

# Purchasing 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 *Purchasing 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 *Purchasing 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.

Avangrid recognizes as strategic objectives sustainability in the supply chain, the securing of strategic supplies, which enable sit to comply with its growth plans, and efficiency in overall purchasing cost, all based on alignment of tender awards with Avangrid’s strategy and strict compliance with applicable law and the provisions of the *Code of Business Conduct and Ethics*.

## 1. Purpose

The purpose of this *Policy* is to establish the principles that must govern, on the one hand, purchases of equipment and materials and the contracting of works and services, and, on the other, the organizational, corporate and shared services model for Avangrid, in view of the particularities of the various communities in which they are present, with full respect for their corporate autonomy and within the limits established in the legal provisions applicable to the regulated activities they carry out, for purposes of achieving greater efficiency in Group-level purchasing processes as a fundamental element for the achievement of the strategic objectives.

## 2. Main Principles of Conduct

The main principles of conduct that Avangrid adopts and promotes in the area of purchases of equipment and materials and contracting of works and services are described below:

- a. Foster a supplier relationship policy based on principles of corporate ethics and transparency, striving for continuous improvement and mutual benefit and promoting sustainability, innovation and development activities.
- b. Promote sustained, accessible and sustainable economic growth, as well as endeavor to ensure productive and dignified work for the professionals forming part of the value chain.
- c. Implement the mechanisms required for purchasing decisions to safeguard the achievement of balance among technical competence, quality, accessibility, occupational safety and cybersecurity, with respect to

environment and price, as well as the sustainability and quality of the supplier as a key condition for the contribution of value.

- d. Establish supplier selection procedures that conform to standards of objectiveness, impartiality, non-discrimination and equal opportunity, ensuring at all times compliance with the *Supplier Code of Business Conduct*, regardless of own or third-party interests.
- e. Promote supplier's compliance with contractual terms and conditions and applicable legal provisions. Emphasize compliance with the *Code of Business Conduct* and *Ethics and the Supplier Code of Business Conduct* and ensure these standards are communicated to their employees and subcontractors. Additionally, highlight the availability of internal reporting channels.

Suppliers and their subcontractors providing supplies, works, and services to Avangrid must report through Avangrid's internal reporting system any potentially improper or illegal conduct by any of their managers, employees, suppliers, or subcontractors. This includes actions which may impact Avangrid's contractual relationships with suppliers, or its interests and image. The reporting of such conduct must be in accordance with the terms established in the Governance and Sustainability System, and without prejudice to the ability to address their grievances or reports to applicable authorities.

- f. Promote the highest standards of occupational safety and health for the professionals participating in the value chain, especially those of the suppliers, raising awareness and establishing the controls required to mitigate the risks inherent to the work performed, in accordance with the risk guidelines and limits for purchasing, requiring contractors to comply with the established safety rules, causing them to participate in the preventative culture that has been implemented, adopting international best practices in the area.
- g. Ensure compliance with rules on the separation of activities. If an entity provides supplies, is contracted for works or provides services to companies of the Iberdrola Group that engage in regulated activities and to companies of the Iberdrola Group that engage in unregulated activities, it must comply with applicable legal provisions and with the requirements and conditions established in the corresponding codes for separation of activities of the Iberdrola Group's companies or similar regulatory requirements.

In this regard, it shall be necessary to respect the effective decision-making capacity of the companies of the Iberdrola Group that carry on regulated activities with respect to the assets required for the operation, maintenance and development of their own activities, as well as with respect to limitations on access to commercially sensitive information of the aforementioned companies.

### **3. Group-Level Coordination of the Purchasing Strategy**

The Resources and Services Division of Iberdrola (or such division as assumes the powers thereof at any time) shall establish an organizational, corporate and shared services model for the companies of the Iberdrola Group with the main objective of minimizing the costs and risks associated with purchases and supplies and the contracting of works and services, taking advantage of synergies, aligning strategic decisions and efficiently managing resources, all while fully respecting the corporate autonomy of each of the Iberdrola Group's companies, and particularly the strengthened autonomy of the listed country subholding companies and their subsidiaries, as well as fully respecting legal provisions on the separation of activities.

### **4. Implementation and Monitoring**

For the implementation and monitoring of the provisions of this Policy, Board of Directors is assisted by the Purchasing 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.