

# Innovation 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 adopted this Innovation 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 *Innovation 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 establish the main principles of conduct that must govern in the definition and dissemination of the innovation strategy that allows Avangrid and to continue to be leaders in the energy sector, leading the transition towards a healthier and more accessible energy model, based on electricity.

## 2. Main Principles of Conduct

Avangrid adopts and promotes the following principles of conduct in relation to the innovation strategy:

- a) lead innovation in clean energy technologies that contribute to a low-carbon economy and work to deliver a more accessible clean energy model that promotes healthier, more sustainable communities;
- b) promote research, development and innovation activities that focus on the improvement of reliability, reduction of environmental impacts, enhancement of efficiency, and development of new products and services that address customer needs;
- c) continue to drive the digital transformation of the Avangrid Group’s businesses in order to improve reliability and efficiency and reduce impact on the environment;
- d) encourage a “Culture of Innovation” across the Avangrid Group and promote a motivating work environment that engages all employees and promotes and rewards their innovative ideas;
- e) promote the creation of innovative ecosystems based on the attraction of outside talent and the exploration of new pathways for collaboration, in order to obtain knowledge and design new solutions that allow for the sustainable creation of value;
- f) incorporate innovation into employee training through programs that encourage and help develop creativity-related skills;

- g) implement an innovation management system including establishing annual innovation targets and objectives as part of a continuous improvement process and managing human resources as critical pillars of the innovation process;
- h) monitor technological developments to identify opportunities and challenges for the businesses and the need for innovation that will allow the Avangrid Group to anticipate technological changes in the market;
- i) foster partnerships, cooperation and alliances with the academic, intellectual and technology community and other innovating third parties;
- j) share internally the knowledge gained so that the entire organization can benefit from the innovation process and development of best practices;
- k) protect the results of the innovation process by adequately and ethically managing intellectual and industrial property and respecting third parties' intellectual and industrial property rights, including without limitation information or knowledge considered to be a trade secret, and encouraging fair competition;
- l) support innovations that provide added value to customers and contribute to the satisfaction of shareholders, customers, employees, and other stakeholders;
- m) promote internal talent and stimulate an environment of creative thought, implementing a culture of innovation at all levels, that facilitates the successful handling of the challenge of incorporating new technologies;
- n) enable the implementation of innovative technologies and solutions with available and competitively obtained external funding from federal and state sources; and
- o) cooperate and coordinate with Iberdrola's Innovation Sustainability and Quality Division within the Iberdrola Group's governance framework to foster the continuous open dissemination and sharing of innovation practices, solutions and technologies across the Iberdrola Group's operations.

### **3. Implementation and Monitoring**

For the implementation and monitoring of the provisions of this Policy, the Board of Directors is assisted by the Equal Opportunity, Innovation, Talent 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.