

Environmental Policy

February 13, 2019

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 for its shareholders. The Board of Directors of AVANGRID (the “Board of Directors”) has adopted this Environmental Policy (this “Policy”) to assist in exercising its responsibilities to AVANGRID and its shareholders. 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.

1. Purpose

AVANGRID is committed to sustainable development and respect for the environment and these important values guide our strategy and actions. Developing a sustainable energy model supported by lower emissions, greater energy efficiency and preservation of the environment is essential for sustainable development. AVANGRID supports goal six (Clean Water and Sanitation), goal seven (Affordable and Clean Energy), goal twelve (Responsible Consumption and Production), goal thirteen (Climate Action), goal fourteen (Life below Water), goal fifteen (Life on Land), and goal sixteen (Peace, Justice and Strong Institutions) of the Sustainable Development Goals approved by the member states of the United Nations. AVANGRID, as a leading energy company, recognizes the importance of environmental protection and the company’s responsibility to take action to protect the environment. The Board of Directors has adopted this Policy to set forth a framework for these actions. In addition to this Policy, the Board of Directors has adopted a Biodiversity Policy and a Climate Change Policy to guide AVANGRID’s commitment to respect for the environment.

2. Principles

To achieve AVANGRID’s goals on environmental protection, the AVANGRID Group shall:

- a) Comply with applicable environmental laws, regulations and standards, attempt to anticipate compliance with new environmental requirements and implement industry best practices on environmental protection.
- b) Assess, on an ongoing basis, environmental conditions on the AVANGRID Group facilities.
- c) Review and update, as needed, the mechanisms used by the AVANGRID Group to reduce environmental risks and the environmental impacts of the AVANGRID Group activities. Take actions aimed to prevent environmental incidents and, when required, to remediate or mitigate adverse environmental impacts.
- d) Contribute to a sustainable energy model and focus on innovation and the pursuit of efficiencies to ensure that environmental protection is compatible with meeting energy needs and sustainable growth.
- e) Use natural resources (i.e., land, energy sources, water and raw materials) responsibly and efficiently. When possible use renewable resources. Actively promote and encourage efficient and responsible use of natural resources by AVANGRID stakeholders.
- f) Manage hazardous and non-hazardous waste responsibly.
- g) Consider potential environmental impacts as part of the investment decision making processes and planning and execution activities. Promote the incorporation of environmental considerations in cost-benefit analyses.



Take care of the environment.
Print in black and white and only if necessary.

- h) Establish and maintain an environmental management system that focuses on the reduction of environmental risks, improvements in the management of resources, and optimization of investments. AVANGRID's environmental management system may, among other things, address:
 - (i) efforts to identify, assess and reduce adverse environmental impacts of the activities of the AVANGRID Group,
 - (ii) environmental training for employees,
 - (iii) environmental objectives and criteria to monitor accomplishment of the objectives,
 - (iv) environmental programs designed to reduce environmental risks and impacts, and
 - (v) monitoring and assessment of environmental performance.
- i) Identify and work to incorporate into the activities of the AVANGRID Group best available techniques and practices for energy generation and delivery from an environmental standpoint.
- j) Foster, participate and undertake research, development and innovation (RD&I) activities that address environmental challenges.
- k) Establish mechanisms and indicators to measure environmental performance that produce meaningful information that can be used effectively in business decision-making processes.
- l) Encourage suppliers, contractors and others doing business with the AVANGRID Group to adopt policies consistent with those adopted by the company. Consider environmental performance when selecting suppliers, contractors and other service providers for the AVANGRID Group.
- m) Establish a constructive dialogue with governmental agencies, non-profit organizations, local communities and other stakeholders on environmental protection matters to:
 - (i) understand each parties concerns and environmental objectives,
 - (ii) work jointly to address environmental challenges, and
 - (iii) contribute to the development of effective environmental public policies that are also economically efficient.
- n) Report transparently on environmental risks, environmental performance and environmental protection-related actions.

