Policy on the Responsible Development and Use of Artificial Intelligence Tools

October 14, 2026

The Board of Directors of Avangrid, Inc. (”Avangrid”) is responsible for establishing the *Policy on the Responsible Development and Use of Artificial Intelligence Tools* (the “Policy”), within the framework of the *General Risk Control and Management Policy*. The Board of Directors of 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 Policy to assist in fulfilling 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. 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 *Policy on the Responsible Development and Use of Artificial Intelligence Tools*, 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 that, in the area of design and use of artificial intelligence tools, 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 the design and use of artificial intelligence tools contained in this Policy.

2. Purpose

This Policy establishes principles and guidelines that govern the design, development, application and use of artificial intelligence (AI) tools at Avangrid. AI tools include any automated system configured to function with different levels of autonomy and which may, with explicit or implicit aims, generate results such as predictions, recommendations or decisions, which in turn influence physical or virtual environments. This Policy also regulates the responsible use of these tools, ensuring compliance with applicable law, generally recognized guidelines and the *Purpose and Values of the Iberdrola Group*, the *Ethical and Basic Principles of the Governance and Sustainability of the Iberdrola Group,* the *Code of Business Conduct and Ethics* and the other rules that form part of the Governance and Sustainability System.

In this regard, this Policy establishes the principles and guidelines to ensure the responsible, transparent, secure and trustworthy use of AI systems by Avangrid.

The principles laid out in this policy form the basis for the Artificial Intelligence Tools and Algorithms Framework, which in turn lay the foundation of the Gen AI evaluation questionnaire (the results of which can be used to evaluate and prioritize AI use cases based on value, risk and feasibility).

3. Principles of Conduct

The companies to which this policy applies should design, develop, apply, and use AI tools in accordance with the following principles.

3.1 Respect for Human Beings and Social Wellbeing

AI systems should be developed and used in the service of people, fully respecting human dignity and the environment, in accordance with the technological state of art at the time so that they benefit all human beings and contribute, while complying with Iberdrola's *Policy on the Responsible Development and Use of Artificial Intelligence Tools*.

This system should always facilitate the possibility for human beings to control and supervise their design and use, paying special attention to ensure that AI tools do not have a negative impact on health, safety or any fundamental human rights.

3.2 Equal Opportunity

Avangrid will design, develop, apply and use AI systems so that they foster equal opportunity and equality of access, subject always to compliance with applicable law and regulation.

The design, development, application and use of AI systems shall also strive to avoid biases with unlawful or inappropriate discriminatory effects (based on race, color, marital status, religion, sex, sexual orientation, gender identity or expression, age, national origin or ancestry, citizenship status, physical or mental disability, genetic information, veteran status, uniformed service member status or any other status protected by federal, state or local law), consistent with Avangrid's *Equal Opportunity Policy*.

Avangrid's AI systems used in various processes such as selection, hiring, employee management, training, and promotion must be designed and utilized in accordance with applicable law and regulation and to foster fairness and prevent illegal discrimination, including appropriate mechanisms for thorough tracking and transparency.

3.3 Culture of Innovation

Avangrid endeavors to ensure that the design, development, application and use of AI systems are aligned with the Avangrid Group's innovation strategy, which seeks to keep Avangrid at the forefront of new technologies and disruptive business models, by encouraging a "culture of innovation" across the organization.

The processes involved in the design, development, application and use of AI tools should strive to promote motivating work environments that favor and reward talent and the generation of ideas and innovative practices, as mentioned in Iberdrola's innovation principles.

3.4 Privacy and Intellectual Property

AI systems designed, developed, applied and used shall be in accordance with the applicable legal requirements for privacy and data protection as well with the principles contained in the *Personal Data Protection Policy* and with the Governance and Sustainability System. Furthermore, AI tools shall process data that comply with established Standards of Quality and Integrity and with industry best practices, such as the National Institute of Standards (NIST) for Risk Management, as well as respecting intellectual property rights.

3.5 Transparency

AI systems shall be designed, developed, applied and used so that they permit adequate tracking and transparency as outlined in applicable legal provisions and in industry best practices such as NIST.

Avangrid shall also inform users of the classifications and types of information/data that may be used in AI tools and algorithms.

AI systems deployed by Avangrid will ensure that users are notified that they are communicating or interacting with an AI system. AI systems deployed by Avangrid will inform affected persons of the AI systems' capacities and limitations, as well as of the rights that protect affected persons, as mentioned in Iberdrola, S.A.'s *Policy on the Responsible Development and Use of Artificial Intelligence Tools* and the NIST.

3.6 Security and Resilience

Avangrid endeavors to ensure that AI tools and algorithms are designed, developed, applied and used with the following considerations:

- minimize involuntary and unexpected harm,
- resilient against unauthorized attempts to access, alter use or performance, and
- against unlawful and malicious third-party use, always ensuring continuity of service provision (as mentioned in NIST for cybersecurity).

The Avangrid Corporate Security and Resilience Division, in collaboration with the business, shall update and implement physical and cyber security systems and mechanisms to ensure that adequate, reasonable, and effective measures are in place to protect the AI tools and algorithms from alteration, misuse or unauthorized access.

Without prejudice to the exceptions that may be established for well-founded reasons by the Information Technology Division (or such division as assumes the duties thereof at any time), Avangrid shall generally not develop or use AI tools and algorithms that are classified as high-risk (as per the Iberdrola's AI governance framework).

Avangrid will not design, develop, apply or use AI tools or algorithms for prohibited use cases as determined in Iberdrola's prohibited use case classification. (This risk category applies to use cases that violate fundamental rights or pose a risk to health or safety).

3.7 Training and Awareness

Avangrid will provide educational resources and training as necessary to developers & managers of artificial intelligence (AI) tools to maintain appropriate levels of competence in all aspects required to mitigate the risks implicit in AI tools and algorithms. This competence will include legal and ethical considerations, behavioral aspects and appropriate security practices.

3.8 Proper and Controlled Use

Avangrid endeavors to ensure the lawful, ethical and reliable use of artificial intelligence tools, and promotes the controlled and supervised design and use thereof.

Artificial intelligence tools applicable to the corporate environment must be used for professional purposes, on an Avangrid-approved device and in compliance with applicable laws and regulations, generally recognized guidelines and recommendations, the Governance and Sustainability System, and the terms, conditions and recommendations of use applicable to each tool.

Avangrid may establish procedures for the continuous assessment and supervised use of artificial intelligence tools, in order to ensure the proper and controlled use and traceability of these tools.

3.9 Proportionality and Harmlessness

Avangrid endeavors to ensure that the development and use of artificial intelligence tools are aligned with its established purpose, avoiding excesses or unnecessary risks. This means that the applications of artificial intelligence must remain within reasonable limits to achieve their specific objectives, without excessive or unnecessary uses that might go beyond the established purpose.

3.10 Responsibility and Accountability

Avangrid shall implement supervisory, impact assessment, audit and due diligence mechanisms to ensure accountability with regard to artificial intelligence systems during their life cycle, in accordance with defined levels of risk.

3.11 Structured Evaluation of Use Cases

As part of a structured evaluation and prioritization of AI use cases, three main pillars will be critically assessed across the AI lifecycle: Value, Risk, and Feasibility. Each of these pillars addresses the Policy principles and Artificial Intelligence Framework that incorporate considerations from Iberdrola's global policies, Avangrid's internal policies, industry best practices, as well as applicable laws and regulations.

To ensure the integrity and effectiveness of these assessments, each framework is overseen by its own independent body (Assessment Panel). Each panel is tasked with providing oversight specific to its pillar and will offer recommendations for mitigations & improvements to enhance the alignment and performance of AI systems within the organizational and the regulatory frameworks.

4. Data & AI Division and Use of Artificial Intelligence

The Data & Artificial Intelligence (“Data & AI”) Division (or such organizational body as assumes the duties thereof at any time), shall be responsible for facilitating evaluation, prioritization, providing governance and oversight to Artificial Intelligence initiatives. Detail of AI framework is covered at depth in the Use of Artificial Intelligence Tools and Algorithms framework document.

5. Group-Level Coordination

The Data & AI Division (or such division as assumes the powers thereof at any time), through the Security, Resilience and Digital Technology Committee, shall act in coordination with the IT Division of Iberdrola, S.A. and shall supervise

and coordinate with the relevant counterpart divisions and organizations across its subsidiaries and shall prepare the procedures required to ensure the proper use of artificial intelligence and the management of the potential risks arising from the use thereof at the Avangrid Group.

6. Implementation and Monitoring

For the implementation and monitoring of the provisions of this Policy, the Board of Directors is assisted by the Data & AI Division (or such division as assumes the powers thereof at any time), through the Security, Resilience and Digital Technology Committee, which shall further develop the procedures required for such purpose and shall regularly report to the Audit and Compliance Committee. The Data & AI Division (or such division as assumes the powers thereof at any time) shall review this Policy at least once per year to ensure that the content thereof conforms to the ongoing progress, innovations, risks and regulatory changes that are occurring in the area.

7. Supervision

Avangrid's Data & AI Division shall evaluate compliance with the provisions of this Policy at least once a year and shall report the results of its evaluation to the Audit and Compliance Committee.