

Circular Economy Policy

October 14, 2026

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 *Circular Economy Policy* (this “Policy”) to assist in exercising its responsibilities to Avangrid and its Stakeholders (as defined in Avangrid’s *Stakeholder Engagement Policy*). 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 “Corporate Governance System”) form the framework of governance of Avangrid and its subsidiaries (collectively, the “Avangrid Group”). Avangrid’s Corporate Governance 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 *Circular Economy 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. Scope of Application

This Policy applies to the Avangrid Group and reflects the basic principles established at the Iberdrola Group level, in the area of circular economy, complement those contained in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group* and informs the conduct and standards-setting implemented by the other companies of the Avangrid Group in this area in the exercise of their powers and in accordance with their autonomy.

For companies that do not form part of the Avangrid Group but in which Avangrid holds an interest, as well as for joint ventures, temporary joint ventures, and other entities in which it assumes management, Avangrid shall also promote the alignment of its regulations with the basic principles regarding circular economy contained in this Policy.

2. Purpose

Avangrid is aware of the need to continue moving towards a model that promotes the circular economy and recognizes that it constitutes one of the pillars of its environmental and sustainable value creation strategy. The purpose of this Policy is to establish the principles and priority lines of action regarding circular economy as part of Avangrid’s strategy and business model, as well as to promote the improved circularity of its activity and of its value chain. Avangrid aspires to improve the circularity of its activity and that of its value chain to minimize the depletion of resources and detach economic growth from the consumption of virgin raw materials, following the general principles that underpin the circular economy, i.e.: (i) eliminating waste and pollution through the design of products and processes; (ii) maintaining products, components and materials at their highest value and utility for as long as possible; and (iii) regenerating natural systems, promoting models of sustainable circularity from the environmental, technical and economic perspective through all of the foregoing.

3. Main Principles of Conduct

In relation to the foregoing, Avangrid adopts and promotes the following main principles of conduct:

- a) drive efficiency in its activities and processes, as well as in those of its customers and suppliers, through the electrification of the economy and maximization of the useful life of its assets and products;
- b) encourage improvement of the circularity of its activities and those of its value chain, through innovation, the sustainable use of natural resources, the implementation of life cycle analysis, the eco-design of its assets and infrastructures, as well as the optimization of waste management and the use of recycled materials;
- c) promote the use of secondary raw materials in its assets, sites, products and services, as well as the improvement of the reusability, recyclability, durability and adaptability thereof, without compromising the security or functionality thereof;
- d) apply a circular hierarchy in the activities it promotes, with the following order of priority: (i) avoidance of any superfluous activity or use of materials, beginning at the design stage; (ii) reduction of consumption; (iii) fostering of reuse; and (iv) recycling of equipment and materials, leaving energy recovery as the last resort and avoiding dumping wherever feasible. This hierarchy of waste can be implemented, in particular, through the creation of ambitious asset management plans that cover the entire life cycle of assets, prioritize circularity and avoid downcycling to the extent possible;
- e) promote the responsible use of energy, supporting energy saving and efficiency measures and contributing to sustainable development through awareness campaigns that promote the efficient and responsible use of Avangrid's products and services;
- f) cooperate with its suppliers and other agents in the value chain to drive the principles of circularity in the products and services that Avangrid acquires;
- g) promote digitalization and access to relevant information on the circularity of the products acquired by Avangrid to develop better management processes and appropriate improvement strategies;
- h) apply the water management hierarchy (promoting the elimination or reduction of consumption, reuse and recycling, and prioritizing the use of non-freshwater sources), as well as managing the risks relating to its scarcity (endeavoring to ensure that water used is returned to the environment in the desired condition, preventing and reducing the pollution of aquatic ecosystems within Avangrid's value chain and taking into account the challenges relating to water and the conservation of water resources in the design of products and services);
- i) conserve and regenerate ecosystems in accordance with the provisions of the *Biodiversity Policy*;
- j) promote synergies and the contribution to the fight against climate change and to the energy transition in accordance with the provisions of the *Climate Action Policy*;
- k) integrate the circular economy within the Avangrid Group-level environmental management system, along with climate action and biodiversity, in order to evaluate, analyze, manage and reduce risks regarding natural capital, as well as to improve the management of resources and optimize investments and costs;
- l) raise awareness, train and involve its professionals, as well as the members of its supply chain and other Stakeholders, in the principles of this Policy;
- m) promote the application of traceability mechanisms and systems for the certification of compliance with circularity criteria or standards regarding the products, components and raw materials supplied to Avangrid;
- n) continue to develop due diligence processes for circularity-related incident, risk and opportunity management systems, as well as identify actions and promote collaboration with its Stakeholders, taking into account that

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

- o) transparently report on the activities of Avangrid and the Avangrid Group regarding the circular economy.

4. Priority Lines of Action

Avangrid establishes the following three priority lines of action to foster the circularity of its activities and that of its value chain, which shall apply the main principles of conduct set out in this Policy and in the *Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group*: (i) driving the continuous improvement of its supply chain; (ii) improving the circular performance of internal processes; and (iii) offering products and services to improve the circularity performance of its customers.

5. Group-Level Coordination

The Sustainability Division of Avangrid (or such division as assumes the powers thereof at any time), shall coordinate the Avangrid-level strategy across the business in a manner consistent with its commitment to the circular economy. It does this by coordinating with the counterpart division of Iberdrola, S.A. and by supervising and coordinating with the relevant counterpart divisions and organizations across its subsidiaries and further developing any procedures required for such purpose.

6. 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), through the Sustainability and Reputation Committee, which shall establish a procedure for regular monitoring and reporting to the governance bodies.