches, acts of war or terrorism, grid disturbances or unauthorized access could negatively impact our business, financial condition and reputation" in our annual report on Form 10-K for the year ended December 31, 2023.

Public Advocacy

Public Affairs and Transparency

At Avangrid, we actively participate in public and private discussions related to public policy with federal and state officials, trade groups and other stakeholders. Our participation in these discussions is governed by federal and state laws, along with our own internal policies and protocols. Our engagement in these activities aligns with our policies, purpose and values and, in particular, our commitment to an energy model that prioritizes the well-being of people and the preservation of the planet. One of the most significant issues we address through our public advocacy work is our role as a driver of a clean, safe and efficient energy transition, contributing to a more sustainable future for all. This includes our support for the ambitious objectives and frameworks for climate policies that are both in line with the Paris Agreement and create value for society.

Participation in Associations: Avangrid has strong governance, processes and controls in place to help ensure any contributions and association memberships align with our overall corporate governance, purpose and values. We decide whether to participate in entities and associations based on how such a group could support our priorities, including advancing the energy transition and the fight against climate change. In 2023, Avangrid participated in more than 120 organizations.

Financial Contributions to Political Parties: In 2023 Avangrid had cash contributions at the state level totaling $521,000, pursuant to our internal Political Education and Contributions Protocol. Avangrid did not have any in-kind political contributions at the federal level.

Trade and Industry Associations: Alignment with Paris Agreement

Avangrid discloses its association memberships and how these organizations align with our climate change policies and targets, with regard to the Paris Agreement goal for associations where the fees, relevance or impact is significant relative to association fees. Generally, we include annual fees of more than $500,000 for purposes of this reporting requirement. See the Public Advocacy section of our website for additional information on our annual public review of climate positioning of our material trade associations.

Climate-Related Policy Support

At the state level, more than $4 billion for clean energy and energy efficiency projects was proposed throughout New York by NYSEG and RG&E companies. These projects will be a major component of New York's Climate Leadership and Community Protection Act (CLCPA) goals to increase renewable energy and reduce greenhouse emissions by 40% by 2030. In addition, the companies' reliable plans were approved by the New York Public Service Commission for their Reliable Energy New York plan, are expected to enable the utilities to make critical investments in reliability, resiliency and customer service and are expected to help achieve New York's CLCPA goals. Notably, in 2023, both NYSEG and RG&E delivered their best reliability results in the last five years against the New York Public Service Commission's reliability targets, with significant year-over-year improvements.

The above investment-approved plans also include more than $1 billion of investments focused on serving our customers, with increased bill assistance and expanded protections during extreme temperature events. Overall, the approval is expected to support 231 new jobs at NYSEG and RG&E as well as 716 indirect jobs in New York.

07 A Sustainable Framework for Financial Stewardship

A Sustainable Framework for Financial Stewardship

Our commitment to lead the clean energy transition in the U.S. informs the investments we make while helping us to deliver consistent, stable earnings and dividend payments to our investors.

To accomplish this, we focus investments across our two key business areas: 1) create, maintain and advance clean energy projects that improve economic development and 2) deliver social and environmental sustainability today and for future generations.

At Avangrid, our strong financial stewardship begins with a commitment to our sustainability strategy. By focusing on this approach, we're able to deliver positive benefits for all our stakeholders – including our customers, communities and shareholders – as we contribute to a clean and sustainable energy future.

Growth Driven by Our Sustainability Commitments

To help lead the way to a clean energy future while advancing financial growth, every decision we make and action we take is informed by our commitment to ethics and integrity, and to the safety, security and well-being of our employees. This means that as we modernize our energy grid and invest in renewable and sustainable power generation, we also seek to continue to improve resiliency, safety, reliability and transmission. Combined, these investments aim to help us perform more efficiently, and they align with our commitment to advance the United Nations Sustainable Development Goals (SDGs) and specifically SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

In 2023, we delivered 18% growth in net income when compared to 2022 after excluding the 2022 gain from the restructuring of the company's New England offshore wind lease partnership agreement and upfront tax benefits from the enactment of the Inflation Reduction Act.*

* $181 million of the 2022 gain from the restructuring of the offshore wind lease partnership agreement and $37 million for upfront tax benefits.

Avangrid's Green Financing Framework

The investment decisions we make are guided by our Green Financing Strategy.* Green financing is a valuable tool in support of our investment program, creating accountability with our investors while also helping us adhere to our socially responsible business practices.

In December 2023, we published our newly updated Green Financing Framework, which received a best-in-class top Sustainability Quality Score rating from Moody's in the corresponding second-party opinion. The Framework was originally published in 2017 and was previously updated in 2021 to incorporate additional categories of eligible investment. Within the latest Framework, we provided an update on our overall sustainability strategy, and we aligned our use of proceeds eligibility criteria. Eligible projects are defined broadly as investments that result in a substantial contribution to climate change mitigation as defined in the EU Taxonomy, the leading standard for green finance globally.

Avangrid's Network Operations, including those in New York Independent System Operator and ISO New England, are projected to meet applicable green thresholds.

Summary of Framework Updates

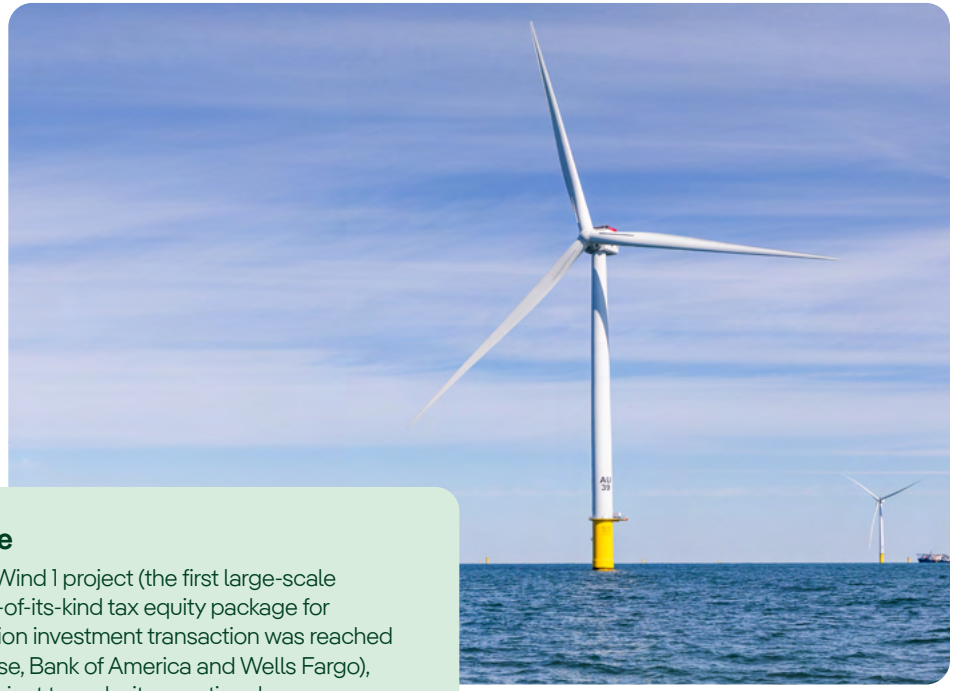
Framework Components	2023 Updates vs. 2021 Framework
Use of Proceeds	• Restructured to focus on areas key to Avangrid's climate mitigation impacts: - Smart grids. - Renewable capacity (onshore and offshore wind and solar). - Electric mobility (EVs, charging and infrastructure). • Investments captured under previous Climate Change Adaptation category now included for eligible grids.
Grid Eligibility Criteria	• Rather than focusing only on direct connections to renewables, inclusion of general networks investment that facilitates decarbonization of the system as defined by the EU Taxonomy. • When a network does not yet fulfill either of the two previous Technical Screening Criteria but its capital expenditure strategy contributes to the fulfillment of those in the period of 10 years or less, the associated investment in regulatory asset base can be financed in green format.
Evaluation and Selection	• Tightened allocation period from 30 to 24 months in line with market best practice.
Reporting	• New commitment to disclose on the methodology and assumptions used to report on environmental benefits within annual report. • New commitment to map projects to the relevant EU Environmental Objectives and associated Technical Screening Criteria.
External Review	• New commitment to obtain independent party post-issuance report verification on impact indicators used to report on environmental benefits of the eligible portfolio in addition to allocation verification.
Instrument Scope	• Expanded to include financing of bonds, loans, project finance and other financial instruments versus only bonds in previous version.

* Green financing refers to any structured financial activity created to ensure a better environmental outcome. For more information on green financing, see Company website: **avangrid.com/es/investors/investors/greenfinancing**.

In 2023, we added $2.1 billion to our existing green portfolio. These issuances increased our total green portfolio to $5 billion.

In addition to being an early adopter of green bonds, in 2018 we became one of the first U.S. companies to execute a sustainability-linked credit facility, which links our pricing in that facility to our carbon emissions intensity. Since issuing our first green bonds, the market has evolved, and today lower-cost financing in these markets is becoming available. All of this helps us to create a clean energy future while meeting our financial goals.

In 2023, we were recognized with two awards by *World Finance* for our commitments to sustainability and corporate governance. *World Finance,* an international publication focused on the financial industry, recognized Avangrid with its Most Sustainable Company in the Electric Services Industry Award and its Best Corporate Governance Award (this is the fourth time Avangrid has been awarded by *World Finance* for our governance leadership). Together, these awards recognize our unwavering commitment to lead the clean energy transition in the U.S.



Vineyard Wind 1 Tax Equity Package

We made history in 2023 when our Vineyard Wind 1 project (the first large-scale offshore wind facility in the U.S.) closed a first-of-its-kind tax equity package for commercial-scale offshore wind. This $1.2 billion investment transaction was reached with three U.S.-based banks (J.P. Morgan Chase, Bank of America and Wells Fargo), and will allow us to continue financing this project to make it operational.

Green Financing: Renewables

Security					Allocation							Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Project	Location (State)	Start-up Year	Attributed Installed Capacity (MW)	Allocated ($ millions)	2023 Attributed Production (GWh)	CO_2 Avoided (mt)[1]
Avangrid	3.15% Notes due 12/1/2024 (05351WAA1) Issued 11/21/2017	$595	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Onshore Wind	Amazon Wind Farm U.S. East	NC	2017	208	$395	920	642,834
					4.1 Electricity generation using solar photovoltaic technology	Solar (Photovoltaic)	Gala Solar Plant	OR	2017	56	100		
					4.3 Electricity generation from wind power	Onshore Wind	Twin Butte II	CO	2017	75	100		
		100%								339	$595		
Avangrid	3.80% Notes due 6/1/2029 (05351WAB9) Issued 5/16/2019	$745	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Onshore Wind	La Joya[2]	NM	2021	90	$116	1,544	1,078,431
					4.3 Electricity generation from wind power	Onshore Wind	Montague	OR	2019	91	126		
					4.3 Electricity generation from wind power	Onshore Wind	Karankawa	TX	2019	142	191		
					4.3 Electricity generation from wind power	Onshore Wind	Patriot	TX	2019	133	182		
					4.3 Electricity generation from wind power	Onshore Wind	Otter Creek	IL	2020	82	130		
		100%								538	$745		
Avangrid	3.20% Notes due 4/15/2025 (05351WAC7) Issued 4/9/2020	$745	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Wind Repower	Colorado Green	CO	2020	66	$ 71	1,586	1,119,041
					4.3 Electricity generation from wind power	Onshore Wind	Roaring Brook	NY	2021	36	80		
					4.3 Electricity generation from wind power	Onshore Wind	La Joya[2]	NM	2021	216	278		
					4.3 Electricity generation from wind power	Onshore Wind	Golden Hills	OR	2022	136	227		
					4.1 Electricity generation using solar photovoltaic technology	Solar (Photovoltaic)	Lund Hill	WA	2022	60	89		
		100%								514	$745		
Avangrid	5.45% Intra-Group Loan due 7/13/2033 (Iberdrola) Issued 7/19/2023	$800	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Onshore Wind	Baffin	TX	2016	202	$239	1,355	946,856
					4.3 Electricity generation from wind power	Onshore Wind	El Cabo	NM	2017	162	256		
					4.3 Electricity generation from wind power	Onshore Wind	Tule	CA	2018	131	305		
		100%								495	$800		

Green Financing: Renewables

Security						Allocation						Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Project	Location (State)	Start-up Year	Attributed Installed Capacity (MW)	Allocated ($ millions)	2023 Attributed Production (GWh)	CO_2 Avoided (mt)[1]
Avangrid	Tax Equity Aeolus VII Funded 2/2020, 4/2020, 9/2021	$438	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Onshore Wind	Montague	OR	2019	110	$138	927	647,712
					4.3 Electricity generation from wind power	Onshore Wind	Karankawa	TX	2019	165	200		
					4.3 Electricity generation from wind power	Onshore Wind	Otter Creek	IL	2020	69	100		
		100%								344	$438		
Avangrid	Tax Equity Patriot Funded 6/2019	$128	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Wind Repower	Patriot	TX	2019	93	$128	265	185,422
		100%											
Avangrid	Tax Equity Aeolus VIII Funded 11/2021, 6/2022, 11/2023	$433	Renewables	Climate Change Mitigation	4.3 Electricity generation from wind power	Onshore Wind	Colorado Green	CO	2020	96	$104	737	515,724
					4.3 Electricity generation from wind power	Onshore Wind	Golden Hills	OR	2022	66	110		
					4.3 Electricity generation from wind power	Onshore Wind	Roaring Brook	NY	2021	43	95		
					4.1 Electricity generation using solar photovoltaic technology	Solar (Photovoltaic)	Montague Solar	OR	2023	59	124		
		100%								264	$433		
Avangrid	Tax Equity Solis I Funded 10/2022, 3/2023	$76	Renewables	Climate Change Mitigation	4.1 Electricity generation using solar photovoltaic technology	Solar (Photovoltaic)	Lund Hill	WA	2022	51	$76	99	68,917
		100%											

Notes:

All projects are wholly owned by Avangrid.

Methodology and assumptions used to report on environmental benefits: Utilizes the EPA Greenhouse Gas Equivalencies Calculator, which uses the Avoided Emissions and generation Tool (AVERT) U.S. national weighted average CO_2 marginal emission rate to convert reductions of kilowatt-hours into avoided units of carbon dioxide emissions. Emission factor is 1,540.1 lbs CO_2/MWh × 1 metric ton/2,204.6 lbs × 0.001 MWh/kWh = 6.99 × 10^{-4} metric tons CO_2/kWh.

[1] mt = metrics tons of Carbon Dioxide (CO_2) equivalent.

[2] La Joya is allocated 29% to WAB9, and 71% to WAC7; it was added to WAB9 due to the sale of additional tax equity shares at Montague, Karankawa and Otter Creek, which reduced green bond eligible capital.

Green Financing: Networks

Security										Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Location (State)	Start-up Year	Allocated ($ millions)	2023 Attributed Energy Savings	CO_2 Avoided (mt)[1]
NYSEG	2.15% Notes due 10/1/2031 (649840CT0) Issued 9/4/2021	$347	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	NY	2020-2022	$106	See footnote 2	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - LED Street Lighting	NY	2020-2023	17	20.5 GWh	14,287
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2020-2022	224	See footnote 3	
					4.9.2.b Transmission and distribution of electricity	Electric Mobility / Clean Transportation	NY	2020-2022	0.3	See footnote 4	
		100%							$347		
NYSEG	5.65% Notes due 8/15/2028 (649840CU7) Issued 8/8/2023	$347	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	NY	2023	$30	See footnote 2	
					4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	37	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - T&D Grid Connections	NY	2021-2023	12	See footnote 6	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	18	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2023	27	See footnote 3	
					4.9.2.b Transmission and distribution of electricity	Electric Mobility / Clean Transportation	NY	2023	0.4	See footnote 4	
		36%							$125		
NYSEG	5.85% Notes due 8/15/2033 (649840CV5) Issued 8/8/2023	$397	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	NY	2023	$34	See footnote 2	
					4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	43	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - T&D Grid Connections / Upgrades	NY	2021-2023	14	See footnote 6	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	21	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2023	31	See footnote 3	
					4.9.2.b Transmission and distribution of electricity	Electric Mobility / Clean Transportation	NY	2023	0.5	See footnote 4	
		36%							$143		

Green Financing: Networks

Security										Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Location (State)	Start-up Year	Allocated ($ millions)	2023 Attributed Energy Savings	CO_2 Avoided (mt)[1]
RG&E	2.91% 1st Mortgage Bonds due 12/15/2051 (771367D*7) Issued 12/15/2021	$123	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	NY	2020-2023	$99	See footnote 2	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - LED Street Lighting	NY	2020-2023	2	0.6 GWh	399
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2020-2021	22	See footnote 3	
		100%							$123		
RG&E	5.62% 1st Mortgage Bonds due 12/13/2028 (771367D#3) Issued 12/13/2023	$98	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	$15	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	15	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2022-2023	11	See footnote 3	
		41%							$40		
RG&E	5.89% 1st Mortgage Bonds due 12/13/2034 (771367E*6) Issued 12/13/2023	$25	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	$4	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	4	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2022-2023	3	See footnote 3	
		41%							$10		
RG&E	5.99% 1st Mortgage Bonds due 12/13/2036 (771367E@4) Issued 12/13/2023	$49	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	$7	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	7	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2022-2023	5	See footnote 3	
		41%							$20		
RG&E	6.22% 1st Mortgage Bonds due 12/13/2053 (771367E#2) Issued 12/13/2023	$74	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	NY	2021-2023	$9	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	NY	2021-2023	11	See footnote 7	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	NY	2022-2023	10	See footnote 3	
		40%							$30		

Green Financing: Networks

Security										Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Location (State)	Start-up Year	Allocated ($ millions)	2023 Attributed Energy Savings	CO_2 Avoided (mt)[1]
CMP	4.37% 1st Mortgage Bonds due 12/15/2032 (154051J@6) Issued 12/15/2022	$75	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	ME	2020-2023	$9	See footnote 2	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - LED Street Lighting	ME	2020-2023	3	1.6 GWh	1,151
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	ME	2020-2023	33	See footnote 3	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	ME	2021	29	See footnote 7	
		100%							$75		
CMP	4.76% 1st Mortgage Bonds due 12/15/2052 (154051J#4) Issued 12/15/2022	$50	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	ME	2020-2023	$6	See footnote 2	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - LED Street Lighting	ME	2020-2023	2	1.1 GWh	768
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	ME	2020-2023	22	See footnote 3	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	ME	2021	20	See footnote 7	
		100%							$50		
CMP	5.65% 1st Mortgage Bonds due 12/13/2029 (154051K*6) Issued 12/13/2023	$55	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT systems, Smart Equipment	ME	2022-2023	$9	See footnote 5	
					44.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	ME	2022-2023	16	See footnote 7	
		46%							$25		
CMP	6.04% 1st Mortgage Bonds due 12/13/2038 (154051K@4) Issued 12/13/2023	$70	Networks	Climate Change Mitigation	4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	ME	2022-2023	$12	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Substation Modernization	ME	2022-2023	20	See footnote 7	
		46%							$32		

Green Financing: Networks

Security										Impact	
Issuing Entity	Designation	Net Proceeds ($ millions) % Allocated	Business Segment	EU Taxonomy Environmental Objective	EU Taxonomy Economic Activities	Type	Location (State)	Start-up Year	Allocated ($ millions)	2023 Attributed Energy Savings	CO_2 Avoided (mt)[1]
UI	2.25% Notes due 1/31/2032 (910637V@3) Issued 1/31/2022	$149	Networks	Climate Change Mitigation	4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - LED Street Lighting	CT	2020-2021	$8	13.7 GWh	8,559
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	CT	2020-2023	141	See footnote 8	
		100%							$149		
UI	6.09% Notes due 12/13/2034 (910637W*4) Issued 12/13/2023	$155	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	CT	2022-2023	$18	See footnote 2	
					4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	CT	2021-2023	13	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	CT	2022-2023	12	See footnote 8	
		28%							$44		
UI	6.29% Notes due 12/13/2038 (910637W@2) Issued 12/13/2023	$34	Networks	Climate Change Mitigation	4.9.2.h Transmission and distribution of electricity	Smart Grids - Advanced Metering Infrastructure (AMI)	CT	2022-2023	$4	See footnote 2	
					4.9.2.e / 4.9.2.f / 4.9.2.g Transmission and distribution of electricity	Smart Grids - IT Systems, Smart Equipment	CT	2021-2023	3	See footnote 5	
					4.9.1.b / 4.9.1.c Transmission and distribution of electricity	General Networks Investment - Resiliency	CT	2023	3	See footnote 8	
		28%							$10		

Notes:

All projects are wholly owned by Avangrid.

Methodology and assumptions used to report on environmental benefits: Utilizes the EPA Greenhouse Gas Equivalencies Calculator, which uses the Avoided Emissions and Generation Tool (AVERT) U.S. national weighted average CO_2 marginal emission rate to convert reductions of kilowatt-hours into avoided units of carbon dioxide emissions. Emission factor is 1,540.1 lbs. CO_2/MWh × 1 metric ton/2,204.6 lbs. × 0.001 MWh/kWh = 6.99 × 10^{-4} metric tons CO_2/kWh. Energy savings for LED street lighting use an average value of 252 kWh per light annually based on historical experience.

Amounts in Allocated ($ millions) columns might not add due to rounding.

[1] mt = metrics tonnes of Carbon Dioxide (CO_2) equivalent

[2] Investments in IT infrastructure and telecommunications networks from 2020-2021 to support the installation, which started in 2022 and will continue through 2025, of ~0.9 million and ~0.4 million electric smart meters, at NYSEG and RG&E, respectively. At CMP, investments support AMI network expansion and replacement, with net additions of ~4% from 2020-2023 up to ~0.67 million total electric smart meters. At UI, investments support existing AMI network device replacement.

[3] Investments in the grid to harden the system by using stronger materials incorporating revised design standards, automate the system by installing sectionalizing devices like reclosers and SCADA switches, and improve the interconnectivity of circuits by creating tie points to be used as backup feeds, reducing the number of customers impacted and decreasing the frequency and duration of outages.

[4] Investments in Electric Vehicle Make-Ready Program associated with implementing EV chargers including infrastructure updates and extensions.

[5] Investments in automated grid devices and management technologies that provide the Energy Control Center with visibility and decision support to make adjustments to the distribution system to support resiliency, reliability, power quality, DER integration and other outcomes and, with the implementation of an Advanced Distribution Management System, optimize grid assets and DER. This includes implementation of internal integrated network system models of grid assets and connected DERs for sharing with external platforms.

[6] Investments in transmission projects referenced as CLCPA phase 1 in NY, being built to create headroom for the flow of more energy generally from areas where generation (existing and planned) is bottled up to load centers, supporting the achievement of renewable portfolio/clean energy targets.

[7] Investments to rebuild and modernize existing substations, including automation, to improve reliability and system resiliency.

[8] Investments in the grid to shorten and improve the interconnectivity of circuits and harden the system by using stronger materials, mitigation systems to protect substations from coastal flooding and selectively undergrounding, reducing the number of customers impacted and decreasing the frequency and duration of outages.

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with U.S. GAAP, we consider adjusted net income and adjusted earnings per share, adjusted EBITDA and adjusted EBITDA with Tax Credits as financial measures that are not prepared in accordance with U.S. 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 U.S. GAAP measures, to establish operating budgets and operational goals to manage and monitor our business, evaluate our operating and financial performance and 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 mark-to-market earnings from changes in the fair value of derivative instruments, costs incurred in connection with the COVID-19 pandemic, costs incurred related to the PNMR Merger and other transactions, accelerated depreciation from the repowering of wind farms and costs incurred in connection with an offshore contract provision. 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 U.S. GAAP measure to adjusted net income is net income. We also define adjusted earnings per share, or adjusted EPS, as adjusted net income converted to an earnings per share amount.

We define adjusted EBITDA as adjusted net income adjusted to fully exclude the effects of net (loss) income attributable to noncontrolling interests, income tax expense (benefit), depreciation and amortization, interest expense, net of capitalization, other (income) expense and (earnings) losses from equity method investments. We further define adjusted EBITDA with tax credits as adjusted EBITDA, adding back the pre-tax effect of retained Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) and PTCs allocated to tax equity investors. The most directly comparable U.S. GAAP measure to adjusted EBITDA and adjusted EBITDA with tax credits is net income.

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 U.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 U.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 U.S. GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with U.S. GAAP.

08 Key Performance Indicators

Key Performance Indicators

Economic Performance	Unit	2023	2022	2021
Revenues	$M	**8,309**	7,923	6,974
% Revenues from clean energy[1]	%	**17.6**	14.5	17.9
Operating expenses	$M	**7,379**	7,071	6,079
Operating income	$M	**930**	852	895
Net income (loss) attributable to Avangrid	$M	**786**	881	707
Earnings per share	$/share	**2.03**	2.28	1.97
Total assets	$M	**43,989**	41,123	39,504
Equity	$M	**20,676**	20,342	19,961
Capital expenditures[2]	$M	**3,070**	2,698	3,294
Environmental Performance	**Unit**	**2023**	**2022**	**2021**
Total installed capacity[3]	MW	**9,673**	9,542	9,149
Emissions-free installed capacity[4]	MW	**8,833**	8,702	8,309
% Emissions-free installed capacity	%	**91**	91	91
Total net electricity production[5]	GWh	**23,326**	22,807	22,591
Emissions-free production[5]	GWh	**20,176**	20,283	19,400
% Emissions-free production	%	**86**	89	86
Energy produced under certified environmental management systems	%	**14**	11	14
Emissions	**Unit**	**2023**	**2022**	**2021**
CO_2 emissions from power generation	t CO_2 eq	**1,292,286**	1,050,346	1,306,778
CO_2 emissions rate from power generation	g CO_2/kWh	**55**	46	58
CO_2 emissions rate from power generation	lbs CO_2/MWh	**122**	102	128
Methane leaks	t CO_2 eq	**222,897**	237,626	222,281
SF_6 leaks	t CO_2 eq	**22,697**	32,137	20,802
Scope 1 GHG emissions[6]	t CO_2 eq	**1,636,499**	1,375,464	1,590,305
Scope 2 GHG emissions	t CO_2 eq	**185,746**	225,440	273,432
Scope 3 GHG emissions	t CO_2 eq	**8,890,579**	10,546,585	12,712,377
NO_X emissions from power generation	mt	**72**	68	134
NO_X emissions rate from power generation	mt/GWh	**0.003**	0.003	0.006
SO_2 emissions from power generation	mt	**6**	5	6
SO_2 emissions rate from power generation	mt/GWh	**0.0003**	0.0002	0.0003
Particulate matter emissions from power generation	mt	**23.86**	16.56	21.00
Particulate matter emissions rate from power generation	mt/GWh	**0.001**	0.001	0.001

Key Performance Indicators

Water		Unit	2023	2022	2021
Water withdrawal for Klamath power generation		m^3	**3,301,947**	3,085,137	3,950,204
% of reclaimed/recycled water used for generation (cooling)		%	**97.0**	96.5	95.9
Water withdrawal for Klamath generation/production		m^3/GWh	**144.61**	113.00	186.00
Water discharged at Klamath		ML	**1,371**	1,347	1,646
Waste		**Unit**	**2023**	**2022**	**2021**
Hazardous waste		mt	**614**	2,405	602
Recycled/reused – hazardous waste		%	**33**	5	42
Per electricity generated		mt/GWh	**0.03**	0.11	0.03
Non-hazardous waste		mt	**107,761**	176,781	154,649
Recycled/reused – non-hazardous waste		%	**27**	32	3
Per electricity generated		mt/GWh	**5**	8	7
Total amount of fines relating to the environment		$M	**0**	141,940	0
Social Performance		**Unit**	**2023**	**2022**	**2021**
Consumers	Total customers	M	**3.36**	3.35	3.33
	Electric	M	**2.32**	2.31	2.30
	Gas	M	**1.04**	1.04	1.03
	Customers with smart meters[7]	%	**46**	55	54
	Incremental annual electricity savings from energy efficiency measures	MWh	**264,111**	251,849	175,842
Customer Satisfaction Index	RG&E	%	**81.0**	80.4	91.0
	NYSEG	%	**85.2**	84.7	90.6
	CMP	%	**84.7**	87.0	89.3
	UI	%	**75.1**	89.0	89.0
	CNG	%	**75.4**	88.0	91.9
	SCG	%	**75.7**	89.0	93.0
	BGC	%	**82.1**	93.0	94.6
Quality of Service	SAIFI	%	**1.24**	1.27	1.42
	CAIDI	%	**1.79**	1.75	1.88
Economic Benefits	Social funds	$M	**4.73**	5.70	4.40
	Avangrid Foundation	$M	**2.84**	4.32	3.03
	Volume of purchases[8]	$M	**3,939**	3,530	3,569
	Purchases from U.S. suppliers	%	**93.46**	93.73	96.40
	Purchases from diverse suppliers	$M	**284**	195	174
	Purchases from sustainable suppliers	% spend	**88**	67	N/A
	R&D[8]	$M	**101.93**	97.90	90.50

Key Performance Indicators

Employment, Health & Safety		Unit	2023	2022	2021
Employment	Number of employees	#	**7,999**	7,579	7,348
	Full-time employees	%	**99.8**	99.9	99.9
	Employees with collective bargaining agreement	%	**45.8**	46.0	47.7
	Average age of workforce	Years	**44**	44	44
	Average years of service of employees	Years	**11**	10	12
	Women as % of workforce	%	**28**	27	27
	Women as % of senior leadership	%	**27**	30	29
	Women as % of executive leadership	%	**35**	35	28
	Hours of training	Hours (Thousands)	**364.1**	319.3	279.9
	Hours of training per employee	h/FTE	**46**	43	36
	Cyber security training	# of hours	**37,740**	29,207	N/A
	Employees expected to retire in next 5 years	#	**1,435**	1,358	1,486
	Employees expected to retire in next 10 years	#	**2,394**	2,360	2,527
	Employee turnover	%	**8.5**	13.5	9.3
	Ethnicity: % of employees	%	**20.3**	19.7	17.2
	Ethnicity: % of senior leadership	%	**20.2**	17.1	15.6
	Corporate volunteering	# of hours	**23,308**	10,464	3,100
Health & Safety	Total hours worked	Hours (Millions)	**16.5**	15.7	15.2
	OSHA hours worked	Hours (Millions)	**15.5**	14.5	13.8
	Total recordable incident rate[9]	TRIR	**2.11**	2.64	2.36
	OSHA incident rate[10]	OIR	**2.43**	2.92	2.57
	Lost time incident rate	LTIR	**0.57**	0.71	0.49
	Occupational disease rate	ODR	**0.012**	0.000	0.000
	Work-related employee fatalities	#	**0**	0	0
	Work-related contractor fatalities	#	**0**	1	0
	OSHA days away, restricted and transfer (DART) rate	DART	**1.63**	1.75	1.85
	Contractor lost time incident rate (LTIR)	LTIR	**0.11**	0.17	0.19
	Employees under ISO 45001 certification	%	**98**	98	N/A

[1] Percent revenues from clean energy includes total Renewables revenue plus Networks Hydroelectric revenue (2023 = $7M).

[2] In previous years, titled "Accrued investments" in this report.

[3] Installed Capacity figure includes Avangrid's fully owned assets and share of joint projects.

[4] Renewable installed capacity in this report and in the Avangrid Factbook combines (1) Onshore Wind, (2) Offshore Wind, (3) Hydroelectric, (4) Solar, and (5) Fuel cells. Installed Capacity figure includes Avangrid's fully owned assets and share of joint projects.

[5] Net Production figure includes Avangrid's fully owned assets and share of joint projects' production.

[6] Previously uncaptured emissions were identified in the 2023 AENOR third party verification. 2023 figure includes these unidentified emissions, 2022 and 2021 figures do not.

[7] In 2022 and 2021, AMR meters were measured as smart meters; however in 2023, they were no longer measured as smart meters, and therefore not included in the calculation of percent of customers with smart meters.

[8] 2022 and 2021 figures differ from the previous years' reports as they were reported as Euros not USD as "unit" denotes.

[9] TRIR = Recordable Injuries * 200,000 / Hours Worked
Recordable injury = Lost time incident + Restricted case incident + Medical Treatment Incident
Injuries that are NOT included in this metric include suicide, non-traumatic injury, commuting accidents, injuries exacerbated from a preexisting condition, animal bites, at home injuries, injuries during a crime or workplace aggression.

[10] OSHA Injury Rate (OIR) = [(loss time + restricted + medical) * 200,000] / hours worked; no exclusions

09 Appendix

Forward-Looking Statement

Certain statements in this report may relate to our sustainability goals and plans, 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 expectations in connection with our environmental, social, governance and financial initiatives, including the targets and goals set forth in this report, as well as 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 extent of our ability to meet our Sustainability goals and targets set forth in this report, including with respect to our Net Zero strategy for achieving carbon neutrality for our scope 1 and 2 emissions by 2030;
- the extent of our ability to meet our goals to reduce the carbon emissions associated with our energy generation and increase our emissions-free capacity, and increase our green hydrogen capacity, by 2030;
- our ability to meet our goals to protect and enhance biodiversity in the areas where we operate;
- our ability to minimize our resource usage and waste and establish circular processes across our operations;
- our ability to meet our near and long-term social impact commitments;
- the success of our partnerships with local and global organizations;
- our ability to meet our diversity, equity and inclusion goals;
- our ability to meet our environmental, health and safety commitments;
- our ability to advance our sustainability and diversity goals for our suppliers;
- the future financial performance, anticipated liquidity and capital expenditures;
- our efforts to maintain a responsive sustainability program;
- actions or inactions of local, state or federal regulatory agencies;
- the ability to recruit and retain a highly qualified and diverse workforce in the competitive labor market;
- changes in amount, timing or ability to complete capital projects;
- adverse developments in general market, business, economic, labor, regulatory and political conditions including, without limitation, the impacts of inflation, deflation, supply-chain interruptions and changing prices and labor costs;
- the impacts of climate change, fluctuations in weather patterns and extreme weather events;
- technological developments;
- the impact of extraordinary external events, such as 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, including those subject to referendums affecting the ownership and operations of electric and gas utilities and renewable energy generation facilities, respectively, including, without limitation, those relating to the environment and climate change, taxes, price controls, regulatory approval and permitting;
- the implementation of changes in accounting standards;
- adverse publicity or other reputational harm;
- 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.

Except where noted, the information covered in this report highlights the Company's Sustainability performance and initiatives for fiscal year 2023. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Moreover, this report may use certain terms, including those that TCFD or others may refer to as "material," to reflect the issues or priorities of Avangrid, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. The Company's application of the various frameworks, standards and guidelines referenced in this report is based on its interpretation and judgment. No assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved.

This report may contain links to or information from other Internet sites. Such links and information are not endorsements of any products or services in such sites, and no information in such site has been endorsed or approved by Avangrid.

The United Nations Sustainable Development Goals

At Avangrid, we actively work toward the 17 Sustainable Development Goals (SDGs) approved by the member states of the United Nations.

In alignment with our goal to be recognized as a leading clean energy company, and in keeping with our efforts to advance access to clean energy, much of our focus is on SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

However, as a company with a deep commitment to social responsibility, we also contribute (either directly or indirectly) to the achievement of all 17 SDGs, and we have embedded these goals into our sustainability policy and strategy. This means that in addition to our efforts to create affordable, clean energy, we work to create positive social actions that support the creation of sustainable communities through investments in development, innovation and research.

In addition, Avangrid has signed on to the United Nations Global Compact *Sustainable Ocean Principles*, affirming our commitment to advancing sustainable and responsible ocean energy projects that accelerate the transformation to a cleaner and more resilient energy system.

Page	Relevant SDG	Section
12	7, 13	2023 Networks
13	7, 8, 9, 13	2023 Renewables
15	7, 9, 13	Innovation
2, 13, 18, 43	7, 8, 9, 13	Critical Progress on Vineyard Wind 1 (VW 1)
20 – 23	7, 13	Climate Change Risk Management
28, 83, 90 – 92	7, 13	Greenhouse Gas Emissions
29	9, 10	Installation of Electric and Natural Gas Smart Meters
31 – 34	14, 15	Protecting and Enhancing Biodiversity
35 – 36	12, 13	Blade Recycling & Extending Blade Lifespan
35	6	Water
42	10	Helping Residential Customers in Need
42	7, 13	Increasing Energy Efficiency for Residential Customers

Page	Relevant SDG	Section
43	8	Building Equity and Opportunity Across Our Workforce
43	8, 11, 13	EV Charging and Fueling Infrastructure Grants
44	5, 10	Advancing Gender Equity
46	5, 10	DE&I
48 – 50	3, 8	Promoting Employee Health & Well-Being
50 – 51	3, 8	Environmental, Health & Safety
52 – 53	1, 2, 4, 5, 11, 13, 15, 16	Avangrid Foundation
53	2, 11	Meals Provided to Address Food Insecurity
56	7, 9, 11	Collaborating with the Navajo Tribal Utility Authority
59	5, 10	Supplier Diversity Program
63	7, 13	Strategy and Risk Management
63 – 66	5, 7, 13	Governance

Sustainability Report Alignment with TCFD

TCFD Pillar	TCFD Recommendation	Reference in Report (page)
Governance	Describe the Board's oversight of climate-related risks and opportunities.	**17, 20, 63, 64**
	Describe management's role in assessing and managing climate-related risks and opportunities.	**17, 20, 63**
Strategy	Describe the climate-related risks and opportunities identified over the short, medium and long term.	**20, 21**
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.	**4, 9, 12 – 14, 18 – 20, 22, 23**
	Describe the impact of climate-related risks and opportunities on the businesses, strategy and financial planning.	**4, 9, 12 – 14, 17 – 23**
Risk Management	Describe the processes for identifying and assessing climate-related risks.	**20 – 23**
	Describe the processes for managing climate-related risks.	**20 – 23**
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process.	**20 – 23, 63**
Metrics & Targets	Disclose the metrics used to assess climate-related risks and opportunities in line with strategy and risk management processes.	**24**
	Describe the targets used to manage climate-related risks and opportunities and performance against targets.	**8 – 15, 24, 28**
	Disclose scope 1, 2 and, if appropriate, 3 GHG emissions and related risks.	**83, 90 – 92**

Data Verification and Assurance

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Verification Statement of AENOR for AVANGRID based on the Inventory of greenhouse gas emissions of IBERDROLA for the year 2023

DOSSIER: 1995/0014/HCO/01

Introduction

Iberdrola (hereinafter the company) has commissioned to AENOR Confía, S.A.U. (AENOR) to carry out a limited review of the Inventory of greenhouse gas (GHG) emissions for the year 2023 of its activities included in the GHG inventory dated in February 2024, from this global inventory the emissions corresponding to **AVANGRID** have been extracted that form part of this Declaration.

AENOR is accredited by the Mexican Accreditation Entity, with number OVVGEI 004/14, in accordance with ISO 14065:2020, for the verification of greenhouse gas emissions in accordance with the requirements established in ISO 14064-3:2019 for the energy and waste sectors.

The GHG inventory for **AVANGRID** has been extracted from "**Informe de Gases Efecto Invernadero de Iberdrola Inventario 2023"**, from February 2024, this organization has his registered office at 180 Marsh Hill Road, Orange, CT 06477

Organization Representative: James Rincon

IBERDROLA, S.A. was responsible for reporting its GHG emissions considered in accordance with the the reference standard ISO 14064:2018.

Objective

The purpose of the verification is to provide to interested parties with an independent and professional judgment on the information and data contained in the above mentioned GHG Report.

Scope of the Verification

The scope of verification is established for the activities provided by Avangrid:

- Renewable and thermal electricity generation
- Electricity distribution. and commercialization
- Natural gas distribution and commercialization.

The greenhouse gases taken into consideration for the inventory are: Carbon dioxide, Methane, Nitrous oxide, Hydrofluorocarbons, Sulphur hexafluoride.

During the verification, the information was analyzed according to the operational control approach established by the ISO 14064:2018, that is, the organization notifies all GHG emissions and/or removals attributable to the operations over which it exercises control in its facilities.

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Direct, indirect activities and exclusions from the verification:

The activities subject to verification are established in six categories (following the guidelines of ISO 14064-1:2018, which are:

- Category 1 - Direct GHG emissions and remotions
  - Stationary sources emissions
    - CO_2 emissions from electric power owned1 generation facilities (fuel consumption).
    - CH_4 and N_2O emissions associated with fuel consumption (mainly in generation facilities).
    - CO_2 emissions from facilities that provide services to buildings (fuel consumption).
  - Direct fugitive emissions in anthropogenic systems:
    - CH_4, methane from transportation of natural gas.
    - SF_6 hexafluoride from electricity distribution networks.
    - CFC's fugitive emissions from refrigeration installation
  - Emissions from mobile combustion, associated with fuel consumption in transport equipment, we consider in this section fleet vehicles and a plane for transporting personnel

- Category 2 – Indirect GHG emissions due to imported energy
  - Emissions associated with the consumption of auxiliary energy during stops in electricity power plants
  - Emissions associated with electricity consumption in buildings
  - Emissions associated with network losses in the transportation or distribution of electricity, for the activity of transportation and distribution of electrical energy: emissions are calculated considering electricity losses as imported electrical energy.

  At this category a balance is made between the energy generated own and the total distributed energy to avoid double counting

- Category 3 – Indirect GHG emissions due to transport:
  - Emissions from mobile sources related to business trips by air, train and road
  - Emissions associated to employee commuting
  - Emissions Well To Tank (WTT) from consumed fuels

- Category 4 – Indirect GHG emissions due products used in operations:
  - Emissions associated with the production of goods and services purchased or acquired by the reporting company in the reference year: emissions associated with the supply chain

- Category 5: Indirect GHG emissions associated with the use of energy products marketed by the organization
  - Emissions associated to purchased electrical energy provided to customers
  - Emissions for final usage of natural gas provided to customers (burning)

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Exclusions

Those emissions that have low representativeness and in which obtaining evidence for quantification is not feasible are excluded from this inventory. In any case, no exclusion exceeds 2% of the total emissions in its category.

Specifically excluded from this report are:

- Emissions from refrigerant gas leaks in facilities due to no legal requirement.
- Emissions associated with energy consumption in buildings not managed by Avangrid General Services.
- Emissions associated with the consumption of auxiliary systems in shutdown in photovoltaic and wind installations.

Mitigation activities and Base year

In the GHG inventory for 2023, the company has not included any activity aimed at mitigation of greenhouse gases.

The organization has established the year 2021 as the base year.

Materiality

For the verification it was agreed to consider material discrepancies those omissions, distortions or errors that can be quantified and result in a difference greater than 5% with respect to the total declared emissions.

Criteria

The criteria and information that have been taken into consideration to carry out the verification were the following:

1) The ISO 14064-1:2018 standard: Specification with guidance, at the organisational level, for the quantification and reporting of greenhouse gas emissions and removals.
2) Standard ISO 14064-3:2019: Specification with guidance for the validation and verification of greenhouse gas assertions.

Finally, the Emissions Report prepared by the organization was verified: the GHG inventory "**Informe de Gases Efecto Invernadero de Iberdrola Inventario 2023"**, from February 2024

AENOR expressly disclaims any responsibility for decisions, investment or otherwise, based on this statement.

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Assurance

*The GHG emissions report "Iberdrola 2023 Greenhouse Gas Inventory" of February 2024, and therefore the section corresponding to **AVANGRID** is considered to comply with the requirements of the ISO 14064-1:2018 standard.*

*Based on the foregoing, and in accordance with the limited assurance level agreed, in our opinion, there is no evidence to suggest that the information on emissions reported in the Iberdrola Greenhouse Gas Report 2023", of February 2024, and therefore the section corresponding to **AVANGRID** emissions, is not a faithful representation of the emissions from its activities.*

In consequence with this Declaration below is a list of the emissions data that were finally verified:

GHG emissions of AVANGRID in 2023		t CO_2e
Category 1 - Direct GHG emissions		**1,636,499**
- CO_2 emissions in power generation plants (stationary combustion)		1,292,286
- CH_4 emissions by fuels consumption in power generation plants		587
- N_2O emissions by fuels consumption in power generation plants		551
- CO_2 emissions in buildings and facilities (stationary combustion)		58,920
- Emissions associated to fleet vehicles (mobile combustion)		38,560
- CH_4 fugitive emissions of methane from transportation of natural gas		222,897
- SF_6 fugitive emissions of hexafluoride from electricity distribution grids, generation and substations		22,697
- Refrigerant gases fugitive emissions		-
Category 2 – Indirect GHG emissions due to imported energy (localtion based)		**185,746**
	t CO2e (market based)	**t CO2e (location based)**
- Emissions associated with electricity consumption in auxiliary systems during standstill		4,653
- Emissions associated with electricity consumption in buildings	17,797	32,029
- Emissions associated with grid electricity distribution losses		149,064
- Emissions associated with electricity consumption in auxiliary systems during standstill		4,653
- Emissions associated with electricity consumption in buildings		32,029
- Emissions associated with grid electricity distribution losses		131,837
Category 3 – Indirect GHG emissions due to transport		**242,763**
- Emissions associated with employee business travels		4,980
- Emissions associated with employee commuting		8,139

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GHG emissions of AVANGRID in 2023	t CO_2e
- Upstream emissions of fuels used in generation (Well To Tank (WTT))	229,644
Category 4 – Indirect GHG emissions due products used in operations	**932,179**
- Emissions associated with the supply chain	932,179
Category 5: Indirect GHG emissions associated with the use of energy products marketed by the organization	**7,715,637**
- Emissions associated with electricity purchased for sale to end customers	601,478
- Emissions associated with gas sold to end customers	7,114,159
Direct Emissions Total	**1,636,499**
Indirect Emissions Total (Locationl based)	**9,076,325**
Indirect Emissions Total (Market based)	**9,062,094**

Madrid, 2024-03-04

D. Rafael Garcia Meiro
Consejero Delegado / CEO

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Carbon Footprint Certificate

AENOR
CARBON FOOTPRINT
CALCULATED CO_2

HCO-2012/0007

AENOR certifies that the organization

IBERDROLA, S.A.

is in conformity with Standard ISO 14064-1:2018 Standard

for the activities: Emissions of 51,602,735 t CO2e: (Direct emissions: 10,587,589 t CO2e; Indirect emissions (market based): 41,015,146 t CO2e).

The scope of verification is set out for the activities provided by the organization:
- Renewable, thermal and nuclear power generation
- Electricity distribution.
- Commercialization of natural gas and electricity

The companies included in the scope are:
Iberdrola España, Iberdrola Internacional, Scottish Power, Avangrid, Iberdrola México, Neoenergia.

CALCULATED PERIOD: 2023

COMPLIANT WITH: Verified Emissions Report for the period 2023 and AENOR's Verification Statement

which is/are carried out in: CL TOMAS REDONDO, 1. 28033 - MADRID

Issued on: 2024-04-14

Rafael GARCÍA MEIRO
CEO

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Avangrid

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