

Investing in **A CLEAN ENERGY FUTURE** *for all*

2022 SUSTAINABILITY REPORT



AVANGRID

A Member of
The **IBERDROLA** Group

A man with a beard and dreadlocks, wearing an orange and black plaid shirt, is smiling and carrying a young girl on his shoulders. The girl is wearing a white shirt and white sneakers with green accents. They are standing in front of a large wind turbine. In the background, there are rolling green hills and a blue sky with white clouds. The text is positioned in the upper right corner of the image.

At AVANGRID, our focus
on creating a clean
energy future for all
is core to every decision
We make.

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A clean
energy future
for all

INTRODUCTION

A Message from AVANGRID CEO
Pedro Azagra

Iberdrola Group and AVANGRID –
Leading the Way in ESG
and Climate Action

Expanding Our ESG Goals
to Create Long-term,
Positive Impacts

A Recognized Leader in
Sustainability and Social Impact

Investing in a clean energy future *for all*

In this report, we look back at our efforts in 2022 to lead the way toward a clean energy future and create positive change in the communities we serve.

These efforts include:

- Expanding the generation of clean, renewable power while continuously upgrading our network to help ensure the safe, reliable and affordable delivery of clean energy to our customers.
- Acting as stewards of the natural environment by protecting and enhancing ecosystems as we grow our network and renewable energy operations.

- Creating impactful jobs for people to participate and contribute to a clean energy future. Today, approximately 70,000 jobs rely on our activities and investments in the U.S., which contribute an estimated \$10 billion to U.S. GDP.*
- Working in partnership with our communities to advance equity through education, affordable housing, workforce development, an inclusive work environment and more.

We are bringing these commitments to life with projects like Vineyard Wind 1, the first offshore, large-scale wind power facility in the U.S. As we build Vineyard Wind 1, we're delivering local economic benefits and workforce opportunities through collaboration with community organizations and universities. We're also partnering with researchers from local universities to ensure that, as we build this first-of-its-kind facility in the country, we protect the biodiversity of the surrounding marine environment.

We're proud of the recognition we've received for our efforts such as inclusion on **JUST Capital's Top 100 Workforce Mobility and Equity ranking** and membership in the **Bloomberg Gender-Equality Index**, we see this as validation of our commitment to be both a profitable company and a force for creating a more equitable and sustainable energy future.

In the following pages we share how we're bringing these sustainability commitments to life, including:

- **Our environmental objectives** – from stepping up our commitments to reduce emissions and minimizing our impact on the environment, to increasing our network's resiliency against extreme weather events and building the first large-scale offshore wind facility in the U.S.
- **Our social impact efforts** – from helping our communities recover from the impacts of a global pandemic to elevating the impact of our employees in volunteerism and giving.
- **Our governance commitments** – from our ongoing efforts to implement best practices in compliance and governance verified by third parties to our green financing framework.
- **Our financial outcomes** – and how, by working toward our goals and objectives, we are also creating positive economic impacts for our investors and our communities.

* Jobs and GDP Impact include direct, indirect and induced impacts of AVANGRID's investments and operations in the United States, including New York, Connecticut, Maine and Massachusetts based on an analysis by PricewaterhouseCoopers.



A Message from AVANGRID CEO Pedro Azagra

Energy is vitally important to the world in which we live – it powers our cities and communities, businesses, homes and everyday lives.

The events of the last two years, including a global energy crisis, supply chain disruptions and other impacts from the pandemic, demonstrate the need for energy to be clean, accessible and locally sourced. These events also reaffirm the need to accelerate the decarbonization of our energy model through the electrification of our economies.

The current context is proving the success of our vision. As AVANGRID's CEO, I'm proud to share how our company is leading the way in the transformation to a clean, renewable energy future while building on our commitments to people and our planet.

As we look back on 2022, we are encouraged to see U.S. energy policy becoming more aligned with our strategy and vision. For example, historic federal legislation focused on infrastructure promises to generate a wave of investment in the grid and in a wide range of clean energy technologies. AVANGRID is at the leading edge of this work, with efforts already underway to pioneer the U.S. offshore wind industry, participate in a green hydrogen economy, and modernize our networks to bring more renewable energy online and to safely and efficiently distribute this power to our customers.



I'm proud to share how our company is leading the way in the transformation to a clean, renewable energy future while building on our commitments to people and our planet."

Today, we serve the energy needs of over seven million people in the Northeast, operate across 24 states and have built 8.7 gigawatts of renewable energy capacity. Whether we are generating clean, renewable energy from the sun and wind, creating a smarter, more reliable and resilient grid, or building the first large-scale offshore wind facility in the U.S., everything we do as a company is focused on creating a more sustainable, equitable future.

This includes efforts to engage our more than 7,500 employees in creating a clean energy economy and an inclusive workplace for all. Today, for example, 35% of our executive leaders are women (compared to 28% just a year ago) and 20% are people of color (compared to 17% a year ago). We consider this a good start, but as you'll see in the pages of this report, we are continually working to create a more diverse and inclusive workforce.

Furthermore, we are firmly committed to the communities we serve, and we invest in their vibrancy, vitality and continued prosperity. Our investments support approximately 70,000 U.S. jobs and contribute an estimated \$10 billion to the country's GDP. Our purchases, which totaled nearly \$3.4 billion in 2022, promote economic growth and stability for thousands of local companies. Looking to the future,

we are targeting to spend at least \$300 million annually with diverse suppliers by 2025. We're also focused on expanding the positive impacts we make in our communities through our corporate giving, through the Avangrid Foundation and by increasing the impact our employees make when they volunteer and give.

At AVANGRID, we are committed to comprehensive action on all aspects of sustainability, demonstrated through our pledge to achieve carbon neutrality in Scopes 1 and 2 emissions by 2030, our strong Diversity, Equity and Inclusion commitments, our focus on uplifting our communities and preserving biodiversity, and more. Some might describe these goals as ambitious. I, however, see them both realistic and necessary if we are to truly create a more just, sustainable future. The sooner we can accomplish this, the better.

I hope that after reading this report you'll agree, and I'm grateful for the opportunity to lead such a dynamic and committed organization as we strive for a better future for all.



Pedro Azagra | CEO

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Iberdrola Group and AVANGRID – Leading the Way in ESG and Climate Action

Our work is rooted in a commitment to take action to address climate change, to focus on our communities, employees and customers and to hold ourselves to the highest ethical and governance standards. We share these values with the Iberdrola Group, a global energy leader and our controlling shareholder.

For over two decades, the Iberdrola Group has been leading the transition to clean energy and combating climate change while offering a sustainable and competitive business model that creates value for society. This commitment, which informs our own climate action strategy, was crystallized when Iberdrola presented the most ambitious climate action plan of any energy company during COP27 (the United Nations' 27th annual climate change conference).

At COP27, Iberdrola shared their long-term vision for the development of renewable energy, which includes two key goals: 1) achieving emissions neutrality across the company's power generation plants and operations by 2030 and 2) reaching zero net emissions by 2040. In addition, Iberdrola has developed a Biodiversity Plan with the goal of achieving a net positive impact on the ecosystems where it operates by 2030. This Biodiversity Plan was presented at the World Biodiversity Summit in Canada in 2022. Our efforts at AVANGRID regarding carbon neutrality and the protection and enhancement of biodiversity are informed by Iberdrola's commitments, as illustrated throughout this report.

As we work toward these and other ESG commitments, we also strive to provide the best service to our customers, and today more than seven million people who heat their homes, turn on their lights and use electricity in increasingly efficient and innovative ways rely on AVANGRID. The success of our operations allows us to fund the expansion of access to clean, renewable energy; to increase the security, reliability and efficiency of our energy networks; and to grow our commitment to help conserve and enhance our natural environment while addressing the needs of our customers and communities.

We seek to drive continuous improvement and further enhance our operational effectiveness, which in turn will enable us to improve efficiency, deliver on our sustainability commitments and create long-term value.








Everything we do – from serving our customers and communities, to creating a destination for talented, deeply dedicated employees, to building a clean energy future – reflects our commitment to this mission. We look forward to sharing how we're bringing this commitment to life in the pages of this report.



At AVANGRID, our focus on sustainability is core to every decision we make, and our business is guided and strengthened by our Environmental, Social, Governance and Financial (ESG+F) 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

Our ESG Goal Scorecard – 2022 Results and 2025/2030 Goals

GOALS	METRICS	YEAR GOAL ACHIEVED	2021 ACTUALS	2022 ACTUALS	2025 GOAL	2030 GOAL	SDG ALIGNMENT
ENVIRONMENTAL							
Net Zero Strategy	Scopes 1 and 2 carbon neutral by 2030	2030		Net Zero Strategy Implementation			
Emissions intensity associated with generation	gCO ₂ /kWh	2030	58	46	42	18	
	(% reduction from 2015)		-9%	-28%	-35%	-70%	
Emissions-free installed capacity	GW	2025	8.3	8.7	10.1	16.9	
	% growth from 2015		43%	49%	74%	190%	
Green hydrogen	Installed capacity (kton)	2030		0	0	48	
Storage capacity	Installed storage (MWh)	2030		0	220	1,050	
Network EV charging points	Installed chargers (ks)	2030	0.2	0.53	3	15	
Sustainable light-vehicle fleet	% of light-vehicle fleet	2030	5%	6%	30%	100%	
Renewable electricity in corporate buildings	% of electricity consumption	2030	5%	5%	25%	100%	
SOCIAL							
Women in executive positions	% women in executive positions	2025	28%	35%	35%		
Women in senior leader positions (Paradigm for Parity)	% women in senior positions	2030	29%	30%	40%	50%	
Third-party pay equity analysis performed and actioned annually	Third-party pay equity analysis	Maintain	✓	✓	✓	✓	
Accident rate (employees)	TRIR	2030	2.36	2.64	1.85	1.61	
Employees under ISO45001 certification	% employees	Maintain	98%	98%	98%	98%	
Employee training	Hours per employee/year	2025	36	42.5	40	40	
Cybersecurity training	Number of hours (ks)	2030	27.9	29.2	28.6	29.3	
Corporate volunteering	# hours	2025	3,100	10,464	35,000		
Purchases from diverse suppliers	\$M in diverse suppliers	2025	\$174	\$195	\$300		
GOVERNANCE AND FINANCIAL							
Maintain governance and sustainability system with best governance practices	Third-party independent assessment	Maintain	✓	✓	✓	✓	
Maintain an effective compliance program utilizing industry best practices	U.S. best practices – Third-party verification	Maintain	✓	✓	✓	✓	
Sustainable finance	% debt associated with sustainable KPIs	2025	55%	55%	65%		

Expanding Our ESG Goals to Create Long-Term, Positive Impacts

As one of the nation's cleanest utilities, we have a long history of sustainable business practices built around our robust environmental, social and governance goals. We also recognize that to make a lasting impact, we must consistently deliver strong and sustainable financial returns, which is why we've included F (for Financial) in our ESG+F framework. We work diligently to ensure that our environmental, social and governance commitments also contribute to our financial success.

In September 2022, we announced new and expanded ESG+F goals to reflect the breadth of our commitment to sustainability. We added eight new goals that include commitments to implement new emission-reducing technologies, improve employee safety, strengthen cybersecurity, and maintain our best-in-class compliance and governance practices. Our most aggressive new commitment is to speed up our targets to reach carbon neutrality in both our Scopes 1 and 2 emissions by 2030 – five years faster than our prior commitment, which focused solely on our Scope 1 emissions.

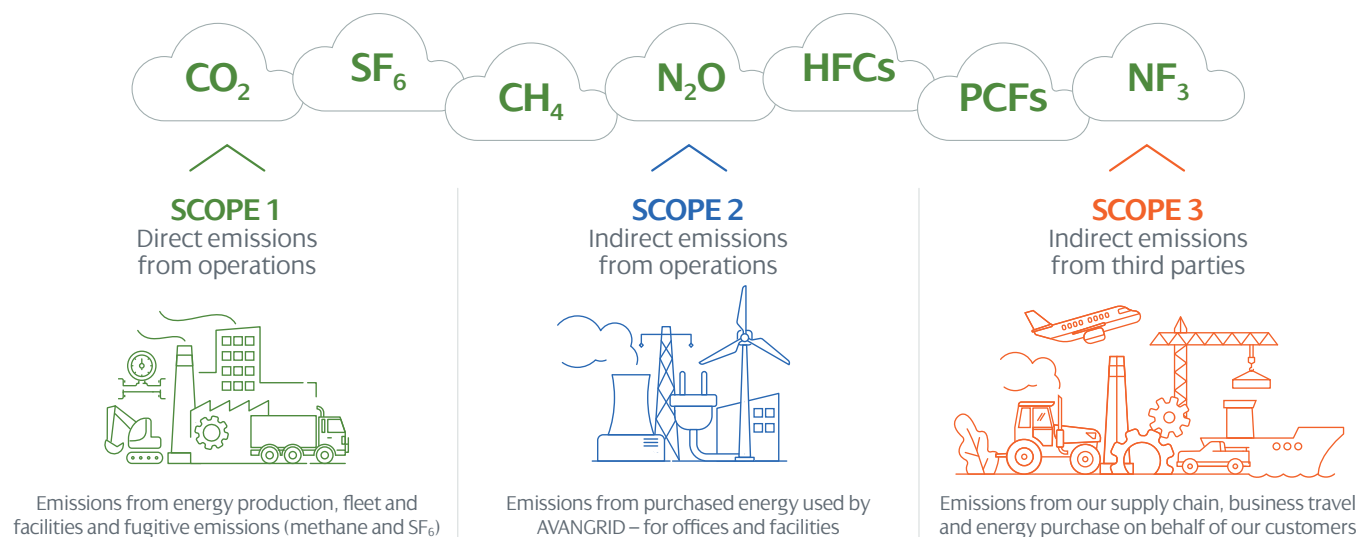
Our industry-leading ESG+F commitments reflect our vision of the best path forward to create positive environmental and social change within a strong governance framework. As these challenges are always evolving, we will continue to review, change and expand our ESG+F goals to work as effectively as possible.



CARBON AND ENVIRONMENTAL GOALS

AVANGRID's business model and our existing footprint of businesses and assets are helping us address the growing need for clean energy and green electrification. We are working to meet this demand while aggressively moving forward with our decarbonization objectives. Specific goals relevant to these commitments include:

- Reaching carbon neutrality for our Scopes 1 and 2 emissions by 2030. This commitment is aligned with Iberdrola's emissions goals, which have been certified by the Science-Based Targets Initiative (SBTi).
- Increasing emissions-free installed capacity by 190% by 2030 versus 2015, supported by an investment of \$4.3 billion in our renewables business through 2025. In addition, we have made commitments to implement new technology solutions such as green hydrogen and storage (Scope 1).
- Decreasing greenhouse gas emissions intensity from energy generation sources by 35% by 2025 and 70% by 2030 versus 2015 (Scope 1).
- Greening our physical footprint by sourcing 100% renewable energy in our corporate buildings by 2030 (Scope 2).
- Converting 100% of our light duty vehicles to cleaner energy by 2030 (Scope 1).
- Continuing development of plans to reduce emissions associated with our single thermal facility (the Klamath Falls, Oregon, gas cogeneration and peaking units). As part of this process, we are exploring technologies and other options to reduce emissions while using this highly efficient unit for managing our growing renewables fleet (Scope 1).
- Accelerating our gas pipeline replacement investments and innovative leak detection and prevention programs to reach 100% leak-prone pipe replacement (Scope 1).
- Committing to invest \$167 million in our distribution networks for electric vehicle (EV) charging to enable the installation of more than 15,000 chargers for light, medium and heavy-duty vehicles, including buses, across our grid by 2030.



IMPACT AT A GLANCE

190%

GROWTH IN RENEWABLE
INSTALLED CAPACITY BY 2030

>15,000

INSTALLATION OF ELECTRIC
VEHICLES ENABLED BY
NETWORK INVESTMENTS

7 YEARS

TO ACHIEVE SCOPES 1 AND
2 CARBON NEUTRALITY

\$21.5 B

IN INVESTMENTS
THROUGH 2025

IMPACT AT A GLANCE

40%

REDUCTION IN OUR
ACCIDENT RATES BY 2030

35,000

VOLUNTEER HOURS
PER YEAR BY 2025

50%

GENDER EQUITY FOR SENIOR
LEADERSHIP BY 2030

\$300 M

IN DIVERSE SUPPLIER
SPEND IN 2025

SOCIAL IMPACT GOALS

At AVANGRID, we work to build a strong ethics-driven, continuous improvement culture that builds on our purpose and values within our company and in the communities we serve. Our focus on this work includes:

- Signing on to the Paradigm for Parity, a coalition of corporate leaders committed to addressing the corporate leadership gender gap.
 - Members of Paradigm for Parity are working to significantly increase the number of women in “senior operating roles” – for us, that’s directors and above. Our aspirational near-term goal is to have 50% of these positions filled by women by 2030. To make progress, we are maintaining our focus on succession planning, mentoring and career development opportunities.
- Continue to engage a third-party to conduct an annual pay equity analysis.
- Expanding new goals focused on the health and safety of our workforce by targeting a 40% reduction in our accident rate by 2030.
- Advancing our training goals for all employees in areas like leadership, safety, and unconscious bias, as well as cybersecurity.
- Creating community at AVANGRID by providing employees with avenues to build connections both inside and outside the organization, by leveraging our network of Business Resource Groups and engaging in volunteer efforts.
- Setting a goal of 35,000 employee volunteer hours per year in 2025.

- Continuing to invest in strategic partnerships with organizations working to advance diversity in the workplace.
- Launching a supplier diversity program with the goal of increasing our annual spend with diverse suppliers to \$300 million in 2025 (as part of our effort to broaden our reach and economic development opportunity we can help create in our communities).

GOVERNANCE GOALS

We recognize that our company’s success is a direct result of our commitment to the highest ethical and governance standards. Our governance goals include:

- Striving for continuous improvement across our governance and compliance areas to ensure we are using best practices.
- Engaging an independent, third-party organization to annually assess our governance practices and the operations of our board and its committees.
- Ensuring the highest ethical standards through the AVANGRID Compliance Program, which has received the prestigious Compliance Leader Verification certification (given to companies with best-in-industry compliance programs). We have received this certification since 2019 and are committed to maintaining it in the future.
- Achieving a position as a leader in sustainable finance in the U.S. We believe that sustainable finance plays a critical role in expanding our ability to provide affordable, clean energy while taking substantive action to reduce climate risks. Looking ahead, we have set new goals to expand our sustainable finance leadership position, with 65% of our debt associated with sustainable criteria by 2025.

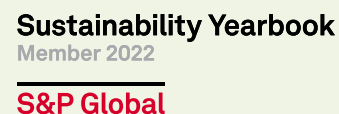
A Recognized Leader in Sustainability and Social Impact

AVANGRID demonstrates leadership in all aspects of ESG+F, and we are committed to raising the bar in all areas. Our ESG position is not new; for over six years, we have maintained an emissions intensity that is at least six times lower than the U.S. power sector average, with 91% emissions-free generation capacity.* We continue to expand our carbon neutral commitments with a goal to be Scopes 1 and 2 carbon neutral by 2030, and we're developing a strategy to address our Scope 3 emissions.

As an anchor institution in our communities, we play a critical role in contributing to the social and economic well-being of our communities and ensuring that we provide our customers with access to safe, reliable and affordable service.

We have earned numerous awards and recognitions for our ESG efforts, and we see these not as an indication that our work is done, but instead as an indicator that we are moving in the right direction. Some of these include:

- **Ethisphere's List of the World's Most Ethical Companies** for five consecutive years (in 2023 we were one of only nine honorees in the global Energy and Utility sector).
- **JUST Capital's JUST 100 Companies** (in 2021, 2022 and 2023).
- **JUST Capital's Workforce Equity and Mobility Ranking** (2022).
- **Bloomberg Gender-Equality Index** (2023).
- **S&P Global's Sustainability Yearbook Member** for three consecutive years.
- **FTSE4Good Index Series** for the fifth consecutive year.



* Source: U.S. DOE EIA Electric Power Monthly (March 2022, with data for Dec'21)

THE BUSINESS CASE FOR A CLEAN ENERGY FUTURE

AVANGRID Operations
and Selected Data

Business Highlights

Supporting Our Customers
Through the Clean Energy Transition

Serving Our Communities

Innovating to Address the
Risks of Climate Change

The business case for a clean energy future

AVANGRID's overall success is dependent on our ability to help create a clean energy future for all. We're accomplishing this by investing in our network infrastructure, by increasing our generation of renewable energy and by innovating across all our operations to create positive outcomes for our customers, our communities, the natural environment and our shareholders. This approach is central to our ESG+F framework.

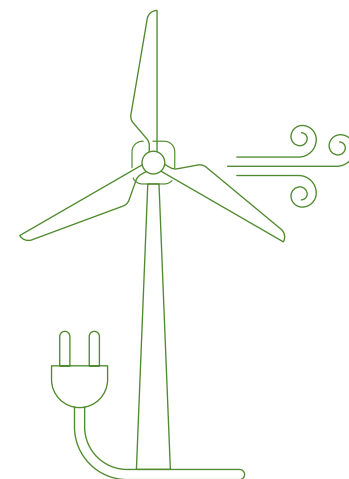
In 2022, we invested \$1.9 billion to build smarter, more resilient networks that will enable us to deliver clean energy to more customers. We continued to expand access to EV charging across our networks by building distribution infrastructure, providing charger installation rebates and offering managed charging programs so customers can easily adopt emission-reducing technology. We also expanded our use of smart meters, which is providing valuable insights into our customers' energy needs.

Across our networks operations, we worked to improve service and reliability for our customers while assisting the states in delivering their clean energy goals. We accomplished this while also responding to power outages caused by extreme weather events that impacted hundreds of thousands of people.

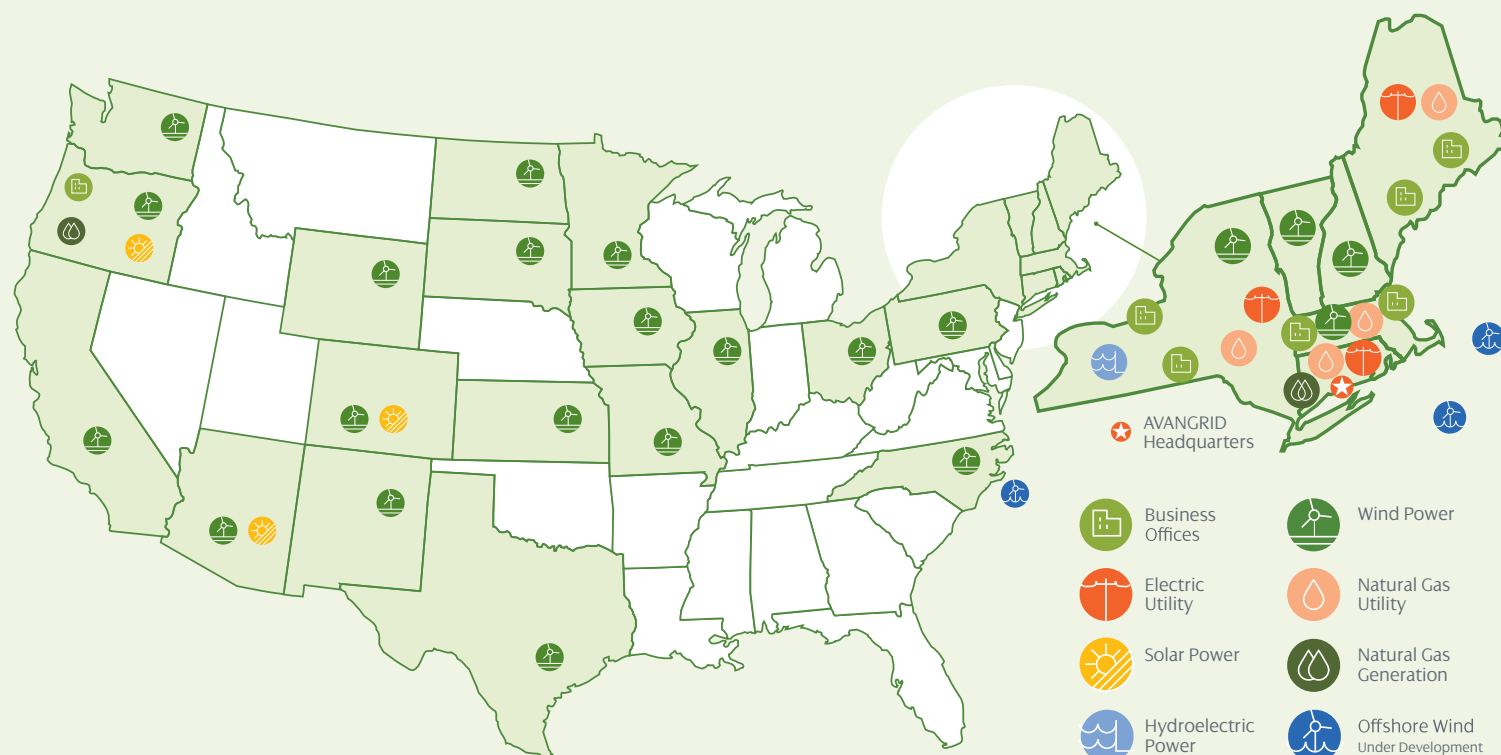
Across our renewable energy operations, we continued to lead the transition to a clean energy future in the face of economic challenges brought on by inflation and ongoing supply chain

issues. This includes major milestones in the construction of Vineyard Wind. In particular, we have largely completed the onshore work needed to connect the project to the grid, and we commenced the installation of the offshore cable. We also continued to expand our onshore renewable energy projects, surpassing our previous record of energy generation as we added nearly 395 MW of new onshore wind and solar (including our largest solar project to date). This brings our total emissions-free installed capacity to 8.7 GW, producing 20,283 GWh of clean electricity nationwide.

Our commitments to a clean energy future are proving successful from a financial perspective as well. In 2022, our net income of \$881 million reflected a 25% increase compared to 2021 and a 52% increase compared to 2020. We're proud of our strong financial performance, and we recognize that it is essential to our ability to help create a clean energy future.



8.7 GW of emissions-free installed capacity, enough to power more than **2.8 million** homes.



8.7 GW
Emissions-Free
Installed
Capacity

91%
Emissions-Free
Capacity

3rd
Largest Onshore
Renewables
Generator in
the U.S.

\$41 B
in Assets

26 GW
Renewables
Pipeline

Selected 2022 Operational Data

3.3 M CUSTOMERS



36,870

ELECTRICITY
DELIVERED (GWh)

199,725,000

NATURAL GAS
DELIVERED (DTh)

9,541

INSTALLED CAPACITY* (MW)

7,500+

EMPLOYEES

22,807

NET ELECTRIC
GENERATION (GWh)

Business Highlights

In 2022, we made significant achievements across our operations – from advances in customer service, to our overall business and financial performance – all with a focus on creating a clean energy future. Some of the ways this work came to life include:

2022 NETWORKS

- \$1.9 billion invested to support smarter and more resilient networks; this includes investments in system improvements to increase resiliency through practices like vegetation management, investments in automation technology to quickly restore service, and strengthening our network to increase reliability for our customers.
- Seven rate cases were filed in Maine, New York, Connecticut, and Massachusetts supporting continued investments that will result in service improvements for our customers.
- Completed more than 29,000 interconnections on our networks representing more than 3.8 GW of Distributed Energy Resources (DER) (such as solar and storage) installed since 2018.
- Started deployment of our AMI – or smart meters – across our New York service areas. In 2022, we held 20 education and outreach events to increase awareness of the program and customer benefits, and nearly half of the AMI network has been deployed.
- Commenced installation of Auto Grid Restoration (AGR) systems to better serve customers across New York. This cutting-edge technology provides real-time information about where and why an outage might be occurring so that we can dispatch crews with the right tools to the right location. Advances like this enabled us to improve reliability across our network operations, resulting in a 10% reduction in customers affected by power outages compared to 2021.
- Recognized by the American Gas Association as a 2022 award recipient for their Leading Indicator Safety Program, demonstrating our focus on proactively addressing safety hazards and implementing effective safety programs.
- Received the Edison Electric Institute Emergency Assistance Awards for our storm response efforts to the New York April 2022 snowstorm and for our mutual aid efforts to support power restoration in Nova Scotia following Hurricane Fiona.



2022 HIGHLIGHTS

6TH

ANNUAL INNOVATION FORUM

806 MW

OF RENEWABLE ENERGY
CAPACITY BY VINEYARD
WIND 1 OFFSHORE UNDER
CONSTRUCTION

~395 MW

INSTALLED WIND AND
SOLAR POWER

INVESTING IN A SMARTER AND CLEANER POWER GRID

To help us build the smart, clean grid of the future, we are developing innovative projects to deliver customer benefits while enabling our clean energy goals. To shine a light on some of our most innovative approaches, we hosted our sixth annual Innovation Forum. There we showcased innovations like our onshore wind “digital twins,” a new development for onshore wind gearboxes to predict wear-and-tear on critical mechanical components and then automatically trigger precautionary maintenance to minimize downtime for renewable power generators.

We also demonstrated how we now tap into images from low-earth satellites to provide high-resolution images of our electrical distribution network. These images enable us to gain better insights for storm response and vegetation management at a lower cost. We are also working with regulatory agencies across several of our service areas to establish some of the lowest-priced delivery rates in the region while continuing to invest in improved reliability and resiliency across our network.

2022 RENEWABLES

- Made significant progress on our 806 MW Park City Wind and 1,232 MW Commonwealth Wind offshore wind projects, moving both projects forward in their permitting processes. This included securing a favorable Draft Environmental Impact Statement from the federal Bureau of Ocean Energy Management and a Host Community Agreements with the Town of Barnstable, Massachusetts, for the Park City Wind project.
- Completed restructuring of the Vineyard Wind joint venture with Copenhagen Infrastructure Partners (CIP) which will enable both AVANGRID and CIP to leverage their strengths and expertise to continue to grow the U.S. offshore wind industry.
- Installed nearly 395 MW of onshore renewable energy capacity, including our Golden Hills Wind facility in Oregon and our Lund Hill Solar facility in Washington State (AVANGRID’s largest solar installation to date).



- Partnered with Sempra Infrastructure to explore the development of U.S.-based green hydrogen and ammonia projects powered by renewable sources. AVANGRID and Sempra Infrastructure will collaborate to identify, evaluate and potentially develop large-scale green hydrogen projects to address the energy and decarbonization needs of both U.S. and international customers.
- Participated in the U.S. Department of Energy's Regional Clean Hydrogen Hubs program. Here, we are involved in seven different hubs that have been encouraged by the DOE to submit main applications: Northeast, Gulf Coast, Pacific Northwest, Southwest, California, Mid-Continent and Midwest. The objective is to build economic projects in a collaborative environment in which collocation and regional clustering can create common infrastructure for clean hydrogen.

In 2022, we continued to build renewable energy facilities across our onshore and offshore operations while addressing unprecedented economic challenges brought on by supply chain challenges, commodity issues and inflation. For example, we took significant steps to advance Vineyard Wind 1 toward commercial operation, including the installation of subsea cables that will deliver power from Vineyard Wind 1 to our customers.

For Commonwealth Wind and Park City Wind we are moving permitting forward while ensuring these projects are economically viable so we can move toward construction. We are also working diligently to find a path to bring our Kitty Hawk offshore wind project to market as well. When complete, this 3.5 GW project will provide enough renewable energy to power more than 700,000 homes in Virginia and North Carolina.

When it comes to our onshore renewable projects, our generation fleet set a new record for being available to generate power over 97% of the time across the entire year. We managed to do all of this while finishing the year with zero severe workplace accidents, as we continued to prioritize the health and safety of our employees and contractors so that each of them could make it back home safely every day.

FINANCE HIGHLIGHTS

- Became the third largest Green, Social & Sustainability bonds issuer in the U.S. and 10th overall* with \$2.9 billion issued (green bonds are bonds issued to fund projects with positive environmental and/or climate benefits and demonstrate the role that debt capital markets can play in financing environmental and social sustainability).
- Continued strong year-over-year earnings growth with a 52% increase in net income compared to 2020, and a 25% increase compared to 2021.



* Source: Bloomberg 2/21/2023.

Supporting Our Customers Through the Clean Energy Transition

As we decarbonize the energy economy, we are also focused on improving our customers' experience while making them a part of the transition to a clean energy future. We're doing this work in the face of new and evolving challenges that impact our customers – from severe weather events, to inflation, to supply chain interruptions.

Despite these challenges, in 2022 we launched and expanded several initiatives focused on improving service for our customers. Many of these utilize digital technologies to help our customers better manage their energy usage while improving how they interact with us; more information on these efforts can be found in Chapter 5 of this report.

In 2022, our customers also faced challenges from extreme weather events, inflation and the lingering effects of the COVID-19 pandemic. The cost of energy is rising, and third-party companies that sell power to our customers are contending with higher costs that affect the rates they charge. While these challenges are not within our control (for example, we don't set the rates customers pay to these supply companies), we work to help customers manage their total costs.



CUSTOMER ADOPTION OF BENEFICIAL ELECTRIFICATION

In 2022, we continued to support customer adoption of beneficial electrification through a range of programs. We provided customers with EV make-ready incentives that supported the installation of more than 500 new publicly available EV chargers. We launched EV-managed charging programs that incentivize customers for charging in a way that minimizes grid impacts. And we launched an energy storage program that incentivizes customers to install batteries at their homes and businesses. We also continued to implement rebate programs that support customer adoption of over 6,000 new heat pumps as an efficient and environmentally friendly heating source.

500+ EV CHARGERS

WERE INSTALLED AND MADE PUBLICLY AVAILABLE THROUGH EV MAKE-READY INCENTIVES

Serving Our Communities

At AVANGRID we recognize our significant role in the communities we serve.

Whether we are providing access to energy through our networks business or building renewable energy facilities (or, in some cases, both), we strive to develop and nurture relationships with impacted stakeholders; these relationships will lead to positive community support and create advocates for our projects and technology. We also seek opportunities to serve our communities through volunteerism and giving, by sponsoring projects that enhance their quality of life and by creating opportunities to expand diversity among our suppliers.

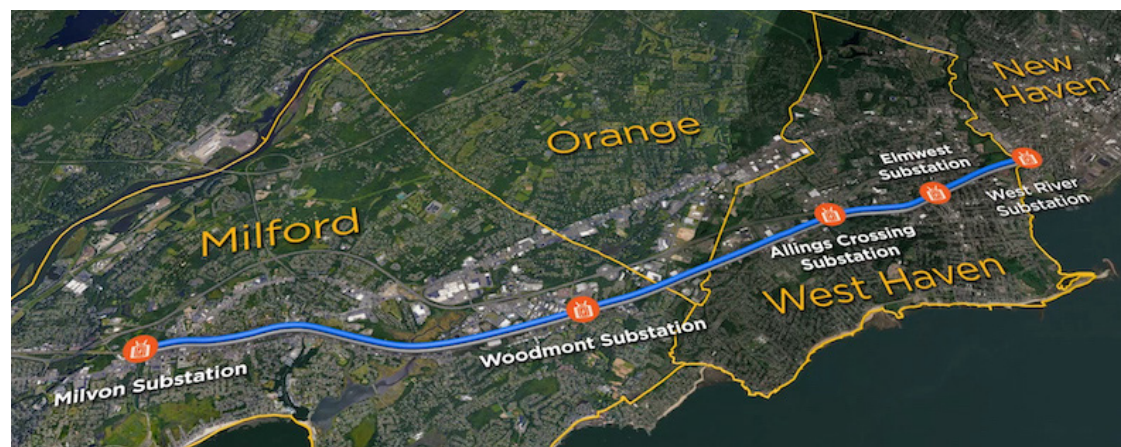
BUILDING RELATIONSHIPS THROUGH PUBLIC OUTREACH

The goal of our outreach efforts for capital projects is to establish, nurture and maintain relationships with stakeholders in our communities by providing them with ongoing, timely and transparent information throughout every phase of a project.

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 also creating easy-to-access resources for them to contact us with any questions or concerns.

Our commitment to inform and engage affected stakeholders is exemplified through our Design with the Community in Mind approach – a public outreach mantra that refers to a

transformative perspective shift where our decision-making is guided through the lens of our customers. In other words, our Public Outreach team works 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.



VIRTUAL FLYOVERS SAVE TIME WHILE IMPROVING THE APPROVAL PROCESS

We embrace new technologies to perform our work with greater ease and accuracy. In 2022, this included creating the Virtual Flyover Video for our Railroad Transmission Line Rebuild Project, which is rebuilding 25 miles of United Illuminating (UI) transmission lines. Typically, a project like this requires time-consuming field visits to substations and transmission towers to receive siting approvals. To create a more efficient process and accommodate COVID restrictions, our Public Outreach team proposed a virtual tour of the project route. The simulation was built using the project's visual renderings and Google Earth technology. It can be zoomed in on for a closer look at terrain, adjacent properties and even pole heights. This time-saving process was a success and has since been duplicated with similar AVANGRID projects.



\$300 M

BY 2025, OUR GOAL IS
TO SPEND AT LEAST
\$300 MILLION WITH OUR
DIVERSE SUPPLIERS

EXPANDING OPPORTUNITIES FOR DIVERSE SUPPLIERS

We see our suppliers as both essential business partners and community members. As we work to create more significant equity across our communities, we are engaging in efforts to support greater diversity among our suppliers. By 2025, our goal is to spend at least \$300 million with diverse suppliers.

To set our suppliers up for success, we invited certain small and medium-sized businesses to attend the **Training Program: Sustainable Suppliers**. This program, developed by the **United Nations Global Compact** (the largest international business sustainability initiative), trains small and medium-sized businesses that supply larger companies about the specifics of business sustainability. This is critical for any supplier who wants to do business with AVANGRID as our Supplier Code of Ethics requires our suppliers to engage in comprehensive sustainable and ethical practices.

Through this training, diverse and smaller businesses can learn how they can implement practices that will make them more sustainable while growing their partnership with AVANGRID.

We are taking steps to reach our Supplier Diversity Goals by raising awareness internally about the importance of supplier diversity through training sessions and other outreach. We are also implementing changes to our purchasing processes with a focus on increasing participation from diverse suppliers.



Innovating to Address the Risks of Climate Change

We are facing an unprecedented moment in history as we look to address the risks posed by climate change. At AVANGRID, we see this as an opportunity to push for a clean energy transformation that will benefit our customers, our communities, our shareholders and the planet. Innovation is an essential component in the collective effort to transition to a clean, sustainable and equitable energy future.

In 2022, we invested more than \$97 million into energy innovation projects (an increase of 7.5% over the previous year). These investments included \$50 million in our networks business and \$32 million in our renewables business, as well as \$15 million in a range of innovative technologies. These investments drive us to improve reliability across our operations, to explore the development of new renewable energy sources like green hydrogen and to increase access to cost-efficient clean-energy technologies for our customers such as heat pumps, EV charging and smart meters. We also shared these innovations with other businesses, colleges and universities, and other organizations to maximize positive impacts.

SHOWCASING THE LATEST DISRUPTIVE TECHNOLOGIES

At the **2022 AVANGRID Digital Summit**, we brought together a diverse array of technology leaders to share new innovations that will advance smart grids and improve the customer experience. Here, technology leaders from organizations like Amazon Web Services, Microsoft, Deloitte, IBM and others shared their newest digital products and services while collaborating on use cases with a focus on areas like smart grids and operations.

Featured technologies included advanced analytics, machine learning, artificial intelligence, robotics and many others. As the host of this summit, we looked for ways that these innovations can help us create a path to a decarbonized, electrified economy and a cleaner energy future.



DIGITAL SUMMIT

THE PATH TO A CLEAN POWER ENERGY GRID

At AVANGRID's sixth annual **Innovation Forum**, we highlighted some of the most innovative ways we are delivering clean energy solutions more reliably. We presented technologies such as our "digital twins" onshore wind gearboxes. These devices predict wear and tear on mechanical components and automatically trigger precautionary maintenance to minimize downtime for renewable power generators.



As AVANGRID helps lead the country's clean energy transition, it is critical we continue to invest in innovation, talent and cutting-edge technology. The path to a cleaner future depends on our ability to modernize and keep evolving. The Digital Summit was just the first step to implementing new technologies that will make AVANGRID the utility of the future."

Carl Young

Chief Information Officer



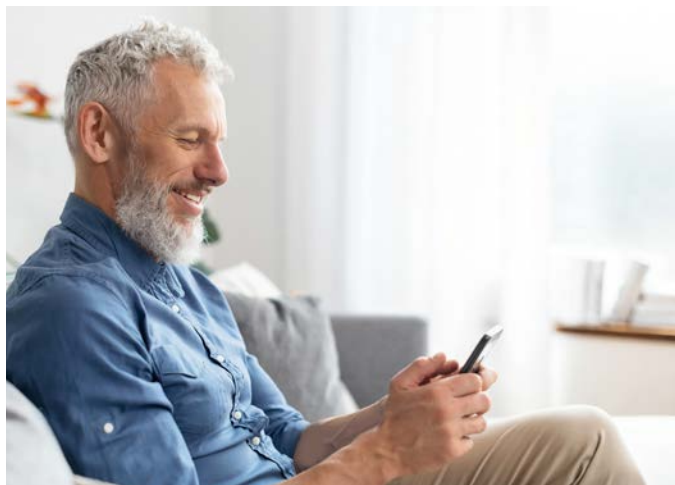
We also demonstrated how we can now use high-resolution satellite images of our electrical distribution network to inform storm response and vegetation management at a lower cost. And we highlighted our growing portfolio of state-of-the-art green hydrogen projects designed to help decarbonize heavy transportation and other energy-intensive industries like fertilizer manufacturing for the agricultural sector.

During the forum, students from Cornell University, University of Connecticut, Harvard University, Massachusetts Institute of Technology, Rochester Institute of Technology and Yale University participated in both the AVANGRID Innovation Challenge and our inaugural Clean Energy Hackathon. Students in both events were paired with AVANGRID subject matter experts to develop solutions to some of the energy sector's biggest challenges. The winning Innovation Challenge team developed a case study that explored the use of quantum computing to positively impact both the utility and renewable energy sectors. Meanwhile, the Hackathon winning team created a data-driven solution to strategically deploy EV charging stations (in just 32 hours of number crunching).

Beyond these events, throughout the year we built strategic partnerships and research and development collaborations with several top universities, technology providers, public organizations and startups to advance innovation. Some examples of these innovations include:

- Initiatives to advance adoption of EVs through rate case proposals for an EV charging hub, curbside charging, and medium and heavy-duty vehicle make-ready programs across New York.

- Support for the Ithaca Electrification Initiative to inform the potential for 100% decarbonization as part of the city's Green New Deal resolution, a government-led commitment to community-wide carbon neutrality by 2030 that focuses on addressing historical inequities, economic inequality and social justice.
- Collaboration with the University of Connecticut on various Department of Energy proposals including Sweet: Solar, Wind and Energy Storage Ingestion – an innovative approach for existing renewable generation to provide essential grid services such as voltage, frequency control and power recovery during system-wide outages.
- Collaboration with the University of Maine to initiate a study and inform advanced grid support functions to improve voltage issues caused by integration of distributed energy research (DER) projects such as solar within the electric grid.
- Collaboration with the New York State Energy Research and Development Agency (NYSERDA) to increase access to clean electric transportation options in prioritized communities, which include low-income and transportation-disadvantaged households in the Ithaca and Tompkins County area.
- Cornell's ARPA-E dynamic capacitive wireless charging project: The primary objective of this project is to develop a 50-kW MHz-scale dynamic capacitive wireless charging system, which is expected to be substantially less expensive than the inductive charging counterpart. AVANGRID will use key findings from this project to develop a breakthrough wireless charging system for stationary and dynamic EVs.



- Cornell's Customer Behavior Analysis and Subscription Tier Pricing Automation Study: The study aims to pilot a new payment plan and an app that would provide consumers with more information about their energy use and incentives to reduce use, while also allowing utility companies to respond more nimbly in times of crisis. AVANGRID is an initial partner in this study, and the study's researchers interviewed more than 250 AVANGRID customers and industry employees to better understand their needs.
- NYSERDA PON 4393 Electric Power Transmission and Distribution (EPTD): This funding supports the development of New York's climate policies to promote and accelerate high-performing smart grids and more diverse clean energy resources while engaging customers in efforts to reduce energy costs, environmental impacts and emissions. The program strives to coordinate its activities with the Climate Leadership and Community Protection Act.

- Advanced information sharing with our customers to support the safe and reliable interconnection of renewable energy and other distributed energy resources (DER) into the electric grid. We accomplished this via enhancements in hosting capacity maps. These maps provide an indication of the amount of DER that may be accommodated into the existing electric grid without requiring infrastructure upgrades.

Decarbonizing the economy and creating a clean energy future cannot be done in isolation, and we're grateful for the opportunity to partner with other companies, colleges and universities, government agencies, national labs and other stakeholders to develop the innovations that will drive this work forward.



TAKING ACTION TO ADDRESS CLIMATE CHANGE

Policy and Action
to Reduce Climate Risk

Implementing Strategies
to Prevent and Reduce
Climate Impacts

Actions Underway to
Address Climate Change



Taking action to address climate change

Policy and Action to Reduce Climate Risk

The fight against climate change is central to our leadership in providing clean energy solutions. Climate change presents an unprecedented global challenge, and it drives us to achieve a clean, sustainable and equitable energy future. By investing in our network's infrastructure, expanding generation of clean energy, and protecting our customers 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.

Our Climate Action Policy was created in alignment with the Paris Accord and is focused on reducing the risks associated with climate change through the creation and implementation of technologies with lower CO₂ emissions, along with the expansion of electric energy generation from clean, renewable sources.

In 2022, we updated our Climate Action Policy, putting in place new, ambitious goals to reduce climate impacts over previous years' commitments as we recognize both the severity of the climate crisis and our ability to work collaboratively across our company on solutions. These efforts include:

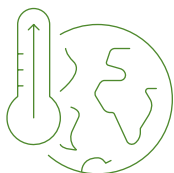
- A new Net Zero strategy focused on achieving carbon neutrality for our Scopes 1 and 2 emissions by 2030 (an acceleration of our previous goal of reaching carbon neutrality in only Scope 1 emissions by 2035).
- Reducing the carbon emissions intensity associated with our energy generation by 70% by 2030 compared to our 2015 baseline.
- Increasing our emissions-free installed capacity by 190% by 2030 compared to our 2015 baseline.
- Creating 48 ktons of installed clean energy from green hydrogen capacity by 2030.
- Sourcing 100% renewable energy in all of AVANGRID's owned corporate buildings by 2030.

- Installing 15,000 network EV chargers across our communities by 2030.
- Converting 60% of our vehicle fleet to clean-energy alternatives by 2030, including 100% of our light-duty vehicles.

These updates, while ambitious, are based on years of experience as a leader in the transition to a clean energy future, and we're working from a strong foundation. Since 2015, AVANGRID has achieved a carbon emissions intensity that is six times lower than the average U.S. utility,* and our current capacity is 91% emissions-free. Since 2017, our commitment to achieve net zero emissions has put us at the forefront of the industry.

While we're proud of our work toward achieving net zero emissions, we will continuously update our strategy to achieve these goals with greater speed while ensuring that we provide the best service for our customers, care for our communities and outcomes for our shareholders.

* Source: U.S. DOE EIA Electric Power Monthly (March 2022, with data for Dec'21)



Our efforts to assess and mitigate against climate risk help us support our customers and protect our communities from increasingly severe weather events while providing reliable and safe energy.

Implementation Strategies to Prevent and Reduce Climate Impacts

At AVANGRID, we play a critical role in the fight against climate change as we work to create a more sustainable and equitable clean energy future.

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 the chronic and extreme risks that climate change can cause. These efforts include assessing climate risks as part of our investment analysis, building in resiliencies in the design of our projects and implementing solutions such as smarter grids and a more resilient infrastructure. Our efforts to assess and mitigate against climate risk help us support our customers and protect our communities from increasingly severe weather events while providing reliable and safe energy.

To combat the risks associated with climate change and to raise awareness of the benefits of contributing to a carbon neutral and sustainable future, our climate strategy is aligned with the framework established by the **Task Force on Climate Related Financial Disclosures (TCFD)**. Alignment with the TCFD helps ensure we have properly established the appropriate governance, and have assessed and managed our climate risks and opportunities with the appropriate oversight and transparency.

To further our commitments to address climate change, decisions to move forward with new investments must incorporate an analysis of risks related to climate change 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.

Our comprehensive risk management strategy recognizes the acute and chronic impacts that may result from climate change. These can present physical risks to our communities and energy systems and financial risk across our operations. Because of this, we prioritize our efforts to plan for – and protect against – the increasingly severe impacts of climate change.



We regularly analyze the risks and opportunities for AVANGRID arising from climate change and disseminate information regarding AVANGRID's actions contributing to the fight against climate change.

As part of the Governance oversight, AVANGRID's Chief Risk Officer (CRO) oversees the risk management function. The CRO coordinates with the business to identify, assess and report the risks, including those due to climate change such as extreme weather events, flooding and other natural disasters. Recognizing the critical role that the AVANGRID Board of Directors plays in oversight of the strategies and risks of climate change, the Board established a new Governance and Sustainability Committee that receives regular reports on our climate action strategy.

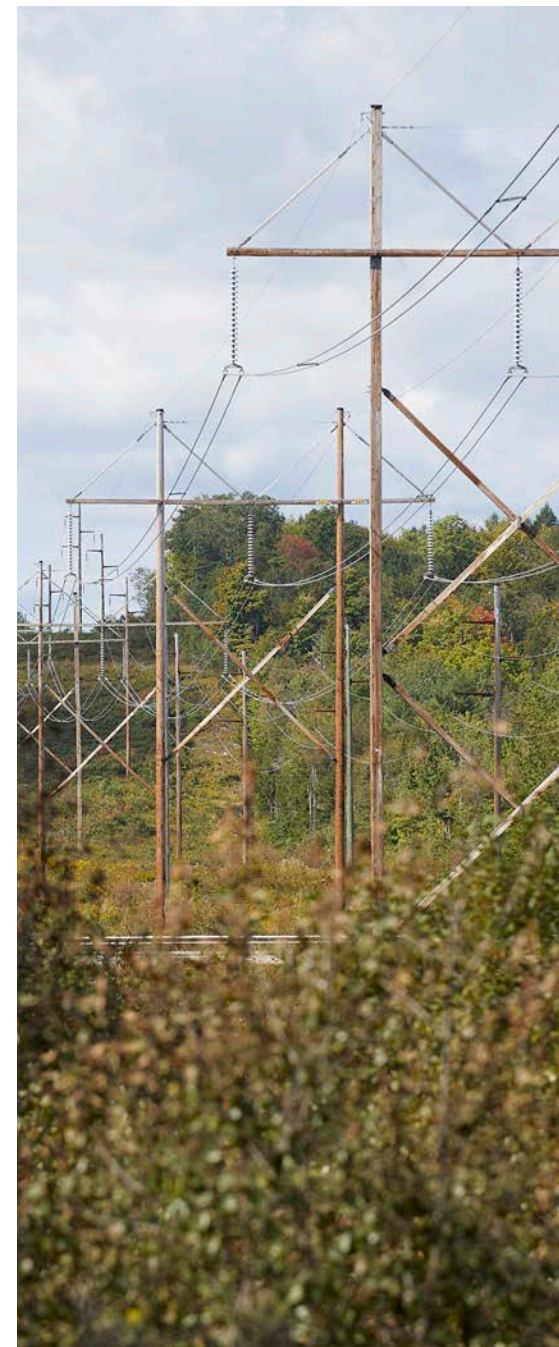


For each of these threats, we identify the principal physical impacts they can cause, such as infrastructure damage, reduced power or limited availability of water. We also work to identify the approach we'll take to manage the impacts of these threats, such as the use of new materials that can better withstand extreme conditions, burying of power lines and the installation of detection and warning systems.

In addition, we seek out opportunities to adapt to and mitigate climate change risks, including investments in energy storage technologies to maximize the availability of our renewable resources, and upgrades across our networks to improve the security and reliability of our energy supply.

We are also working to accelerate decarbonization across our own operations and our industry. By addressing our company's carbon emissions and the carbon footprint of our industry, we can help to reduce the chronic and extreme threats and impacts associated with climate change.

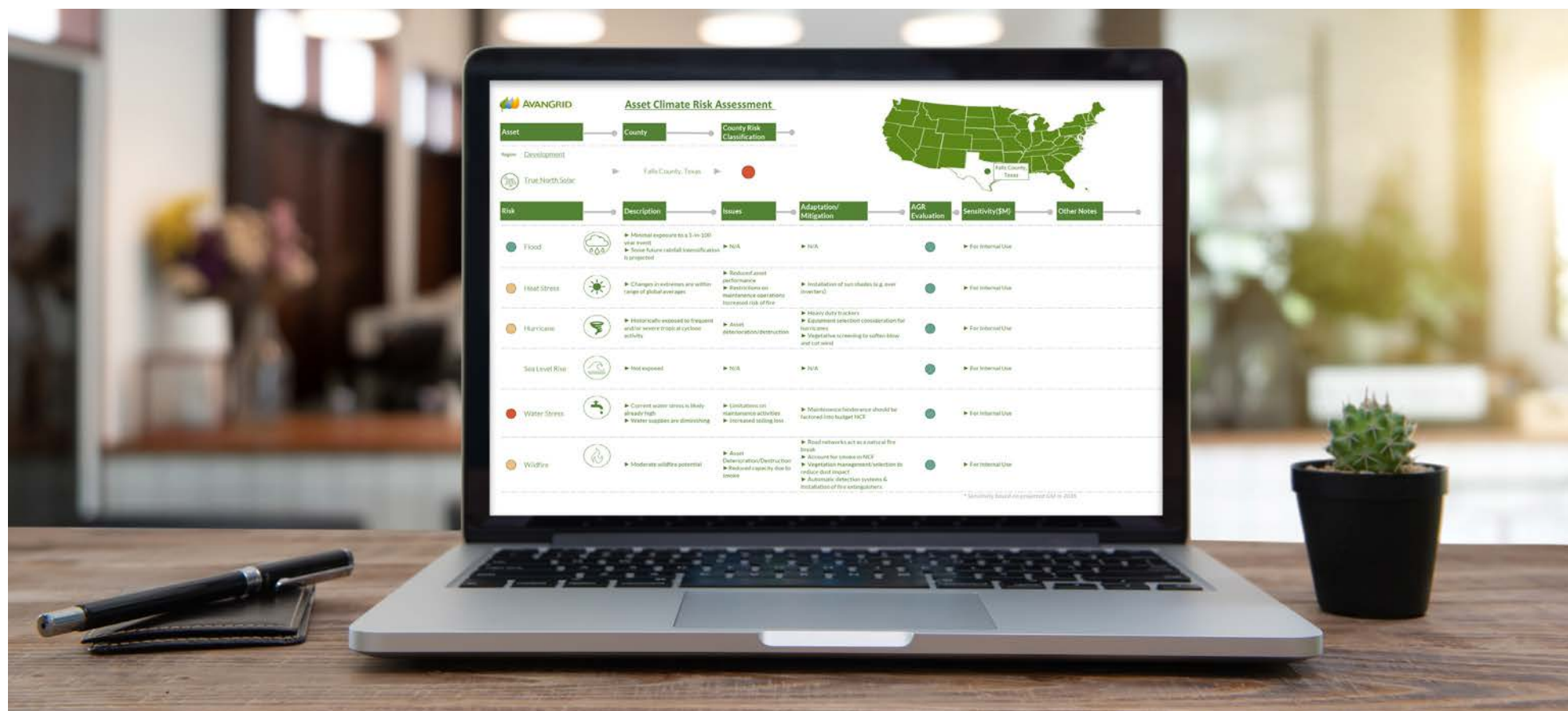
In 2022, we kicked off several key initiatives to assess climate risk vulnerabilities and adaptations. We are in the process of studying the impact of climate change on our electric infrastructure across all our electric operating companies in Maine, New York and Connecticut. These studies will utilize broadly accepted climate modeling techniques and practices to develop a range of probable climate scenario outcomes into the future. As these studies progress, we will identify assets that may be vulnerable to the effects of climate change and potential mitigation of such effects, as well as continue to develop processes and practices and appropriate adaptation measures to address these risks. As an example, in 2022 we invested \$175 million to support increased network reliability and resiliency during increasingly severe weather events and have proposed \$300 million in resiliency investments through 2025.



In 2022, we also initiated a program to complete a corporate-wide climate risk assessment, which will be completed in 2023. We also developed a tool to assess key climate risks for all our renewable operating assets, assets under construction and assets in the development process. This tool allows the business to identify climate risks at a county level, empowering us to make strategic decisions to both avoid and adapt to risks caused by climate change.

In addition to our internal climate risk management efforts, we participate in the Climate Disclosure Project (CDP), a nonprofit organization that operates a global disclosure system companies and governments use to disclose, manage and reduce their environmental impacts. Through the CDP climate survey, we share ways that climate change may impact our operations and the communities we serve. By participating in broader efforts like the CDP, we are better able to assess, understand and take meaningful action against the impacts of climate change.

Our climate risk assessment tool allows the business to identify climate risks at a county level, empowering us to make strategic decisions to both avoid and adapt to risks caused by climate change.



Actions Underway to Address Climate Change

We are taking several actions in support of our ambitious goals to mitigate the impacts of climate change and reduce emissions, including efforts to:

- Operate 10 GW of emissions-free energy generation capacity by 2025.
- Replace 100 miles of leak-prone gas pipeline annually.
- Continue to replace our light-duty vehicle fleet with cleaner energy vehicles.
- Install solar power at 15 of our largest corporate buildings.

Our actions, investments and goals to address climate change demonstrate our commitment to achieve our Net Zero Strategy, and we continue to see the positive impacts of these actions across our operations. In 2022, these impacts included the following:

- Decreasing our CO₂ emissions intensity by 28% compared to 2015 base year.
- Maintaining our place as the third-largest renewable energy operator in the U.S. with 8.7 GW of emissions-free installed capacity.
- Reaching the commercial operation date (COD) for nearly 395 MW of new wind and solar projects.
- Achieving a 91% emissions-free generating capacity.



Throughout 2022, our work to expand green electrification and lead the way toward a clean energy future created positive outcomes for our customers and communities across the 24 states where we operate. We'll continue to build on this progress as we work to become the leading clean energy company in the U.S.

IMPACT AT A GLANCE

10 GW

OF EMISSIONS-FREE
GENERATION CAPACITY
BY 2025

100 MILES

OF LEAK-PRONE GAS PIPELINE
WILL BE REPLACED ANNUALLY

100%

OF OUR LIGHT-DUTY FLEET
REPLACED WITH CLEANER
ENERGY VEHICLES BY 2030

SOLAR POWER

INSTALLED AT 15 OF OUR
LARGEST CORPORATE
BUILDINGS

PROTECTING AND ENHANCING THE NATURAL ENVIRONMENT

Environmental Policy Focused
on Sustainable Development

Clean Energy Infrastructure
Improvements to Reduce Emissions

Reducing Emissions
Across the Economy

Leading the Way
Toward Decarbonization

Minimizing Our Footprint
Through the Sustainable
Use of Resources

Protecting and enhancing the natural environment

Environmental Policy Focused on Sustainable Development

Our actions are guided by our commitment to sustainable development, climate action and respect for the environment. We will continue to develop a sustainable energy model informed by our Climate Action Policy (which focuses on reducing greenhouse gas pollutants such as carbon) and our Sustainable Development Policy, which provides the framework for our ESG+F goals.

We also support and work toward the **United Nations' Sustainable Development Goals** (SDG) specific to the protection and enhancement of the environment, including SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 12 (responsible consumption and production), SDG 13 (climate action), SDG 14 (life below water), SDG 15 (life on land) and SDG 16 (peace, justice and strong institutions).

To abide by our Environmental Policy, to work toward our commitments to the natural environment, and to promote environmental sustainability, AVANGRID is working on three priority lines of action: climate action, protection of biodiversity and the circular economy (ensuring we reuse and regenerate materials in an environmentally sustainable way with a focus on minimizing waste).

Our efforts regarding climate action are described in detail in the previous chapter of this report. At a high level, this work includes updating our policies to ensure we are taking the most effective actions to address climate change; ensuring that addressing climate change is a key component of our strategy and risk management work; and setting ambitious goals to reach carbon neutrality across our operations. This means reducing our emissions from our operations while also supporting emissions reductions across the communities we serve.



Our efforts surrounding biodiversity are addressed later in this chapter and include protecting the biodiversity at and around our onshore and offshore facilities and across our network operations. And our efforts surrounding a circular economy include our commitment to minimize our use of resources and to reuse existing resources where possible. We also consider the holistic environmental impact of all our projects, and design and implement projects in ways that minimize and mitigate these environmental impacts. This means creating a systems framework where we can tackle global challenges like climate change while minimizing environmental impact including biodiversity loss, waste and pollution.

AVANGRID's Environmental Policy, as well as our Biodiversity Policy and Climate Action Policy, provides a comprehensive framework that sets forth our commitment to the environment and guides our actions across the company.

ENVIRONMENTAL GOALS	METRICS	YEAR GOAL ACHIEVED	2022 ACTUALS	2025 GOAL	2030 GOAL	ACTIONS UNDERWAY TO MEET GOALS
Net Zero Strategy	Scopes 1 and 2 carbon neutral by 2030	2030	Net Zero Strategy Implementation			<ul style="list-style-type: none"> 190% renewable capacity growth (ongoing). 119 miles (~\$125M) of gas pipeline replacement (complete). Launched satellite gas emission and advanced leak detection programs (2022-2023). Develop Klamath emissions reduction plan (planned).
Emissions intensity associated with generation	gCO ₂ /kWh	2030	46	42	18	<ul style="list-style-type: none"> Market factors drove Klamath emission reduction (2022). Increased renewable production (2022-ongoing).
	(% reduction from 2015)		-28%	-35%	-70%	
Emissions-free installed capacity	GW	2030	8.7	10.1	16.9	<ul style="list-style-type: none"> 393 MW incremental solar and wind installed (2022). ~26 GW of pipeline to support future growth.
	% growth from 2015		49%	74%	190%	
Green hydrogen	Installed capacity (kton)	2030	0	0	48	<ul style="list-style-type: none"> Partnership for potential joint development of green hydrogen (2022). Applications for participation in DOE's Regional Clean Hydrogen Hub (2022-2023).
Storage capacity	Installed storage (MWh)	2030	0	220	1,050	<ul style="list-style-type: none"> Enable energy storage development pipeline through inclusion in interconnect and permitting process when feasible (ongoing). Include storage options for co-located resources in renewable procurements (ongoing).
Network EV charging points	Installed chargers (ks)	2030	0.53	3	15	<ul style="list-style-type: none"> 531 incremental EV chargers (2022). Launched Make-Ready and Managed Charging Programs in Connecticut and New York (2022).
Sustainable light-vehicle fleet	% of light-vehicle fleet	2030	6%	30%	100%	<ul style="list-style-type: none"> 5 light-duty EV and hybrid vehicles (2022). Light-duty vehicle emissions reduction ~ 518.55 metric tons of CO₂ equivalent. EV production constraints impacted delivery; pending orders to be delivered (2022-2023).
Renewable electricity in corporate buildings	% of electricity consumption	2030	5%	25%	100%	<ul style="list-style-type: none"> Addition of 54 solar panels (PV = 18.2 KW). 5% reduction in emissions (2022). Renewable electricity agreements underway. Solar panel installations in Connecticut, New York and Maine (ongoing).

Clean Energy Infrastructure Improvements to Reduce Emissions

We know that a purposeful and continual shift toward renewables and beneficial electrification is essential to reducing carbon emissions and the impacts of climate change.

Because of this, 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 gas infrastructure to advance decarbonization while also helping our customers adopt more efficient technologies. These investments include:

- **Gas Pipeline Replacement:** We are accelerating the replacement of leak-prone pipes to reduce fugitive carbon emissions.
- **Gas Emission Reduction:** To reduce emissions across our network we are investing in advanced leak detection technologies, including using satellites to assist in the early detection of methane emissions. We're also analyzing new technologies and techniques to capture gas that would typically be released into the atmosphere .
- **Renewable Natural Gas (RNG):** We are procuring RNG from dairy farms in New York and analyzing opportunities to expand our footprint at additional farms, wastewater treatment facilities and landfills. These locations produce biogas as a result of decomposing organic matter. The biogas is captured, cleaned and introduced into our existing natural gas pipeline network.
- **Green Hydrogen and Natural Gas:** In our Bridgeport, Connecticut, facilities, we are studying ways to blend hydrogen with natural gas as a steppingstone toward the green hydrogen economy.
- **Beneficial Electrification:** We are helping our customers reduce their greenhouse gas emissions by increasing access to EV charging stations and through our Electric Heat Roadmap, where we facilitate the adoption of electric heat pumps and other electric heat technologies as a cleaner, less emissions-intensive option for heating.





Reducing Emissions Across the Economy

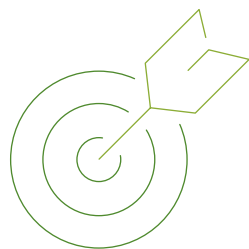
We are focused on improving our customers' quality of life by enabling emissions reduction technologies across every aspect of the economy that we touch. From reducing our own carbon footprint, to working with our partners and suppliers to further develop the market and workforce, to enabling our customers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

This strategy starts with replacing the use of fossil fuel generation with wind, solar and other renewables until we reach an electric distribution grid that is powered by 100% emissions-free resources. It continues by enabling our customers to transition away from fossil fuels and toward increased zero-emission technologies at their businesses and homes with beneficial electrification solutions (like electric heat pumps and EVs).

INCREASING RENEWABLE CAPACITY, DECREASING CARBON EMISSIONS

A key component of our economy-wide emissions reduction strategy includes increasing the amount of energy we produce and provide to our customers from renewable sources like wind, solar, geothermal and green hydrogen. Near-term, our goal is to generate 10 GW of emissions-free energy capacity by 2025 with a 70% reduction in our emissions intensity by 2030 compared to 2015.

In addition to expanding renewable energy from solar and wind, we are exploring new ways to tap into existing renewable energy sources to replace more carbon-intensive energy in our communities. For example, we are studying ways to harness geothermal energy while also helping our customers adopt more efficient, less carbon-intensive technologies.



10 GW

OF EMISSIONS-FREE ENERGY
CAPACITY BY 2025

70% ↓

IN OUR EMISSIONS INTENSITY
BY 2030 COMPARED TO 2015



HELPING OUR CUSTOMERS INCREASE ENERGY EFFICIENCY, REDUCE DEMAND

We have created several programs to help our customers increase energy efficiency and reduce their costs and environmental footprints. These programs are available to residential, commercial, industrial and institutional customers. Some examples include:

- Programs that provide equipment and rebates to increase energy efficiency in multifamily developments.
- Free energy assessments for eligible small businesses, including incentives such as 70% off the cost of recommended lighting upgrades.
- An appliance rebate “bounty” program that provides residential customers with a rebate for the removal and recycling of up to two functioning, inefficient appliances, such as refrigerators, freezers and air conditioners.

- Site-specific, cost-effective natural gas savings measures for commercial, institutional and industrial business customers, including retrofits to improve energy efficiency.

These programs helped reduce our customers' energy demand while providing them with cost savings. In 2022 across Connecticut, Massachusetts and New York, nearly 53,000 customers participated in these programs and reduced energy usage by 20,424,487 British Thermal Units.* In terms of Greenhouse Gas Emissions avoided, this is equivalent to avoiding 2.9 billion miles driven by gas vehicles.

BENEFICIAL ELECTRIFICATION: ENABLING EMISSIONS REDUCTION IN TRANSPORTATION AND HEATING

Two major components of our Beneficial Electrification strategy include our work to expand the use of heat pumps to reduce emissions associated with heating buildings and the expansion of EV charging stations.



53,000 customers participated in our energy efficiency programs and reduced energy by **20,424,487 btu**, equivalent to avoiding **2.9 billion miles** driven by gas vehicles.

* Reduction of energy usage based on lifetime energy use.



FOCUSED ON LEADING BY EXAMPLE

AVANGRID is proud to support the communities in which we live and work. We're striving to help our communities achieve sustainability targets by setting our own ambitious targets. We've committed to deploying a 60% clean energy fleet by 2030 and this includes 100% of our light-duty vehicle fleet.

We are also assessing opportunities to convert to heat pumps in AVANGRID buildings, and we have begun installing solar panels on 15 of our largest facilities.

Our "Electric Heat" and "Electric Vehicle" Roadmaps center on our commitment to lead the industry in developing and integrating infrastructure and technology that enables market growth and supports decarbonization of the economy.

We are also pursuing opportunities for Utility Thermal Energy Networks, which would include shared loop ground-source heat pump systems that deliver thermal energy to groups

of customers. Ground-source heat pumps utilize the Earth's constant temperature to heat and cool commercial and residential buildings and are considered one of the most efficient and environmentally friendly sources of heat. We have proposed three pilot projects in our New York service area, which combined would deliver thermal energy to 100 residential and commercial buildings and produce savings of over 1,000 metric tons of CO₂.



TRANSPORTATION ELECTRIFICATION

Today, AVANGRID's companies are supporting customers with make-ready incentive rebates to expand the installation of charging stations, favorable electric rates to encourage the deployment of more fast charging; and managed charging programs that help reduce the impact of EV charging on the grid. In 2022, we expanded our target and set a goal to support customer installation of 15,000 EV charging ports by 2030.



BUILDING ELECTRIFICATION

As the infrastructure within our communities transforms to more efficient and green buildings, we continue to support our customers with robust clean heat incentive programs. Our programs increase awareness of and support for efficient electric heating. We anticipate as many as 250,000 heat pump installations in our service areas by 2030.

Leading the Way Toward Decarbonization

In February 2022, AVANGRID became one of the first energy companies to join the U.S. Department of Energy's (DOE) **Better Climate Challenge**. In doing so, we committed to reduce our greenhouse gas emissions by at least 50% within 10 years and to share successful decarbonization strategies with the DOE.

The Better Climate Challenge is a government platform that provides transparency, accountability, technical assistance and opportunities for collaboration for decarbonization across the U.S. economy. As a partner, we are one of over 130 organizations committing to real-world action that will move us toward a low-carbon future.

We see this initiative as a key representation of our overall commitment to significantly reduce our emissions. In addition to our efforts to be a leader in the generation of clean, renewable energy, we were also the first energy utility in the nation to pledge to achieve Scope 1 carbon neutrality by 2035 and have since committed to achieve carbon neutrality for both Scopes 1 and 2 carbon emissions by 2030. To achieve these targets, we have designed and are implementing emissions reduction strategies across our operations. Some of these include:

- Reducing emissions across our facilities by sourcing renewable energy to power our operations, installing solar panels at some of our facilities to generate our own renewable power on site and reducing the overall physical footprint of our facilities as part of our transition to a more flexible work environment.

- Converting 60% of our vehicle fleet to clean energy alternatives by 2030, including 100% of our light-duty vehicles. In addition, we continue to install EV chargers at our facilities for use by AVANGRID employees and contractors.
- Supporting employee EV adoption by providing employees with a \$3,500 incentive toward the purchase of a battery EV or \$1,000 toward the purchase of a plug-in hybrid EV. In 2022, we provided \$182,000 of EV incentives to employees.
- Installing new equipment at our Klamath Falls, Oregon cogeneration plant, which generates two forms of energy – electricity and process steam – from natural gas. While these energy sources are cleaner compared to many, the facility generates nitrogen oxide (NO_x) emissions, which is an indirect greenhouse gas. To address this, we have upgraded to ultra-low NO_x combustors, which have reduced NO_x emissions by nearly 50% on a pound per megawatt-hour basis.
- Accelerating our gas pipeline replacement program and investing in solutions to reduce methane emissions.

Our Montgomery Park office in Portland, Oregon (pictured right), was awarded the Leadership in Energy and Environmental Design (LEED) Gold certification by the U.S. Green Building Council.





Minimizing Our Footprint Through the Sustainable Use of Resources

Reducing our carbon footprint and helping lead the transition to a clean energy economy is a critical component of our environmental commitments.

As a company with operations across 24 states, we are also focused on reducing our environmental footprint beyond our carbon emissions. Our work here includes a focus on the sustainable use of resources, protecting biodiversity and reducing our environmental footprint associated with waste generation and water usage.

SUSTAINABLE USE OF RESOURCES

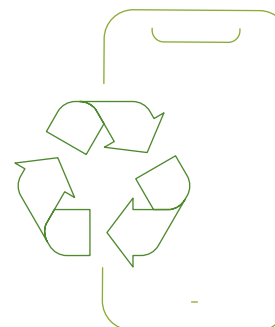
Efforts to minimize our environmental footprint are central in advancing environmental protection across our operations. As part of our commitment to the sustainable use of resources, we have an overarching policy with the environment in mind. This policy requires that we:

- 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 and the optimization of waste management as well as the use of recycled materials.

One of the ways we engage in a circular economy is through the reuse and recycling of resources as we develop new renewable energy infrastructure. For example, we work to ensure that equipment and components of this infrastructure are designed, installed and operated with a focus on durability, reparability, upgradability and reusability. One small example with a big impact is the reuse and recycling of over 700 of our smartphones. This effort resulted in a reduction of 1,494 pounds of CO₂ emissions and the elimination of the need to mine 27.05 pounds of copper, gold and aluminum.

We bring the sustainable use of resources to life by recycling equipment and materials at end of life (including materials that would otherwise end up as solid waste like scrap metal, as well as hazardous liquids like mineral oil). We are also implementing a process to grade our vendors on their environmental sustainability.

We apply this policy and these practices broadly across our operations, from our network infrastructure to the construction of photovoltaic installations, onshore and offshore wind facilities and more.



700+

SMARTPHONES WERE REUSED AND RECYCLED, RESULTING IN A REDUCTION OF 1,494 POUNDS OF CO₂ EMISSIONS

TAKING ACTION TO PROTECT BIODIVERSITY

Our Biodiversity Policy is designed to ensure we preserve ecosystems and biological diversity as we work to create a more sustainable energy model. Before we begin any major project, we assess its potential environmental impact. This assessment includes evaluating if sensitive species, native habitats, wetlands or other natural resources are in the project's area or its vicinity. Once we have the project-specific understanding, our team works collaboratively to determine the best path forward to avoid or minimize potential impacts.

We also consider biodiversity when we plan to decommission a site. For example, depending on the site, we would plan reclamation procedures which could include restoring soil, restoring the site to its original natural contours and revegetating any disturbed areas with native plant seed mixes or agricultural crops, as appropriate, based on the use of surrounding lands and the needs of the landowners.

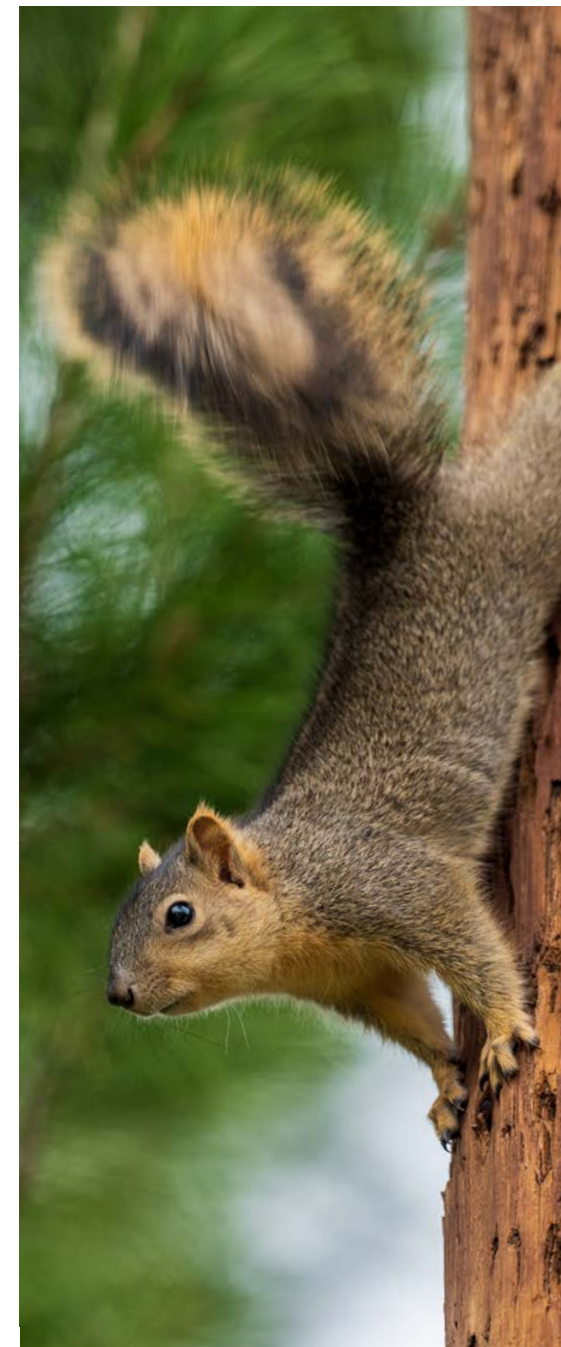
We recognize that loss of biodiversity and the degradation of ecosystems are rapidly taking place in the world, creating significant environmental, economic and social risks. As a renewable energy leader, we have a responsibility to protect biodiversity as we create a clean energy future.

Reducing Outages While Protecting Habitats: Examples of our commitment to protect biodiversity can be seen across our network, onshore and offshore operations.

Quite often, a power outage is caused when an animal or vegetation (such as a tree) contacts network equipment. We work to prevent such outages while protecting biodiversity. For example, to protect wildlife we install animal guards, which are barriers that prevent animals from contacting the network equipment. These guards help to significantly reduce outages and wildlife injuries and fatalities. In 2022 alone, we installed nearly 11,000 animal guards across our network.

The most common cause of a power outage happens when a tree contacts power lines. To minimize interruptions to electrical service, we prune trees and vegetation near our power lines (using pruning standards endorsed by the Tree Care Industry Association) that could otherwise lead to an outage. Since trees are essential to biodiversity and a healthy environment, we have a tree care program designed to improve reliability while keeping trees healthy and preserving as much of their natural beauty as possible. We also educate the public on the kinds of trees, shrubs and other vegetation that can be planted safely near power lines (considering factors like whether a tree's height, when it reaches maturity, may contact our equipment).

In addition to protecting biodiversity while minimizing power outages, we also protect biodiversity that may otherwise be impacted by work across all our operations. For example, we recognize that while renewable power is a more sustainable resource, we still need to protect biodiversity near our renewable energy facilities, on land and in marine environments. Our Biodiversity Policy establishes a framework for minimizing environmental impacts. This includes adjusting construction schedules to avoid impacting endangered species, creating new wetlands and buffering construction to help protect and restore biodiversity near our facilities and selecting alternative routes or project designs to protect biodiversity.





In Maine, Central Maine Power (CMP) is engaged in a project to restore Kennebunk Plains, an area adjacent to our power lines. The Kennebunk Plains cover **153 acres**, and the sandy soils that make up the plains erode easily when disturbed.

We also collaborate with nonprofit organizations and government agencies to further protect and enhance biodiversity across our operations and in our communities, as described here:

Collaborating to Protect and Restore Kennebunk Plains:

In Maine, Central Maine Power (CMP) is engaged in a project to restore Kennebunk Plains, an area adjacent to our power lines. The Kennebunk Plains cover 153 acres, and the sandy soils that make up the plains erode easily when disturbed. Over time, the rate of erosion has increased due to impacts from severe and intense weather events as well as the illegal use of ATVs in the area.

This erosion leads to sediment discharges into nearby waterways, impacting the health of fish and wildlife, the

municipal water supply for over 100,000 residents and rare plant species habitat. To address and reverse these impacts, CMP is sponsoring and leading a restoration project in partnership with local stakeholders and specialists (including the Maine Department of Inland Fisheries and Wildlife, The Nature Conservancy, the local water wells district and others) to develop both interim and long-term restoration plans.

Together, we are installing temporary erosion and sediment control devices, conducting outreach and installing barricades to stop unauthorized ATV use, stabilizing disturbed soils and replanting disturbed areas with native plants to prevent ongoing erosion. While there is still work to be done, the positive impacts of this collaboration across the plains are visible and measurable.



Protecting and Restoring Onshore Wildlife: To further protect biodiversity, we created the AVANGRID Avian Protection Plan. This plan uses suggested practices developed by the Avian Power Line Interaction Committee (an organization comprised of over 70 utilities and government agencies), designed to minimize risks to birds and other wildlife. In 2022, we conducted retrofits to protect wildlife at 10 operational onshore wind projects, and we installed new wildlife protection equipment at four solar projects and one wind project under construction.

Our Manzanita Wind facility is a prime example of this plan in action. Here, we utilized new robot technology to install 1,400 bird flight diverters on the facility's uppermost power lines to increase their visibility and minimize risk to wildlife. Dr. Laura Nagy, AVANGRID's senior director of permitting and environmental risk management, was named the 2022 recipient of the Andrew Linehan Award for Environmental Excellence for her leadership on this work. The award, given by American Clean Power (ACP), is a testament to Dr. Nagy's (and AVANGRID's) commitment to improve siting and environmental practices across the clean energy industry.

We have also established a network of wildlife rehabilitation partners across the country to support all possible efforts to ensure the survival and rehabilitation of injured animals, including paying for individual animal rehabilitation. Today, our partners include 18 wildlife rehabilitators capable of responding to 48 facilities across 15 states.

To further protect wildlife, in 2022 the Avangrid Foundation provided \$136,000 in grants as part of their Wildlife Rehabilitation Program. These funds support the work of wildlife rehabilitation centers across the nation (read more on this initiative in Chapter 5).



In addition, we presented results of a hoary bat occupancy analysis, using data obtained from our Operational Wildlife Monitoring program, at the International Conference on Wind Energy and Wildlife Impacts in the Netherlands and continued our collaboration with the Southwest Golden Eagle Management Committee in Arizona. Both efforts protect these species and their habitats, and by sharing this information across our industry, we hope others will learn from our work.



\$136 K

IN GRANTS PROVIDED BY THE
AVANGRID FOUNDATION AS
PART OF THEIR WILDLIFE
REHABILITATION PROGRAM



As a leading renewable energy company, our role in helping build a cleaner, more sustainable future must go hand in hand with a strong commitment to protecting the environment. Our team brings this work to life through ambitious efforts to create positive environmental impacts in the communities in which we are present."

Dr. Laura Nagy
Senior Director of Permitting
and Environmental
Risk Management



Protecting Offshore Biodiversity and Ocean Resources:

In 2022, AVANGRID signed on to the United Nations Global Compact *Sustainable Ocean Principles*. In doing so, we affirmed our commitment to advance sustainable and responsible ocean energy projects that accelerate the transformation to a cleaner energy future while protecting the marine environment and biodiversity. As a company with several offshore wind facilities either in permitting or under construction and a project pipeline of approximately 6 GW, we do our best to take meaningful action to promote the well-being of the ocean for current and future generations.

The UN Global Compact outlines nine specific principles to safeguard ocean health and productivity, to ensure responsible governance and engagement, and to promote data sharing and transparency. By adhering to these principles, we participate in the development of clean, renewable offshore energy while protecting an increasingly fragile ocean environment.

We apply strict mitigation measures to protect marine life, including:

- **Vessel strike avoidance measures:** During vessel transit, we designate observers to watch for protected species and ensure minimum separation distances are maintained. We also limit vessel speeds during sensitive periods for North Atlantic Right Whale.
- **Exclusion zones around vessels:** During geophysical surveys, we ensure the area is clear of any marine mammals and sea turtles before acoustic sound sources can be operated.
- **Visual monitoring and reporting by trained third-party, independent Protected Species Observers:** These trained professionals look for marine mammals to minimize vessel strikes and to shut down sound sources if marine life is

detected. They also report interactions with protected species to federal authorities.

- **Training:** All survey staff are given detailed training on protected species mitigation measures and other environmental requirements.

A specific example of our work to protect ocean habitat and biodiversity can be seen at our Vineyard Wind 1 facility, currently under construction off the Massachusetts coastline. Here, for example, we are working with the University of New Hampshire to deploy a passive acoustic monitoring device to record ambient sound, including marine mammal vocalizations, in the underwater area surrounding the project site.

This device will record underwater sound a minimum of 30 days before the start of offshore construction and will remain active through at least three years of the project's operations and maintenance. We will use information we gather from this effort to inform and adjust our construction schedule to avoid impacts to marine mammals and other marine life. In addition, we will employ protected species observers – specialists who will monitor the presence of marine life during our survey and construction activities – onboard all our vessels.

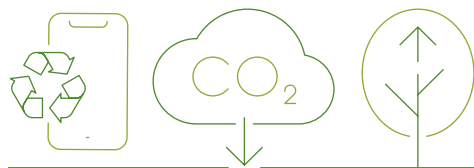
AVANGRID is also proud to be a founding member of the Renewable Wildlife Research Institute (REWI). REWI is a collaboration of the renewable energy industry, wildlife management agencies, and science and conservation organizations whose goal is to facilitate timely and reliable development of wind and solar energy while protecting wildlife and wildlife habitat. REWI has developed 45 products and resources, including 12 articles published in peer-reviewed scientific journals that are publicly accessible to help facilitate well-sited and operated renewable energy.

REDUCING WASTE AND WATER USAGE ACROSS OUR OPERATIONS

During 2022, we ensured that the processes by which our waste is collected and transported reflect our environmental commitments. We collaborated with our two major solid waste vendors who manage our network facilities to divert over 965 U.S. tons of solid waste from landfill disposal through recycling. In addition, a portion of the remaining waste is incinerated at a waste-to-energy facility. Highlights of our efforts include:

- 82,540 lbs. of clean wood recycled
- 107,820 lbs. of single stream wastes recycled
- 812,569 lbs. of solid waste used for fuel at a waste-to-energy facility
- 1,765 metric ton reduction of greenhouse gas using a state-of-the-art landfill that turns gas into electricity

We also implemented a company mobile device recycling program at the beginning of October 2022. In collaboration with the vendor e-Cycle, Inc., we are donating the proceeds to the Arbor Day Foundation to plant trees. In this short period, we have recycled 715 devices with the result of 1,494 pounds of greenhouse gas emissions and 641 trees planted.



= 641 TREES



We recognize that water is an irreplaceable and precious resource, and we're fortunate as we do not use large volumes of water for most of the power we generate. Still, when we do need to use water, we work to minimize the associated environmental risks. For example, we need water to cool steam operations at our Klamath Falls, Oregon, cogeneration facility. To minimize the impact of this process, we partner with a local municipal treatment plant, using recycled municipal wastewater for cooling (about two-thirds of this evaporates during the cooling process).

Wherever possible, we will explore solutions like this to minimize our environmental footprint to protect and conserve natural resources. We see our efforts at Klamath Falls as a standard to inform any similar challenges that may arise as we continue to grow.

IMPACT AT A GLANCE

82,540

LBS. OF CLEAN WOOD RECYCLED

107,820

LBS. OF SINGLE STREAM WASTES RECYCLED

812,569

LBS. OF SOLID WASTE USED FOR FUEL AT A WASTE-TO-ENERGY FACILITY

1,765

METRIC TON REDUCTION OF GREENHOUSE GAS USING A STATE-OF-THE-ART LANDFILL THAT TURNS GAS INTO ELECTRICITY

CONTRIBUTING TO POSITIVE SOCIAL CHANGE

A Commitment to Lasting,
Positive Social Impact

Putting Our Employees First

Empowering Our Customers
with Care and Respect

A Comprehensive Approach to
Positive Community Impact

Contributing to positive social change

As an anchor institution in our communities, we want to have the biggest positive social impact possible. To bring this commitment to life, we've created and are initiating a social impact strategy focused on addressing immediate needs and the long-term well-being of our employees, customers and communities – all while helping to create a healthier and more sustainable planet. In 2022, we established the role of Director of Corporate Citizenship to ensure that we coordinate and implement our strategy across the business.

We're bringing our corporate citizenship commitments to the communities we serve by:

- Creating opportunities for our employees to grow and thrive, to make meaningful change in their own communities and to build a workplace committed to diversity, equity and inclusion.
- Ensuring our services empower our customers to reduce their own environmental footprints through new energy products, offerings and capabilities while helping them reduce their energy costs over the long term. This includes:
 - Access to rebates on more efficient appliances.
 - Access to reduced costs on insulation to help our customers improve the energy efficiency of their homes.
 - Free energy audits to help customers identify the best opportunities to improve energy efficiency.
- Providing customers with effective emergency response during power outages (including digital updates regarding outages across our service areas in addition to fast response by our crews to restore power).
- Providing much-needed resources to help our customers in need during difficult times (such as access to financial assistance to reduce energy costs).
- Helping our communities thrive by supporting initiatives through the Avangrid Foundation that increase access to education and job training, provide support for critical services like shelter and food security, provide support for the arts, work to protect biodiversity, address climate impacts and more.
- Connecting with our communities through employee volunteerism, stakeholder engagement and creating more opportunities for suppliers from diverse backgrounds.

We activate our corporate citizenship commitments through a social impact strategy designed to grow and evolve along with the needs of our employees, customers and communities.



To me, corporate citizenship is about how we, as an organization, show up in the communities we serve and how we align our efforts to amplify our impact and help those communities thrive. Our goal is to create the largest positive social impact possible."

Pablo Colón

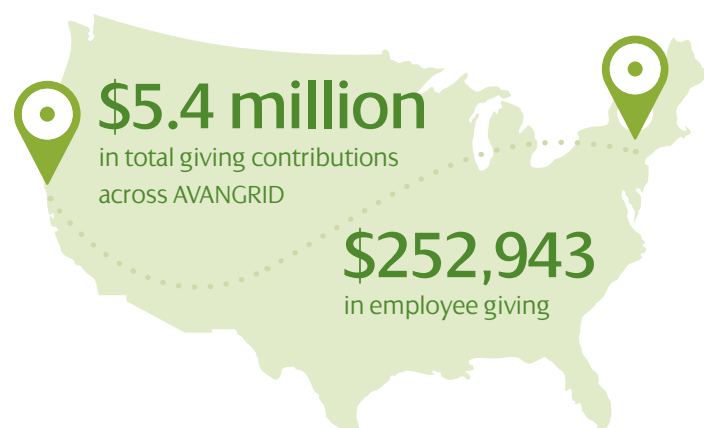
Director of Corporate
Citizenship and Executive
Director, Avangrid Foundation

SOCIAL GOALS	METRICS	YEAR GOAL ACHIEVED	2022 ACTUALS	2025 GOAL	2030 GOAL	ACTIONS UNDERWAY TO MEET GOALS
Women in executive positions	% women in executive positions	2025	35%	35%		Ongoing activities including: <ul style="list-style-type: none"> Recruiters to present diverse slate of candidates. Interview panels include at least one woman. Provide various development experiences to support gender equity. Increased mentorship opportunities.
Women in senior leader positions (Paradigm for Parity)	% women in senior positions	2030	30%	40%	50%	
Third-party pay equity analysis performed and actioned annually	Third-party pay equity analysis	Maintain	✓	✓	✓	<ul style="list-style-type: none"> Annual assessment with ongoing implementation of recommended actions (ongoing).
Accident rate (employees)	TRIR	2030	2.64	1.85	1.61	<ul style="list-style-type: none"> Expand Early Intervention Program. Launch program to reduce ergonomic incidents. Safety Leadership Program to increase hazard identification and prevention (all ongoing).
Employees under ISO45001 certification	% employees	Maintain	98%	98%	98%	<ul style="list-style-type: none"> Initiate EHS Management System Integration Project (ongoing).
Employee training	Hours per employee/year	2025	42.5	40	40	<ul style="list-style-type: none"> Increase instructor-led leadership training (ongoing). Launch multiple new leadership courses (2023).
Cybersecurity training	Number of hours (ks)	2030	29.2*	28.6	29.3	<ul style="list-style-type: none"> Optimize training for employees in specialized/high-risk areas and technical training (2023).
Corporate volunteering	# hours	2025	10,464	35,000		<ul style="list-style-type: none"> Identify local leaders and opportunities to expand into new regions and in field (ongoing). Provide more virtual opportunities (2023). Roll out board matching program (2023).
Purchases from diverse suppliers	\$M in diverse suppliers	2025	\$195	\$300		<ul style="list-style-type: none"> Grow program presence and visibility including: <ul style="list-style-type: none"> Active participation with key stakeholders Supplier Diversity Summit Launch internal education and awareness campaign.

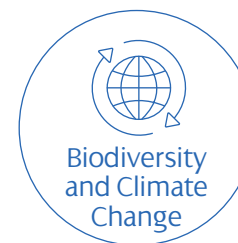
A Commitment to Lasting, Positive Social Impact

Every day, we focus on creating lasting and positive impacts for our employees, our customers and our communities. When it comes to social impact, 2022 was a landmark year for AVANGRID as we helped our customers continue to recover from the impacts of COVID-19, addressed a growing need for support among nonprofit and community-based organizations, and helped our employees engage directly in efforts to create positive change in their communities.

At a high level, we exceeded our goals for employee volunteerism by making volunteer and giving opportunities more accessible through our Energized for Good program; we made strides toward gender parity within leadership roles; and we continued our corporate giving across our four pillars.



PILLARS OF GIVING



IMPACT AT A GLANCE



10,464

HOURS OF EMPLOYEE VOLUNTEERING

684,040

MEALS PROVIDED



153

NONPROFIT ORGANIZATIONS SUPPORTED

\$4.1 M

IN CORPORATE GIVING ACROSS OUR FOUR PILLARS



208

EMPLOYEE HOME BUILDING VOLUNTEERS, 1,153 HOURS AND 31 BUILD DAYS

8 RED CROSS

BLOOD DRIVES, 196 PINTS OF BLOOD, 600 HOMELESS VETERANS KITS ASSEMBLED AND DONATED, NATIONAL DISASTER RESPONDER PROGRAM MEMBER





Putting Our Employees First

At AVANGRID, we strive to create a workplace where talented and committed people come to build meaningful, long-term careers. To accomplish this, we foster a culture that seeks out diverse perspectives, that values continuous improvement and that recognizes and rewards behaviors and ideas that prepare us to meet the challenges of the future.

We also prioritize the overall health and well-being of our workforce – from physical safety and financial security, to diversity, equity and inclusion, to mental health and well-being, all within the context of a respectful work environment. To bring these priorities to life, we invest in programs that enable our employees' personal and professional growth; help them build connections with one another; and meet their unique needs and the needs of their families throughout all stages of life.

In 2022, we set several aspirational goals to build diversity in our workforce and launched initiatives focused on increasing opportunities for our employees while continuing to prioritize safety, address gender equity, and create a more diverse, equitable and inclusive workplace.

Gender Equity: We continued our efforts to increase the gender diversity of our executive leadership team (vice president and above), resulting in the growth of women executives from 28% in 2021 to 35% in 2022.

Looking ahead, we have new initiatives planned to continue advancing gender parity across leadership roles. This includes enhancing talent acquisition partnerships and monitoring applicant pools and pipelines to consistently ensure a diverse set of candidates. We are also planning to expand mentorship opportunities for employees, along with experiences that will help with professional growth (such as “Leader for a Day” activations, trainings, and secondments). We are also creating more pathways to refer internal candidates to relevant open roles.



Business Resource Groups: We are continuing to grow the role of our business resource groups (BRGs) to provide community building, networking and professional development for an increasingly diverse workforce. BRGs provide spaces where employees from different cultures, ethnicities and identities can celebrate who they are and raise important issues in a supportive environment. Today, over 15% of our employees participate in at least one of our BRGs.

BRGs are open to all employees, whether as a member or an ally. Our BRGs are actively involved in helping AVANGRID build and sustain a diverse workforce with an inclusive culture that reinforces every individual's sense of being valued. These groups have become an integral part of our company and provide every employee with a voice while celebrating the social fabric of our workforce. The seven BRGs include:

- **The AVANGRID African American Council for Excellence** (AAACE) builds a culturally progressive workplace through career development for all African American/Black employees.
- **AVANGRID Coalition for Asian Pacific Americans** (ACAPA) aims to empower our Asian American and Pacific Islander (AAPI) members and allies to become leaders within AVANGRID and our communities.
- **AVAN-Veterans** promotes career development and enrichment for our employees who have served.
- **The AVANGRID Community for All Abilities and Resource for Excellence** (CARE) supports both our customers and colleagues with disabilities or additional needs and those whose lives are touched by them.

- **Hispanic Organization for Leadership and Awareness** (HOLA) fosters an environment where our Hispanic employees are empowered in their careers, lives and communities.
- **Pride@AVANGRID** builds a workplace where LGBTQ+ employees can bring their authentic selves to work every day.
- **WomENERgy** increases the visibility of women, unleashing their potential while driving business results and raising awareness of gender parity.

Creating and sustaining a diverse, inclusive and equitable workforce is an essential component of our overall ESG+F framework. In 2022 we prioritized ongoing creation of an inclusive culture by leveraging our BRG communities described above to launch the following initiatives:

- Increasing community volunteer initiatives across our various workplaces.
- Engaging with senior leadership to discuss diversity awareness and inclusive leadership practices.
- Establishing recruitment partnerships to expand delivery of diversity throughout our pipeline.
- Incentivizing senior leadership to demonstrate Diversity, Equity and Inclusion (DE&I) engagement via diverse community outreach, involvement in diverse mentorships, leadership positions across our community of BRGs and more.



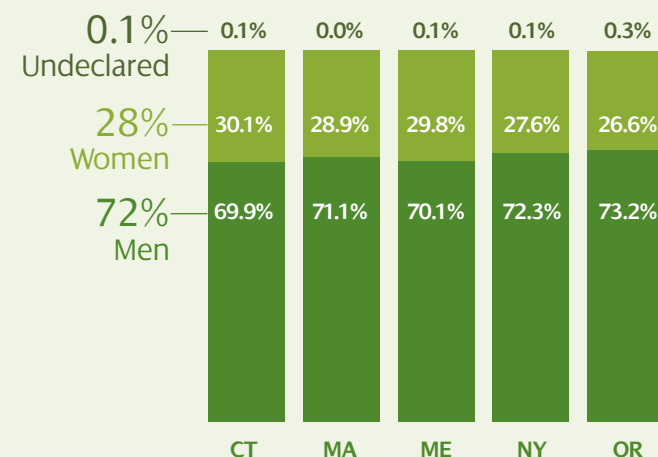
As of December 31, 2022, the approximate demographic breakdowns of our workforce are as follows:

RACE AND ETHNICITY

PERCENT OF TOTAL

ALL EMPLOYEES	ALL	CT	MA	ME	NY	OR
% of Employees in State		23.6%	3.9%	16.5%	42.6%	5.0%
American Indian or Alaska Native	0.5%	0.3%	0.3%	0.8%	0.4%	0.5%
Asian	3.2%	5.0%	2.4%	1.6%	2.3%	8.4%
Black or African American	6.2%	13.8%	3.4%	1.0%	5.5%	2.1%
Hispanic or Latino	8.1%	15.9%	6.8%	1.5%	5.3%	6.3%
Native Hawaiian or Other Pacific Islander	0.1%	0.0%	0.0%	0.0%	0.1%	0.8%
Two or More Races	1.6%	1.7%	1.4%	1.4%	1.5%	2.4%
White	79.4%	62.7%	84.7%	92.7%	84.5%	77.9%
Did Not Provide	0.8%	0.5%	1.0%	1.0%	0.5%	1.6%

All Employees Gender Ratio

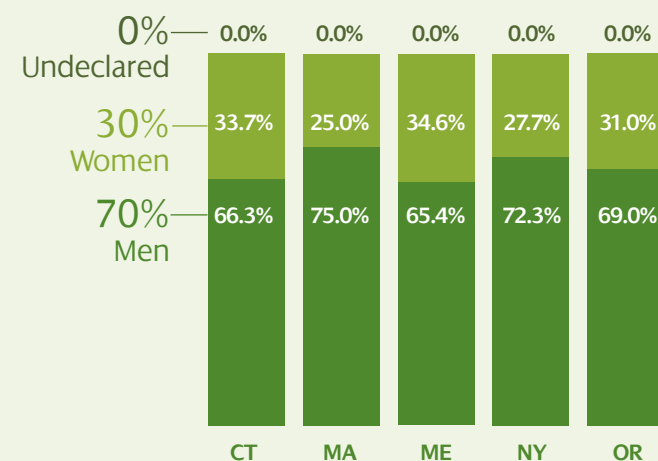


RACE AND ETHNICITY

PERCENT OF TOTAL

SENIOR LEADERSHIP*	ALL	CT	MA	ME	NY	OR
% of Senior Leaders in State		29.8%	8.3%	15.3%	19.2%	17.1%
American Indian or Alaska Native	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian	2.7%	4.0%	0.0%	1.9%	1.5%	1.7%
Black or African American	2.4%	5.0%	0.0%	0.0%	3.1%	1.7%
Hispanic or Latino	9.7%	18.8%	0.0%	5.8%	10.8%	3.4%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Two or More Races	2.4%	2.0%	0.0%	3.8%	1.5%	1.7%
White	81.1%	69.3%	96.4%	86.5%	80.0%	89.7%
Did Not Provide	1.8%	1.0%	3.6%	1.9%	3.1%	1.7%

Senior Leadership Gender Ratio



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

Diversity, Equity & Inclusion: We strive to build, sustain and empower a diverse workforce with a rich mix of differences. To us, this means creating inclusive workplaces where every employee feels valued and where there are equitable opportunities for everyone to grow and develop. Diversity, equity and inclusion are critical to our future success and as such we have prioritized DE&I 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 2022, we continued to provide employees with unconscious bias training, which we began to offer as a key component of our DE&I strategy in 2021. As of December 31, 2022, 87% of AVANGRID employees completed Unconscious Bias training during the past 24 months. This training includes a variety of learning pathways that help attendees:

- Recognize, acknowledge and identify their own biases.
- Recognize the negative impacts of these biases on our business.
- Realize the benefits that come from uncovering bias in decision-making.
- Identify and implement strategies to overcome both personal and organizational bias.

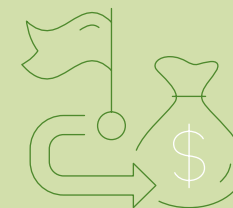


Financial Well-Being Roadmap: To increase participation in AVANGRID's financial wellness tools and resources among our employees, we are integrating the BRGs into our Financial Well-Being Roadmap Strategy and providing support to their initiatives like heritage month celebrations and diversity fairs. We have hosted financial well-being webinars for our BRG groups since 2021 and have also launched a Women Talk Money Webinar Series.

We are also assessing our company's benefits to ensure we offer inclusive benefits to all AVANGRID employees while continuing to analyze and adapt benefits to better serve our employees' needs and to communicate all relevant offerings.

Professional Development: Over the course of the year, we expanded training opportunities for employees with a strong focus on leadership development. Here, managers and supervisors who are new to leading employees engage in our comprehensive leadership training program known as **Leadership Essentials**. Established in 2021, Leadership Essentials was designed through insights we gathered from our annual employee survey, focus groups with leaders across AVANGRID and insights from conversations with our Employee Relations team.

This four-track curriculum includes instructor-led courses, peer groups, e-learning and on-the-job training, providing new leaders with the skills and knowledge to empower their employees, to better lead their teams and to engage in professional growth while building their careers at AVANGRID. We continued this curriculum into 2022 as we received overwhelmingly positive feedback following its launch. In 2022, employees logged a total of 4,034 hours of leadership training, in addition to 3,102 online leadership course training hours. Overall, our average training per employee increased to 42.5 hours in 2022.



FINANCIAL WELL-BEING ROADMAP

A holistic, step-by-step Financial Well-Being Roadmap to support employees on their journey to financial confidence. This includes comprehensive training modules on a variety of topics related to money management (i.e., budgeting and saving, envisioning retirement), coordinated financial planning events and 1:1 sessions with financial experts and guest speakers. Looking ahead, we plan to reinforce current tools and resources through strategic communications that target the unique needs of specific employee groups. This will provide the necessary tools and resources to empower AVANGRID employees to optimize their financial well-being.



97%

OF EMPLOYEES COMPLETED
THEIR EH&S TRAINING

SAFETY TRAINING

The health and safety of our employees is a top priority across all our operations every day. The steps we take to protect our employees' health and safety require engaging them in ongoing education and training opportunities.

To accomplish this, we have established a comprehensive – and mandatory – Environmental, Health & Safety (EH&S) training. The types of EH&S training each employee takes are determined by their job description, and the requirements differ between office employees and field employees. In 2022, 97% of AVANGRID employees across our corporate, network and renewables businesses completed their EH&S training.

JUST Capital Workforce Equity & Mobility Ranking:

We're proud to be included in JUST Capital's **2022 Workforce Equity & Mobility Ranking**. Through this inaugural ranking, JUST Capital recognized those companies that perform best on key disclosure and performance metrics that address racial equity and advance opportunity and mobility for workers and communities. These metrics include diversity, equity and inclusion policies, career development programs, local employment pipelines, fair pay and quality worker benefits.

Health & 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. Doing so builds employee confidence, motivation and productivity while encouraging an environment where innovation can flourish. 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 AVANGRID leaders have a portion of their variable compensation tied directly to health and safety goals.

We further engage our employees in creating a safety-first culture across the company through our "Good Catch" program. Here, employees identify and mitigate any workplace condition that may otherwise have caused harm. In 2022, we elevated the Good Catch program by recognizing five "Good Catches of the Year" at our annual EH&S summit, and by initiating an awards program that highlights two winners each month for their outstanding safety behavior.



Another key component of our health and safety culture is the emphasis we place on employee well-being. Healthier employees are at a lower risk of injury from industrial exposure and perform work more safely and with a lower rate of absenteeism. In 2022, we continued to place a strong emphasis on well-being programming, including support for employee mental health (such as access to extensive resources like mental health webinars), mental health training for people managers and digital emotional health programs that use cognitive behavior therapy and more.

We also held several onsite Benefits and Well-Being Fairs and expanded our network of mental health advocates to include approximately 80 employees. These are trained advocates who volunteer their time to listen and provide guidance to others regarding mental health resources. In addition to mental health resources, we expanded our onsite prevention and risk reduction programs, such as our early intervention program, which helps to prevent soft-tissue and musculoskeletal injuries. We have also hosted onsite influenza vaccination clinics.

In 2022, we received the **WELL Health-Safety International Well Building Institute Rating** across 17 of our workplaces. More than 80% of employees now work in WELL Health-Safety rated workplaces. This evidence-based, third-party-verified rating focuses on operational policies, maintenance protocols, stakeholder engagement and emergency plans.

We also implemented daily huddles for field staff with a focus on slip/trip/fall hazards, defensive driving and daily stretches, all of which contribute to the health and well-being of our people. In 2023, we plan to expand our Early Intervention Program, launch a new program that will help reduce ergonomic safety hazards and launch a Safety Leadership Program to increase hazard identification and prevention.

Lastly, we are on a journey to integrate our EH&S Management System across our entire operation to further ensure the well-being of our employees. 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). We are also actively working toward enterprise-wide certification of ISO 14001 (ISO's comprehensive environmental standard). By the end of 2024, we will have a fully integrated EH&S Management System that will incorporate these standards.

CYBERSECURITY

AVANGRID's Corporate Security Office maintains its pursuit of a "best in class" security program, including cybersecurity. The issue of cybersecurity has become even more critical in an increasingly digital world. AVANGRID's Corporate Security Office continued its work in 2022, positioning AVANGRID to navigate and contend with a risk landscape that has been elevated by factors like the war in Ukraine, global supply chain disruptions, and physical acts of sabotage against the grid.

Cyber hygiene best practices remain a critical element to AVANGRID's cybersecurity posture, so Corporate Security continues to prioritize fostering a culture of security throughout the organization. The Training and Awareness program provides the recognition and education needed to minimize employee practices that could expose the company to cyber and physical security risks. Training and awareness is provided through our annual mandatory trainings, in-person meetings and webinars, various internal communication channels and regular phishing simulations. This training led to measurable results, including a reduction in monthly phishing click rates by more than 50% compared to 2021, a 62% increase in company-wide third-party supplier risk trainings (here, we provided 21 trainings for over 800 users) and a 91% average training completion rate among our employees. Based on our success in 2022, we have expanded our goals for 2023, with a focus on optimizing cybersecurity training for employees.

Along with cybersecurity training for our employees and contractors, we expanded training to include targeted and specialized training, including cybersecurity training for our Board of Directors. This helps support our position ensuring best practices in corporate governance.





Empowering Our Customers with Care and Respect

Every day we strive to address our customers' energy needs while providing them with the care and service they expect and deserve. We're also committed to providing our customers with resources and insights they need to reduce their environmental footprints and energy costs. These commitments include:

- Empowering our customers with digital tools to better manage their energy usage.
- Expanded program support to ensure we understand how our customers' needs are growing and changing.
- New energy products and services to address these evolving needs.
- Emergency response services to help our customers during critical events and situations.

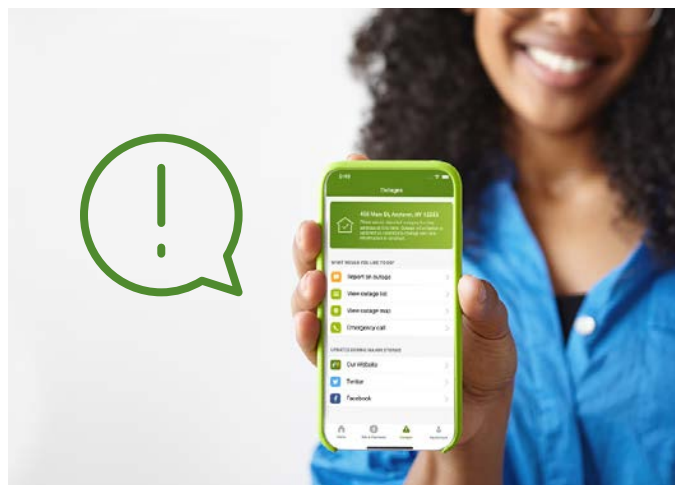
To better understand our customers' needs, we conducted a series of focus groups, in-depth interviews and Customer Listening Councils (initiated in 2021) to learn how they interact with the AVANGRID family of companies and how we can improve the customer experience based on our findings. In 2022 we've put these lessons into action. While we're proud of the progress we've made, we will continue to engage with and listen to our customers so they can be active collaborators in our efforts to create a clean energy future.

DIGITAL TOOLS TO IMPROVE THE CUSTOMER EXPERIENCE

In 2022, we launched several new digital tools designed to help our customers better understand and manage their energy usage. This includes Energy Manager, an energy management platform designed to provide our customers across New York with greater insights into their energy usage using data from our Advanced Metering Infrastructure (AMI, or "smart meter") program. These smart meters are equipped with two-way communication to better collect and analyze energy consumption information. This information is used to help customers manage their energy usage and to help us reduce response times to outages while improving network reliability for our customers.

Strategic investments in technologies like AMI enable us to leverage data to improve decision-making so that we can increase value for our customers by helping reduce their energy demand and by better understanding their energy use.

In 2022, the Energy Manager project successfully completed a launch for 55,000 customers across New York State Electric and Gas (NYSEG) and Rochester Gas and Electric (RG&E), with the remaining New York population set to launch in early 2023. Additionally, the project created a new feature that allows customers to find products to reduce their consumption and stay in control of their bills. In 2023, the project will roll out to our CMP and UI residential and non-residential customers.



We also launched a new initiative in 2022 that automatically enrolls customers in power outage alerts, with 855,000 customers enrolled across Maine and New York. During outages, customers want to know how long they will be without power and when the power will come back on. These outage alerts enable us to keep our customers informed as we work to restore power.

To better understand how to serve our customers, we also launched our Net Promoter Score (NPS) digital tool, which enables customers to provide instant feedback via desktop or app regarding their experiences with us.

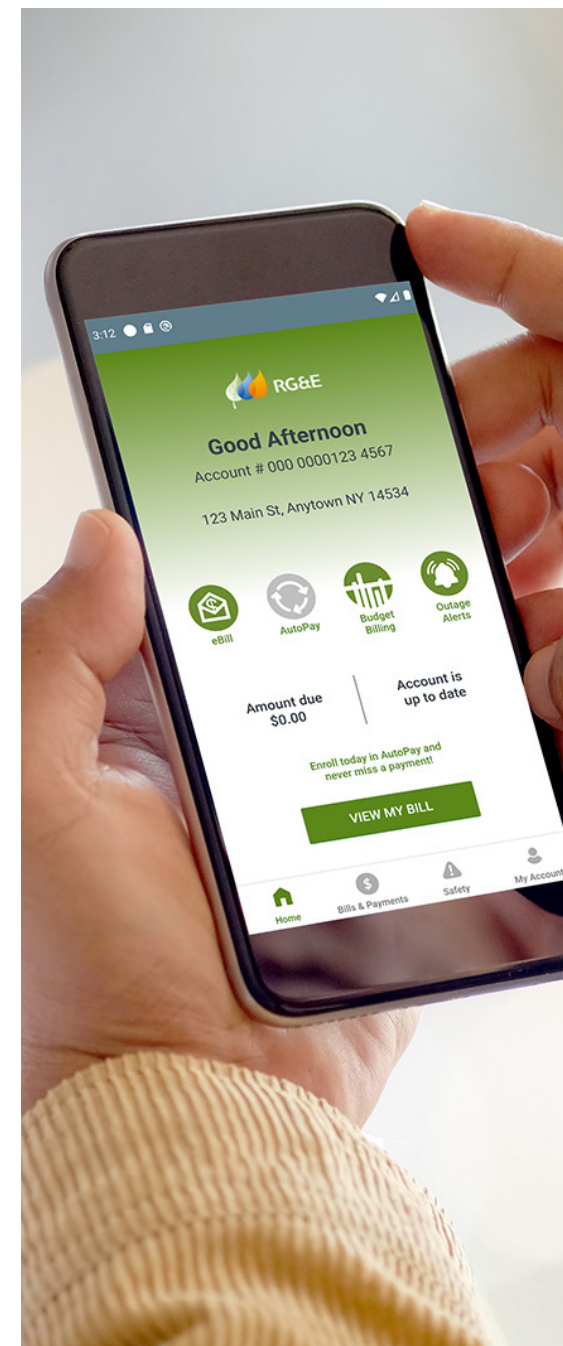
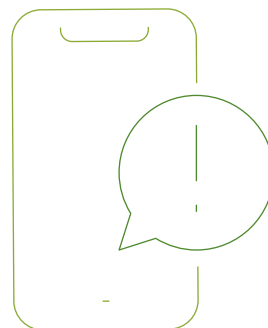
This means we can make changes based on customer feedback. Our apps (available across all our geographies) also empower our customers by allowing them to pay their bills with ease, access and view their accounts, update account information and easily engage with us.

Throughout 2022, our customers responded positively to these and other new digital tools. We saw this come to life through:

- Increased participation in our eBill (electronic billing program), which grew to 1.18 million customers, a 16.4% increase over 2021.
- Increased downloads of customer service apps (across our operating companies), which climbed to 840,000 – an increase of 73.3% over 2021.
- Nearly 1.4 million customers enrolled in power outage alerts, an increase of 265% over 2021.

1.4 M

CUSTOMERS ENROLLED IN
POWER OUTAGE ALERTS,
AN INCREASE OF 265%
OVER 2021





PROGRAMS, PRODUCTS AND SERVICES TO REDUCE ENERGY USAGE

From rebates to equipment replacements to energy assessments, we've initiated several programs designed to help our customers realize energy savings while reducing their overall environmental footprint. In 2022, these offerings (which stretch across our service areas) saved our customers millions of dollars while reducing their energy usage through a spectrum of energy efficiency measures.

As an example, in New York our Conservation and Load Management Smart Energy Solutions offerings help residential, multifamily developments and lower-income residents realize energy savings through the installation of high-efficiency lighting, access to Wi-Fi enabled thermostats and access to rebates on higher efficiency equipment and appliances such as heat pumps.

And in Connecticut and Massachusetts, the programs, products and services we initiated helped us exceed our energy savings goals by 78%. Much of this success came from efforts to help our customers adopt energy-saving technologies, including higher-than-expected participation in a program to help commercial businesses install heat pumps.

In 2022, we offered several other innovative energy efficiency programs to our commercial and residential customers, including:

- **The Multifamily and the Affordable Multifamily Energy Efficiency Program:** Provides New York residential, commercial and institutional customers with electrical equipment replacement and rebates, with a focus on reducing electrical usage in apartment and condominium complexes. This program includes free installation of LED bulbs in residential units and incentives to upgrade common area lighting.
- **The Small Business Direct Install Program:** Focuses on the needs of our business customers with a demand of less than 110 kilowatts. Eligible businesses receive free energy assessments and 70% off the cost of recommended lighting upgrades.
- **The Residential Rebate and Low to Moderate Income (LMI) Family Homes Program:** Offers LMI residential customers incentives to install Wi-Fi enabled thermostats to help them reduce their energy costs through digital technology. Through this program, we also provide LMI customers with rebates on energy efficient equipment and appliances, including high-efficiency natural gas furnaces, indirect water heaters, water and steam boilers and more.
- **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 Self-Direct Program:** Provides some of our largest commercial, industrial and institutional customers with the ability to direct a portion of their System Benefit Charge (a charge designed to recover costs associated with clean energy activities and energy efficiency programs) to fund cost-effective energy efficiency projects of their own choosing.
- **Appliance Recycling Program:** Helps residential customers recycle older, less efficient appliances, making it easier for them to upgrade to higher efficiency appliances. NYSEG's Appliance Recycling Program saw a 46% increase compared to 2021, while RG&E's saw a 24% increase compared to 2021.

HELPING OUR CUSTOMERS IN TIMES OF NEED

While several factors that affect our customers financially are outside of our control (for example, electricity supply rates are set by regulation or third-party energy providers who purchase the energy for customers), we have launched programs to help our customers reduce energy usage costs.

Some of these programs are available to all our customers, including access to rebates on more energy efficient products and appliances (such as smart thermostats, insulation, kitchen appliances and heat pumps). We also offer our customers free home energy audits to help them identify the most effective ways to reduce energy costs in their homes.

We know, too, that for our low to moderate income (LMI) customers, rising energy costs can be especially difficult to manage. For eligible LMI customers we provide financial assistance to offset the cost of energy, and for eligible low-income customers we provide supplemental funding, including access to over \$100 million in government assistance to customers experiencing ongoing financial hardships due to COVID-19. We also provide energy efficiency programs to residents in disadvantaged communities, including free energy audits and energy efficiency upgrades for income-eligible customers and multifamily residences.

And while we don't control energy rates in our communities, we work to educate our customers so that they know they can shop different providers for the best possible rates (something that many of our customers have historically been unaware of).

Looking ahead, we plan to grow these offerings as they help our customers realize significant savings while engaging them in our efforts to create a cleaner energy future.

PRIORITIZING EMERGENCY RESPONSE TO ADDRESS CUSTOMERS' CRITICAL NEEDS

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 all our operating companies, we have an Emergency Response Plan that is 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, as well as two-way communications so customers and other stakeholders can stay informed.

Storm-related emergencies are "all-hands-on-deck" situations, and every one of our network employees has 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, answering customers' online questions quickly and accurately. Other employees may switch from their normal roles to serving 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.





A Comprehensive Approach to Positive Community Impact

At AVANGRID we believe companies can – and should – make positive impacts in the communities they serve, including and beyond the services they provide. For us, this includes philanthropic giving through the Avangrid Foundation, corporate donations, employee giving and volunteerism. We also work to understand the needs of our communities through stakeholder engagement, and we seek to create equitable economic development in our communities, for example by increasing our supplier diversity while working to create a clean energy future.

INVESTING IN OUR COMMUNITIES THROUGH THE AVANGRID FOUNDATION

Since 2001 AVANGRID, through the Avangrid Foundation, has invested \$36 million in our communities, and today it is the centerpiece of our philanthropic work. The Foundation's mission focuses on four key pillars, including:

- Training and Research
- Biodiversity and Climate Change
- Art and Culture
- Social Action

In 2022, the Foundation provided \$4.1 million to support meaningful action across these four pillars. This includes more than \$1.6 million to support training and research programs and initiatives, approximately \$794,000 in support of efforts to protect biodiversity and address climate change, \$160,000 in support of art and culture, and nearly \$1.5 million directed to organizations and initiatives addressing social action and critical social issues.

In addition to the Foundation giving, our companies provided a combined \$1.2 million in corporate donations, and our employees gave nearly \$253,000 to support our communities and causes. Throughout the year, the Foundation, our companies and our employees combine their giving power to support numerous organizations doing critical work across these four key pillars. Some examples of these efforts include:

- **The University of Southern Maine (USM) Foundation:**
To advance education and research with a specific focus on sustainability and cultivate and prepare the next generation of sustainability leaders, the Avangrid Foundation made a gift of \$1.2 million to The University of Southern Maine Foundation to establish the AVANGRID David Flanagan endowed professorship and scholarship in sustainability. This investment honors David Flanagan and his legacy as a Maine business icon and 12th president of USM. Before joining USM, David served as a long-time president and CEO at CMP. He returned to CMP as Executive Chairman until he passed away in October 2021.

- **Wildlife Rehabilitation:** In 2022, the Foundation provided a total of \$136,000 in grants to 15 wildlife rehabilitation centers as part of its Wildlife Rehabilitation Program. These grants support operational capabilities and expand outreach to improve knowledge and awareness of wildlife resources. From combating the Highly Pathogenic Avian Influenza virus and studying copper toxicity, to building new shelters and purchasing nutritious food, the funds are supporting impactful and lasting changes for the good of wildlife and our environment.
- **The Ronald McDonald House Charities (RMHC):** To help families facing difficult challenges in our service areas, the Avangrid Foundation granted \$30,000 to the RMHCs in Connecticut, New York and Maine. These funds will support their Pantry Pals Program, which alleviates financial burdens by providing basic provisions free of charge during a family's stay at RMHC. These grant builds on AVANGRID's long-standing support of RMHC, bringing the company's total support to more than \$378,000.



ENGAGING OUR EMPLOYEES IN THEIR COMMUNITIES

So many of the positive social impacts we help create are driven by our employees. In 2021, we launched Energized for Good, an initiative that elevates the opportunity for AVANGRID employees to volunteer and give back. This program creates volunteer options 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).

This online platform is proving to be effective. In 2022, our employees volunteered for a total of 10,464 hours, well above the goal we set of 7,000 hours, during 143 company-organized events serving 243 nonprofit organizations. Their efforts also generated \$132,535 donated to these organizations through Energized for Good.

Longer term, our goal is to reach 35,000 employee volunteer hours per year by 2025. To get there, we've taken steps to incorporate volunteerism into our organizational culture – for example, we share volunteer opportunities during regular team meetings and new employee orientations.

We also recognize that we need to support our employees' bold, creative and impactful volunteer efforts. Some examples of these efforts include:

- **Helping the YMCA of Ithaca and Tompkins County Serve Those in Need:** Through Energized for Good, NYSEG employees volunteered at this community "food hub" to help unload and organize a delivery of food and healthcare items. As they worked, NYSEG volunteers came across a challenge: the YMCA had only a few freezers and refrigerators, limiting their storage capacity.





The team saw this as an opportunity to help. Through a donation from NYSEG, the YMCA has since purchased an additional freezer and refrigerator. They also hired a local electrician to relocate all their appliances to one central location.

“With a brand-new freezer and refrigerator – and a lot of rewiring – our food hub is now perfectly suited to supply our community with food equity for all who enter our doors,” said Teresa Morehouse, Interim CEO and Associate Executive Director of the YMCA of Ithaca and Tompkins County. “Thank you again to NYSEG for their support and for recognizing a great need and fulfilling it. The gift of cooling appliances has benefited our community much more than we can ever quantify!”

- **Building Stronger Communities with Habitat for Humanity:** While the Avangrid Foundation’s national partnership with Habitat for Humanity began in 2019, several of our operating companies have partnered with the organizations for much longer to help create quality, affordable housing across the country. We deepened our partnership with Habitat for Humanity this past year by supporting 31 volunteer build days with local Habitat chapters across our service areas where our employees volunteered 1,153 hours of their time.

One of these builds, in Auburn, New York, sparked a personal connection for Brittany Short, an NYSEG electrical engineering clerk volunteering on the project, when she realized the home they’d be working on was previously owned by her grandmother. “When I signed-up to volunteer, I had no idea it was my grandmother’s former home. I thought I’d be upset, but it made me smile and happy to see the house come back to life. I’m excited for the new family to make great memories there,” said Brittany.

LISTENING TO OUR STAKEHOLDERS TO BEST ADDRESS THEIR NEEDS

Engaging with and listening to our stakeholders – those we serve and those whose lives we affect across our entire footprint – is essential to building strong, lasting relationships with our communities. In 2022, we exemplified this commitment by conducting in-depth interviews, focus groups and listening tours with our customers to better understand how they interact with our family of companies and how to better meet their needs. This included candid conversations between customers, other key stakeholders and our leadership teams to obtain their feedback and enable us to continually improve our service. During our ongoing Customer Listening Councils across our utilities in Maine, New York, Connecticut and Massachusetts, customers and other key stakeholders engage directly with our leadership, providing feedback that will help us continue to improve our business in ways that best serve our customers’ changing needs.

Our commitment to stakeholder engagement is also exemplified by our Public Outreach team. This team uses a variety of tools to proactively inform customers and community members about how our project work may impact them while also providing them with 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. We want 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.

Our stakeholders, along with our investors and the communities we serve, expect that we will be thorough and transparent when we share our progress against our ESG+F commitments, goals, achievements and challenges.

Therefore, in addition to this Sustainability Report, we disclose and share our ESG work across several different platforms and reporting structures, including:

- The Global Reporting Index (GRI)
- The Sustainability Accounting Standard Board (SASB)
- The Edison Electric Institute (EEI)
- The American Gas Association (AGA)

We make these reports available in the Sustainability section of our website – avangrid.com/sustainability. We view effective stakeholder engagement as an essential component of our community engagement work and will continue to identify and implement the most effective ways to move this work forward.

IMPROVING WATER SYSTEMS IN ECUADOR

In 2022 Alex Lockard, a Project Civil Engineering Manager supporting onshore wind projects, returned from an ongoing volunteer effort in the village of Chaupiloma in Ecuador. Alex is a member of the volunteer international nonprofit “Engineers without Borders”. He and a team of other engineer volunteers have been focused on assessing and upgrading the village’s existing (but aging) drinking water system.

This team of six spent nearly two weeks working 12-hour days conducting household surveys, flow testing, investigating the components of the water system and testing the water quality. These challenging tasks were made even more difficult as they involved hiking to an altitude of 12,500 feet to inspect the current system. The team was accompanied by the current system operator, Jose, who spends five to six days per week riding on horseback to manually manage the system (a process that should be mostly automatic).

To manage their assessment, the team used a GIS map specifically built for the project by AVANGRID GIS Analyst Laura Senyo. Alex was inspired to ask our GIS team for

support after using similar maps during his work designing and building wind and solar projects. Laura also created an app to keep a digital database of their household surveys that is easily exportable versus cataloging by hand.

With Laura’s support, as well as support from other colleagues, Alex was able to move this project forward. “To have their support really means the world to me,” said Alex. “Marynes Cabrera, a development engineer and native of Bolivia, also volunteered a lot of time as a translator. We couldn’t have done this without their support.”

His more than 100 hours of volunteer work in Ecuador translates to a \$1,500 donation for the Portland EWB chapter, thanks to the Avangrid Foundation’s Energized for Good program.





ECONOMIC DEVELOPMENT TO CREATE A CLEAN ENERGY FUTURE

As an anchor institution in our communities, we have a key role in contributing to the economic development of these communities. In addition to producing social and environmental benefits, the transition to clean energy is an opportunity to help people and communities participate in the clean energy transition through new jobs, and it is our responsibility to make crucial and strategic investments to maximize the economic benefits from this transition.

We are currently undertaking several significant projects and initiatives which together represent multibillion-dollar renewable energy investments that will generate significant economic development in our communities while demonstrating our commitment to invest in a cleaner, smarter energy future. Some of these include:

- **Vineyard Wind 1** will generate clean, renewable and affordable energy for over 400,000 homes and businesses across Massachusetts. We also expect this project to create 3,600 competitively paying jobs in the renewable energy field.
- **Our partnership with Crowley Maritime and the City of Salem**, where AVANGRID will be the anchor tenant for a new offshore wind marshalling port (to be built by Crowley at the port of Salem). This property previously was used for a coal-burning power plant. The new port will be a world-class facility that will attract many other offshore wind developers. This port is also particularly well positioned to serve floating wind turbine technology that will be utilized for upcoming lease areas in the Gulf of Maine.

- **Our partnership with the Prysmian Group**, an offshore wind cable company, a commitment to domestically manufacture transmission cables that link AVANGRID's wind turbines at our Commonwealth Wind facility to the electrical grid. This agreement, finalized in 2022, will lead to the creation of a state-of-the-art manufacturing plant in Somerset, Massachusetts (at the site of a former coal-fired power plant). In total, this project is expected to create approximately 440 to 460 new jobs.

INCREASING SUPPLIER DIVERSITY AND SUSTAINABILITY

SUPPLIER DIVERSITY

AVANGRID's Supplier Diversity program has established ambitious goals over the next three years to increase supplier diversity spend to \$300 million in 2025. Efforts to increase our annual spend with diverse suppliers include (but are not limited to) businesses owned by the following groups:

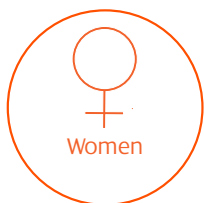
- Ethnic Minorities: defined by the National Minority Supplier Development Council ([nmsdc.org](https://www.nmsdc.org))
- Women: WBENC Women-Owned Business Certification Eligibility ([WBENC.org](https://www.wbenc.org))
- People with Disabilities: Supplier Diversity - Disability:IN ([disabilityin.org](https://www.disabilityin.org))
- Veteran/Service: Disabled Veteran: Certification Eligibility ([NVBDC.org](https://www.nvbdc.org))
- LGBTQI+: LGBTBE Certification ([NGLCC.org](https://www.nglcc.org))

In 2022, our annual spend with diverse suppliers totaled \$195 million. To move forward in achieving our supplier diversity goals, we are taking the following actions:

- Building awareness within our purchasing community at AVANGRID.
- Growing AVANGRID's external presence and visibility.



Ethnic
Minorities



Women



Veteran



LGBTQI+



People with
Disabilities

- Continuing to review best practices in Supplier Diversity.
- Engaging with certifying organizations to aid in building strong relationships.
- Reaching a target spend of \$300 million with diverse suppliers by 2025.

AVANGRID'S commitments to our communities, our people and the environment make us one of the most sustainable, socially responsible energy companies in the country. Studies show that working with diverse suppliers stimulates fresh ideas, brings us closer to our local communities and drives increasingly innovative and creative services to AVANGRID.

SUPPLIER SUSTAINABILITY

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. We assess our suppliers against our ESG criteria (43 factors total) and use these assessments to arrive at each supplier's ESG score. We also work to help our suppliers meet our sustainability expectations, providing those who need assistance with additional resources, including recommendations to make improvements. In 2022, we set a goal to have at least 58.5% of our suppliers meet our sustainability standards, and we exceeded that goal by achieving 67% compliance. In 2023, our new sustainability goal will measure the percentage of total awards given to sustainable suppliers. To achieve this, we will continue to assist and support our suppliers.

To date, our Supplier Sustainability program has helped several of our suppliers identify and implement changes that have led to improvements in their internal policies and across their operations. These improvements include measures to improve environmental practices, develop and implement a code of ethics and more. Many of our suppliers have shared how, by working with AVANGRID, they are bringing new policies and practices to become more sustainable. Some of the examples include:

- A turbine and maintenance repair supplier, after engaging in our Supplier Sustainability program, set up a meeting with their C-suite to discuss how to improve their company's sustainability program, including ways to improve documentation and tracking of efforts they already have in place.
- A construction services supplier engaged a third-party expert to help establish new policies and a training program to address areas where their company was falling short. Here, our supplier requested feedback from AVANGRID that was shared with their third-party expert.
- A maintenance services supplier (and small business) expressed how their team was moving quickly to implement new sustainability policies that, while resource-intensive for a business of their size, they still see as essential. Here, the supplier utilized resources AVANGRID provided to help move this effort forward.



ETHICS, COMPLIANCE AND CORPORATE GOVERNANCE

Leader in Ethical
Governance Practices

Empowering Our Compliance
Organization to Ensure
Best Ethical Practices

Human Rights and Supplier
Code of Conduct

Sustainable Development Goals

Ethics, compliance and corporate governance

Leaders in Ethical Governance Practices

AVANGRID has consistently been recognized as a leader in ethics, compliance and corporate governance along with our deeply embedded commitment to being a socially responsible business and corporate citizen.

In 2022, AVANGRID was listed among the World's Most Ethical Companies for the fourth consecutive year by the Ethisphere Institute, was named by CNBC and JUST Capital as one of the JUST 100 Companies for the second year, and was honored with the World Finance Sustainability Award – Electric Services. The honors and recognition we've received for our socially responsible leadership reflect our commitment to ESG, including acting with the highest ethical standards. Our Governance and Sustainability System provides the structure and oversight needed to meet these commitments.

To be recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, a company must undergo an exhaustive process where researchers and analysts from the Ethisphere Institute conduct detailed assessments of its compliance and ethics-related initiatives. The Institute also benchmarks these initiatives against what they've determined to be the best practices in the field of corporate ethics and compliance.

OVERVIEW OF GOVERNANCE AND SUSTAINABILITY SYSTEM

AVANGRID's Governance and Sustainability System is integral to the company's corporate purpose and the creation of sustainable value for society, our customers, our communities and our shareholders. This system is informed by our commitment to ethical principles, transparency and leadership in the application of best practices in good governance. It is designed to be a working structure for principled actions, effective decision-making and monitoring of our compliance and performance with regard to our sustainability and governance commitments.

As a leading sustainable energy company, we continue to evolve our governance structure and actions in ways that inform and advance our sustainability system. For over two years, the AVANGRID ESG Committee has helped drive our sustainability commitments forward. This internal management committee is tasked with coordinating our ESG commitments across the organization while providing leadership on sustainable development strategies, policies, programs, practices and initiatives to inform and advance these commitments. The committee includes representatives from Legal, General Services, Risk, Internal Audit, Investor Relations, Environmental Health and Safety, Avangrid Foundation, Compliance and the networks and renewables businesses.



In 2022, our Board of Directors established a new committee, the Governance and Sustainability Committee, as part of a larger set of corporate governance enhancements. This committee is responsible for developing and maintaining AVANGRID's Governance and Sustainability System while also overseeing our compliance with legal and regulatory requirements, our social and governance activities and initiatives and our non-financial sustainability reporting including this report. Previously, AVANGRID's Governance and Sustainability System was overseen by the Board of Directors Compensation, Nominating and Corporate Governance Committee. However, in recognition of the critical importance of this work, the Board of Directors determined that a separate committee was necessary. This committee works to ensure that sufficient time and resources are dedicated to its oversight responsibilities with respect to ESG risks, performance, activities and initiatives, as well as non-financial sustainability reporting.

Our Board of Directors, with the assistance of the Governance and Sustainability Committee, regularly reviews our Governance and Sustainability System to ensure AVANGRID's business strategy aligns with our policies and procedures focused on risk management and our sustainability commitments. This committee regularly reports to the full Board with respect to the company's ESG+F and sustainability risks, initiatives, activities and goals. The Governance and Sustainability Committee also assists the Board with reviewing and updating AVANGRID's sustainable development policies.

Finally, as in years past, our CEO, who is also a member of our Board of Directors, is responsible for executing our ESG+F strategy, and this includes regularly reporting on the status of our ESG+F and sustainability goals, initiatives and actions to the Board. Because we prioritize our ESG+F and sustainability commitments, compensation and incentive programs for our CEO and other members of senior management are based on the company's effectiveness and success in meeting our ESG+F goals.





DEMONSTRATING OUR COMMITMENT THROUGH OUR GOALS

As demonstrated throughout this report, we have set aggressive ESG+F goals across all aspects of our operations, and we are committed to meeting or exceeding these goals under the oversight of the Governance and Sustainability Committee of the Board of Directors. Our governance goals include maintaining:

- A Governance and Sustainability System that incorporates the best governance practices in the United States (verified via third-party independent assessment).
- An effective ethics and compliance program that utilizes best practices (verified via external certification).

UPDATES TO POLICIES THAT REFLECT BEST PRACTICES

To accomplish our ESG+F goals while prioritizing our sustainability commitments, we have embedded governance and compliance best practices in a set of sustainable governance initiatives, including:

- Adopting a new Diversity, Equity and Inclusion Policy.
- Updating AVANGRID's Climate Change Policy to include our new emissions goals.

- Earning the Compliance Leader Verification certification from the Ethisphere Institute with a goal of maintaining third-party verification of our ethics and compliance program.
- Conducting an annual evaluation of our governance system and board by an independent third-party (with the goal to maintain ongoing review and certification).
- Establishing a cross-functional corporate ESG committee.
- Becoming one of the top 10 green bond issuers in the United States.
- Establishing a Governance and Sustainability Committee of the Board of Directors responsible for oversight and accountability.



AVANGRID'S BOARD OF DIRECTORS

Our 14-member Board of Directors is instrumental in directing our successful path toward achieving our ESG+F goals, and our Board composition reflects our commitments. During 2022 our Board was comprised of:

- 57% independent board members.
- 71% of board members who self-identify as women and/or racially/ethnically diverse.
- Four-year average tenure for board members.
- 71% of board members who have risk management experience.
- 57% of board members who have financial experience.
- 50% of board members who have ESG experience.

71%

OF OUR 14-MEMBER BOARD
OF DIRECTORS SELF-IDENTIFY
AS WOMEN AND/OR RACIALLY/
ETHNICALLY DIVERSE



Empowering Our Compliance Organization to Ensure Best Ethical Practices

AVANGRID's Compliance Division, which is led by our Chief Compliance Officer (CCO), is responsible for a corporate compliance program intended to ensure we comply with an extensive array of legal and ethical requirements. The Compliance Division collaborates across the organization, working to make sure we both comply with the law and align with our own ESG+F strategies while meeting or exceeding our commitments to the highest ethical behavior.

The AVANGRID Code of Business Conduct and Ethics (the "Code") is the basis for our Compliance Program, as are the criteria for an effective compliance program established under Chapter 8 of the U.S. Federal Sentencing Guidelines for Corporations. The Code is applicable to all directors, officers and employees across our entire company. It details our core ethical values, establishes standards of conduct and includes guidance designed to help employees at all levels of our organization make appropriate, informed decisions when faced with questions and issues of an ethical nature. To ensure that the Code remains current with any ethical challenges our employees may face, it is reviewed and updated annually.

We also expect our vendors to act ethically, and we have supplemented our Code with a Supplier Code of Ethics that we include in our vendor contracts. The Supplier Code of Ethics establishes the expectation that our vendors comply with the law and with key ethical principles including anti-corruption, human rights including protections against forced/slave and child labor and human trafficking, fair remuneration, health and safety and expectations around non-retaliation measures if they are to conduct business with AVANGRID. The Supplier Code cannot be waived or amended without authorization from the Chief Compliance Officer.

To put these expectations into practice, AVANGRID has a 24/7 independent reporting Helpline to help employees, consultants, contractors, suppliers and the public seek guidance on ethics and compliance-related matters and report any situations that may require investigation. AVANGRID's Compliance Division is tasked with addressing any issues and concerns raised through the Helpline or brought to its attention through any other form of communication.

In addition to our Code of Business Conduct and Ethics, we maintain an operational Compliance Plan that is reviewed and approved annually by the AVANGRID Governance and Sustainability Committee. This plan encompasses activities like employee training and

communications, conflict of interest reporting and resolution, third-party reviews and due diligence, a crime prevention plan, compliance risk assessments, ethical culture measurements and an annual external review 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 may be found on our public website at [avangrid.com](https://www.avangrid.com).

In addition to 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. This includes training to advance our commitment to create an inclusive and diverse work environment and to help ensure understanding 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.



AVANGRID's Governance and Sustainability System provides the structure and oversight we need to meet our ambitious ESG+F commitments. We hold ourselves to the highest ethical standards to guide our critical work while we build a better energy future for generations to come."

Alistair Y. Raymond
Vice President,
Chief Compliance Officer

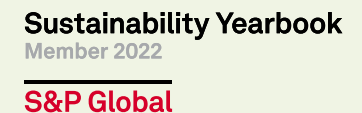


COMPLIANCE RECOGNITION REFLECTS COMMITMENTS TO SOCIAL RESPONSIBILITY

As a recognized leader in ethics, compliance and corporate governance, we focus on creating clean energy projects that benefit our communities while keeping our deep commitment to socially responsible business practices. To ensure we meet these commitments to the absolute best of our abilities, we look to distinguished third parties to benchmark and assess our efforts. Following are some of the recognitions we received from such organizations over the course of 2022 and into early 2023:

- AVANGRID was honored to be included (for the fifth year in a row) in the list of the **World's Most Ethical Companies** by the **Ethisphere Institute**, a global leader in defining ethical standards for business practices.
- AVANGRID earned Ethisphere's **Compliance Leader Verification** certification for 2021-2022, extending a previous 2019-2020 certification, after rigorous review of our ethics and compliance program and corporate culture.

- AVANGRID was also recognized, for the third consecutive year, by CNBC and **JUST Capital** as one of the **2023 JUST 100** (an annual ranking of the most just U.S. public companies). Additionally, in 2022 AVANGRID was recognized as one of the top 100 companies on the **JUST Capital Workforce Equity and Mobility Ranking**.
- For the third consecutive year, AVANGRID was named to the **2023 Sustainability Yearbook**, which is **S&P Global's** annual comprehensive listing of the world's most sustainable companies. Inclusion here requires that a company be in the top 15% of its industry and achieve an S&P Global ESG score within 30% of the best in their sector.
- In September 2022, AVANGRID was included as a finalist for two awards in **Corporate Secretary Magazine**. These included the "Best in Compliance and Ethics Programs" category and the "Best ESG Reporting" (small to mid-cap) category.



Human Rights and Supplier Code of Conduct

Respect for human rights is fundamental across our company – within our own operations, in the communities in which we serve and operate, and to our goal of helping to create a more just and sustainable world.

To bring this commitment to life, we strictly adhere to a set of guidelines that require that we respect and abide by internationally recognized principles for protecting human rights and that we treat all people with dignity and with respect. To adhere to our commitment, we've established mechanisms to identify, prevent and mitigate adverse effects on human rights – from protecting the rights of ethnic minorities and indigenous peoples, to our 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 (UNGP).
- The Social Policy of the International Labor Organization and the United Nations' Sustainable Development Goals.
- The Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, which sets out norms of responsible social behavior by multinational firms.

Because we view our suppliers as strategic business partners that play an essential role in protecting human rights, we also require that they adhere to our Supplier Code of Ethics and associated contractual terms and conditions. Within our Supplier Code of Ethics is an expectation that our suppliers comply with all applicable laws and regulations, including in areas such as:

- Forced labor, prison labor, slavery, human trafficking and other forms of modern slavery
- Child labor
- Freedom of association and collective bargaining
- Health and safety

To further reinforce our commitment to protect human rights and prevent corruption across our supply chain, we updated our Supplier Code of Ethics in 2022 to provide additional guidance in this area, including:

- Adding a new section on fair competition, collusion and antitrust.
- Alerting suppliers to comply with AVANGRID's internal gift and hospitality guidelines, and how they can contact our Compliance Organization for guidance.
- Ensuring that the AVANGRID Chief Compliance Officer has the sole authority to interpret our Supplier Code of Ethics, including any amendment or waiver.

In addition, our Compliance Division has refined AVANGRID's third-party due diligence processes to undertake regular compliance database screening that includes reviewing for potential human rights violations.





Sustainable Development Goals

At AVANGRID, we support and 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 make positive social actions that support the creation of sustainable communities through investments in development, innovation and research.

SDG 7: AFFORDABLE AND CLEAN ENERGY

Creating clean, emissions-free energy from sources like wind and solar power is core to our business and our commitment to a clean energy future. Today, most of our installed energy generating capacity is emissions-free, and we've set numerous targets to further our efforts related to this goal. This includes increasing our 2015 renewables installed capacity by 190% by 2030, with the support of \$4.3 billion in investments across our renewables business by 2025. And we're working to install 300 MW (48 ktons) of operational green hydrogen electrolyzer capacity by 2030.



SDG 13: CLIMATE ACTION

As part of our climate mitigation strategy, we have escalated our plans to reduce our own carbon emissions with the goal of becoming Scopes 1 and 2 carbon neutral by 2030. To accomplish this, we're working to reduce our Scopes 1 and 2 GHG emissions annually. We've also committed to transitioning 100% of our light-duty vehicle fleet to cleaner energy alternatives by 2030 while sourcing 100% renewable energy across all AVANGRID corporate buildings by 2030. To help reduce carbon emissions outside of our operations, we've committed to investments in our distribution network to support the installation of 15,000 new EV charging stations by 2030.





SDGS 1-6, 8-12, 14-17

Our support for the UN Sustainable Development Goals goes beyond just climate impact. For example, we collaborate with the Avangrid Foundation in their mission-driven giving. Since 2001, the Avangrid Foundation has invested \$36 million in grants, contributions, scholarships and matching gift programs to support the creation of sustainable, vibrant and vital communities, while preserving cultural and artistic heritage, advancing education and improving the lives of people in the communities we serve.



UPDATES TO THE UNITED NATIONS ENERGY COMPACT

To reach what it calls the Global Roadmap for Accelerated SDG 7 Action (Affordable and Clean Energy), the United Nations established a set of voluntary commitments for mobilization and implementation. Here, a global Energy Compact Action Network, supported by the UN, is being established to support strategic alliances and partnerships that will result in the delivery of Energy Compact commitments.

UN member states and non-state actors such as AVANGRID can participate in these compacts. As a leader in the transition to a clean energy future, we are participating in this effort to help achieve SDG 7 and the goals set forth in the Paris Agenda (established during the Paris Climate Accord). AVANGRID has committed to supporting the achievement of these actions as part of our Energy Compact.

AVANGRID, along with every other partner organization across the globe, is participating in a collaborative process to bring this work to life with the goal to significantly advance access to affordable and clean energy on a global scale.



FINANCIAL STEWARDSHIP

Sustainable Financing
and Investing to Help
Create a Clean Energy Future

Green Finance Framework

Green Finance Reporting

Key Performance Indicators

Non-U.S. GAAP
Financial Measures

Legal Legends

Financial Stewardship

Sustainable Financing and Investing to Help Create a Clean Energy Future

As a leading sustainable energy company at the forefront of the U.S. transition to clean energy, investments in our two primary businesses – networks and renewables – serve as the foundation for our growth strategy. These investments are central to our efforts to achieve a clean energy future while also creating consistent earnings growth and stable dividend payments for our shareholders.



At AVANGRID, strong financial stewardship begins with a commitment to our ESG+F strategy, and by adhering to this approach we're creating better service and outcomes for our customers today while helping to create a more sustainable future. Our targeted investments demonstrate that we can deliver positive benefits for all our stakeholders, including our customers, communities and shareholders.

SUSTAINABILITY DRIVES GROWTH

To advance our financial growth while championing a clean energy future, we are committed to strong corporate governance, ethics and integrity, along with our core commitments to safety, security and our employees.

Combined, these commitments are embedded in every action we take and every decision we make.

As we make investments to modernize our energy grid, and as we invest in more renewable power generation, we're improving resiliency, safety, reliability and transmission, and these improvements help us perform more efficiently. These business activities align with our sustainability commitments, including our commitments to help address the United Nations Sustainable Development Goals (SDGs) and specifically SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

NYSE:AGR

Our financial results demonstrate that we are on the right path, and in 2022, we reported \$881 million in net income, an increase of 25% over 2021.



Green Financing Framework

We see green financing (structured financial activities created to ensure a better environmental outcome) as a valuable tool to support our investment program, to create accountability with our investors and to help us adhere to our socially responsible business practices.

In 2022, we added \$275 million to our existing green bond portfolio by issuing an inaugural utility green bond at CMP to finance investments in system resiliency, LED street lighting and advanced metering infrastructure. These issuances increased our total green bond portfolio to \$2.85 billion as of the publication date of this report. In addition, of the \$21.5 billion we forecast investing between 2023 and 2025, \$5.9 billion will be eligible under our current Framework for Green Financing, as these funds will go toward investments in renewable energy, energy efficiency, climate change adaptation and clean transportation.

Along with being an early adopter of green bonds, we are one of the first U.S. companies to execute a sustainability-linked credit facility (in 2018), which links our pricing in that facility to our carbon emissions intensity.



We're glad to see that since issuing our first green bonds, the market has evolved, and today lower-cost financing in these markets is becoming available. This is helping us bring our ESG+F strategy to life as we work to create a clean energy future while meeting our financial goals.



\$2.85 B

TOTAL GREEN BOND
PORTFOLIO TO DATE

Green Financing

SECURITY			ALLOCATION						2022 IMPACT	
Issuing Entity	Designation	Net Proceeds (\$ millions) % Allocated	Project	Type	Location (State)	Capacity (MW)	In-Service Date	Allocated (\$ millions)	Output (GWh)	CO ₂ Avoided (mt) ¹
AVANGRID	3.15% Notes due 12/1/2024 (05351WAA1) Issued 11/21/2017	\$595 100%	Amazon Wind Farm U.S. East	Onshore Wind	NC	208	Dec '16-Feb '17	\$395	855	605,768
			Gala Solar Plant	Solar	OR	56	Oct '17	100		
			Twin Butte II	Onshore Wind	CO	75	Dec '17	100		
						339		\$595		
AVANGRID	3.80% Notes due 6/1/2029 (05351WAB9) Issued 5/16/2019	\$745 100%	La Joya ²	Onshore Wind	NM	90	Feb '21 & Jun '21	\$116	1,627	1,152,739
			Montague	Onshore Wind	OR	201	Oct '19	126		
			Karankawa	Onshore Wind	TX	307	Dec '19	191		
			Patriot	Onshore Wind	TX	226	Jun '19	182		
			Otter Creek	Onshore Wind	IL	151	Mar '20	130		
						975		\$745		
AVANGRID	3.20% Notes due 4/15/2025 (05351WAC7) Issued 4/9/2020	\$745 100%	Colorado Green	Wind Repower	CO	162	Dec '20	\$ 71	1,327	940,751
			Roaring Brook	Onshore Wind	NY	80	Oct '21	80		
			La Joya ²	Onshore Wind	NM	216	Feb '21 & Jun '21	278		
			Golden Hills	Onshore Wind	OR	201	May '22	227		
			Lund Hill	Solar PV	WA	150	Dec '22	151		
						809		\$745		
AVANGRID	Tax Equity Aeolus VII Funded 2/2020, 4/2020	\$438 100%	Montague	Onshore Wind	OR	201	Oct '19	\$138	1,287	911,935
			Karankawa	Onshore Wind	TX	307	Dec '19	200		
			Otter Creek	Onshore Wind	IL	151	Mar '20	100		
						659		\$438		
AVANGRID	Tax Equity Patriot Funded 6/2019	\$128 100%	Patriot	Onshore Wind	TX	226	Oct '19	\$128	287	203,445
AVANGRID	Tax Equity Aeolus VIII Funded 11/2021	\$395 100%	Colorado Green	Wind Repower	CO	162	Dec '20	\$104	559	395,810
			Golden Hills	Onshore Wind	OR	201	May '22	110		
			Roaring Brook	Onshore Wind	NY	80	Oct '21	95		
			Montague II Solar ³	Solar PV	OR	162	May '23 (est)	86		
						605		\$395		
AVANGRID	Tax Equity Solis I Funded 4/2022	\$76 100%	Lund Hill	Solar PV	WA	150	Dec '22	\$ 76	32	22,807

Green Financing

SECURITY			ALLOCATION					2022 IMPACT	
Issuing Entity	Designation	Net Proceeds (\$ millions) % Allocated	Project	Type	Location (State)	In-Service Date	Allocated (\$ millions)	Energy Savings	CO ₂ Avoided (mt) ¹
NYSEG	2.15% Notes due 10/1/2031 (649840CT0) Issued 9/4/2021	\$347 99%	Energy Efficiency	Advanced Metering Infrastructure (AMI)	NY	2020-2022	\$ 95	See footnote 4	
			Energy Efficiency	LED Street Lighting	NY	2020-2022	16	19.6 GWh	13,876
			Climate Change Adaptation	Resiliency	NY	2020-2022	231	See footnote 5	
							<u>\$343</u>		
RG&E	2.91% 1st Mortgage Bonds due 12/15/2051 (771367D*7) Issued 12/15/2021	\$123 78%	Energy Efficiency	Advanced Metering Infrastructure (AMI)	NY	2020-2022	\$ 56	See footnote 4	
			Energy Efficiency	LED Street Lighting	NY	2020-2022	1	0.4 GWh	309
			Climate Change Adaptation	Resiliency	NY	2020-2022	39	See footnote 5	
							<u>\$ 96</u>		
UI	2.25% Notes due 1/31/2032 (910637V@3) Issued 1/31/2022	\$149 82%	Energy Efficiency	LED Street Lighting	CT	2020-2022	\$ 9	13.7 GWh	9,697
			Climate Change Adaptation	Resiliency	CT	2020-2022	114	See footnote 6	
							<u>\$122</u>		
CMP	4.37% 1st Mortgage Bonds due 12/15/2032 (154051J@6) Issued 12/15/2022	\$75 44%	Energy Efficiency	Advanced Metering Infrastructure (AMI)	ME	2020-2022	\$ 6	See footnote 4	
			Energy Efficiency	LED Street Lighting	ME	2020-2022	3	1.6 GWh	1,123
			Climate Change Adaptation	Resiliency	ME	2020-2022	24	See footnote 5	
							<u>\$ 32</u>		
CMP	4.76% 1st Mortgage Bonds due 12/15/2052 (154051J#4) Issued 12/15/2022	\$50 44%	Energy Efficiency	Advanced Metering Infrastructure (AMI)	ME	2020-2022	\$ 4	See footnote 4	
			Energy Efficiency	LED Street Lighting	ME	2020-2022	2	1.0 GWh	749
			Climate Change Adaptation	Resiliency	ME	2020-2022	16	See footnote 5	
							<u>\$ 22</u>		

Notes:

All projects are wholly owned by AVANGRID.

¹ mt = metric tons.

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.

³ Tax equity on Montague II Solar has been executed but not yet funded as the project is still under construction.

⁴ 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 3% from 2020-2022 up to ~0.67 million total electric smart meters.

⁵ 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 back up feeds, reducing the number of customers impacted and decreasing the frequency and duration of outages.

⁶ 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.

Key Performance Indicators

ECONOMIC PERFORMANCE	UNIT	2022	2021	2020
Revenues	\$M	7,923	6,974	6,320
% Revenues from clean energy	%	14.53	17.9	17.9
Operating expenses	\$M	7,071	6,079	5,451
Operating income	\$M	852	895	869
Net income	\$M	881	707	581
Earnings per share	\$/share	2.28	1.97	1.88
Total assets	\$M	41,123	39,504	37,823
Equity	\$M	20,342	19,961	15,826
Accrued investments	\$M	2,698	3,294	2,808
ENVIRONMENTAL PERFORMANCE	UNIT	2022	2021	2020
Total Installed capacity	MW	9,541	9,149	8,822
Emissions-free installed capacity	MW	8,702	8,309	7,982
% Emissions-free installed capacity	%	91	91	90
Total net electricity production	GWh	22,807	22,591	22,142
Emissions-free production	GWh	20,283	19,400	19,391
% Emissions-free production	%	89	86	88
Energy produced under certified environmental management systems	%	11	13	12
EMISSIONS	UNIT	2022	2021	2020
CO ₂ emissions from power generation	t CO ₂ e	1,050,346	1,306,778	1,146,051
CO ₂ emissions rate from power generation	g CO ₂ /kWh	46	58	51
CO ₂ emissions rate from power generation	lbs CO ₂ /MWh	102	128	113
Methane leaks (1 year in arrears)	mt CO ₂ eq	237,626	222,289	231,950
SF ₆ leaks	mt CO ₂ eq	32,137	20,802	31,776
Scope 1 GHG emissions (CO ₂ eq)	mt	1,375,464	1,590,305	1,416,448
Scope 2 GHG emissions (CO ₂ eq)	mt	225,440	273,432	297,283
Scope 3 GHG emissions (CO ₂ eq) ¹	mt	10,546,585	12,712,377	13,521,888
NO _x emissions from power generation	mt	68	134	149
NO _x emissions rate from power generation	mt/GWh	0.003	0.006	0.007
SO ₂ emissions from power generation	mt	5	6	6
SO ₂ emissions rate from power generation	mt/GWh	0.0002	0.0003	0.0003
Particulate matter emissions from power generation	mt	16.56	21	19
Particulate matter emissions rate from power generation	mt/GWh	0.001	0.001	0.001

Key Performance Indicators

WATER		UNIT	2022	2021	2020
Water withdrawal for Klamath power generation		m ³	3,085,137	3,950,204	3,351,213
% of reclaimed/recycled water used for generation (cooling) ²		%	99.63	99.2	98.0
Water withdrawal for generation/production ²		m ³ /GWh	113	186	148
Water discharged		m ³	1,347,103	1,645,734	1,446,193
WASTE		UNIT	2022	2021	2020
Hazardous waste		mt	2,405	602	683
Recycled/reused		%	5	42	11
Per electricity generated		mt/GWh	0.11	0.03	0.03
Non-hazardous waste		mt	176,781	154,649	163,475
Recycled/reused		%	32	3	3
Per electricity generated		mt/GWh	8	7	7
Total amount of fines relating to the environment		\$M	141,940.00	0.00	0.011
SOCIAL PERFORMANCE		UNIT	2022	2021	2020
Consumers	Total customers	M	3.34	3.32	3.31
	Electric	M	2.31	2.29	2.28
	Gas	M	1.03	1.03	1.03
	Customers with smart meters	%	55	54	38
	Incremental Annual Electricity Savings from Energy Efficiency Measures	MWh	251,849	175,842	186,911
Customer Satisfaction Index	RG&E	%	80.4	91.0	92.2
	NYSEG	%	84.7	90.6	90.9
	Central Maine Power	%	87.0	89.3	89.9
	UI	%	89.0	89.0	90.1
	CNG	%	88.0	91.9	91.0
	SCG	%	89.0	93.0	92.8
	Berkshire Gas	%	93.0	94.6	93.9
Quality of Service	SAIFI	%	1.27	1.41	1.37
	CAIDI	%	1.75	1.88	1.84
Economic Benefits	Social funds	\$M	5.7	4.4	7.1
	Avangrid Foundation	\$M	4.3	3.0	4.2
	Volume of purchases	\$M	3,359	3,595	3,183
	Purchases from U.S. suppliers	%	93.7	96.4	97
	Purchases from diverse suppliers	\$M	195	174	
	Purchases from sustainable suppliers	% spend	67		
	R&D	\$M	97.9	90.5	79.30

Key Performance Indicators

EMPLOYMENT, HEALTH & SAFETY		UNIT	2022	2021	2020
Employment	Number of employees	#	7,579	7,348	7,031
	Full-time employees	%	99.9	99.8	100.0
	Employees with collective bargaining agreement	%	46	47.69	48.90
	Average age of workforce	Years	43.52	44.43	45.14
	Average years of service of employees	Years	10.35	11.6	12.55
	Women as % of workforce	%	27.5	27.44	28
	Women as % of senior leadership	%	30	29.4	
	Women as % of executive leadership	%	35	28	
	Race and Ethnicity: % of employees	%	19.8	17.2	
	Race and Ethnicity: % of senior leadership	%	17.1	15.6	
	Hours of training	Mill	0.32	0.28	0.20
	Hours of training per employee	h	42.5	36.31	26.90
	Cyber security training	h	29,207		
	Employees expected to retire in next 5 years	#	1,358	1,486	2,611
	Employees expected to retire in next 10 years	#	2,360	2,527	3,281
	Employee turnover	%	13.5	9.26	6.9
	Corporate volunteering	# of hrs	10,464	3,100	
Health & Safety	Total hours worked	Mill hr	15.7	15.2	13.9
	OSHA hours worked	Mill hr	14.5	13.8	13.9
	Total recordable incident rate ³	TRIR	2.64		
	OSHA incident rate ⁴	TRIR	2.92	2.57	2.47
	Lost time incident rate	LTIR	0.71	0.49	0.6
	Occupational disease rate	ODR	0	0	0
	Work-related employee fatalities	#	0	0	0
	Work-related contractor fatalities	#	1	0	0
	OSHA days away, restricted and transfer (DART) rate	DART	1.75	1.85	1.71
	Contractor lost time incident rate (LTIR)	LTIR	0.17	0.19	0.28
	Employees under ISO45001 certification	%	98		

¹ The scope 3 emissions calculation has been updated to more accurately reflect energy purchased from third-parties on behalf of customers. All three years have been updated.

² KPI relabeled from % treated wastewater to % of reclaimed/recycled water used for generation (cooling) and KPI relabeled from Water withdrawal for generation/production to Water withdrawal losses for generation/production

³ 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

⁴ OSHA Injury Rate (OIR) = [(loss time + restricted + medical) * 200,000] / hours worked; no exclusions

Non-U.S. GAAP Financial Measures

RECONCILIATION OF NON-GAAP ADJUSTED NET INCOME (LOSS) – \$M (UNAUDITED)	2022	2021
Net Income	\$881	\$707
Adjustments:		
Mark-to-market adjustments – Renewables	-	53
Offshore contract provision	24	
Impact of COVID-19	-	34
Merger costs	4	12
Income tax impact of adjustments*	(7)	(26)
Adjusted Net Income	\$901	\$780

RECONCILIATION OF NON-GAAP ADJUSTED EARNINGS (LOSS) PER SHARE (EPS)	2022	2021
Earnings Per Share	\$2.28	\$1.97
Adjustments:		
Mark-to-market adjustments – Renewables	-	0.15
Offshore contract provision	0.06	-
Impact of COVID-19	-	0.10
Merger costs	0.01	0.03
Income tax impact of adjustments*	(0.02)	(0.07)
Adjusted Earnings Per Share	\$2.33	\$2.18
Weighted Avg # of Shares (M)	386.7	358.1

* 2022: Income tax impact of adjustments: For the year ended December 31, 2022, \$(6) from an offshore contract provision and \$(1) million from merger costs.

* 2021: Income tax impact of adjustments: For the year ended December 31, 2021, \$14 million from MtM adjustment, \$9 million from COVID-19 impacts and \$3 million from merger costs.

Use of Non-U.S. 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 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 to compare such performance to prior periods and to the performance of our competitors. We believe that presenting such non-GAAP financial measures is useful because such measures can be used to analyze and compare profitability between companies and industries by eliminating the impact of certain non-cash charges. In addition, we present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance. We define adjusted net income as net income adjusted to exclude mark-to-market earnings from changes in the fair value of derivative instruments used by AVANGRID to economically hedge market price fluctuations in related underlying physical transactions for the purchase and sale of electricity, costs incurred in connection with the COVID-19 pandemic, an offshore contract provision, and at PNMR before Merger. 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. 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 GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with GAAP. We use the following non-GAAP metrics in our presentation, which are reconciled to their closest GAAP financial measure in the Appendix: Adjusted net income and adjusted EPS. Numbers in presentation may not add due to rounding. The information presented herein was prepared by AVANGRID solely with respect to AVANGRID's businesses and financial performance.

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

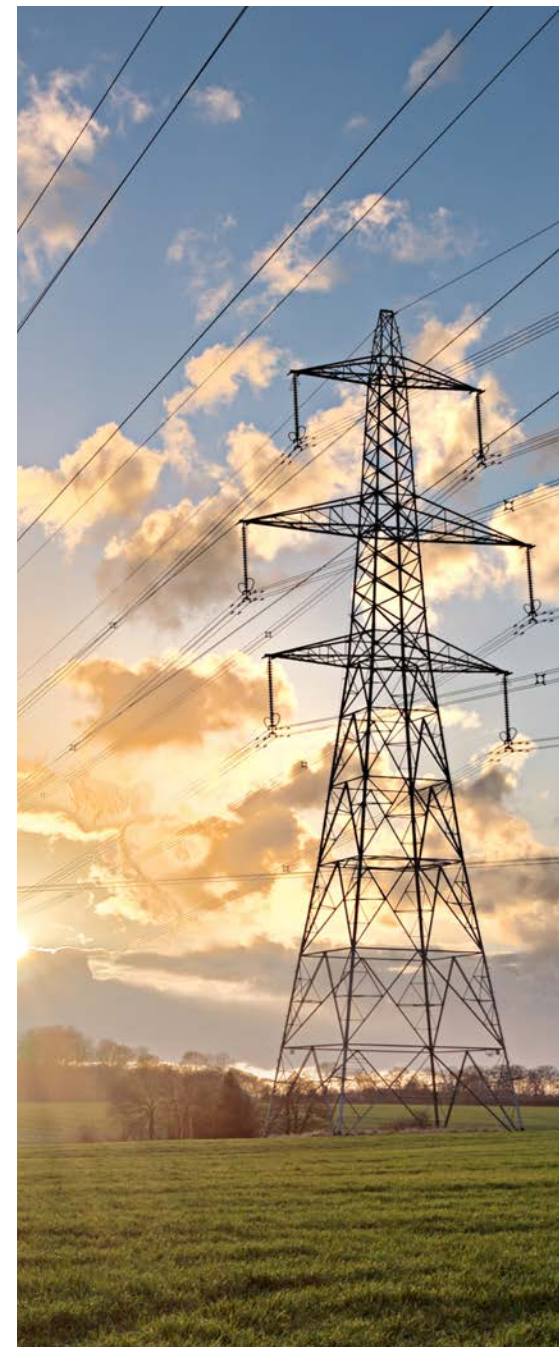
Forward-Looking Statements

Certain statements in this report may relate to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “would,” “could,” “can,” “expect(s),” “believe(s),” “anticipate(s),” “intend(s),” “plan(s),” “estimate(s),” “project(s),” “assume(s),” “guide(s),” “target(s),” “forecast(s),” “are (is) confident that” and “seek(s)” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on business, results of operations or financial condition of the business and other statements that are not historical facts. Such statements are based upon the current reasonable beliefs, expectations, and assumptions of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors are discussed and should be reviewed in our Form 10-K and other subsequent filings with the SEC. Specifically, forward-looking statements include, without limitation:

- the future financial performance, anticipated liquidity and capital expenditures;
- actions or inactions of local, state or federal regulatory agencies;
- 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;
- our ability to close the proposed Merger with PNM Resources, Inc. (the “Merger”), the anticipated timing and terms of the proposed Merger, our ability to realize the anticipated benefits of the proposed Merger and our ability to manage the risks of the proposed Merger;
- the COVID-19 pandemic, its impact on business and economic conditions and the pace of recovery from the pandemic;
- 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.



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

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

SUSTAINABLE DEVELOPMENT GOALS



PAGE(S)	RELEVANT SDG(S)	SECTION
7	3, 5, 7, 9, 10, 13	Our ESG Goal Scorecard
9	7, 9	Carbon and Environmental Goals
10	3, 5, 10, 16	Social Impact Goals
16	7, 13	2022 Renewables
18	7, 13	Supporting Our Customers Through the Clean Energy Transition
20	8, 11	Expanding Opportunities for Diverse Suppliers
21	9	Innovating to Address the Risks of Climate Change
25	13	Implementation Strategies to Prevent and Reduce Climate Impacts
29	13	Actions Underway to Address Climate Change
32	7, 13	Environmental Goals and Actions Underway to Meet Goals
35	7, 13	Helping our Customers Increase Energy Efficiency, Reduce Demand
36	7, 13	Beneficial Electrification
37	7, 13	Leading the Way Toward Decarbonization
38	12	Minimizing Our Footprint Through the Sustainable Use of Resources
39-42	15	Taking Action to Protect Biodiversity

PAGE(S)	RELEVANT SDG(S)	SECTION
43	12	Reducing Waste and Water Usage across our Operations
46	3, 5, 10, 16	Social Goals and Actions Underway to Meet Goals
47	2, 3, 4, 10, 11	A Commitment to Lasting, Positive Social Impact
48	5	Putting Our Employees First
51	3, 5, 10	Diversity, Equity & Inclusion
52	3	Health & Safety
56	7	Programs, Products and Services to Reduce Energy Usage
57	7	Helping Our Customers in Times of Need
58-61	2, 11, 15, 17	A Comprehensive Approach to Positive Community Impact
62	7, 8, 9, 11, 13, 17	Economic Development to Create a Clean Energy Future
62-63	7, 8, 10, 11, 12, 13	Increasing Supplier Diversity and Sustainability
65-70	16	Leaders in Ethical Governance Practices
71	16, 17	Human Rights and Supplier Code of Conduct





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