

Compliance System Transparency Report

2024



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01.

Introduction



1. Introduction

Avangrid, Inc. (“Avangrid” or the “Company”), a leader in clean energy innovation and reliability, strives to build a more accessible clean energy model that promotes healthier, more sustainable communities. To achieve this objective, Avangrid not only follows applicable laws and regulations; it holds itself to the highest ethical standards when working with customers, shareholders, regulators, co-workers, and other stakeholders. The Company’s emphasis on ethics and compliance is critical to supporting and enabling its sustainability strategy.

Avangrid’s Board of Directors (the “Board”) oversees the management of Avangrid and its businesses with a view to enhancing the long-term value of Avangrid for its stakeholders. The Company’s Articles of Incorporation, By-Laws, Corporate Governance Guidelines, Code of Business Conduct and Ethics, and other policies pertaining to corporate governance and regulatory compliance, risk, sustainable development, and social responsibility (collectively, the “Governance and Sustainability System”) form the governance framework of Avangrid and its subsidiaries. The Governance and Sustainability System is based on a commitment to ethical principles, transparency, and leadership in the application of best practices for good governance and is designed to be a working structure for principled actions, effective decision-making, and appropriate monitoring of both compliance and performance.

The Company’s Code of Business Conduct and Ethics (the “Code”) is a guide for the actions of directors and employees at all levels of Avangrid and is the basis for the Company’s Supplier Code of Business Conduct (the “Supplier Code”). The Code articulates the principles that apply at Avangrid to promote and ensure ethical conduct. Avangrid’s Corporate Compliance and Ethics System (the “Compliance System”) serves as a mechanism for establishing a culture of strong ethical standards and compliance with the Code, applicable laws and regulations.

Avangrid’s subholdings, with their own chief compliance officers, structures, and personnel, are directly entrusted with implementation, development, and supervision of the Compliance System. The fundamental elements of Avangrid’s Compliance System are the crime prevention program, the risk assessment program, and the Company’s reporting system, which includes a channel for reporting possible misconduct, potentially unlawful acts, and acts contrary to Avangrid’s Governance and Sustainability System.

To enhance operation of the Company’s Compliance System, in 2023 the Board of Directors created Avangrid’s Compliance Unit (the “Compliance Unit”). During 2024, the Compliance Unit was overseen by the Governance and Sustainability Committee (the “Governance and Sustainability Committee” or the “Committee”), as detailed in Avangrid’s Governance and Sustainability System. The Compliance Unit is vested with extensive powers and has resources necessary to ensure its independence in performing its duties.

In 2024, Avangrid’s subsidiaries, Avangrid Networks Inc. (“Networks”) and Avangrid Renewables LLC (“Renewables”) formed their own respective Compliance Units (the “Subsidiary Compliance Units”), similar to Avangrid’s Compliance Unit. Each compliance unit includes an independent chairperson who has no material relationship with the Company, the corresponding chief



compliance officer, and other members of Avangrid management with responsibilities related to risk management, human resources, internal control, and compliance.

The Compliance Units have helped to strengthen Avangrid's Compliance System and ethical culture, by contributing:

- Additional industry expertise from an independent chairperson, who is an established expert in U.S. corporate compliance best practices;
- Internal compliance knowledge from other Avangrid business areas;
- Input from resources currently involved in governance and oversight; and,
- Program visibility, leadership access and influence, and support for ethics culture.

This report, approved by the Avangrid Compliance Unit on February 11, 2025, describes the main actions, initiatives, and measures developed, promoted, and adopted by the Compliance Unit and the Subsidiary Compliance Units during 2024.



02.

Compliance Unit and Staff



2. Compliance Unit and Staff

2.1. Overview of the Compliance Units and Compliance Program

In October 2023, Avangrid expanded leadership involvement in its Governance and Sustainability System by establishing the Avangrid Compliance Unit. This program improvement, approved by the Board, demonstrates the Company's ongoing commitment to developing its Compliance Program.

The Compliance Unit operates under the Regulations of the Compliance Unit and, during 2024, was overseen by the Governance and Sustainability Committee¹, of the Board of Directors. The Compliance Unit oversees and ensures effectiveness of Avangrid's Compliance System, including the prevention and correction of fraudulent and/or illegal conduct. The Compliance Unit has broad powers, budgetary autonomy, and independence.

At the subsidiary company level, both Networks and Renewables have established their own Compliance Units similar to Avangrid's Compliance Unit, with the Networks Compliance Unit reporting to the Networks Audit and Compliance Committee of its Board of Directors, and the Renewables Compliance Unit reporting to the Renewables Board of Managers.

All three Compliance Units coordinate key activities through a General Coordination, Collaboration, and Information protocol.

Ongoing collaboration and coordination among the Compliance Units allows for:

- Appropriate escalation of subsidiary compliance issues to Avangrid, Inc.
- Knowledge sharing and synergies;
- Efficient allocation of resources and budget; and
- Opportunities for sharing approaches to training and program implementation.

During 2024, the CCO and the Compliance Officers of Networks and Renewables held a total of 31 coordination meetings.

The mirrored organizational structure at Avangrid and its subsidiaries allows the three Compliance Units to i) remain strategically aligned and attuned to their respective businesses and ii) maintain an appropriate level of independence from their respective boards. The three Compliance Units can share and coordinate key practices, while ensuring prioritization and separation appropriate for the distinct regulatory challenges and environments of each subsidiary.

¹ During 2024, the GSC is responsible for developing and maintaining the Company's Governance and Sustainability System in addition to overseeing Avangrid's compliance with legal and regulatory requirements, Avangrid's sustainability activities and initiatives, and non-financial sustainability reporting.



2.2. 2024 Governance Bodies Meeting Frequency

During 2024, there were 72 appearances of compliance officers before their respective governance bodies (i.e., the Compliance Units and the respective boards/committees).

2.3. Budget and Resources

The Regulations of the Compliance Unit establish that the Compliance Unit will have the necessary resources and staff to perform their functions. Annually, the respective governing bodies approve the Compliance Units' budgets.

Each year, the Compliance Units prepare and submit annual plans to their respective governing bodies for approval. The annual plans identify and describe key activities projected for the year. Compliance's activities ensure the Company meets or exceeds best practices based on, among other things, the required standards under both the U.S. Federal Sentencing Guidelines and updated U.S. Department of Justice guidance. Certain annual plan activities recur each year (e.g., training and communications). The Compliance Units also add initiatives each year for the continuous evolution of the Compliance System.

2.4. Professional Qualifications

The chairpersons of the Compliance Units are external professionals with recognized standing in the field of Compliance.

Avangrid's compliance personnel (the "Compliance Team" or "Compliance Division"), who carry out the daily operations of the Compliance Units, are individuals with diverse skills that enable Compliance to deliver its annual plan and objectives.

The Compliance Team maintains various legal, auditing, and corporate compliance industry certifications and licenses, as well as advanced degrees, appropriate to support the Compliance System's needs. The primary compliance certifications obtained by professionals in the Compliance Division include:

- **Certified Compliance & Ethics Professionals (CCEP)** issued by the Society of Corporate Compliance and Ethics. Regarding ethics based team members, in 2024 Avangrid's CCOs and their ethical compliance teams were certified or in the process of obtaining CCEP certifications.
 - **Certification in Risk Management Assurance (CRMA) (Non practicing)** issued by the Institute of Internal Auditors.
 - **Certified Internal Auditor (CIA) (Non practicing)** issued by the Institute of Internal Auditors.
 - **Certified International Compliance Officer (CICO)** issued by the Spanish Instituto de Oficiales de Cumplimiento
1. **Compliance Certification (CESCOM)**, issued by the Asociación Española de Compliance
 - **Compliance Certificate**, awarded by the University of Maine School of Law



During 2024, members of the Compliance Division participated in a variety of training sessions.

101 hours of training received on average by the professionals of the compliance function

Additionally, a diversity of professional skills and backgrounds enable the Compliance Units to operate effectively on a day-to-day basis. In summary, the Compliance team has both skills and experience in the following areas:

- Business management, operations, and administration
- Compliance
- Corporate governance
- Data analytics
- Energy regulation
- Engineering
- Human resources management
- Internal audit
- Finance and Strategy
- Law
- Risk management
- Investigations



03.

Compliance Risk Assessments



3. Compliance Risk Assessments

Avangrid's Compliance System uses various compliance assurance approaches, including formal processes deployed annually. These include the following:

3.1. Biannual Board-Appointed Officer Certification

During 2024, Avangrid's Compliance Unit executed a semi-annual process for board-appointed officers to certify that they had reported to the Compliance Units any potential material violations of law or the Code. Officer certifications related to Compliance are an increasingly common best practice to help companies demonstrate that (i) they are identifying and addressing misconduct, and (ii) senior executives are meeting their fiduciary duty of oversight.

The certification program reinforces the Company's commitment to ensuring that it maintains the highest standards for ethical conduct and compliance with the law.

3.2. New Compliance Risk Assessment Process

In 2024, with insights and guidance from Iberdrola's Compliance Unit, Avangrid developed a new compliance risk process to assess key Company compliance risks, identify applicable controls for the relevant risks, and obtain business assurance that the controls have been implemented. This new process, which builds on the Company's previous Crime Prevention Program ("CPP") certification process, is expected to evolve as Avangrid looks to leverage best practices within the Iberdrola Group.

29 business leaders and managers
have participated in the 2024 risk assessment

To conduct the 2024 compliance risk assessment, 29 leaders and managers were contacted. As a result of this initiative, 74 formalized controls and 146 evidentiary submissions were documented.

146 evidentiary submissions
supporting implementation of controls



04.

Regulations



4. Code of Business Conduct and Ethics & Compliance Regulations

4.1. Code of Business Conduct and Ethics

The Code, adopted by the Avangrid Board, is applicable to all directors, officers, and employees of the Company and its subsidiaries. The Code describes the Company's core ethical values including: principles of integrity, honesty, and social responsibility; respect for the environment; safety and reliability; and customer focus. Consistent with these values, the Code establishes standards of conduct and provides guidance for employees to make appropriate decisions when faced with ethical issues.

The Code is reviewed and updated at least annually to ensure that it remains current with rules and regulations and the ethical challenges faced by the Company's employees. The Code is also supplemented by the Supplier Code, adopted by the Board, and is incorporated into the Company's contracts with its vendors. The Supplier Code establishes an expectation that suppliers will comply with the law and key ethical principles as a condition of conducting business with the Company. It authorizes Avangrid's Compliance Units to interpret the Supplier Code and its requirements, and the Chief Compliance Officer to issue amendments or waivers of the Supplier Code, if necessary and appropriate without undue risk to Avangrid.

Avangrid has drafted its Supplier Code to promote readability and transparency, using a reader-friendly format similar to that of the Code. Topics include, e.g., health and safety, human rights, environmental protection, anti-corruption and bribery, and anti-money laundering. The Supplier Code also has been updated to include the Company's enhanced measures to protect employees, agents, and contractors against retaliation. Both the Code and the Supplier Code also provide information to allow employees, suppliers, and other external stakeholders to report legal and ethical concerns to the Company, anonymously if preferred, using an external Helpline, which is available 24/7 via telephone intake or online submission. Similar to the Code, the Supplier Code is reviewed at least annually for potential updates.



4.2. Regulations

Avangrid's Board has adopted, and Avangrid has implemented, the Avangrid Governance and Sustainability System integrated by a suite of internal rules and procedures that reflect U.S. and international best practices. For continuous improvement, and in compliance with best practices, the Board, with the assistance of its Compensation, Nominating, and Corporate Governance Committee, annually conducts a comprehensive review of the Avangrid Governance and Sustainability System to incorporate any newly identified best practices. The Avangrid Governance and Sustainability System includes Avangrid's corporate governance guidelines, the Code, the Supplier Code, and committee charters. It is publicly available in the Corporate Governance section of Avangrid's website, www.avangrid.com.

Avangrid's Governance and Sustainability System is complemented by compliance policies and procedures developed, approved, and regularly updated by Compliance.

A number of policies, regulations and protocols were updated during 2024 including:

Regulations Approved or Adopted by the Avangrid Board of Directors	Regulations Approved or Adopted by the Avangrid Compliance Unit
Code of Business Conduct and Ethics	General Coordination, Collaboration, and Information Protocol
Supplier Code of Business Conduct	Corporate Transactions Protocol
Anti-Corruption and Anti-Fraud Policy	Sponsorships, Donations, and Other Social Contributions Rule
Internal Reporting & Whistleblower Protection Policy	Gifts and Hospitality Rule and Register
Regulations of the Compliance Unit	
Anti-Corruption Policy	

Documents are managed in PolicyTech, a central repository. An initiative to standardize and simplify compliance regulations and protocols has continued during 2024.



05. Risk Management



5. Risk management

5.1. Assessment of Third Parties

Avangrid's vendor selection process includes an evaluation, through the use of a standardized scorecard, of a potential supplier's commitment to promoting sustainability initiatives. A prospective supplier's resulting "Sustainability Score" is considered an important factor in deciding whether Avangrid will award business to that supplier.

To bolster Avangrid's evaluation of third parties, the Compliance Unit assesses new counterparties for fraud and corruption risk before Avangrid invites the counterparty to enter into a contractual relationship.

Compliance due diligence assessments for counterparties includes evaluations of:

- Ties with countries considered to present a higher-than-normal risk
- International sanctions
- Adverse media or incidents implicating:
 - Human rights
 - Forced labor and/or child labor
 - Corruption and/or bribery
 - Competition
 - Money laundering
 - Other irregularities and/or unlawful conduct
- Ties with politically exposed persons ("PEP") and/or state-owned entities ("SOE")

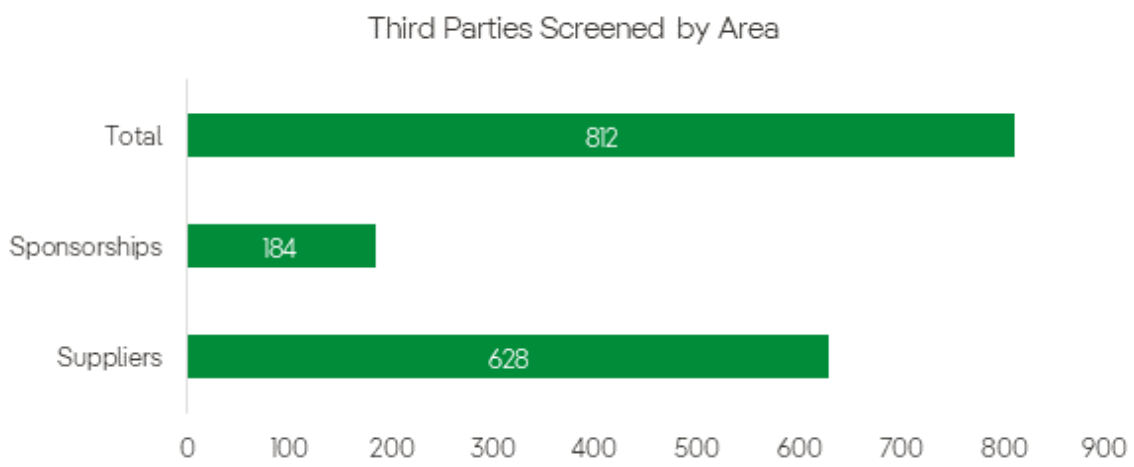
All counterparties are required to complete a questionnaire that includes ethical due diligence questions as part of the onboarding process. Information from the counterparty is used to inform the diligence used to assess the risks above and help mitigate any supply chain risk of fraud, corruption, human rights violations and reputational damage to the Company.

The Compliance Unit uses several tools, in combination, to conduct its due diligence and record risk assessments in its corporate systems. Automated workflows have been implemented in the Avangrid SAP enterprise system to allow the Compliance Unit to block or flag counterparties on the basis of assessed risk level. When a counterparty presents a higher-than-normal risk, the Compliance Unit will monitor all financial transactions with that counterparty. Counterparties assessed as presenting a critical risk are blocked in corporate systems, preventing the businesses from entering into new transactional activities with them.



812 counterparty risk assessments uploaded in 2024

Compliance Evaluations by Oversight



5.2. Trade Professionals

| *Background Checks*

Pursuant to Company policy, all prospective employees are subject to a criminal background check prior to hiring. Persons internally promoted to a director level or higher role are subject to a refreshed background check. The rationale for refreshing these background checks is that the Company considers personnel at this level to be “substantial authority personnel” under the U.S. Federal Sentencing Guidelines.

65 management team background checks

| *Conflicts of Interest*

Annually, Avangrid’s Compliance Unit launches a conflict of interest survey (the “Survey”). All staff of designated business areas, including the Compliance Division, Legal Services, and Internal Control, and all Avangrid supervisors and above, are required to respond to the Survey. Exceptions are made for certain employees unable to complete it for reasons such as extended



disability or medical leave, or upcoming retirement. The Survey facilitates disclosure of outside activities and other potential conflicts of interest. It also provides Survey participants an opportunity to disclose potential violations of the Avangrid Code which might not already have been reported. Finally, at the end of the Survey, respondents are asked to confirm a statement regarding their obligation to comply with the Code and applicable Company policies and procedures.

The 2024 annual survey resulted in 1807 disclosures. These disclosures were independently reviewed to identify potential conflicts of interest and other compliance issues. Potential conflict risks identified through the process were reviewed for potential mitigation with the assistance of both Management and the People and Organization (“P&O”; formerly, Human Resources, or “HR”) department.

In the second quarter of 2023, Compliance and P&O coordinated to begin expanding the reach of the conflicts of interest disclosure to include new hires. In 2024, the Compliance Unit received and evaluated 973 new hire disclosures. Any responses indicating a conflict or potential conflict of interest received direct follow up.

1807 Annual conflict of interest disclosures reviewed

973 New Hire conflict of interest disclosures assessed

| *Related Party Transactions*

In line with the Avangrid Related Party Transaction Policy, the Compliance Unit received no direct reports from Avangrid Inc. directors regarding activities that would cause or appear to cause a conflict of interest with respect to related party transactions.

| *Gifts and Hospitality*

The Avangrid Gifts and Hospitality Rule and Register applies to all employees, contractors, and third-party representatives of Avangrid and is based on expectations articulated in the Code. For gifts and hospitality disclosures and questions, the Compliance Unit works with employees to provide guidance that is consistent with the Code.

| *2024: Non field-based contractor access to Avangrid IT systems*

In 2024, Avangrid, in conjunction with other parts of the Iberdrola Group, undertook an analysis of external/contractors' access to Avangrid's IT systems. The purpose was to identify compliance



risks related to contractors' access, assess and characterize the degree of these risks, and identify existing controls.



06.

Separation of Activities



6. Separation of activities

Separation of Activities compliance concerns affiliate transactions and information sharing, in compliance with Federal Energy Regulatory Commission ("FERC") regulations, and is considered a high-priority field of regulatory compliance in the energy industry. The Avangrid Audit Committee ("AC") Charter delegates to the AC oversight for aspects of separation of activities compliance. Accordingly, the AC periodically reviews information related to the FERC Compliance Program and Separation of Activities provided by the Chief Compliance Officer.

The governing authorities of Avangrid's Networks, and Renewables subsidiaries have adopted the Avangrid Governance and Sustainability System and appointed their own chief compliance officers reporting to the governing authority. The subsidiaries they maintain responsibility for, and oversight of, their respective companies' FERC compliance programs.

Avangrid's chief compliance officers prepare a compliance report concerning the companies' efforts relating to FERC, including Separation of Activities compliance. A consolidated summary report on the Separation of Activities is published under the Corporate Governance section of Avangrid's website.

Based on the overall activities reflected in the 2024 annual report, the Avangrid Chief Compliance Officer, supported by confirmation from the Avangrid Renewables Deregulated and Wholesale Energy Markets Chief compliance Officer and the Avangrid Networks Chief FERC Compliance Officer, confirmed to the Avangrid Board that the respective subsidiary FERC Compliance Programs have implemented controls, policies, and procedures designed to ensure material compliance with the legal and regulatory requirements for such programs.



07. Training



7. Training

7.1. Code of Business Conduct and Ethics training

During 2024, the Company's annual employee Code of Business Conduct and Ethics training (the "Code Training") was launched. The training reinforces the expectations and requirements for working in a corporate culture that prioritizes ethical behavior and compliance with the Code, applicable laws, and regulations. All employees are required to complete the training, excluding certain employees unable to take the training due to reasons such as disability, medical leave, or retirement.

In 2024, Avangrid partnered with an external training development firm to continue to innovate and strengthen the annual Code training. The following were notable features:

- Ethics and compliance-related stories and quotes from nearly 70 mid-level and senior leaders to establish ethical conduct as a norm throughout Avangrid and its subsidiaries;
- New material explaining the process of compliance investigations and what to expect after making a report;
- Additions to the people manager module to provide more instruction around non-retaliation, in support of Avangrid's zero-tolerance policy against retaliation. The new material includes several interactive, scenario-based, quiz questions;
- Enhanced overall user experience by improving the training's usability and accessibility, and incorporating elements including a training progress indicator, animated introductions to each module, subtitling, help menu, and a print version;
- Other new videos, storyboards, and animations to improve employee engagement, including video messages by the Company's chief executive officer and the Company's chief compliance officer; and
- Specific ethics and compliance examples from the Energy industry and from within the Company.

7.2. Additional Compliance-related trainings

The 2024 Code training was supplemented by other compliance-related training programs concerning key aspects of the Company's operations. Some are administered by departments other than the Company's Compliance Units. Key topics in which certain groups of managers and employees received training included:

- Affiliate transaction and information sharing restrictions;
- Anti-corruption and bribery (FCPA);
- Antitrust and competition;
- Diversity, equity, and inclusion;



- Energy anti-market manipulation;
- Environmental compliance;
- Ethics culture and the importance of reporting concerns;
- FERC Standards of Conduct;
- Gas Safety;
- Harassment and Discrimination;
- Health & Safety;
- Inclusion at Work;
- NERC and Cyber Security;
- Trade sanctions (OFAC);
- Sustainability; and
- Vendor and third-party risk management.

7.3. Leading with Integrity

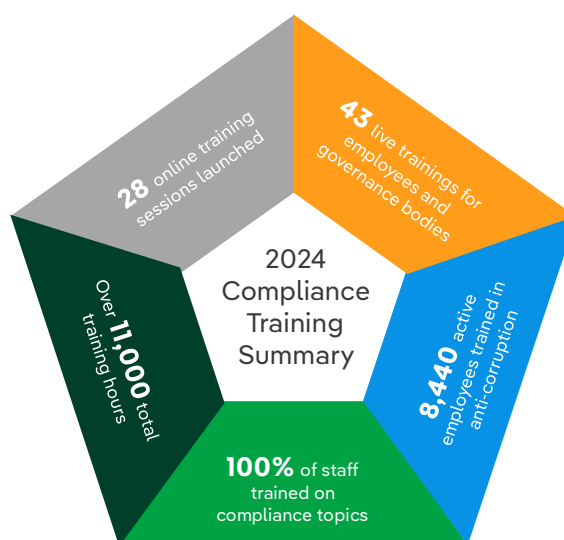
Each year, the Company's Compliance Units and the People & Organization department partner in delivering a live ethics training program for new managers, developed in house, called "Leading with Integrity." Leading with Integrity, held remotely in a group setting, focuses on the values and behaviors expected of people managers, to advance their development as effective ethical leaders. In 2023, Compliance began to spotlight senior leaders by inviting them to discuss their views of the importance of ethics during the training and has continued this practice throughout 2024. Leading with Integrity training is provided annually to about 25% of all people managers, in groups of about 15 participants. During 2024, approximately 140 managers participated in Leading with Integrity training workshops.

About 140 new people managers
participated in Leading with Integrity

In addition to Leading with Integrity Training, all new people managers were assigned a newly developed online leadership course. The online training is part of the Leadership Essentials curriculum. It provides instruction on, and access to, fundamental Compliance System resources and activities, including guidance on how to address employee concerns, review and approve transactions, communicate standards, and spot red flags.



Summary of Compliance Training Initiatives





08.

Communications



8. Communications

The Compliance Units, together with Avangrid's Corporate Communications Group, continue to collaborate each year to ensure employees receive regular communications providing guidance and raising awareness of common ethics and compliance issues which employees face in the workplace. Managers and Ethics Liaisons² also receive regular communications on resources available to them for promoting an ethical work environment and Speak Up Culture.

The Compliance Unit develops an annual communications plan (the "Communications Plan") to pursue and achieve these goals. One feature of the Communications Plan is to schedule communications to address topics at times of the year when they are most relevant, e.g., all-employee training awareness emails prior to the launch of the annual Code and Our Regulated Industry Trainings, communications regarding politics in the office prior to November elections, and reminders about the Company's Gifts and Hospitality Rule and Register, before the holiday season.

Another aspect of the Communications Plan, building on practices established in recent years, is to use electronic media to take advantage of enterprise social media platforms, direct e-mail communications from leadership, cascaded messaging, the employee online portal (intranet), video conferencing, digital signage, and other forms of employee-directed communications. The 2024 Communications Plan also included guidance disseminated by newsletter and e-mail.

Another annual goal of the Communications Plan is to promote across the Company awareness of Global Ethics Day. During 2024, the Compliance Unit and the Subsidiary Compliance Units hosted at larger Avangrid locations an event to promote ethics awareness and living Avangrid's company values: collaboration, agility, and sustainability. Avangrid's network of ethics liaisons participated in promoting and hosting local Global Ethics Day events, contributing to broad outreach and messaging throughout the Company.

Also in 2024, the Compliance Unit hosted, and the ethics liaisons helped organize, a 10-site environmental compliance roadshow event. The Compliance Unit partnered with Avangrid's Sustainability, Remediation, and EHS team to highlight Avangrid's efforts to remediate legacy environmental issues, the importance of mitigating impact to the environment currently, and the significance to both sustainability and compliance of speaking up about concerns.

The Compliance Unit continues to adjust communication approaches to keep compliance messaging both fresh and engaging. For example, a column called "Ask the Ethicist" adopted in recent years, uses a conversational Q&A format between fictional employees and a fictional professional ethicist, based on prior examples of ethics guidance provided to employees. A sample of topics addressed in Avangrid's 2024 *Ask the Ethicist* series included:

² Ethics Liaisons are employee ambassadors for ethics and compliance. The Ethics Liaison Program is considered a best practice for compliance programs. Ethics Liaisons assist with Compliance communications, serve as local business champions for ethics issues and culture, and host compliance events for local employees.



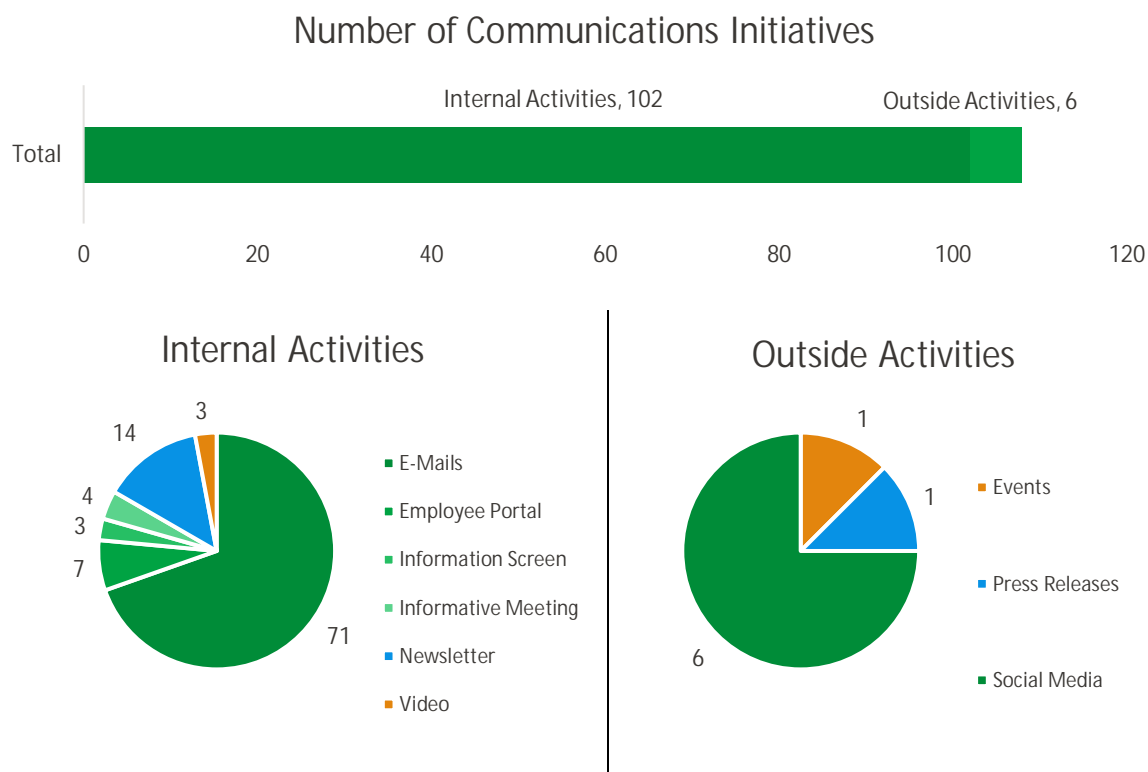
- Conflicts of interest;
- Avangrid's speak up culture;
- Gifts and hospitality; and,
- Outside business activities (*i.e.*, work outside of Avangrid).

The Compliance Units also introduced a series of articles which provided more fundamental ethics rules to an increasing number of new employees.

Throughout 2024, the Compliance Units continued to enhance communications practices, using initiatives focused on employee awareness of compliance and ethics issues, such as Helpline posters and digital signage displayed throughout the Company's facilities. In addition, with the assistance of P&O, a personal message from the chief compliance officer is distributed with a copy of the Code to new employees and new managers who join the Company and who are promoted internally.

In 2024, Avangrid's Compliance Units increased the number of communications from senior leaders included within Avangrid's annual Code Training as detailed previously.

Number of Communication Initiatives





09. Internal Reporting System



9. Internal Reporting System

Avangrid has an open-door policy to encourage employees to raise their ethics and compliance concerns. Avangrid strictly prohibits retaliation against employees who report ethics and compliance concerns in good faith.

Supporting its open-door and anti-retaliation policies, Avangrid provides 24/7 access to a reporting service (the “Helpline”) administered by a third-party provider. The Helpline is available to employees, contractors, consultants, suppliers, and the public, and is used both to seek guidance on ethics and compliance-related matters, and to report situations that may require investigation. The Helpline allows callers and online Helpline users to anonymously report their concerns and seek guidance. To drive continuous improvement, Compliance provides Helpline reporters with a post-investigation survey to report retaliation and provide feedback on the effectiveness of the Helpline process. It also tracks the data and follows up on issues raised through survey responses.

Throughout 2024, Avangrid’s Compliance Units continued their efforts with other departments, for example, with Corporate Security, to integrate reporting and leverage data to identify and mitigate ethics and compliance-related risks raised both through the Helpline and other reporting channels.

Avangrid’s Compliance Division continually track Helpline data and report analyses and insights to the Compliance Unit and, during 2024, to the Governance and Sustainability Committee of the Board. The following points summarize ethics and compliance reports made directly or indirectly to compliance staff during 2024, including those made using the Helpline.

- In 2024, the Company’s Compliance Units received a total of 86 compliance-related reports. The compliance-related claims were screened and investigated, resulting in corrective actions when allegations were substantiated and corrective action was appropriate. Corrective actions included, among other measures employee discipline and/or process and control improvements. See Figure 10.1.
- The Company’s Compliance Units received 136 additional communications reporting suspected ethics and compliance violations that were found not to be compliance-or ethics-related. In such cases, matters were referred to the appropriate business area for resolution.
- The Compliance Units received 205 inquiries seeking ethics and compliance guidance. The number of inquiries has remained consistent with prior years and illustrates employee engagement at all levels in seeking out guidance to adhere to the Code. The Company continues to encourage its employees to seek ethical guidance. See Figure 10.2.
- Benchmarking analysis suggests that subject areas for reported concerns were typical of those received by other companies in the United States using helpline reporting services. The most common categories of allegations were related to (i) human resources, diversity, and workplace respect; (ii) business integrity; and (iii) concerns related to misuse or



misappropriation of corporate assets. The overall number, substantiation, and types of reports remain consistent with past experience and industry benchmarking. Figure 10.1 provides a representative graphic.

- During 2024, statistics, trends, and other matters of interest were reviewed regularly with the Company's executive leadership and the Governance and Sustainability Committee. Topics addressed during Governance and Sustainability Committee meetings included:
 - | Status report regarding the annual Compliance plan
 - | Notable program updates, amendments, and quarterly initiatives
 - | Compliance activity highlights

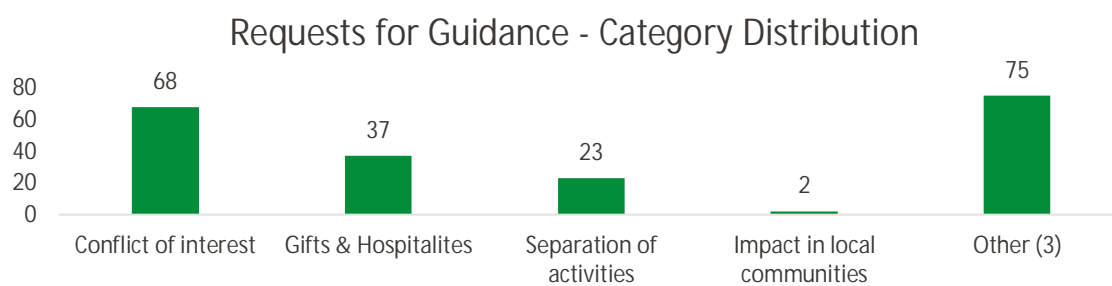
- Figure 10.1

Evolution of Compliance-Related Reports





• Figure 10.2



³ Other includes guidance categories such as hiring and selection, implementation of internal regulations, and health and safety.



10. Monitoring and Review



10. Monitoring and Review

10.1. Internal Audit

Core elements of Avangrid's Corporate Compliance System are subject to periodic audits and certifications, with certain functions acting as key controls for the company. In 2024, the Compliance's Internal Reporting System was audited to ensure controls were implemented for accurate reporting of key non-financial indicators in Avangrid's annual Sustainability Report. These indicators relate to the reporting of instances of corruption, fraud, and discrimination. There were no findings, but Compliance Unit implemented additional record reviews to further ensure the accuracy of reported figures.

10.2. External reviews

| *Compliance Leader Verification*

As discussed below, Avangrid has held the Compliance Leader Verification, issued by the Ethisphere Institute, a global thought leader in defining and advancing standards for ethical business practices, since 2019. In 2024, the Company re-applied and underwent a process of evaluation with Ethisphere during the course of the year. In December 2024, following the conclusion of their assessment, Ethisphere awarded Avangrid the Compliance Leader Verification certification, applicable for the next two years.



11. Program Assessments and Recognitions



11. Program Assessments and Recognitions

A hallmark of Avangrid's Compliance System has been a focus on continuous improvement, for which Avangrid has earned consistent recognition:

11.1. World's Most Ethical Companies List

In 2024, Avangrid was recognized as one of the World's Most Ethical Companies for the sixth consecutive year by the Ethisphere Institute. Ethisphere's 2024 ranking of the World's Most Ethical Companies shows that Avangrid is one of only eight honorees globally in the Energy and Utilities sector in 2024. A total of 136 honorees were recognized spanning 20 countries and 44 industries.

11.2. Compliance Leader Verification

As noted above, Avangrid earned the Compliance Leader Verification ("CLV") from the Ethisphere Institute for 2025-2026. This is Avangrid's fourth two-year CLV program certification, which the Company has maintained since 2019.

The CLV process involves a rigorous review of an ethics and compliance program and corporate culture. Avangrid's performance was evaluated on six key areas: program resources and structure; perceptions of ethical culture; written standards; training and communication; risk assessment, monitoring and auditing; and enforcement, discipline, and incentives.

Additionally, with the support of Ethisphere, Avangrid conducts a biennial Ethical Culture survey to assess employee perceptions across eight pillars of an ethical culture.

11.3. JUST Capital JUST 100

In 2024, Avangrid was recognized for the fourth consecutive year as one of America's most just companies by JUST Capital and its media partner, CNBC. The list of most just companies recognizes America's best corporate citizens in creating a positive workplace, supporting communities, and protecting the environment. In 2024, Avangrid earned the top rank among utilities (up from second place in 2023) and improved its overall ranking to 12th (up from 45th in 2023). Avangrid earned leading scores on key issues, including human rights, community development, ethical leadership, customer treatment, transparent communication, beneficial products, climate change, workforce advancement, and sustainable materials.



12. Enhancing Ethical Culture



12. Enhancing Ethical Culture

Avangrid's Compliance System is focused on continually enhancing ethical culture at Avangrid. Ethical culture is evaluated in significant part through ethics culture surveys. Every two years, Avangrid undertakes an **ethics culture survey** with its employees. Ninety-five percent of employees participated in a prior 2022 Survey and the results remained favorable from the previous survey, with Avangrid's ethical culture meeting or exceeding a number of external benchmarks.

After employees complete the ethics culture survey, the Company's Compliance Division staff analyze the results and communicated its insights to Company management and employees to use in improving employee training, management, and communication initiatives. The Compliance Division communicated the 2022 Survey results to employees via the Company's internal newsletter and disseminated them to business area leaders throughout Avangrid to consider and drive actions to address ethical culture opportunities in their departments.

In 2024, the Company undertook two ethics culture surveys, one in global coordination with Iberdrola, and another to further focus on local demographic variables. The results of the local 2024 survey will be assessed and presented in 2025. It is expected that, similar to prior years, the Compliance Unit will work with the respective business areas to develop action plans that support continuing to build on the current strong ethical culture.

In addition to company surveys for assessing ethical culture, Avangrid has a network of **ethics liaisons** to promote ethical culture. Ethics Liaisons serve as local ambassadors to guide employees to appropriate compliance resources. Most employees work at a location with an ethics liaison, and the liaisons represent a diverse range of functional departments, training, and skills. In 2024, the Compliance Units onboarded and trained eleven total ethics liaisons throughout Avangrid's locations. The 2024 activities included training for liaisons, communications to employees regarding their liaisons, and hosting local events: a live ethics and compliance roadshow with Environmental Health & Safety and other groups to promote Avangrid's speak up culture and a Global Ethics Day event to promote ethics awareness and the Company's values.

This concludes the 2024 Avangrid Compliance System Transparency Report.

