

Sustainable Development Policy

April 9, 2025

The Board of Directors of Avangrid, Inc. (“Avangrid”) oversees the management of Avangrid and its business with a view to enhance the long-term value of Avangrid. Avangrid is a wholly-owned subsidiary of Iberdrola, S.A. and a member of the group of companies controlled by Iberdrola, S.A. (the “Iberdrola Group”). The Board of Directors of Avangrid (the “Board of Directors”) has approved this *Sustainable Development Policy* (this “Policy”) to assist in exercising its responsibilities to Avangrid and its stakeholders. This Policy is subject to periodic review and modification by the Board of Directors from time to time. This Policy and Avangrid’s certificate of incorporation, by-laws, corporate governance guidelines and other policies pertaining to corporate governance and regulatory compliance, risk, and social responsibility (collectively, the “Governance and Sustainability System”) form the framework of governance of Avangrid and its subsidiaries (collectively, the “Avangrid Group”). Avangrid’s Governance and Sustainability System is inspired by and based on a commitment to ethical principles, transparency and leadership in the application of best practices in good governance and is designed to be a working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance. This Policy aligns with and further develops the principles contained in the *Sustainable Development Policy*, the *Purpose and Values of the Iberdrola Group*, and the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* approved by the Board of Directors of Iberdrola, S.A. from time to time.

1. Purpose

The purpose of this Policy is to structure the foundations that govern the Avangrid’s sustainable development strategy to encourage all the corporate activities and businesses of the Avangrid Group to be carried out while fostering the sustainable creation of value taking into account Avangrid’s Stakeholders related to their business activities and institutional realities, equitably compensating all groups that contribute to the success of their respective business enterprises, and promoting the values of sustainability, agility and collaboration. The principles and foundations set forth in this Policy are further developed and specified for Avangrid in terms of its impacts on its Stakeholders, as well as in specific policies that make up its Governance and Sustainability System and address certain needs and expectations thereof.

2. Sustainable Development Strategy

The fulfilment of the corporate interest, as defined in Avangrid’s By-Laws, requires a focus on the creation of comprehensive (economic, environmental, social and governance) and sustainable value through the performance of the activities included in the corporate object. The Board of Directors has further developed this strategy, focused on the sustainable creation of value, providing a quality service through the supply of electricity from renewable, environmentally-friendly sources, staying alert to the opportunities offered by the knowledge economy and encouraging the supply of accessible, efficient, competitive and clean energy, as well as promoting environmental performance.

In this regard, Avangrid drives real and global energy electrification through the development of sustainable energy generated from renewable sources, working together with Avangrid’s people, communities, supply chain and customers in line with the provisions of the Governance and Sustainability System and specifically the *Policy on Respect for Human Rights* and the due diligence systems in that area.

For the stated purposes, it innovates, makes new investments and promotes more efficient, sustainable and clean technologies, fosters growth and develops talent and the technical and human capacities of its professionals, works for the safety of people and the supply of energy, and labors to build a successful business enterprise together with all of the participants in its value chain, sharing the achievements with its Stakeholders.

2.1 Objectives of the sustainable development strategy

The sustainable development strategy particularly endeavors to ensure the achievement of the following objectives:

- a) Promote compliance with the purpose, i.e. *to continue building together each day a healthier, more accessible energy model, based on electricity*, and promote the three corporate values, i.e. sustainable energy, integrating force and driving force.
- b) Cause its Stakeholders to participate in the success of Avangrid's business enterprise, through the social dividend generated.
- c) Favor the achievement of strategic goals at the Iberdrola Group level in order to offer a safe, reliable and high-quality supply of energy that is respectful of the environment.
- d) Improve the competitiveness at the Iberdrola Group level through the assumption of management practices based on innovation.
- e) Promote information and communication in the various communities in which the companies of the Iberdrola Group do business, taking into account the particularities of the various groups that are present, so that they are thought of as an ideal place for the development of professional relationships based on a sense of belonging, equal opportunities and non-discrimination, productivity, profitability, efficiency and sustainability.
- f) Responsibly manage the risks and opportunities deriving from changes in the surroundings, and maximize the positive impacts of their activities in the various territories in which the companies of the Iberdrola Group operate and avoid and minimize the negative impacts, to the extent possible, avoiding short-term approaches or those that do not sufficiently take into account the interests of its respective Stakeholders, as well as implementing remedial measures.
- g) Encourage a culture of ethical behavior that increases business transparency in order to generate credibility and trust within the respective Stakeholders and in the various communities in which the Iberdrola Group's companies do business.
- h) Promote relationships based on trust with the Stakeholders, providing a balanced and inclusive response to all of them, particularly emphasizing the involvement of local communities to glean their viewpoints and expectations regarding significant potential issues, and thus be able to take them into consideration, on the one hand, and to understand and manage the impacts that the activities of the Iberdrola Group's companies have on their respective Stakeholders, on the other; and
- i) Contribute to the recognition of the Iberdrola Group's companies and the improvement of their reputation.

2.2 Implementation and supervision of the Iberdrola Group-level sustainable development strategy

The implementation and supervision of the Iberdrola Group-level sustainable development strategy is the responsibility of the various companies of the Iberdrola Group in accordance with their corporate and governance structure defined in the *Foundations for the Definition and Coordination of the Iberdrola Group* and in the other rules of their respective governance and sustainability systems, and it is particularly put into practice through the various committees that assume powers in the area of sustainable development and reputation, while respecting the principles of subsidiarity and decentralized management.

Specifically any sustainable development and reputation committees created at Avangrid in order to: (i) promote monitoring of the policies, strategies and guidelines approved by the companies of the Iberdrola Group that operate in the various countries and territories; (ii) strengthen the supervision, coordination and organization of the corporate sustainable development strategy in the various countries, territories and businesses; and (iii) report to the Board of Directors (or such committee delegated the powers thereof at any time) on the results achieved.

3. Social Dividend

Avangrid is a leading energy company in the United States working to meet the growing demand for energy for homes and businesses across the nation through service, innovation, and continued investments by expanding grid infrastructure and energy generation projects.

Avangrid contributes, to the benefit of all its Stakeholders, with the social dividend generated through its activities, including its tax contribution, and with the development of its corporate object in accordance with the principles set forth in its transparency and good governance, human and social capital, natural capital, sustainable value chain, risk, corporate control and compliance policies, to the stimulation of society, both from an economic viewpoint as well as from different perspective: business ethics, promotion of equality of opportunity, respect for human rights, protection of vulnerable groups, encouragement of innovation and efficiency, caring for and protecting nature, universal access to energy supply and water, climate action and the generation employment opportunities based on merit and equal opportunity, the recruitment of talent, and a sense of belonging, among other measures of well-being. Through all of the above, it favors a more resilient economic system, based on locally sourced, secure, competitive and clean renewable electricity.

Avangrid generates its social dividend by carrying out its business activities, which are the main source for the creation of value for their Stakeholders, prioritizing cleaner, more autonomous and safer energy and promoting measures to protect vulnerable groups, with specific partnerships, sponsorships and activities focusing on social content, either directly or in collaboration with foundations linked to the Iberdrola Group, and with a strategy linked to business ethics, open to their Stakeholders, favoring the engagement thereof as well as the design and regular execution of plans for raising awareness regarding various issues that promote sustainable development.

The measurement of the social dividend encompasses the principal positive direct, indirect and induced impacts, both present and future, generated by Avangrid's activities, consistent with its link to the long-term creation of shared sustainable value for its shareholder and taking into account their other Stakeholders.

Due to different sustainable development goals and commitments, Avangrid uses a broad set of indicators that allow for an evaluation of its contribution from various perspectives. Even though the indicators do not capture all of the impacts generated, the results obtained constitute an efficient assessment tool to verify the achievement of the bylaw-mandated commitment to the social dividend. This assessment is taken into consideration by the Board of Directors when defining the strategy, is shared transparently with all of the Stakeholders through the public dissemination of their non-financial information and includes the social dividend that is generated.

Along these lines, the statement of non-financial information prepared by Avangrid describes Avangrid's performance in terms of sustainability, and particularly on issues related to transparency and good governance, human and social capital, natural capital and compliance, and taking into account the sustainable value chain, as well as the social dividend generated, whether directly or in collaboration with the Avangrid Foundation, and shared with Avangrid's Stakeholders.

4. Main Principles of Conduct with respect to the Creation of Shared Sustainable Value

Set forth below is a description of the main principles of conduct followed by Avangrid in the implementation of its activities, with respect to various aspects in the area of sustainable development common to all of its Stakeholders, and which represent its link to the social dividend generated.

The principles of conduct that Avangrid adopts and promotes in relation to the creation of shared sustainable value are summarized as follows:

- a) Develop a business model based on environmental, social and economically sustainable guidelines.
- b) Establish instruments to strengthen the competitiveness of the energy products supplied, through efficiency in energy generation, storage, transmission, distribution and sale processes, and pay special attention to the excellent management of processes and resources.

- c) Implement measures tending to attain a high quality of service and the safe and reliable supply of energy products.
- d) Promote the reduction of the environmental impact of all of its activities, striving to promote a rational and sustainable use of water, confront climate change through the development of clean energy, prevent or if applicable minimize impacts on biodiversity, polluting emissions and the effects thereof, as well as improve the circularity of its activities and those of its suppliers.
- e) Advance the responsible use of energy and the sustainable use of natural resources, promoting the minimization of impacts caused by its activities, in line with the provisions of its natural capital policies, and public awareness regarding the efficient consumption of products and services.
- f) Strengthen the social dimension of its activities and, specifically, respect for human rights, in order to, among other issues, improve the quality of life of the people in the communities in which it does business, promoting universal access to energy supply, paying special attention to customers who are economically disadvantaged.

5. Main Principles of Conduct with respect to Transparency

Transparency is a core value of Avangrid's and one of the fundamental goals of its communication strategy. It is fundamental to build trust and credibility in the relationships of Avangrid with its Stakeholders.

The Company adopts and promotes the following principles of conduct in relation to transparency:

- a) Disseminate truthful, sufficient, relevant, correct, complete, clear, reliable and useful information on its performance and significant activities.
- b) Endeavour to ensure honesty and clarity in the communication of information.
- c) Endeavour to ensure respect for the principle of equal treatment in the dissemination of information.
- d) Obtain information from third parties in accordance with applicable legal provisions.
- e) Promote transparency through the preparation and annual publication of the financial and non-financial information and, if applicable, that of its subsidiaries, following generally accepted methodologies for the non-financial information.
- f) Publish the information required by applicable legal provisions other than as stated in the preceding section, or voluntarily assumed by Avangrid.
- g) Facilitate information regarding the taxes that it pays in the countries and territories in which it does business.
- h) Endeavour to ensure that the principles of informational transparency and collaboration inform the relationships maintained with the media.

6. Main Principles of Conduct with respect to Sustainable Event Management

Avangrid adopts and promotes the following principles of conduct in relation to sustainable event management:

- a) Direct its management at achieving objectives that generate positive impacts in terms of sustainability, and particularly in aspects related to human and social capital, natural capital and the sustainable value chain.
- b) Promote the engagement of its affected Stakeholders, taking into account their needs and expectations.
- c) Favor the contribution of the participants in its value chain.
- d) Foster the implementation of sustainable management systems for events where it is advisable due to their

importance and complexity, prepared taking into account these principles and those established in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*.

- e) Comply with the guidelines established in the *Iberdrola Group Events Manual* that are applicable for each event.

7. Main Principles of Conduct with respect to Corporate Volunteerism

Avangrid may develop corporate volunteering programs and campaigns that promote the participation of their professionals in community service actions, the goal of which is to put into practice the provisions of the *Purpose and Values of the Iberdrola Group* and this *Policy* as regards improving the quality of life of people, looking after the environment and sustainable development, as well as universal access to energy and the elimination of hunger, including collection campaigns that seek to respond to social needs.

Avangrid will be guided by the following main principles of conduct in the implementation of the aforementioned campaigns and volunteering programs:

- a) Contribute to social development and community service (solidarity).
- b) Improve the labor climate.
- c) Contribute to the ethical training of professionals, channeling their spirit of community service.
- d) Promote the values of participation, commitment, responsibility and teamwork.

8. Implementation and Monitoring

For the implementation and monitoring of the provisions of this *Policy*, the Board of Directors is assisted by the Sustainability Division (or such division as assumes the powers thereof at any time).