

Climate Change Policy

February 13, 2019

The Board of Directors of Avangrid, Inc. (“AVANGRID”) oversees the management of AVANGRID and its business with a view to enhance the long-term value of AVANGRID for its shareholders. The Board of Directors of AVANGRID (the “Board of Directors”) has adopted this Climate Change Policy (this “Policy”) to assist in exercising its responsibilities to AVANGRID and its shareholders. This Policy is subject to periodic review and modification by the Board of Directors from time to time. This Policy and AVANGRID’s certificate of incorporation, by-laws, corporate governance guidelines and other policies pertaining to corporate governance and regulatory compliance, risk, sustainable development, and social responsibility (collectively, the “Corporate Governance System”) form the framework of governance of AVANGRID and its subsidiaries (collectively, the “AVANGRID Group”). AVANGRID’s Corporate Governance System is inspired by and based on a commitment to ethical principles, transparency and leadership in the application of best practices in good governance and is designed to be a working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

1. Purpose

Climate change is a serious threat and one of the most significant challenges of the 21st century. Scientific evidence shows that greenhouse gas emissions have accelerated global warming and that action to address climate change must occur. AVANGRID is committed to the fight against climate change and to contribute to goal seven (Affordable and Clean Energy) and goal thirteen (Climate Action) of the Sustainable Development Goals approved by the member states of the United Nations. AVANGRID seeks to contribute actively and decisively to a low-carbon and sustainable future, delivering clean, low emission energy, minimizing the environmental impact of our activities and supporting and promoting actions that address climate change. Such efforts must be compatible with social and economic growth. This Policy sets the framework for AVANGRID’s actions to fight climate change.

2. Principles

To implement AVANGRID’s commitment to the fight against climate change, AVANGRID will:

- a) Reduce the intensity of greenhouse gas emissions of our generation capacity by 25% by the year 2020 compared to a year 2015 baseline and be carbon neutral by the year 2035.
- b) Continue to focus on renewable energy targeting an increase in renewables installed capacity of more than 30% by the year 2020 compared to a year 2015 baseline.
- c) Maintain leadership in renewable energy and continue to invest on smart grids, which allow for strong integration of such renewable energy. Promote efficiencies in generation, transmission, and energy usage.
- d) Support innovation, initiatives and legislative and regulatory actions that aim for electrification of consumer energy uses (including, among other, electric vehicles, railway electrification, heating systems) that contribute to the decarbonisation of the economy.
- e) Consider the establishment of an environmental management system for the AVANGRID Group that would contribute to the reduction of environmental risks, improvement in the management of resources, and optimization of investments.
- f) Actively promote and encourage efficient and responsible use of energy by all AVANGRID stakeholders.
- g) Raise awareness and promote training and education on climate change and the social problems related thereto and encourage contractors to adopt climate change policies consistent with the principles contained in this Policy.



Take care of the environment.
Print in black and white and only if necessary.

- h) Foster, participate and undertake research, development and innovation (RD&I) activities that address climate change.
- i) Maintain a constructive dialogue with governmental agencies, non-profit organizations, local communities, and other stakeholders to raise awareness of the importance of taking measures to reduce greenhouse gas emissions.
- j) Support the international climate change negotiation processes and the participation of the private sector in the global agenda to address climate change and the social problems related thereto.

