

Climate Action 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 *Climate Action 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, sustainable development, 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 *Climate Action 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. This Policy also supplements and further develops the Policy on Management and Protection of Nature approved by the Board of Directors from time to time.

1. Purpose

Climate change is a serious threat and one of the most significant challenges of the 21st century. Scientific evidence shows that greenhouse gas emissions have accelerated global warming and that action to address climate change must occur. The Board of Directors reviews and approves Avangrid’s environmental, social and governance goals including, without limitation, Avangrid’s goals related to climate change. This commitment is aligned with the Paris Agreement. Avangrid seeks to contribute actively and decisively to a low-carbon and sustainable future, delivering clean, low emission energy, minimizing the environmental impact of our activities and supporting and promoting actions that address climate change. Such efforts must be compatible with social and economic growth. This Policy sets the framework for Avangrid’s climate strategy and contributions to the fight against climate change and contributions to the achievement of Iberdrola’s Climate Action Plan.

2. Main Principles of Conduct

To implement Avangrid’s commitment to leadership in the fight against climate change, Avangrid will:

- a) target carbon neutrality for Scope 1 and Scope 2¹ greenhouse gas emissions by the year 2030, compared to a year 2020 baseline²;
- b) continue to focus on renewable energy, targeting an increase in renewables installed capacity of more than 65% by the year 2025 compared to a year 2015 baseline;

¹ Scope 1 emissions include all direct greenhouse gas emissions from sources owned or controlled by Avangrid. Scope 2 emissions include indirect energy purchased, as well as network losses. Greenhouse gases include carbon dioxide (CO₂), Sulfur hexafluoride (SF₆), and methane (CH₄).

² Avangrid undertakes its best efforts to achieve this commitment. Avangrid therefore reserves the ability to adjust its planning to successfully perform in significant material aspects, such as the company value, quality of supply, social/labor conditions, and a fair transition.

- c) integrate climate change into internal strategic planning and decision-making process, as well as into the analysis, management and reporting of long-term risk;
- d) identify, quantify and assess the climate change-related impacts, dependencies, risks and opportunities of Avangrid's activities and its value chain, progressively and continuously throughout the life cycle of the facilities, considering the perspectives of its stakeholders;
- e) contribute to the electrification of the economy, maintain leadership in renewable energy and continue with investment and operation of smart grids, which allow for strong integration of renewable energy and promote efficiencies in generation, transmission, and energy usage;
- f) support innovation, initiatives, and legislative and regulatory actions that support balanced electrification of consumer energy uses (including, among other things, electric vehicles, railway electrification, and heating systems) that contribute to the decarbonization of the economy;
- g) integrate climate action within the Iberdrola Group-level environmental management system, along with the circular economy and biodiversity, in order to evaluate, analyse, manage and reduce risks regarding natural capital, as well as to improve the management of resources and optimise investments and costs, incorporating all relevant climate variables;
- h) integrate climate science and adaptation and resilience standards, as well as technical improvements, in the design, construction and management of energy generation, storage and distribution networks and infrastructure in order to reduce or avoid the potential impacts of climate change on their functionality and enable Avangrid to adapt to changes in energy demand caused by climate change;
- i) regularly review Avangrid's greenhouse gas emissions inventory and continue to establish and improve control and monitoring mechanisms;
- j) analyse the risks and opportunities for Avangrid arising from climate change and regularly review and disseminate information regarding Avangrid's actions contributing to the fight against climate change;
- k) actively promote and encourage efficient and responsible use of energy by Avangrid stakeholders;
- l) raise awareness and promote training and education on Iberdrola's Climate Action Plan, climate change and the social problems related thereto, and encourage contractors to adopt climate change policies consistent with the principles contained in this Policy;
- m) foster, participate and undertake research, development and innovation activities that address climate change;
- n) maintain a constructive dialogue with Avangrid stakeholders in accordance with the *Stakeholder Engagement Policy* to raise awareness about the importance of taking measures to reduce greenhouse gas emissions and fighting climate change; and
- o) publicly and transparently support the public policies and strategies that address climate change and deal in a coordinated and consistent manner with the social problems relating to climate change;
- p) continue to develop due diligence processes for climate-related incident, risk and opportunity management systems following the Iberdrola Climate Action Plan; and
- q) continue identifying actions and opportunities to address the impacts and risks related to climate change in their direct activities and promote the identification thereof in the value chain, in collaboration with their stakeholders, through the implementation of the corresponding due diligence system and taking into account

that current value chains are configured globally and that not all their links have sufficient traceability mechanisms.

3. 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), which shall establish a procedure for regular monitoring and reporting to the governance bodies and which shall act in coordination with the appropriate corporate areas at the Iberdrola Group, in accordance with the Iberdrola Group's procedures for such purpose.