

# Sustainable Development Policy

February 15, 2024

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. Avangrid is a member of the group of companies controlled by Iberdrola, S.A. The Board of Directors of Avangrid (the "Board of Directors") has adopted this Sustainable Development 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, and social responsibility (collectively, the "Governance and Sustainability System") form the framework of governance of Avangrid and its subsidiaries (collectively, the "Avangrid Group"). Avangrid's Governance and Sustainability 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

This Policy establishes the basic principles and general framework of activities for the management of the Avangrid Group's sustainable development strategy, which is comprised of three main pillars: environmental, social, and corporate governance. This Policy also provides for the incorporation of the Sustainable Development Goals (SDGs) approved by the member states of the United Nations into the Avangrid Group's business model and strategy and guidelines for Avangrid's contribution to the achievement of the SDGs.

## 2. Sustainable Development Objectives

Avangrid seeks to create shared value in a sustainable manner, with a long-term vision that achieves a better future for employees, customers, shareholders and other stakeholders, and focuses on providing a high-quality service through the use of environmentally-friendly energy sources and other innovations. In this respect, Avangrid strives for the sustainable development of the communities in which the Avangrid Group does business and endeavors to foster local economic development, the generation of employment, and prosperity.

In addition, the Avangrid Group is committed to:

- a) contributing to the achievement of the Sustainable Development Goals (SDGs) adopted by the member states of the United Nations with particular focus on goal seven (Affordable and Clean Energy) and goal thirteen (Climate Action);
- b) reducing the environmental impact of the Avangrid Group activities and offering safe, reliable, and high-quality energy that is respectful of the environment;
- c) adopting management practices based on fostering diversity and inclusion, equal opportunity, non-discrimination, innovation, productivity, profitability, sustainability and respect for human rights;
- d) responsibly managing and controlling risk and preparing for and appropriately responding to emergencies and climate change;
- e) promoting the responsible use of energy;
- f) driving a real, global, effective, fair and inclusive energy transition working together with all stakeholders in accordance with Avangrid's Governance and Sustainability System, including without limitation, the Human Rights Policy and the due diligence systems the Avangrid Group has implemented related to respect for human rights;

- g) proactive stakeholder engagement to encourage the contribution of all participants in the value chain and promote accessibility, inclusion, non-discrimination and diversity; and
- h) encouraging a culture of ethical behavior and transparency in our actions, with a commitment to transparency fundamental to the Avangrid Group communication strategy, which is essential to create trust and credibility with stakeholders.

### **3. General Principles of Sustainable Development**

To achieve these goals, the Avangrid Group will:

- a) comply with all applicable federal, state and local laws and regulations;
- b) support the principles of the Sustainable Development Goals (SDGs) adopted by the member states of the United Nations, the United Nations Global Compact, and other international commitments in human rights, labor practices, protection of the environment, and anti-corruption;
- c) be inspired by and build on our three specific core values set forth in the Avangrid Group's Purpose and Values and work together towards achievement of our corporate purpose to deliver a more accessible clean energy model that promotes healthier, more sustainable communities;
- d) favor free market practices and implement effective measures for the prevention, investigation, and discipline of fraudulent or illegal acts and the protection of trade secrets;
- e) adopt and comply with corporate governance best practices that are based on ethical principles, transparency and leadership; and
- f) involve all our stakeholders in our enterprise, engaging in continuous and constructive dialogue to understand and manage the impacts of our activities on our stakeholders, to understand our stakeholder's expectations of the Avangrid Group and to build strong relationships with our stakeholders in order to generate trust and a sense of belonging as an integral part of the Avangrid Group.

### **4. Sustainable Development Policies**

- a) We want to lead the creation of shared value in a sustainable manner, with a long-term vision that achieves a better future for employees, customers, shareholders and other stakeholders without compromising present results. The fundamental principles guiding how we sustainably create shared value are set forth in the Sustainability Policy adopted by the Board of Directors.
- b) We engage communities, customers, supply chain, employees and shareholders in the governance of our company, demonstrating leadership and transparency in our actions. Specifically, the Avangrid Group is committed to publicly disseminating relevant, complete, reliable, useful and timely information regarding the Avangrid Group's performance and activities in a manner that is consistent with applicable U.S. Securities and Exchange Commission rules and regulations. The principles guiding the Avangrid Group's fair disclosure of information are set forth in the Fair Disclosure Policy adopted by the Board of Directors.
- c) We believe that innovation focused on sustainable development, the promotion of renewable energy and the development of opportunities offered in digitalization, automation, and new technologies and business models is one of the Avangrid Group's principal tools for creating sustainable shared value for Avangrid's shareholders. The principles guiding the Avangrid Group's innovation efforts are set forth in the Innovation Policy adopted by the Board of Directors.
- d) We are committed to the application of good tax practices and recognize that the payment of taxes in the communities in which the Avangrid Group does business is a one way that Avangrid Group can positively contribute

to such communities. The Corporate Tax Policy adopted by the Board of Directors sets forth Avangrid's corporate tax strategy and the principles guiding the Avangrid Group's tax practices.

- e) We aspire to be the preferred U.S. sustainable energy company because of, among other reasons, our respect for and protection of the environment. We are committed to leading in the fight against climate change and the development of clean energy. The Environmental Policy, Climate Action Policy, and Biodiversity Policy adopted by the Board of Directors sets forth the principles guiding these commitments.

## **5. Relationships with Avangrid's People**

The Avangrid Group considers its employees to be a key strategic asset and we place great importance on offering a diverse, safe and healthy working environment and fostering development and continuous training, work-life balance, inclusion and a sense of belonging, equal opportunity, and non-discrimination. The Avangrid Group is committed to recruiting, promoting and retaining the most qualified talent and encouraging professional growth, making our workforce participants in a successful business enterprise. These principles are further developed in the People Management Policy, the Equal Opportunity Policy, the Recruiting and Hiring Policy, Human Rights Policy, the Diversity, Equity and Inclusion Policy, and the Environmental, Health and Safety Policy, each of which is described below:

- a) We respect and acknowledge internationally recognized human rights principles and are committed to treating people with dignity and respect. We respect employees' right to associate, form or join trade unions and workers' right to collective bargaining, subject to applicable law and regulations. The Human Rights Policy adopted by the Board of Directors sets forth the principles underpinning these commitments.
- b) Our Board of Directors believes that our employees are our most strategic asset and a skilled, diverse, and motivated workforce is critical to developing a successful business enterprise. Attracting talent, hiring, training, and promoting the most qualified people is essential to achieving Avangrid's strategic goals. The Recruiting and Hiring Policy adopted by the Board of Directors sets forth principles the Avangrid Group will respect in attracting, hiring, training, and promoting talent.
- c) We believe that employment relationships based on equal opportunity, non-discrimination, and respect for diversity are a strategic priority and fundamental to our competitive success. The Equal Opportunity Policy adopted by the Board of Directors articulates Avangrid's commitment to the principle of equal employment opportunity for all employees and to providing employees with a work environment free of violence, discrimination and harassment.
- d) We believe that the effective development, dissemination, sharing, and protection of our intellectual capital enhances operational efficiency through the proper use of intellectual capital and is a key element in creating sustainable value for our shareholders. The Knowledge Management Policy adopted by the Board of Directors outlines the main principles guiding the Avangrid Group in the appropriate dissemination, sharing, and protection of existing knowledge and the implementation of initiatives, procedures and tools that enable continuous learning and cultural exchange.
- e) We are committed to providing a safe and healthy work environment for all employees. The Environmental, Health and Safety Policy adopted by the Board of Directors sets forth the main principles guiding our efforts to create a safe and healthy work environment for all employees.

## **6. Relationships with Local Communities**

The Avangrid Group does business in a number of different local communities. In our operations, we seek to:

- a) build strong relationships within the communities in which the Avangrid Group does business in order to generate confidence and a sense of belonging as an integral part of our company;
- b) be honest, professional, respectful, and trustworthy and act in good faith with all government and regulatory agencies;

- c) promote access to affordable energy for low income and rural communities;
- d) respect and acknowledge internationally recognized human rights principles and treat people with dignity and respect;
- e) promote employee participation in corporate volunteering programs and support the conservation of the cultural and artistic heritage of the communities in which the Avangrid Group does business;
- f) maintain a constructive and continuous dialogue with regulatory authorities based on the principles of lawfulness, transparency, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, seeking to mutually understand the interests and objectives of each party, and working together to seek solutions to issues affecting the Avangrid Group;
- g) maintain relationships with the media based on informational transparency and collaboration;
- h) support initiatives that contribute to the creation of a more equal, healthy and just society such as the measures to help employees balance their responsibilities at work and their personal and family responsibilities; and
- i) collaborate on specific projects in emerging and developing countries and areas undergoing humanitarian crises and actively participate in the search for sustainable solutions for access to modern forms of energy.

## **7. Relationship with Customers**

We are committed to understanding the needs and expectations of our customers so that we can offer them better solutions within a free market, continuously working to maintain and increase satisfaction and connection to our company. In our communications with customers, we continue to:

- a) comply with the applicable laws and regulations governing communication and marketing activities and adopt best practices that to ensure transparency and truthfulness to such activities;
- b) contribute to the health and safety of our customers by complying with all applicable health and safety laws and providing training and information to customers through the Avangrid Group's corporate websites, invoices, and training and informational campaigns;
- c) provide information to customers that promotes the rational, efficient, and safe use of electricity and gas;
- d) pay attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating in providing ongoing access to energy and gas supply according to the policies established by the competent government administrations in each case;
- e) make information regarding the services provided by the Avangrid Group in alternative formats so that it is accessible to all customers;
- f) adopt and continuously update measures to protect the confidentiality of customer data as required by applicable law and the Code of Business Conduct and Ethics;
- g) work to offer high-quality service and energy to our customers within a safe and reliable environment; and
- h) monitor the quality of the service provided to customers through various measures including, without limitation, targeted customer service efforts and surveys measuring customer satisfaction.

## **8. Relationship with Supply Chain**

We view our supply chain as strategic business partners and our supply chain plays an essential role in creating sustainable value and providing a high-quality service. We require all of our supply chain to comply with applicable law, generally accepted ethical and social responsibility principles, and our Governance and Sustainability System. In our relationships with our supply chain, we continue to:

- a) adopt and continuously update responsible practices in the management of the supply chain;
- b) encourage pathways of open and transparent dialogue and facilitate relationships with the Avangrid Group that strengthens our supplier's engagement and identification with the Avangrid Group; and
- c) require all participants in the supply chain to comply with the principles and values set forth in the Supplier Code of Ethics regarding business ethics and transparent management, labor practices, health and safety, the environment, the quality and safety of the products and services sold, and development of responsible practices in the supply chain, promoting strict respect for human rights, in performing its activities.

## 9. Avangrid Foundation

A key aspect of Avangrid's commitment to sustainable development is implemented in collaboration with the Avangrid Foundation. The Avangrid Foundation is committed to supporting initiatives that enhance the quality of life where the Avangrid Group operates, with a focus on energy sustainability, the environment, art and culture, and cooperation and solidarity. The Avangrid Foundation is independent from Avangrid and is managed by the Avangrid Foundation board of directors.