

Compliance System Transparency Report

2025



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01.

Introduction



1. Introduction

Avangrid, Inc. (“Avangrid” or the “Company”), a leader in clean energy innovation and reliability, strives to build a more accessible clean energy model that promotes healthier, long-lasting, community well-being. To achieve this objective, Avangrid not only follows applicable laws and regulations; it holds itself to the highest ethical standards when working with customers, regulators, co-workers, and other stakeholders. The Company’s emphasis on ethics and compliance is critical to supporting and enabling its corporate responsibility strategy.

Avangrid’s Board of Directors (the “Board”) oversees the management of Avangrid and its businesses with a view to enhancing the long-term value of Avangrid to its stakeholders. The Company’s Articles of Incorporation, By-Laws, Corporate Governance Guidelines, Code of Business Conduct and Ethics, and other policies pertaining to corporate governance and regulatory compliance, risk, resilient development, ethical growth, and social responsibility (collectively, the “Governance and Sustainability System”) form the governance framework of Avangrid and its subsidiaries. The Governance and Sustainability System is based on a commitment to ethical principles, transparency, and leadership in the application of best practices for good governance and is designed to be a working structure for principled actions, effective decision-making, and appropriate monitoring of both compliance and performance.

The Company’s Code of Business Conduct and Ethics (the “Code”) is a guide for the actions of directors and employees at all levels of Avangrid. The Code articulates the principles that apply at Avangrid to promote and ensure ethical conduct. Avangrid’s Corporate Ethics and Compliance System (the “Compliance System”) serves as a mechanism for establishing a culture of strong ethical standards and compliance with the Code and applicable laws and regulations.

Avangrid’s Compliance System is decentralized and “risk based,” meaning that resources and focus are proportional to risk. It is based around Chapter 8 of the U.S. Federal Sentencing Guidelines (the “Federal Sentencing Guidelines”). The Federal Sentencing Guidelines, developed in 1991, identify seven essential elements for the effective ethics and compliance programs. The seven essential elements are: (1) an appointed compliance officer to oversee the compliance system; (2) written and easily accessible policies and procedures; (3) regular audits, e.g., to detect fraud and review compliance with financial controls and regulatory obligations; (4) open communication addressed by providing, e.g., a whistleblower channel and communications plan to disseminate ethics and compliance information; (5) procedures for corrective action including, e.g., compliance oversight committees and response plans following investigations and risk assessments; (6) ethics and compliance training and education of employees, the board, and board committees; and (7) consistent enforcement against ethics and compliance violations. This Transparency Report provides more information about the actions and activities of the Compliance Unit in its direction and oversight of Avangrid’s Compliance System.

Avangrid’s subholdings, with their own chief compliance officers, structures, and personnel, are directly entrusted with implementing, developing, and supervising the Compliance System. The fundamental elements of Avangrid’s Compliance System are the crime prevention program, the risk assessment program, and the Company’s reporting system, which includes a channel for



reporting possible misconduct, potentially unlawful acts, and acts contrary to Avangrid's Governance and Sustainability System.

To enhance operation of the Company's Compliance System, in 2023, the Board of Directors created Avangrid's Compliance Unit (the "Compliance Unit"). During 2025, the Compliance Unit was overseen by the Audit and Compliance Committee (the "Committee"), as detailed in Avangrid's Governance and Sustainability System. The Compliance Unit is vested with extensive powers and has resources necessary to ensure its independence in performing its duties.

In 2024, Avangrid's subsidiaries, Avangrid Networks Inc. ("Networks") and Avangrid Power, LLC ("Power") formed their own respective Compliance Units (the "Subsidiary Compliance Units"), similar to Avangrid's Compliance Unit. Each Compliance Unit includes an independent chairperson who has no material relationship with the Company, the corresponding chief compliance officer, and other members of Avangrid's management team with responsibilities related to Risk Management, Human Resources, Internal Control, and Regulatory Compliance.

The Compliance Units have helped to strengthen Avangrid's Compliance System and ethical culture, by contributing:

- Additional industry expertise from an independent chairperson, who is an established expert in U.S. corporate compliance best practices;
- Internal compliance knowledge from other Avangrid business areas;
- Input from resources currently involved in governance and oversight; and,
- Program visibility, leadership access and influence, and support for ethics culture.

This report, approved by the Avangrid Compliance Unit on February 4, 2026 describes the main actions, initiatives, and measures developed, promoted, and adopted by the Compliance Unit and the Subsidiary Compliance Units during 2025.



02.

Compliance Unit and Staff



2. Compliance Unit and Staff

2.1. Overview of the Compliance Units and Compliance Program

As noted above, in October 2023, Avangrid expanded leadership's involvement in its Governance and Sustainability System by establishing the Avangrid Compliance Unit. This program improvement, approved by the Board, demonstrates the Company's ongoing commitment to developing its Compliance Program.

The Compliance Unit operates under the Regulations of the Compliance Unit and, during 2025, was overseen by the Audit and Compliance Committee¹, of the Board of Directors. The Compliance Unit oversees and ensures the effectiveness of Avangrid's Compliance System, including the prevention and correction of fraudulent and/or illegal conduct. The Compliance Unit has broad powers, budgetary autonomy, and independence.

At the subsidiary company level, both Networks and Power have established their own Compliance Units similar to Avangrid's Compliance Unit, with the Avangrid Networks Compliance Unit reporting to the Avangrid Networks Audit and Compliance Committee of its Board of Directors, and the Avangrid Power Compliance Unit reporting to Avangrid Power's Board of Managers.

All three Compliance Units coordinate key activities through a General Coordination, Collaboration, and Information Protocol.

Ongoing collaboration and coordination among the Compliance Units allows for:

- Appropriate escalation of subsidiary compliance issues to Avangrid, Inc.
- Knowledge sharing and synergies;
- Efficient allocation of resources and budget; and
- Opportunities for sharing approaches to training and program implementation.

During 2025, the Avangrid Vice President-CCO, the Avangrid Networks and Avangrid Power chief compliance officers, and the Director of Corporate Compliance, held a total of **45 coordination meetings**.

The mirrored organizational structure at Avangrid and its subsidiaries allows the three Compliance Units to (1) remain strategically aligned and attuned to their respective businesses and (2) maintain an appropriate level of independence from their respective boards. The three Compliance Units

¹ The Audit and Compliance Committee is a standing committee of the Board of Directors with powers of information, assessment, and presentation of proposals to the Board of Directors within the scope of its functions in accordance with the Company's Corporate Governance System and set forth in the Audit and Compliance Committee Charter ("Charter").



can share and coordinate key practices, while ensuring prioritization and separation appropriate for the distinct regulatory challenges and environments of each subsidiary.

2.2. 2025 Governance Bodies Meeting Frequency

During 2025, the Avangrid Group's chief compliance officers met **31 times** with their respective governance bodies, i.e., the compliance units and their respective boards/committees.

2.3. Budget and Resources

The Regulations of the Compliance Unit require that the Compliance Unit have the necessary resources and staff to perform its functions. Annually, the respective governing bodies approve the respective Compliance Unit budgets.

Each year, the Compliance Units prepare and submit annual plans to their respective governing bodies for approval. The annual plans identify and describe key activities projected for the year. Compliance's activities ensure the Company meets or exceeds best practices based on, among other things, the required standards under both the U.S. Federal Sentencing Guidelines and periodically updated U.S. Department of Justice guidance. Certain annual plan activities recur annually (e.g., training and communications). The Compliance Units also add initiatives each year for the continuous evolution of the Compliance System.

2.4. Professional Qualifications

The chairpersons of the Compliance Units are external professionals with recognized standing in the field of Compliance.

Avangrid's compliance personnel (the "Compliance Team" or "Compliance Division"), who carry out the daily operations of the Compliance Units, are individuals with diverse skills that enable Compliance to deliver its annual plan and objectives.

The Compliance Team maintain various legal, auditing, and corporate compliance industry certifications and licenses, as well as advanced degrees, appropriate to support the Compliance System's needs. The primary compliance certifications obtained by professionals in the Compliance Division include:

- **Certified Compliance & Ethics Professionals (CCEP)** issued by the Society of Corporate Compliance and Ethics. Regarding ethics-based team members, in 2025 Avangrid's CCOs and their ethical compliance teams were certified, or in the process of obtaining, CCEP certifications.
- **Certification in Risk Management Assurance (CRMA) (Non-practicing)** issued by the Institute of Internal Auditors
- **Certified Internal Auditor (CIA) (Non practicing)** issued by the Institute of Internal Auditors
- **Certified International Compliance Officer (CICO)** issued by the Spanish Instituto de Oficiales de Cumplimiento
- **Compliance Certification (CESCOM)**, issued by the Asociación Española de Compliance



- **Compliance Certificate**, awarded by the University of Maine School of Law
- **Energy and Environmental Law Certificate**, awarded by the University of Connecticut Law School
- **Governance, Risk Management, and Compliance Master of Laws (LL.M.) degree**, awarded by the University of Connecticut Law School
- **Law Enforcement and Investigator Trainings**

During 2025, members of the Compliance Division participated in a variety of training sessions.

44.4 hours of training received on average by the professionals of the compliance function

Additionally, a variety of professional skills and backgrounds enable the Compliance Units to operate effectively on a day-to-day basis. In summary, the Compliance team has both skills and experience in the following areas:

- Business management, operations, and administration
- Compliance
- Corporate governance
- Data analytics
- Energy regulation
- Engineering
- Graphic design
- Human resources management
- Internal audit
- Finance and Strategy
- Law
- Risk management
- Investigations
- Training and instruction



03. Compliance Risk Assessments



3. Compliance Risk Assessments

To ensure compliance and mitigate risk throughout the Company, Avangrid's Compliance System uses various formal processes, deployed annually.

3.1. Quarterly Board-Appointed Officer Certification

Officer certifications related to Compliance are an increasingly common best practice to help companies demonstrate that (i) they are identifying and addressing misconduct, and (ii) senior executives are meeting their fiduciary duty of oversight. Avangrid's certification program reinforces the Company's commitment to ensuring that it maintains the highest standards for ethical conduct and compliance with the law. During 2025, Avangrid's Compliance Unit executed a quarterly process for board-appointed officers to certify that they had reported to the Compliance Units any potential material violations of law or Avangrid's Code of Business Conduct and Ethics. A total of **98 officers** in Networks (47), Power (15), and Corporate (36) certified. The officer certification program reinforces the Company's commitment to ensuring that it maintains the highest level of accountability for ethical conduct and compliance with the law.

3.2. Compliance Risk Assessment Process

In 2024, with insights and guidance from Iberdrola's Compliance Unit, Avangrid developed a new compliance risk process to assess key Company compliance risks, identify applicable controls for the relevant risks, and obtain business assurance that the controls have been implemented. The Compliance Unit executed the newly developed Risk Assessment Program for the first time in January 2025. The Risk Assessment Program, which builds on the Company's previous Crime Prevention Program ("CPP") certification process, is expected to evolve as Avangrid looks increasingly to leverage best practices within the Iberdrola Group.

31 business leaders and managers
participated in the 2025 risk assessment

To conduct the 2025 compliance risk assessment, Compliance staff contacted **31 leaders** and managers. Through this initiative, **74 formalized controls** and **99 evidentiary submissions** were documented.

99 evidentiary submissions
demonstrating implementation and effective operation of
controls



04.

Regulations



4. Code of Business Conduct and Ethics & Compliance Regulations

4.1. Code of Business Conduct and Ethics

The Code, adopted by the Avangrid Board, is applicable to all directors, officers, and employees of the Company and its subsidiaries. The Code describes the Company's core ethical values including: principles of integrity, honesty, and social responsibility; respect for the environment; safety and reliability; and customer focus. Consistent with the Company's values, the Code establishes standards of conduct and provides guidance for employees to make appropriate decisions when faced with ethical issues. The Code is reviewed and updated at least annually to ensure that it remains current with rules and regulations and the ethical challenges faced by the Company's employees. It was updated three times in 2025.

The Code is also supplemented by the Supplier Code of Business Conduct ("Supplier Code"), adopted by the Board, and is incorporated into the Company's contracts with its vendors. The Supplier Code establishes an expectation that suppliers will comply with the law and key ethical principles as a condition of conducting business with the Company. It authorizes Avangrid's Compliance Units to interpret the Supplier Code and its requirements, and the Chief Compliance Officer to issue amendments or waivers of the Supplier Code, if necessary, appropriate, and without undue risk to Avangrid.

Avangrid has drafted its Supplier Code to promote readability and transparency, using a reader-friendly format similar to that of the Code. Topics in the Supplier Code include, e.g., health and safety, human rights, environmental protection, anti-corruption and bribery, and anti-money laundering. The Supplier Code also has been updated to include the Company's enhanced measures to protect employees, agents, and contractors against retaliation. Both the Code and the Supplier Code also provide information to allow employees, suppliers, and other external stakeholders to report legal and ethical concerns to the Company, anonymously if preferred, using the Compliance Helpline, which is available 24/7 via telephone intake or online submission. Like the Code, the Supplier Code is reviewed and updated at least annually. It was updated most recently in October in 2025.



4.2. Regulations

Avangrid’s Board has adopted, and Avangrid has implemented, the Avangrid Governance and Sustainability System. This integrates a suite of internal rules and procedures that reflect U.S. and international governance best practices. For continuous improvement, and in compliance with best practices, the Board annually conducts a comprehensive review of the Avangrid Governance and Sustainability System to incorporate any newly identified best practices. The Avangrid Governance and Sustainability System includes Avangrid’s corporate governance guidelines, the Code, the Supplier Code, and committee charters. It is publicly available in the Corporate Governance section of Avangrid’s website, www.avangrid.com.

Avangrid’s Governance and Sustainability System is complemented by compliance policies and procedures developed, approved, and regularly updated by Compliance.

A number of policies, regulations and protocols were added or updated during 2025. Those approved by the Avangrid Board of Directors were separately adopted and approved by the Avangrid Networks Board of Directors and the Avangrid Power Board of Managers. Regulations approved or adopted by the Avangrid Compliance Unit were separately approved or adopted by the Avangrid Networks and Avangrid Power Compliance Units for their respective businesses. The Compliance Units of Avangrid Networks and Avangrid Power also approved or adopted business-specific regulations. Please see the table below for a summary:

Board Policies	Compliance Unit Regulations
Code of Business Conduct and Ethics	Rule on Personal Use of Company Assets
Supplier Code of Business Conduct	Protocol on Fair Competition
Compliance Policy	Sponsorships, Donations, and Other Social Contributions Rule
Internal Reporting & Whistleblower Protection System	Anti-Corruption Red Flags Guidance
Avangrid Regulations of the Compliance Unit	Protocol for the Management of Third-Party Fraud, Corruption Risk, and OFAC Compliance
Anti-corruption Policy	Avangrid Power Compliance Protocol for Energy Market Regulatory Monitoring and Surveillance Inquiries
Foundations for the Definition and Coordination of the Iberdrola Group	Avangrid Inc. Protocol for Internal Investigations
Avangrid Audit and Compliance Committee Charter	Avangrid Networks Protocol for Internal Investigations
Sustainable Development Policy	Avangrid Power Protocol for Internal Investigations
Stakeholder Engagement Policy	Avangrid Power Regulations of the Compliance Unit
Corporate Tax Policy	Avangrid Power Acceptable Use of Company Assets
Human Rights Policy	Avangrid Power Protocol for Fair Competition
Sustainable Human Capital Management and Anti-Harassment Policy	



Equal Opportunity Policy	
Environmental, Health & Safety Policy	
Policy on Management and Protection of Nature	
Climate Action Policy	
Biodiversity Policy	
Purchasing Policy	
Operational Resiliency Policy	
Iberdrola Brand Policy	
Corporate Reputation Policy	
Security Policy	
Quality Policy	
Digital Technology Policy	
Iberdrola Group Financial and Non-Financial Information Preparation Policy	
Grants of Authority	

Board policies and Compliance procedures, rules, and protocols are managed in PolicyTech, an internal central repository and management system. An initiative to standardize and simplify compliance regulations and protocols has continued during 2025.



05. Risk Management



5. Risk management

5.1. Assessment of Third Parties

Avangrid's vendor selection process includes evaluating, using a standardized scorecard, each potential supplier's commitment to promoting responsible environmental and social practice initiatives. A prospective supplier's evaluation score is an important factor in deciding whether Avangrid will award business to that supplier.

To bolster Avangrid's evaluation of third parties, the Compliance Unit assesses new counterparties for fraud and corruption risk before Avangrid invites the counterparty to enter into a contractual relationship.

Compliance due diligence assessments for counterparties includes evaluations of:

- Ties with countries considered to present a higher-than-normal risk
- International sanctions
- Adverse media or incidents implicating:
 - Human rights
 - Forced labor and/or child labor
 - Corruption and/or bribery
 - Competition
 - Money laundering
 - Other irregularities and/or unlawful conduct
- Ties with politically exposed persons ("PEP") and/or state-owned entities ("SOE")

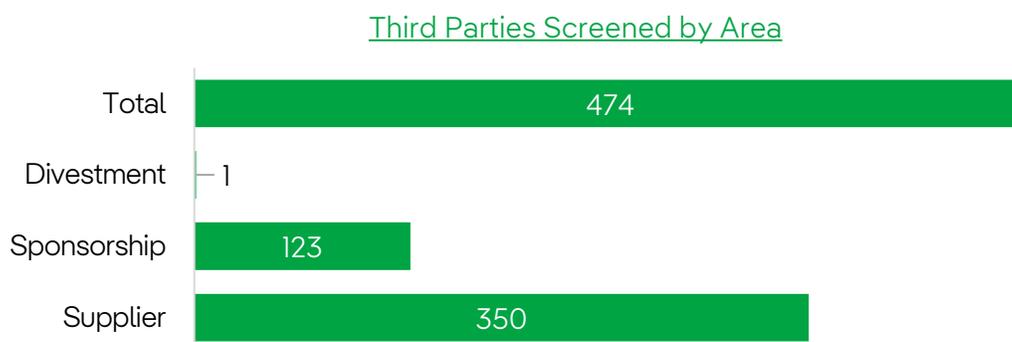
All counterparties are required to complete a questionnaire that includes ethical due diligence questions as part of the onboarding process. Information the counterparty provides is used to inform the due diligence used to assess the risks enumerated above and mitigate any supply chain risk of fraud, corruption, human rights violations, and reputational damage to the Company.

The Compliance Unit uses several tools, in combination, to conduct its due diligence and record risk assessments in its corporate systems. The Avangrid SAP enterprise system has automated workflows to allow the Compliance Unit to block or flag counterparties on the basis of assessed risk level. When a counterparty presents a higher-than-normal risk, the Compliance Unit will monitor all financial transactions with that counterparty. Counterparties assessed as presenting a critical risk can be blocked in corporate systems, preventing Avangrid's business areas from entering into new transactions with them.



474 counterparty risk assessments uploaded in 2025

Compliance Evaluations by Oversight



5.2. Trade Professionals

| *Background Checks*

Pursuant to Company policy, all prospective employees are subject to a criminal background check prior to hiring. Internally promoted employees who are elevated to a director level or higher role are subject to a refreshed background check. The rationale for refreshing these background checks is that the Company considers personnel at this level to be “substantial authority personnel” under the U.S. Federal Sentencing Guidelines.

166 management team background checks

| *Conflicts of Interest*

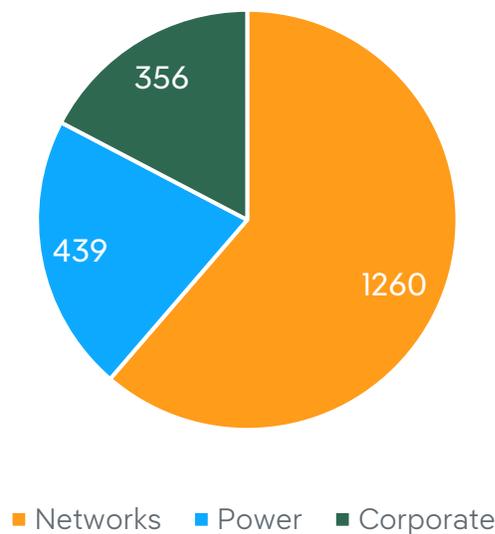
Annually, Avangrid’s Compliance Unit launches a conflict-of-interest survey (the “Survey”). All staff of designated business areas, including the Compliance Division, Legal Services, People & Organization (“P&O”), Purchasing, Internal Audit, and all Avangrid supervisors and above, are required to respond to the annual Survey. Exceptions are made for certain employees unable to complete it for reasons such as extended disability or medical leave, or upcoming retirement. The Survey facilitates disclosure of outside activities and other potential conflicts of interest. It also provides Survey participants an opportunity to disclose potential violations of the Avangrid Code



which might not already have been reported. Finally, at the conclusion of the Survey, respondents are asked to confirm a statement regarding their obligation to comply with the Code and applicable Company policies and procedures.

The 2025 annual survey resulted in **2055 disclosures**. These disclosures were independently reviewed to identify potential conflicts of interest and other compliance issues. Actual or potential conflicts identified through the process were reviewed for appropriate mitigation controls with the assistance of both Avangrid's Management and P&O.

Annual Survey Participants

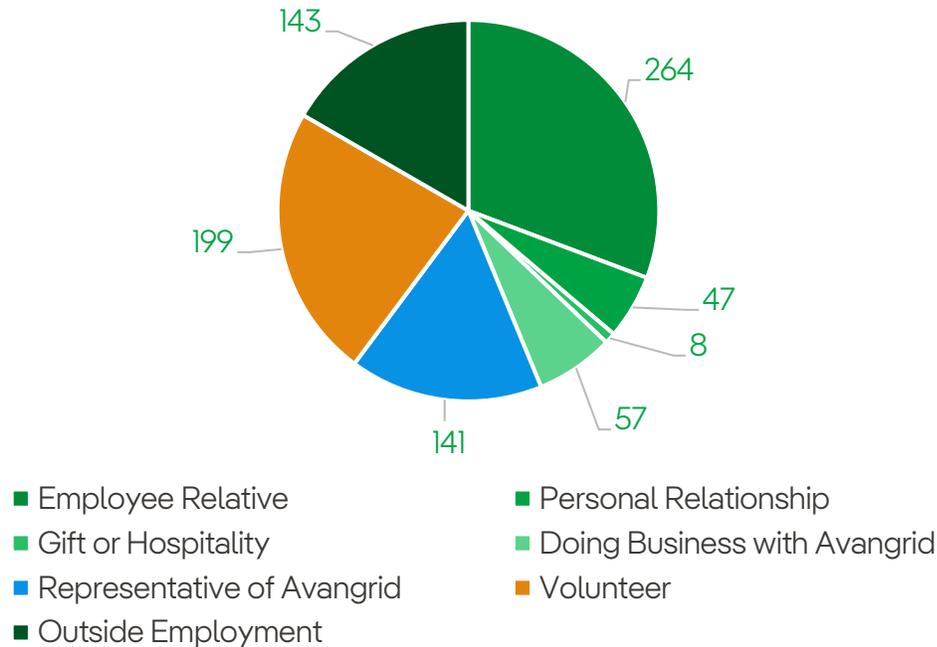


In the second quarter of 2023, Compliance and P&O coordinated to extend the reach of the conflicts of interest disclosure to include new hires and summer scholars. The Compliance Unit continues to track both sets of disclosures. In 2025, the Compliance Unit received and evaluated **1051 new hire disclosures and 77 summer scholar disclosures**. Any responses indicating an actual or potential conflict of interest received direct follow up from the Compliance Unit in collaboration with the relevant business areas.

**2055 Annual
conflict of interest disclosures reviewed**



Type of Annual Conflict of Interest Disclosures



1051 New Hire conflict of interest disclosures assessed

| *Related Party Transactions*

In line with the Avangrid Related Party Transaction Policy, the Compliance Unit received no direct reports from Avangrid Inc. directors regarding activities that would cause or appear to cause a conflict of interest with respect to related party transactions.

| *Gifts and Hospitality*

The Avangrid Gifts and Hospitality Rule and Register applies to all employees, contractors, and third-party representatives of Avangrid and is based on expectations articulated in the Code. For gifts and hospitality disclosures and questions, the Compliance Unit works with employees to provide guidance that is consistent with the Code.

In 2025, the Compliance Unit received in the Registry and responded to **16 gift and hospitality inquiries** and reviewed and responded to **19 inquiries received from outside of the Registry** for a



total of 35. The Compliance Unit issued guidance in each case and approved 13 (81%) of the requests received in the Registry.

35 gift and hospitality requests reviewed



06.

Separation of Activities



6. Separation of activities

Separation of Activities compliance concerns affiliate transactions and information sharing, in compliance with Federal Energy Regulatory Commission (“FERC”) regulations, and is considered a high-priority field of regulatory compliance in the energy industry. The Avangrid Audit and Compliance Committee (“ACC”) Charter delegates to the ACC oversight for aspects of separation of activities compliance. Accordingly, the ACC periodically reviews information related to the FERC Compliance Program and Separation of Activities provided by the Chief Compliance Officer.

The governing authorities of Avangrid’s Networks and Avangrid Power have adopted the Avangrid Governance and Sustainability System and appointed their own chief compliance officers reporting to the governing authority. The subsidiaries’ chief compliance officers maintain responsibility for, and oversight of, their respective companies’ FERC compliance programs.

Avangrid’s chief compliance officers prepare a compliance report concerning the companies’ efforts relating to FERC, including Separation of Activities compliance. A consolidated summary report on the Separation of Activities is published under the Corporate Governance section of Avangrid’s website, on the [Compliance Program webpage](#).

Based on the overall activities reflected in the 2025 annual report, the Avangrid Chief Compliance Officer, supported by confirmation from the Avangrid Power Deregulated and Wholesale Energy Markets Chief Compliance Officer and the Avangrid Networks Chief FERC Compliance Officer, confirmed to the Avangrid Board that the respective subsidiary FERC Compliance Programs have implemented controls, policies, and procedures designed to ensure material compliance with the legal and regulatory requirements for such programs.



07. Training



7. Training

7.1. Code of Business Conduct and Ethics training

During 2025, the Compliance Unit launched the annual, mandatory employee Code of Business Conduct and Ethics training (“Code Training”), which reinforces the expectations and requirements for working in a corporate culture that prioritizes ethical behavior and compliance with the Code, applicable laws, and regulations. All employees must complete the training, excluding certain employees unable to take the training due to reasons such as disability, medical leave, or retirement.

In 2025, Avangrid continued to partner with an external training development firm to continue to innovate and build best practices into the Code Training and added the following features:

- Translated the Code Training to offer **three language options**: English, Spanish, and Portuguese to align with employee demographics by allowing employees to take the course in their native languages;
- Revised and updated ethics and compliance-related stories and quotes from about 70 senior leaders to establish ethical conduct as a norm throughout Avangrid and its subsidiaries;
- Enhanced transparency around investigations by refreshing material explaining the process of compliance investigations and what to expect after making a report;
- Added “The Role of People Leaders” module as a separate version of the Code of Conduct course assigned only to People Leaders. The material includes several interactive and scenario-based quiz questions;
- Enhanced overall user experience by improving the training’s usability and accessibility, including adding a low-bandwidth option for videos hosted in the Code Training and a mobile-friendly version for field employees viewing the course with Company tablets;
- Revised text to adopt best practices and recommendations from our external evaluator;
- Updated videos, storyboards, and animations to improve employee engagement, including video messages by the Company’s chief executive officer and the Company’s chief compliance officer; and
- Maintained specific ethics and compliance examples from the energy industry and from within the Company.

7.2. Additional Compliance-related trainings

The 2025 Code training was supplemented by other compliance-related training programs concerning key aspects of the Company’s operations. Some are administered by departments



other than the Company's Compliance Units. Key topics in which certain groups of managers and employees received training included:

- Affiliate transaction and information sharing restrictions;
- Anti-corruption and bribery (e.g., Foreign Corrupt Practices Act, "FCPA");
- Antitrust and competition;
- Energy anti-market manipulation;
- Environmental compliance;
- Ethics culture and the importance of reporting concerns ("Speaking up");
- FERC Standards of Conduct;
- Gas Safety;
- Harassment and Discrimination;
- Health & Safety;
- Equal Opportunity at Work;
- Manager Instruction on Retaliation;
- NERC and Cyber Security;
- Trade sanctions (e.g., Office of Foreign Asset Control, "OFAC");
- Corporate responsibility; and
- Vendor and third-party risk management.

7.3. Leading with Integrity

Each year, the Company's Compliance Units and the People & Organization department partner in delivering a live ethics training program for new managers, developed in house, called "Leading with Integrity." Leading with Integrity, held remotely in a group setting, focuses on the values and behaviors expected of people managers, to advance their development as effective ethical leaders. In 2023, Compliance began to spotlight senior leaders by inviting them to discuss their views of the importance of ethics during the training and continued this practice.

In 2025, Leading with Integrity expanded the spotlight to include senior managers, directors, and senior directors, to share a different relatable set of experiences and perspectives with the new leader trainees. Also in 2025, the Leading with Integrity program now encourages each new people leader cohort of Leading with Integrity to host a compliance and ethics discussion activity with their team by providing the new leaders with curated materials. The goal is to set up new team leaders for success and contribute to building Avangrid's ethical culture.

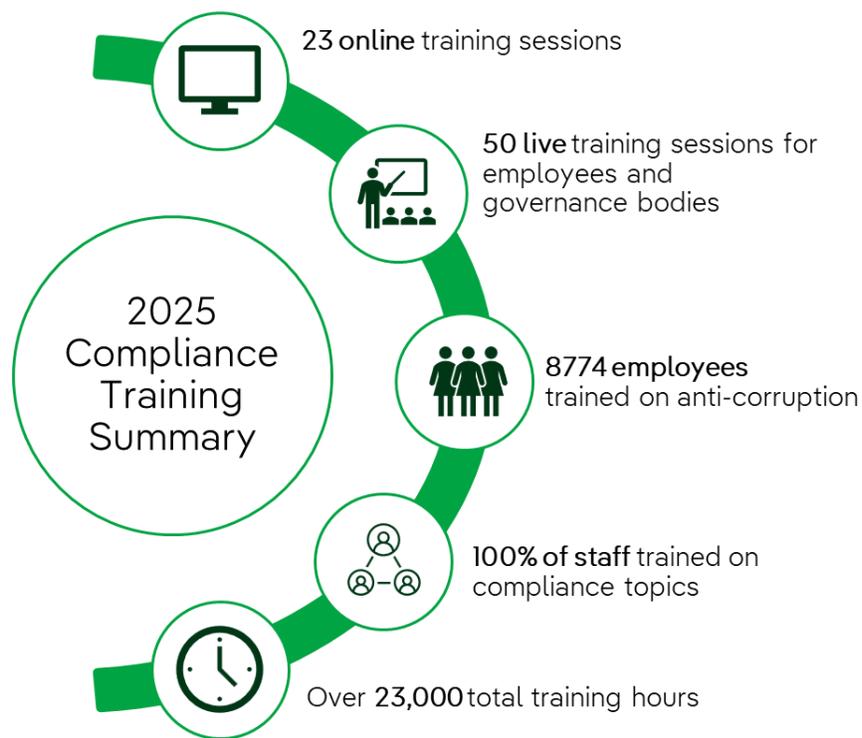
Leading with Integrity training is provided annually to about **10% of all people managers**, in groups of about 13 participants. During 2025, approximately **123 managers** participated in Leading with Integrity training workshops.



About 123 new people managers participated in Leading with Integrity

In addition to Leading with Integrity Training, all new people managers were offered an optional online leadership course. As part of the Leadership Essentials curriculum, the training provides instruction on, and access to, fundamental Compliance System resources and activities, including guidance on how to address employee concerns, review and approve transactions, communicate standards, and spot red flags.

Summary of Compliance Training Initiatives





08.

Communications



8. Communications

The Compliance Unit and Avangrid's Corporate Communications Group continue to collaborate each year to ensure employees receive regular communications providing guidance and raising awareness of common ethics and compliance issues which employees face in the workplace. Managers and Ethics Liaisons² also receive regular communications on resources available to them for promoting an ethical work environment and Speak Up Culture.

The Compliance Unit develops an annual communications plan (the "Communications Plan") to pursue and achieve its outreach objectives. One feature of the Communications Plan is to schedule communications to address topics at times of the year when they are most relevant, e.g., all-employee training awareness emails prior to the launch of the annual Code of Business Conduct and Ethics training and Our Regulated Industry training, emails targeting people leaders to comply with their specialized ethics and compliance training requirements, communications regarding politics in the office prior to elections, and reminders about handling conflicts of interest and complying with the Company's Gifts and Hospitality Rule and Register before holidays.

The 2025 Communications Plan, building on practices established in recent years, leveraged various modalities to reach employees, including a focus on digital media: enterprise social media platforms, direct e-mail communications from Compliance leadership, coordinated messaging from business areas' leadership, cascaded messaging from managers and supervisors, the employee online portal, digital signage, posters, pamphlets, informative videos created in-house and licensed from third parties, and other forms of employee-directed communications. The 2025 Communications Plan also included guidance disseminated by digital weekly newsletter and e-mail and responded to positive feedback to include more video content for compliance and ethics messaging.

To further connect about and promote ethics and compliance throughout the Company, the Compliance Units have designated the third Wednesday of October as Global Ethics Day, an initiative coordinated with the Carnegie Council for Ethics in International Affairs. Since 2021, Company Global Ethics Day events have included licensed movies for employees, panel discussions about publicized events implicating ethics and compliance, and on-site activities illustrating the importance of ethics and compliance in the workplace. In 2025, the Compliance Unit and Subsidiary Compliance Units worked with the Company's training group and an outside training vendor to create a distributed activity for supervisors to organize and run with their teams. The activity innovatively fostered communication between people leaders and their team about ethics and compliance.

The Compliance Unit expands the reach of Compliance communications through the Compliance Unit's Ethics Liaisons Program. The Ethics Liaisons are a network of employees with different levels of seniority and varying backgrounds. They serve as an extension of the Compliance Program. In

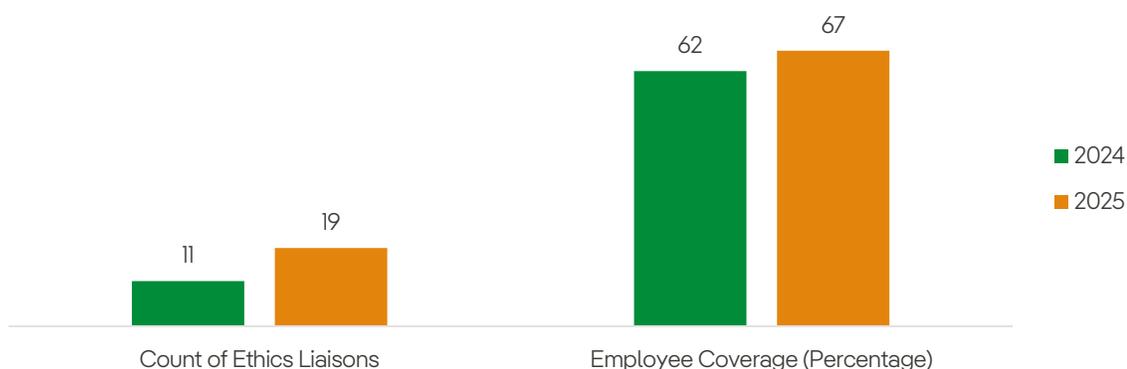
² Ethics Liaisons are employee ambassadors for ethics and compliance. The Ethics Liaison Program is considered a best practice for compliance programs. Ethics Liaisons assist with Compliance communications, serve as local business champions for ethics issues and culture, and host compliance events for local employees.



2025, the Compliance Unit increased participation in the Ethics Liaison Program by approximately 50% to cover most of the Company's employees by department and geographic location. In September, the Compliance Unit held its first-ever on-site meeting of Ethics Liaisons, which included trainings about Liaisons' responsibilities, presentations by departments with compliance-adjacent responsibilities, and a networking reception with the Company's local leadership.

In the Fall of 2025, the Ethics Liaisons supported Compliance staff "roadshows" of Compliance-themed events, across New York and Connecticut. During the 15 sessions, attended by about one thousand employees, Compliance discussed the Company's business and operations strategy and how it relies on building and maintaining a reputation for ethics and avoiding workplace irregularities. Compliance staff conducted ride-alongs with field employees and hosted a focus group with supervisors in each location to discuss the Company's Ethics Culture Survey results, analysis, and insights relevant to their area.

Evolution of Ethics Liaison Program



The Compliance Unit continues to adjust communication approaches to keep compliance messaging both fresh and engaging. For example, a column called "Ask the Ethicist," adopted in recent years, uses a conversational Q&A format between fictional employees and a fictional ethicist, who answers questions based on prior examples of ethics guidance provided to employees. A sample of topics addressed in Avangrid's 2025 *Ask the Ethicist* series included:

- Conflicts of interest
- Corporate credit cards
- Time reporting
- Avangrid's Speak Up culture
- Gifts and hospitality
- Politics in the workplace
- Outside business activities (e.g., an Avangrid employee having a second non-Avangrid job)

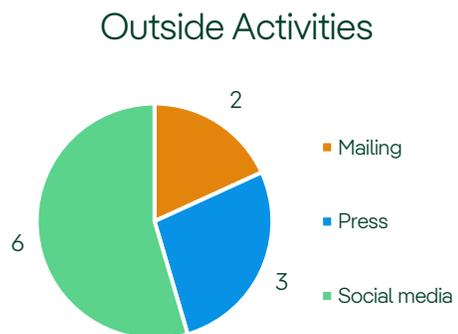
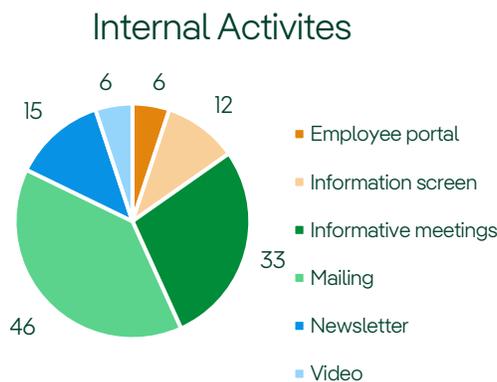
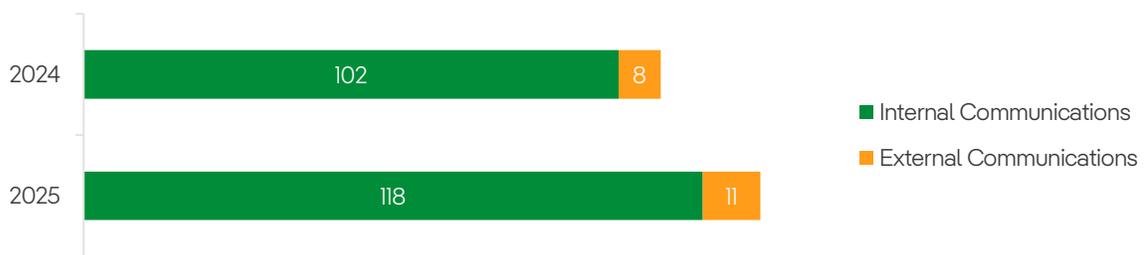


Throughout 2025, the Compliance Unit continued to enhance communications practices, using initiatives focused on employee awareness of compliance and ethics issues, such as Helpline posters, Code of Business Conduct and Ethics access posters, an abbreviated Code “pamphlet” distributed electronically, company-wide, and digital signage displayed throughout the Company’s facilities. Compliance also communicated to all employees about an updated and optimized “Ethics Toolkit” for anyone to access materials aggregated by Compliance staff. The Ethics Toolkit, which includes, e.g., an online library of articles, video content, and Compliance communications, is intended to enable people leaders and individual contributors alike to learn more about Compliance, share their ideas, and contribute to Avangrid’s Speak Up culture.

In 2025, Avangrid’s Compliance Unit increased the number of communications from senior leaders included within Avangrid’s annual Code of Business Conduct and Ethics Training, as detailed previously.

In 2025, Avangrid’s Compliance Unit increased the number of communications from senior leaders included within Avangrid’s annual Code Training, as detailed previously.

Number of Communications Initiatives





09. Internal Reporting System



9. Internal Reporting System

Avangrid has an open-door policy to encourage employees to raise their ethics and compliance concerns. Avangrid strictly prohibits retaliation against employees who report ethics and compliance concerns in good faith.

Supporting its open-door and anti-retaliation policies, Avangrid provides 24/7 access to a reporting service (the “Helpline”). Through November 2025, the Helpline was administered entirely by a third-party provider, EthicsPoint. In November 2025, Compliance transitioned from using EthicsPoint as its case reception and investigation management system, to using Iberdrola’s global governance, risk, and compliance (“GRC”) system, COMPLETE. All Iberdrola group companies rely on COMPLETE to store and track all compliance system data, including reports and investigations information. In addition, Avangrid has engaged with a new independent third-party call center provider to enable employees the option to utilize the phone approach, if they prefer speaking to a representative to reporting online. Avangrid engaged in a broad awareness communications campaign to ensure all employees learned of the new Helpline access information, and that the new access information also is updated in all Company policies and trainings by other stakeholders.

The Helpline is available to employees, contractors, consultants, suppliers, and the public, and is used both to seek guidance on ethics and compliance-related matters, and to report situations that may require investigation. The Helpline allows callers and online Helpline users to confidentially and/or anonymously report their concerns.

Avangrid’s Compliance Division continually tracks Helpline data and reports data analyses and insights to the Compliance Unit and to the Audit and Compliance Committee of the Board of Directors. The following points summarize ethics and compliance reports made directly or indirectly to compliance staff during 2025, including those made using the Helpline.

- In 2025, the Company’s Compliance Units received a total of **83 compliance-related reports**. The allegations were screened and investigated, with substantiated claims resulting in appropriate corrective actions. Corrective actions included, among other measures, employee discipline and/or process and control improvements. See Figure 10.1.
- The Company’s Compliance Units received **145 additional communications** consisting of **122 reported suspected ethics and compliance violations** that were found not to be compliance-or ethics-related and were reassigned to the appropriate business area (e.g., P&O, Security) for resolution; **20 reports that were dismissed** because the allegations did not present a need for investigation; and **three reports that remained in initial evaluation** at the end of 2025.
- The Compliance Units received **253 inquiries** seeking ethics and compliance guidance. The number of inquiries has remained consistent with prior years and illustrates employee engagement at all levels in seeking out guidance to adhere to the Code. The Company continues to encourage its employees to seek ethical guidance. See Figure 10.2.

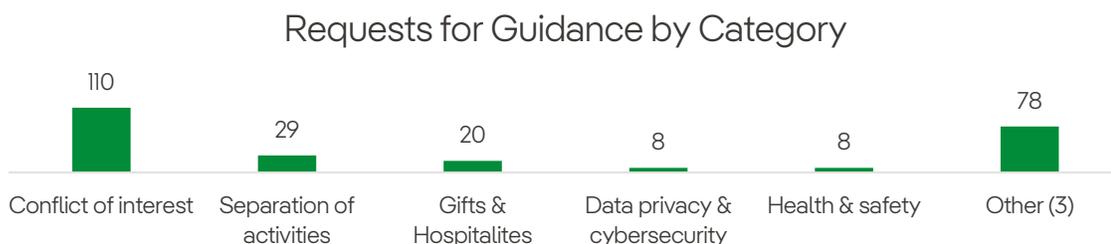


- Benchmarking analysis suggests that subject areas for reported concerns were typical of those received by other companies in the United States using helpline reporting services. The most common categories of allegations were related to (i) conflicts of interest; (ii) labor harassment; (iii) concerns related to misuse or misappropriation of corporate assets, and (iv) inappropriate behavior among employees. The overall number, substantiation, and types of reports remain consistent with past experience and industry benchmarking. Figure 10.1 provides a representative graphic.
- During 2025, statistics, trends, and other matters of interest were reviewed regularly with the Company’s executive leadership, the Audit and Compliance Committee, and the governing bodies for Networks and Power. Topics addressed during Audit and Compliance Committee meetings included:
 - | Status report regarding the annual Compliance plan;
 - | Notable program updates, amendments, and quarterly initiatives; and
 - | Compliance activity highlights.

- **Figure 10.1**



- **Figure 10.2**



³ “Other” guidance categories such as fair competition, implementation of internal or external regulations, and transparency



10. Monitoring and Review



10. Monitoring and Review

10.1. Monitoring indicators

The Chief Compliance Officer reports at least quarterly to the Compliance Unit, providing metrics of key performance indicators (“KPIs”) showing the effectiveness of Avangrid’s Compliance Program and serving as a driver to focus opportunities for improvement. Below are some of the performance measures reported to the Compliance Unit:

- Third-party risk assessment
- Internal whistleblowing channel activity
- Training activities
- Internal and external communication initiatives
- Conflicts of interest process and results
- Professionals’ background checks
- Policies updated and approved by the Board and by the Compliance Unit
- Ethics Culture Survey results and analysis
- Ethics Liaisons program activities
- Compliance employee engagement activities
- Gifts and hospitalities
- Other initiatives

10.2. Internal Audit

Core elements of Avangrid’s Corporate Compliance System are subject to periodic audits and certifications, with certain functions acting as key controls for the company. In 2025, the Company’s compliance with Avangrid’s Sponsorships, Donations, and Social Contributions Rule was audited to ensure proper implementation and effective operation of controls. These controls contribute to mitigating the risk of corruption and fraud. There were no findings, though following improvement recommendations, the Compliance Unit updated its rule to reflect new executive approval levels and provide additional guidance.



10.3. External reviews

| *Compliance Leader Verification*

As discussed below in Section 11 of this Report, since 2019, Avangrid has held the Compliance Leader Verification (“CLV”) certification, issued by the Ethisphere Institute, a global thought leader in defining and advancing standards for ethical business practices. In 2024, the Company re-applied and underwent a process of evaluation with Ethisphere during the course of the year. In December 2024, following the conclusion of the assessment, Ethisphere again awarded Avangrid the CLV certification, valid for the next two years. Throughout 2025, Compliance incorporated input from Ethisphere’s CLV evaluation to further develop and elevate its Compliance System.



11. Program Assessments and Recognitions



11. Program Assessments and Recognitions

A hallmark of Avangrid's Compliance System has been a focus on continuous improvement, for which Avangrid has earned consistent recognition:

11.1. World's Most Ethical Companies List

In 2025, Avangrid was recognized as one of the World's Most Ethical Companies for the seventh consecutive year by the Ethisphere Institute. A total of 136 honorees were recognized from 19 countries and 44 industries. In Ethisphere's 2025 ranking of the World's Most Ethical Companies, Avangrid is one of only seven honorees globally in the Energy and Utilities sector.

11.2. Compliance Leader Verification

As noted above, Avangrid earned the Compliance Leader Verification from the Ethisphere Institute, valid for 2025-2026. This recognition is Avangrid's fourth, two-year CLV program certification.

The CLV process is a rigorous review of Avangrid's ethics and compliance program and corporate culture. Avangrid's performance was evaluated on six key areas: program resources and structure; perceptions of ethical culture; written standards; training and communication; risk assessment, monitoring and auditing; and enforcement, discipline, and incentives.

Additionally, with the support of Ethisphere, Avangrid conducts a biennial Ethical Culture Survey to assess employee perceptions across eight pillars of an ethical culture.



12. Enhancing Ethical Culture



12. Enhancing Ethical Culture

Avangrid's Compliance System is focused on continually enhancing ethical culture at Avangrid. Avangrid evaluates its ethical culture in significant part through biennial ethics culture surveys. In 2024, the Company undertook its biennial ethics culture survey ("Survey"). Eighty-three percent of employees participated in the Survey and the results showed a slight decline in Avangrid's compound survey score compared to the 2022 Ethics Culture Survey results and external benchmarks.

At the conclusion of the survey, the Company's Compliance Division analyzed the results and communicated insights to Company management and employees to use in improving employee training and management communication initiatives. As part of this communications initiative, the Compliance Division provided highlights of the 2024 Survey results to employees via the Company's internal communications channels and disseminated them to business area leaders throughout Avangrid to consider and drive actions to enhance the ethical culture.

In 2025, building on its past successes with Roadshows, from September to mid-October, Avangrid's Compliance Division launched 15 interactive roadshow presentations on compliance and ethics topics, including discussion of the Ethics Culture Survey results and analysis. During the Roadshows, the Networks Chief Compliance Officer hosted eleven supervisor focus groups.

In addition to company surveys for assessing ethical culture, Avangrid has a companywide network of **Ethics Liaisons** to promote ethical culture. In 2025, the Compliance Unit onboarded and trained ten new Ethics Liaisons throughout Avangrid's locations, for a total of nineteen liaisons. Compliance hosted an in-person Ethics Liaison workshop to provide liaisons with information and materials to support employees on ethics and compliance matters. Ethics Liaisons represent a broad range of functions and capabilities. They also serve as an extension of the Compliance Program: disseminating compliance communications where they work and within their department; directing employees to resources; hosting engagement events; escalating questions and issues; and sharing knowledge with other liaisons.

This concludes the 2025 Avangrid Compliance System Transparency Report.

