



AVANGRID GRI Report

For the year-ended December 31, 2021



Jul-22

ABOUT THIS REPORT:

This report has been prepared in accordance with the reporting requirements and recommendations of the Global Reporting Initiative (GRI) Standards. It follows the order of GRI indicators. To facilitate access to all available information, direct links are included throughout this report to the corporate website. Additional useful information for a better understanding of Avangrid’s performance during the financial year can be found in the Annual Report.

Indicator Description Response / Reference to Information

GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the organization	Avangrid, Inc.
102-2	Activities, brands, products and services	<p>AVANGRID is a leading, sustainable energy company with nearly \$40 billion in assets and operations in 24 states as of December 31, 2021. The company was formed by a merger between Iberdrola USA, Inc. and UIL Holdings Corporation in 2015 and currently employs over 7,000 people. The company is part of the Iberdrola Group. Iberdrola SA directly owns 81.5% of outstanding shares of AVANGRID common stock. AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Through Networks, we own electric generation, transmission and distribution companies and natural gas distribution, transportation and sales companies in New York, Maine, Connecticut and Massachusetts, delivering electricity to approximately 2.3 million electric utility customers and delivering natural gas to approximately 1.0 million natural gas utility customers. Avangrid Renewables business is engaged primarily in the design, development, construction, management and operation of generation plants that produce electricity using renewable resources. Avangrid Renewables operates 9.2 gigawatts of electricity capacity, primarily through wind power, with presence in 22 states across the United States. It currently operates 66 wind farms of 7,945 MW of total installed capacity, four solar photovoltaic facilities of 232 MWdc and two thermal generation facilities of 636 MW of combined capacity. AVANGRID CO 2 emissions intensity is estimated to be 6.5 times lower than U.S. Utility average in '21 based on data available at www.eia.gov and 91% of our generation production capacity is emissions-free. AVANGRID supports the achievement of the Sustainable Development Goals approved by the member states of the United Nations, and was named among the World’s Most Ethical companies in 2019, 2020 and 2021 by the Ethisphere Institute. AVANGRID employs approximately 7,000 people and is listed by Forbes and JUST Capital as one of the 2021 JUST 100, an annual ranking of the most just U.S. public companies.</p> <p>Please see page 6 of AVANGRID Form 10-k - 2021</p>
102-3	Location of headquarters	<p>The principal offices of AVANGRID and Networks are located in Orange, Connecticut; Portland, Maine; and Rochester, New York, while Renewables’ headquarters are located in Portland, Oregon and Boston, Massachusetts. In addition, AVANGRID and its subsidiaries have various administrative offices located throughout the United States.</p> <p>Please see page 38 of AVANGRID Form 10-k - 2021</p>
102-4	Location of operations	All operations are in the United States. A presence in 22 states.
102-5	Ownership and legal form	<p>AVANGRID is an investor-owned corporation listed on the New York Stock Exchange under the trading symbol AGR. Iberdrola S.A., a corporation (Sociedad anónima) organized under the laws of the Kingdom of Spain, a worldwide leader in the energy industry, directly owns 81.6% of outstanding shares of AVANGRID common stock.</p> <p>Please see page 92 of AVANGRID Form 10-k - 2021.</p>
102-6	Markets served	<p>Our direct, wholly-owned subsidiaries include Avangrid Networks, Inc., or Networks, and Avangrid Renewables Holdings, Inc., or ARHI. ARHI in turn holds subsidiaries including Avangrid Renewables, LLC, or Renewables. Networks owns and operates our regulated utility businesses through its subsidiaries, including electric transmission and distribution and natural gas distribution, transportation and sales. Renewables operates a portfolio of renewable energy generation facilities primarily using onshore wind power and also solar, biomass and thermal power.</p> <p>Please see page 6 of AVANGRID Form 10-k - 2021</p>
102-7	Scale of organization	<p>See the following:</p> <ol style="list-style-type: none"> (1) 2021 Business Overview sections and Key Performance Indicators of AVANGRID 2021 Sustainability Report; (2) Security Ownership of Certain Beneficial Owners and Management of 2022 AVANGRID Notice of Annual Meeting and Proxy Statement, pages 88 - 89; (3) AVANGRID’s financial statements for the year ended December 31, 2021 available in the AVANGRID Form 10-K for 2021.

Indicator	Description	Response / Reference to Information
102-8	Information on Employees	<p>At the end of 2021, AVANGRID had 7,348 employees, of which 27% were female. 99.8% work full-time and 47.6% are represented by a union.</p> <p>See page 66 of AVANGRID 2021 Sustainability Report.</p>
102-9	Supply chain	<p>In 2021, AVANGRID purchased approximately \$3.4 billion of good and services, with 96% from US suppliers. (See page 65 of the AVANGRID 2021 Sustainability Report.)</p> <p>The Purchasing Division guarantees equal opportunities, applying criteria of objectivity and impartiality in its relationships with suppliers, and promoting advertising and competition in the selection processes under a general framework of management efficiency. Suppliers are assessed on a number of metrics throughout the purchase process, in order to gain an understanding of the potential risks, and we ensure that each supplier's operations, practices and policies are aligned with the group's policies, principles, values and responsibilities.</p> <p>The objective of Iberdrola's Purchasing Division's, linked to the team's variable remuneration, has been to improve the sustainability of the suppliers it has been working with for over 15 years. In 2020 this objective translates into a corporate sustainability objective organized around three key sustainability pillars, summarized in the acronym ESG: Environmental, Social and Governance. Iberdrola's commitment to ESG standards and their expansion to cover its main suppliers is embodied in the ambitious goal of ensuring that at least 70% of the group's main suppliers are subject to sustainable development policies and standards by 2022. This objective is directly reflected in the inclusion of this scale in the evaluation of the 2020-2022 Strategic Bonus approved by the shareholders at the last General Shareholders' Meeting. The objective is based on a specific model of evaluation for the supply chain and has been integrated into the new systems implemented by the Purchasing Department, both in the supplier classification system and in the purchasing management system itself, including sustainability within decision-making.</p> <p>After the analysis, the suppliers are rated at two levels: "adequate" if their score exceeds 51 of 100 points (and at least 30% of the points on each of the ESG pillars), and "inadequate" otherwise. Improvement goals have been established since 2020 throughout the Purchasing Division team relating to the increase in purchases from analyzed suppliers and the introduction and monitoring of improvement plans for suppliers obtaining scores of less than 35 points. Furthermore, goals were established to the increase in purchases from analyzed suppliers and the introduction and monitoring of improvement plans for those suppliers not achieving the minimum scores established by Iberdrola. In 2021, with the engagement of our strategic suppliers, AVANGRID performed well in regard to the total number of suppliers certified as sustainable, and the goal is to have more than half of our strategic suppliers certified as sustainable by the end of 2022. AVANGRID has also set a goal to increase our spend with diverse suppliers to \$300 million by 2025.</p> <p>AVANGRID has also adopted measures to ensure the respect for human rights through supplier management and during the purchasing process. Specifically, Purchasing Policy, the Code of Business Conduct and Ethics, the Supplier Code of Conduct and specific clauses regarding social responsibility in the contractual conditions accompanying orders include provisions require that Suppliers commit to the principles of social responsibility and human rights. During the term of the contract, the supplier must allow AVANGRID to review the degree of compliance with the principles in the contracts and, if breaches are detected and remedial plans not adopted, the company reserves the right to cancel the contracts.</p> <p>Please see Supplier Code of Ethics on AVANGRID website.</p>
102-10	Significant changes to the organization and its supply chain	<p>To help us achieve our ESG goals as effectively as possible, we have set up a new group in our Procurement Department to prioritize these initiatives. As part of our Vineyard Wind 1 project, we've committed \$15 million in local and diverse supplier development to fund our Diversity, Equity and Inclusion efforts. These efforts will increase diversity in the industry and provide underrepresented populations with opportunities to join the offshore, renewable energy workforce.</p> <p>As part of this effort, we plan to hire a Chief Diversity Officer for Vineyard Wind who will lead our efforts to recruit a more diverse pool of candidates, oversee funding initiatives and partnerships to increase opportunities for underrepresented communities, build diversity, equity and inclusion commitments into our labor agreements, create opportunities for diverse suppliers to provide us with their products and services and more.</p> <p>See page 56 of AVANGRID 2021 Sustainability Report.</p>

Indicator	Description	Response / Reference to Information
102-11	Precautionary Principle or approach	<p>AVANGRID conducts an annual review and communication of the AVANGRID Groups risk policies, frameworks and guidelines. Risk Management is also involved in the review of new strategies, investments and projects.</p> <p>AVANGRID's approach to risk includes: Financial incentives for management which incorporates risk management metrics, focused training throughout the organization on risk management principles, inclusion of risk management criteria in the HR review process for employee evaluations, measures allowing individual employees to proactively identify and report potential risks throughout the organization, measures allowing continuous improvement in risk management practices through the involvement of employees in structured feedback process, and incorporating risk criteria in the product development or approval process.</p> <p>Annual incentive for senior executives includes financial, reliability, safety, and customer relations metrics, and credit risk losses. As stated in the Compensation, Nominating and Corporate Governance Committee Charter (available at Avangrid.com), the Committee's responsibilities shall include a review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk. Also, annual incentive for Managers includes financial, reliability, safety, and customer relations metrics, as applicable to their line of responsibility and business area. Disincentives for failure to comply with risk procedures. As stated in the Operational Market Transaction Risk Policy, incentive compensation for middle office functions should not be tied to any business activity or performance metric that could encourage a conflict of interest.</p> <p>Several general and specific training programs, on different risks management principles, are developed during the year for selected groups of managers and other employees. AVANGRID has robust safety training program, on-going cyber security training programs, business ethics and code of conduct programs for all employees. Mandatory annual signoff of Risk Management procedures.</p> <p>Front Office employees are required to comply with all risk management policies and procedures; failure to do so can have negative consequences including impact to compensation and or employment. For Front Office employees engaged in speculative trading activities, HR verifies with Risk Management annually regarding any breaches to policy that may have occurred as part of the annual compensation review process.</p> <p>Potential key risks are gathered and reported through quarterly key risk maps reporting process. The AVANGRID Group maintains an accessible risk portal where risks can be identified or updated 24/7. An immediate notification is sent to the Risk department. On a quarterly basis, reports are developed and reviewed with management.</p> <p>The Risk Management practices are continuously updated based on input from industry leaders and peers and with discussions with the various risk management committees and group risk committees. Enhancements are made annually to the corporate and businesses risk policies, frameworks and guidelines.</p> <p>AVANGRID manages and reports on AVANGRID risks and impacts in consideration of the precautionary principle. Please also see Risk Management Oversight on the section Business and Market Risk Factors, page 34 of AVANGRID Form 10-K for 2021</p>

Indicator	Description	Response / Reference to Information
102-12	External initiatives	<p>AVANGRID does value our environmental/social external impacts and has subscribed to or endorsed external initiatives aligned with sustainable development and encouraged its affiliated companies to adhere to them. We also know we can't do it alone, which is why AVANGRID is engaged in collaborative initiatives, like the Department of Energy's Better Climate Challenge, that reinforce our commitment to bold greenhouse gas reductions and allow us to share best practices across a wide range of organizations and industries.</p> <p>Sustainability is firmly entrenched in the values and principles that guide our board of directors, and respect for people, safety, communities and the environment are key priorities driving our business success. In 2018, AVANGRID incorporated the Sustainable Development Goals (SDGs) approved by the member states of the United Nations into the company's strategy and governance system. These commitments are articulated in our sustainable development policies, which have been adopted by our board of directors and support the SDGs (available at www.avangrid.com) In 2020, AVANGRID joined as signatories on Paradigm for Parity and CEO Action for Diversity & Inclusion.</p> <p>Avangrid participates in Reforming Energy Vision (REV) to promote a more efficient use of energy and greater penetration of renewables in the country. It is also a member of The Partnership on Climate Resilience of the U.S. Department of Energy to combat the effects of climate change and modernize energy infrastructures for the future. And it is also a signatory of the American Business Act Climate Pledge to support the fight against climate change.</p> <p>Iberdrola, on behalf of the Group including Avangrid, has near term emissions target reductions by 2030 and these goals have been validated by the SBTi. Iberdrola is also working with SBTi to confirm their longer-term goals to be carbon neutral by 2050.</p> <p>Avangrid is also an active member of American Clean Power Association's initiative 'Energy Transition for All' that is driving a multi-year initiatives focused on 1) expanding opportunity for workers, especially those from transitioning and historically disadvantaged communities; 2) creating value for communities through supply chains, targeted investments, and local economic development and 3) leading in diversity and inclusion, striving towards a workforce and leadership teams that are representative of the communities we operate in.</p> <p>Additionally, Avangrid has submitted a UN Energy Compact that outlines its continued commitment to supporting the path to carbonization in line with the SDGs. Avangrid's UN Energy Compact can be found at: 20210831_energy_compact_avangrid_updated_nov1.pdf (un.org)</p> <p>Lastly, Avangrid has joined the US Department of Energy in its Better Climate Challenge. The Company is AVANGRID is to achieving the Better Climate Challenge goal to reduce Scope 1 and 2 GHG emissions by at least 50% by 2032 (compared to 2017). Avangrid Better Buildings Initiative (energy.gov)</p>
102-13	Membership of associations	<p>AVANGRID has focused our DE&I initiatives on increasing diverse representation, especially in positions of authority, removing barriers, promoting equitable opportunities to grow and develop and building community by establishing tangible pathways for connection with others inside and outside AVANGRID. In 2021, AVANGRID became a member of Disability: IN, a leading nonprofit resource for business disability inclusion, and continued active involvement with Paradigm for Parity and CEO Action for Diversity & Inclusion. These public memberships demonstrate our commitment to elevate the DE&I conversation with our peers, while creating effective change for individuals with varying abilities, increasing gender parity in senior operating roles and supporting challenging, yet necessary workplace conversations.</p> <p>See page 51 of the AVANGRID 2021 Sustainability Report.</p> <p>See tab labeled 102-13 in this worksheet for list of associations AVANGRID Networks and Renewables has representation at.</p>
Strategy		
102-14	Statement from senior decision-maker	<p>See Letter from our CEO "Accelerating Transformation on pages 2-3 of AVANGRID 2021 Sustainability Report, as well see letter from our Vice President, Sustainability on page 4 of AVANGRID 2021 Sustainability Report.</p>

Indicator	Description	Response / Reference to Information
102-15	Key impacts, risks, and opportunities	<p>AVANGRID seeks to create value in a sustainable manner, with a long-term vision that achieves a better future for employees, customers, shareholders and other stakeholders, and focuses on providing a high-quality service through the use of environmentally-friendly energy sources and other innovations. In this respect, AVANGRID strives for the sustainable development of the communities in which the AVANGRID Group does business and endeavors to foster local economic development, the generation of employment, and prosperity. In addition, the AVANGRID Group is committed to:</p> <ul style="list-style-type: none"> a) contributing to the achievement of the Sustainable Development Goals (SDGs) adopted by the member states of the United Nations with particular focus on goal seven (Affordable and Clean Energy) and goal thirteen (Climate Action); b) offering safe, reliable, and high-quality energy that is respectful of the environment; c) adopting management practices based on equal opportunity, innovation, productivity, profitability, and sustainability; d) responsibly managing and controlling risk; and e) encouraging a culture of ethical behavior and transparency in our actions. <p>AVANGRID is subject to various risks inherent to the industry and markets in which it does business and to the activities it carries out, which may prevent it from achieving its objectives and successfully implementing its strategies. The Company regularly conducts risk assessments of its business operations that involve important compliance-related activities. These assessments help the Company identify key areas of risk, ensure that internal controls have been implemented for compliance, and focus compliance resources in a risk-based manner. Risk factors are described on page 24 - 38 of AVANGRID Form 10-k for 2021.</p> <p>AVANGRID uses an Integral Risk Control and Management System to track its Risk Registry as well as Risk Limits and Indicators. From a financial point of view, the system considers a 4-level classification of economic impact (for a 3-year horizon): Very High > \$100 M, High \$50 M - \$100 M, Medium \$10 M - \$50 M and Low < \$10 M. The system also considers, in line with Enterprise Risk Management (ERM) and best practices, probability to occur and levels of reputational impact (High, Medium and Low) for each identified risk.</p> <p>In the medium and long term, the investment plans informed to the market consider financial, strategic and operational risks. In the case of new assets, risks are analyzed in the Investment Dossiers. With regards to operational impacts, a case by case analysis is also performed.</p> <p>The AVANGRID Group has identified the cybersecurity risks as one of the most important new threats for the Group, and developed in a Cybersecurity Risk Policy, that is updated and approved by the Board of Directors each year, in order to mitigate them. The Cybersecurity Risk Policy establishes a global framework for the control and management of the cybersecurity risks applicable to all the companies of the Group. In particular, it refers to the risks arising from threats to and vulnerabilities in information, information and communications systems, facilities, and any other asset that forms part of the Group's cyber-infrastructure. It also establishes the guidelines for a Cybersecurity Management Model common to the entire Group, based on the establishment of a Cybersecurity Committee and on the development of global rules and standards to be applied within all the businesses and corporate functions. To manage these operational risks, we have implemented cyber and physical security measures and continue to strengthen our security posture by improving and expanding our physical and cyber security capabilities to protect critical assets.</p>

Indicator	Description	Response / Reference to Information
Governance and integrity		
102-16	Values, principles, standards, and norms of behavior	AVANGRID is a recognized leader in ethics, compliance and corporate governance, creating clean energy projects to benefit the communities we serve while maintaining a deep commitment to socially responsible business practices. Please see pages 38-43 Ethics, Integrity and Compliance of AVANGRID 2021 Sustainability Report which details the multiple awards received. Also review the Corporate Governance System starting on page 23 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement. See the Corporate Governance section of www.avangrid.com for detailed information about AVANGRID's values, principles, standards and norms of behavior and access to the governance rules, corporate policies and compliance policies that comprise our Corporate Governance System.
102-17	Mechanisms for advice and concerns about ethics	AVANGRID's Compliance and Ethics Program serves as a resource for establishing a culture of high ethical standards and compliance with applicable laws and regulations. The Program is administered by the Company's Compliance and Ethics Division, and is based on the criteria for an effective compliance program established under Chapter 8 of the U.S. Federal Sentencing Guidelines. Central to the Program is a focus on continuous improvement and adoption of industry best practices. AVANGRID has established a 24/7 Helpline available to employees, contractors, consultants, and suppliers. The Helpline is used both to seek guidance on ethics and compliance-related matters, and to report situations that may require investigation, such as questionable accounting or auditing practices, unprofessional behavior, and potential violations of laws or company policies. Callers are given the option of reporting through the Helpline anonymously. AVANGRID strictly prohibits retaliation against employees who in good faith report ethics and compliance concerns. See the Compliance Program section of www.avangrid.com for detailed information about AVANGRID's Compliance and Ethics Program, Ethics, Integrity and Compliance on pages 38-43 of AVANGRID 2021 Sustainability Report and the Code of Business Conduct and Ethics starting on page 33 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for additional information.
102-18	Governance structure	<p>The Governance Rules are the components of AVANGRID's Governance and Sustainability System by which the Board of Directors and Management Committee govern and direct the affairs of AVANGRID. The following committees are responsible for decision-making on economic, environmental, and social topics: Audit and Compliance Committee, Compensation, Nominating and Corporate Governance Committee, Management Committee, and Unaffiliated Committee.</p> <p>Further Corporate Governance details can be found on pages 24 -26 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement and Corporate Governance on pages 38-43 of AVANGRID 2021 Sustainability Report.</p>

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102-19	Delegating authority	<p>Our Chief Executive Officer is responsible for sustainability and citizenship. Strategy is developed by the CEO’s office and approved by the CEO. Throughout the year the Board discusses with management the overall, long term strategy and goals of the AVANGRID Group. These strategic discussions include AVANGRID’s strategies and goals with respect to economic, environmental and social impacts. Economic, environmental and social topics are also included in performance goals established for each business unit by the Board and CEO.</p> <p>Sustainability is firmly entrenched in the values and principles that guide our board of directors, and respect for people, safety, communities and the environment are key priorities driving our business success. AVANGRID has incorporated the Sustainable Development Goals (SDGs) approved by the member states of the United Nations into the company’s strategy and governance system. In line with this principle, AVANGRID focuses its efforts on affordable, clean energy while nurturing sustainable communities through investments in research, development and innovation. This is aligned with the company’s continued stewardship for action on climate. AVANGRID is fully committed to contributing to the social and economic development of communities in which it operates and the protection of the environment through its sustainable energy business model. AVANGRID has adopted a management approach to sustainability that engages all levels of the company from the board of directors to our employees and embeds a commitment to sustainable development and sustainability in all aspects of our business.</p> <p>The board of directors of AVANGRID sets the company’s sustainable development strategy and oversees sustainability issues and AVANGRID’s commitment to contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the member states of the United States. The Compensation, Nominating and Corporate Governance Committee is responsible for overseeing environmental, social and governance risk management and AVANGRID’s non-financial sustainability reporting. Chief Executive Officer evaluates the risks of direct or indirect economic losses resulting from external events, including the risk related to climate change. The CRO is responsible for preparing the information and for reporting to the Audit and Compliance Committee and the Board of Directors.</p> <p>Management Team: Accountable for implementing specific elements of company’s sustainable development strategy and integrating sustainability and the Sustainable Development Goals (SDGs) approved by the member states of the United Nations into their respective areas. In 2020, the AVANGRID Environmental, Social and Governance Committee was established as a management committee to support AVANGRID’s ESG and sustainable development strategies, policies, programs, practices and initiatives. This committee is comprised of corporate and operating senior leaders and is responsible for reviewing and monitoring AVANGRID’s sustainability and climate change-related activities, performance and disclosures. To help progress AVANGRID’s overarching ambition to be the leading sustainable energy company in the U.S., in 2021 we also formally created a sustainability function led by our new Chief Sustainability Officer, who reports to the CEO. This team provides oversight of our sustainability strategy with</p>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p>The Board of Directors sets the company’s sustainable development strategy and oversees sustainability, social, environmental and health & safety issues and AVANGRID’s commitment to contribute to the achievement of the Sustainable Development Goals (SDGs) approved by the member states of the United States and receives reports on such matters at each regular meeting.</p> <p>Please see AVANGRID website at https://www.avangrid.com/wps/portal/avangrid/corporategovernance/BoardofDirectors for further details.</p>
102-21	Consulting stakeholders on economic, environmental and social topics	<p>As part of our efforts to continuously improve our governance system, we engage with our investors to enable management and the board to understand the issues that matter most to our shareholders and address them effectively.</p> <p>See Shareholder Engagement: page 32 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement.</p>
102-22	Composition of highest governance body and its committees	<p>The structure and composition of the AVANGRID board and its committees are intended to leverage the diverse experience of the board members and promote effective oversight. The majority of the members of the AVANGRID board of directors are independent. The AVANGRID board of directors is comprised of fourteen members, of which eight do not have a material relationship with the AVANGRID Group (either directly or as a partner, shareholder or officer of an organization that has a relationship with the AVANGRID Group) and qualify as “independent” under the rules of the NYSE.</p> <p>At AVANGRID the highest governance body is the Board of Directors which consist of 14 members: Executive Directors 1, Independent Directors 8, and other Non-Executive Directors 5.</p> <p>Key statistics of the AVANGRID Board are: 29% self-identify as female and/or diverse 57% independent 59 is the average age 3.8 years is the average tenure</p> <p>See section Corporate Governance pages 23 - 42 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for additional information about the composition of our Board of Directors and its committees.</p>

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102-23	Chair of the highest governance body	<p>The AVANGRID Governance and Sustainability System allows the flexibility to separate or consolidate the positions of chairman of the board and chief executive officer. As noted in AVANGRID's 2022 Notice of Annual Meeting and Proxy Statement the board believes its current leadership structure, which separates the roles of chairman and chief executive officer, best serves the objectives of the board's oversight of management, the Board's ability to carry out its roles and responsibilities on behalf of AVANGRID's employees, customers, shareholders and other key stakeholders, and AVANGRID's overall corporate governance. The board also believes that the separation of the roles of chairman and chief executive officer allows the chief executive officer to focus more of his time and energy on operating and managing the company and leverages the chairman's experience in the energy industry.</p> <p>As noted in Section C.10.(b) of AVANGRID's Corporate Governance Guidelines that are part of AVANGRID's Governance and Sustainability System if the chief executive officer served as the chairman, the board of directors shall appoint a lead independent director. The lead independent director would have the power to chair meetings of the board of directors in the absence of the chairman or vice-chairman, if any; to ask the chairman to call a special meeting thereof; to participate with the chairman in the planning of the annual schedule of meetings and in the preparation of the agenda for each meeting, including requesting the inclusion of matters on the agenda; to coordinate, meet with, and reflect the concerns of the non-executive directors and to lead the evaluation of the chairman. The lead independent director may also communicate with shareholders when so directed to do so by the board of directors.</p>
102-24	Nominating and selecting the highest governance body	<p>The compensation, nominating and corporate governance committee is responsible for identifying and evaluating potential director candidates, reviewing board and committee composition and making recommendations to the full board. In order to maintain a board with an appropriate mix of experience and qualifications, the compensation, nominating and corporate governance committee routinely assesses the composition of the board.</p> <p>The criteria for directors are discussed in our corporate governance guidelines and in our compensation, nominating and corporate governance committee charter, copies of which are available on our website at www.avangrid.com. Consistent with these guidelines, the compensation, nominating and corporate governance committee ensures that the nominees are qualified with relevant expertise, competence, experience, and training.</p> <p>AVANGRID's Corporate Governance Guidelines are available in the Corporate Governance section of www.avangrid.com and page 11 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for information about the director selection and nomination process.</p>
102-25	Conflicts of interest	<p>Avangrid board has adopted a written policy for approval of transactions in which AVANGRID was, is or will be a participant and in which its directors, director nominees, executive officers, greater than 5% beneficial owners, and each of their respective immediate family members has or will have a direct or indirect material interest, where the amount involved in the transaction exceeds or is expected to exceed \$120,000. A copy of this policy, the related party transaction policy, is available on the company's website at www.avangrid.com. The policy provides that the audit and compliance committee reviews all transactions subject to the policy (other than transactions between AVANGRID and/or one of its subsidiaries, on the one hand, and Iberdrola, S.A. and/or its affiliates, on the other hand, which are subject to review by the unaffiliated committee pursuant to the Shareholder Agreement) and determines whether or not to approve or ratify those transactions.</p> <p>Please see AVANGRID's Corporate Governance Guidelines and Code of Business Conduct and Ethics available in the Corporate Governance section of www.avangrid.com and pages 34 - 42 of AVANGRID 2021 Notice of Annual Meeting and Proxy Statement for information about transactions with related persons and certain related party transactions.</p>

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102-26	Role of highest governance body in setting purpose, values and strategy	<p>AVANGRID is a member of the Iberdrola group of companies, of which Iberdrola, S.A. is the controlling member. Reflecting the Purpose and Values of the Iberdrola group, the Iberdrola governance and sustainability system articulates the rules and principles governing the organization, operation, and conduct of Iberdrola group. The structure of the Iberdrola group and its governance and organizational model, supervision and coordination are further defined in the Policy for Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organization approved by the board of directors of Iberdrola, S.A. Premised on a decentralized structure, Iberdrola, S.A. is responsible for the organization and strategic coordination of the Iberdrola group with the management of each Iberdrola group company vested in such company's board of directors. The Iberdrola corporate governance system provides a special framework of strengthened autonomy for members of the Iberdrola group that are listed on a national stock exchange that empowers such companies to further develop their own corporate governance system.</p> <p>Board of director positions responsible for climate related issues are: <u>Chief Executive Officer (CEO)</u> The Chief Executive Officer of AVANGRID, who is a member of the AVANGRID Board, is responsible for sustainability and citizenship. Chief Executive Officers of AVANGRID Networks and AVANGRID Renewables are responsible for the implementation in their businesses. The Board of Directors oversees AVANGRID's policies and procedures for managing sustainability and environmental, social and governance risk.</p> <p><u>Board-level committee</u> At Iberdrola Group level, AVANGRID is part of Iberdrola Group, the Sustainable Development Committee of Iberdrola has, as one of its key issues, the overall oversight of action plan against climate change, risks and opportunities, and also internal studies on sustainable economy and climate governance. This is a permanent internal informational and consultative body created by the Board of Directors of Iberdrola Group, with powers in the areas of revision and update of the Corporate Governance System and supervision of the corporate social responsibility, climate change, sustainability, and reputation policy, upon the terms established in its regulations, to ensure compliance with the commitments made by the Iberdrola group with respect to the SDG.</p> <p><u>Board-level committee</u> The Board of Directors has delegated oversight of Sustainability risks to its Compensation, Nominating and Corporate Governance Committee (CNCGC). ESG and sustainability risks, activities, initiatives and goals are regularly reviewed during CNCGC and Board of Directors meetings. With the assistance of the CNCGC, the board also regularly reviews, updates and approves an extensive set of sustainable development policies that provide the framework for our ESG and sustainability goals, actions and policies. The CNCGC and the Board, as an example, would approve updates or changes to our climate-related public commitments. They also reviewed and approved updates to strengthen AVANGRID's Climate Change policy.</p> <p>AVANGRID's Corporate Governance Guidelines available in the Corporate Governance section of www. avangrid.com</p>
102-27	Collective knowledge of highest governance body	<p>At AVANGRID the compensation, nominating and corporate governance committee and our board believe that each director nominee brings to our board his or her own unique background and range of expertise, knowledge, and experience, including as a result of his or her valued service on our board and its committees, that provide our board as a whole with an appropriate and diverse mix of qualifications, skills, and attributes necessary for our board to fulfill its oversight responsibility to our shareholders. Each director nominee also contributes other important skills, expertise, experience, and personal attributes to our board. See Director Qualifications and Experience, page 12 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement</p>
102-28	Evaluating the highest governance body's performance	<p>The board utilizes a comprehensive, multi-part process for its ongoing self-assessment to ensure that the board and its committees are operating effectively and its processes reflect best practices. The board also uses the results of this self assessment process to assist it when reviewing its composition. While the formal self-assessment and independent corporate governance review list described below is conducted on an annual basis, directors share perspectives, feedback and suggestions continuously throughout the year.</p> <ol style="list-style-type: none"> 1. The board conducts an annual self-assessment to review the effectiveness of the board and its committees. 2. Each of the audit and compliance committee and compensation, nominating and corporate governance committee also perform an annual self-assessment. 3. Annually, AVANGRID engages PwC to conduct an independent assessment of its corporate governance practices and the corporate governance practices of its principal subsidiaries and to recommend improvements to the operations of the board and its committees. 4. The results of the board and committee self-assessments are compiled and presented to the board along with the results of the independent corporate governance assessment. 5. Items identified in the board and committee self-assessments and/or the independent corporate governance assessment requiring follow-up are monitored on an ongoing basis by the board and by AVANGRID management.. <p>See Annual Board Assessment, page 30 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement</p>

Indicator	Description	Response / Reference to Information
102-29	Identifying and managing economic, environmental, and social impacts	<p>The Board of Directors oversees AVANGRID’s policies and procedures for managing sustainability and environmental, social and governance risk. The Compensation, Nominating and Corporate Governance Committee is responsible for overseeing environmental, social and governance (“ESG”) risk management and AVANGRID’s non-financial sustainability reporting.</p> <p>See AVANGRID Corporate Governance Guidelines and other governance rules, corporate policies and compliance policies available in the Corporate Governance section of www.avangrid.com.</p>
102-30	Effectiveness of risk management processes	<p>In the normal course of its business, AVANGRID is exposed to a variety of risks, including political and regulatory risks, climate-related risks, credit and investment risks, and cybersecurity and other operational risks. In connection with the board’s oversight function, the board oversees AVANGRID’s policies and procedures for managing risk and the audit and compliance and compensation, nominating and corporate governance committees regularly report to the board on such matters.</p> <p>A summary of the allocation of general risk oversight functions among management, the board of directors and its committees is shown on page 31 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement and pages 24-38 in AVANGRID Form 10-k for 2021 for additional information about our risk management process.</p>
102-31	Review of economic, environmental, and social topics	<p>In 2020, the AVANGRID Environmental, Social and Governance Committee was established as a management committee to support AVANGRID’s ESG and sustainable development strategies, policies, programs, practices and initiatives. This committee meets regularly every quarter and is comprised of corporate and operating senior leaders and is responsible for reviewing and monitoring AVANGRID’s sustainability and climate change-related activities, performance and disclosures.</p> <p>The Compensation, Nominating and Corporate Governance Committee is responsible to review with management environmental, social and governance (“ESG”) risks relevant to the Company and the steps management has taken to monitor and control such exposures, receive regular updates from management regarding the Company’s ESG activities and initiatives, and oversee the Company’s non-financial sustainability reporting, including, without limitation, review the Company’s sustainability report and other relevant reports with respect to ESG matters as the Company may issue them from time to time and submission of the Company’s non-financial information to Iberdrola, S.A. for consolidated reporting.</p> <p>The Board of Directors discusses corporate social responsibility and sustainability efforts and progress towards achievement of these goals at each regular meeting. They also review the Sustainability report at a board meeting in advance of public dissemination and have an opportunity to question management and provide comments.</p>
102-32	Highest governance body’s role in sustainability reporting	<p>The Compensation, Nominating and Corporate Governance Committee is responsible for AVANGRID’s non-financial sustainability reporting. The Board of Directors review the report at a regularly board meeting in advance of public dissemination and have an opportunity to question management and provide comments. AVANGRID is committed to sustainable development and respect for the environment and these important values guide our strategy and actions. The Board of Directors discusses corporate social responsibility and sustainability efforts and progress towards achievement of these goals at each regular meeting. In addition, the AVANGRID Board of Directors has approved, and annually reviews, an extensive suite of sustainable development policies that guide the AVANGRID’s actions, which includes a sustainable development policy, environmental policy, biodiversity policy, sustainability policy, climate change policy, human rights policy, equal opportunity policy, and environmental health & safety policy.</p> <p>See the Corporate Governance section of www.avangrid.com for additional information on AVANGRID’s Corporate Governance System including corporate social responsibility policies.</p>
102-33	Communicating critical concerns	<p>Any shareholder or interested party who wishes to communicate or request a meeting with members of the board or with only non-management directors or any specified individual director may do so by writing to: Senior Vice President—General Counsel and Corporate Secretary AVANGRID, Inc. 180 Marsh Hill Road Orange, Connecticut 06477</p> <p>All communications will be reviewed by our legal services division who will, in consultation with our chairman of the board, determine whether the subject matter of the communication should be brought to the attention of the non-management directors, the full board, or one or more of its committees, as well as whether any response to the communication is appropriate. Any such response will be made only in accordance with applicable law and regulations relating to the disclosure of information.</p>

Indicator	Description	Response / Reference to Information
102-35	Remuneration policies	<p>Our executive compensation program is designed to effectively reward performance, while reflecting the responsibilities of our executive officers. Our compensation philosophy is to offer compensation that makes it possible to attract, retain, and motivate highly talented professionals in a way that aligns our business strategy with our ESG goals, without motivating or rewarding excessive risk-taking. The key elements of our program are base salary, annual cash incentives, and long-term equity incentives. We target a compensation mix for our executive officers that is weighted heavily towards variable compensation, including short-term cash incentives and long-term equity incentives, to align executive compensation with company performance and shareholder interests.</p> <p>The 2020-2022 long term incentive plan of the CEO of AVANGRID and the CEO of Networks and Renewables include objectives to achieve corporate-wide ESG goals. The incentive plan also includes 2021 objective that incentivizes the achievement of more than 30% of suppliers will be sustainable. One goal is the achievement of key project-milestones that will lead to increase the generation of renewable energy and a reduction in the emissions intensity rate.</p> <p>The compensation, nominating and corporate governance committee, which consists of a majority of independent directors, reviews and recommends to the board the compensation of AVANGRID's executive officers and acts as the administering committee for AVANGRID's equity compensation plans</p> <p>Executive Compensation Pages 43 - 75 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for detailed information on our compensation program, practices and policies. Please also see the Compensation, Nominating and Corporate Governance Committee section of www.avangrid.com.</p>
102-36	Process for determining remuneration.	<p>AVANGRID regularly reviews our compensation practices and policies and periodically modify our compensation programs in light of evolving best practices, competitive positions, and changing regulatory requirements. The compensation, nominating and corporate governance committee works to ensure that the design of our executive compensation program is focused on long-term shareholder value creation, emphasizes pay for performance, and does not encourage imprudent short-term risks.</p> <p>Executive Compensation Pages 43 - 75 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for detailed information on our compensation program, practices and policies. Please also see the Compensation, Nominating and Corporate Governance Committee section of www.avangrid.com.</p>
102-37	Stakeholders' involvement in remuneration	<p>It is not possible to achieve the social interest and develop a responsible and sustainable business model without the strong engagement of the Company's Stakeholders, which are defined as those groups and entities whose decisions and opinions have an influence on Iberdrola (including AVANGRID) and who, at the same time, are affected by the Iberdrola group's activities.</p> <p>Iberdrola (AVANGRID) keeps the relationship channels with its Stakeholders updated and makes continuous efforts to identify the issues that are most important to each of them. The topic of workforce is a main issue detected among all Stakeholders. The specific significant issues addressed with Stakeholders are occupational health and safety, diversity and equal opportunity, talent recruitment - development - retention, corporate culture (purpose, values, etc.), employee benefits and measures for work-life balance and digital disconnection.</p> <p>Please see Iberdrola's 2021 Sustainability Report on pages 174 - 180 for further details.</p>
102-38	Annual total compensation ratio	<p>We believe our executive compensation program must be internally consistent and equitable and be designed to attract, retain, and motivate the most qualified professionals, in order to enable us to attain our strategic objectives.</p> <p>See CEO Pay Ratio. Page 76 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement.</p>
102-39	Percentage increase in annual total compensation ratio	<p>The highest paid employee at AVANGRID is the CEO.</p> <p>The 2021 average total compensation increase was 6.24%</p>

Indicator	Description	Response / Reference to Information
102-40	List of stakeholders	<p>We engage communities, customers, suppliers, employees and shareholders in the governance of our company, demonstrating leadership and transparency in our actions. The stakeholders are grouped into the following categories:</p> <ul style="list-style-type: none"> a) Workforce b) Shareholders and the financial community c) Regulatory entities d) Customers e) Suppliers f) The media g) Society at large h) The environment <p>Stakeholder engagement is overseen at different levels: - Generation facilities (wind farms, solar plants and Klamath power plant): plant managers for local stakeholders - Networks: regional managers - Renewables: plant managers for local stakeholders. - State/Federal level: CEO of each company of AVANGRID Group with the support of public affairs and external communication teams lead the relationships with regulatory entities, media or social entities (NGOs, associations...)</p>
102-41	% of employees covered by collective bargaining agreements	<p>At the end of 2021, AVANGRID had 7,348 employees in which 47.7% are represented by one of the 11 collective agreements.</p> <p>Please see page 66 of AVANGRID 2021 Sustainability Report.</p>
102-42	Identifying and selecting stakeholders	<p>AVANGRID follows the procedure defined by Iberdrola Group for categorizing stakeholders and identifying high-priority stakeholders. Iberdrola Board of Directors approved eight stakeholder categories, as indicated in the Stakeholder Engagement Policy.(See indicator 102-40)</p> <p>Each stakeholder segment is divided into subcategories and a priority is assigned according to influence and impact criteria. We use an internal tool for segmenting, prioritizing, defining levels of engagement, reviewing channels, identifying relevant issues, risks and opportunities.</p>
102-43	Approach to stakeholder engagement	<p>AVANGRID seeks to create value in a sustainable manner, with a long-term vision that achieves a better future for employees, customers, shareholders and other stakeholders. The company's objective is thus to build relations of confidence with the various Stakeholders, as well as to deepen their participation, engagement and sense of belonging to AVANGRID.</p> <p>AVANGRID follows a Global Stakeholder Relations Model based on the AA1000 Stakeholder Engagement Standard (AA1000SES) 2015 standard (AA1000SES 2015), the AA1000 Accountability Principles 2018 (AA1000AP 2018) standard, and in its four principles of inclusiveness, responsiveness and impact. Among other objectives, this model seeks to systematize stakeholder relations, creates a corporate culture with respect to the significance of dialogue with the stakeholders for more sustainable performance by the company, and drives continuous improvement.</p> <p>Top local managers receive training through: a) The Stakeholder Engagement Unit, which provide training thru technical presentations specially addressed to local managers b) The implementation of the model following a down-top approach, allowing local managers systematize their relationships, compare their engagement with other facilities, share best practices... c) The Stakeholder Engagement Report, a repository of information available to all professionals. d) The Iberdrola Stakeholder's Hub, an indirect source of information for local managers. e) The NEW Ambassador Network which help local managers to implement the Iberdrola Group Stakeholder Model.</p> <p>Both plant managers (in the case of power plants) and regional managers (renewable sites) are responsible for stakeholder engagement. This is one of their most important duties and is assessed accordingly in their annual performance reviews.</p> <p>Please see Shareholder Engagement on page 32 of AVANGRID 2022 Notice of Annual Meeting and Proxy Statement for a description of engagement and outreach to our investors and shareholders.</p>

Indicator	Description	Response / Reference to Information
102-44	Key topics raised through stakeholder engagement	<p>Key topics raised through stakeholder engagements include:</p> <ul style="list-style-type: none"> - Workforce: Management and retention of talent, Occupational risk prevention and health and safety training, Employee benefits and pension plans - Shareholders and financial community: Strategy and future plans, Corporate reports - Regulatory: Transition to an economy neutral in emission, Remuneration to the businesses - Customers: Service quality, Customer experience, Optimization of power and consumption and impact on billing, Service quality - Suppliers: Commercial relations with suppliers (communication of strategy, award standards, contracting terms, payments and billing) - Media: Financial results and company strategy, Operational and corporate governance performance and social impact of the activity - Society in general: Engagement in the development of the local communities, Relationship and contribution of the company in institutions and other representatives of society - Environment: Environmental performance, Climate change and energy transition. <p>Please also see Shareholder Engagement on page 32 of our 2022 Notice of Annual Meeting and Proxy Statement for a description of engagement and outreach to our investors and shareholders.</p>

Indicator	Description	Response / Reference to Information
Reporting Practice		
102-45	Entities included in the consolidated financial statements	<p>AVANGRID has approximately \$40 billion in assets and operations in 24 states concentrated in our two primary lines of business - Avangrid Networks and Avangrid Renewables. Avangrid Networks owns eight electric and natural gas utilities, serving approximately 3.3 million customers in New York and New England. Avangrid Renewables owns and operates 8.8 gigawatts of electricity capacity, primarily through wind and solar power, with a presence in 22 states across the United States.</p> <p>Our direct, wholly-owned subsidiaries include Avangrid Networks, Inc., or Networks, and Avangrid Renewables Holdings, Inc., or ARHI. ARHI in turn holds subsidiaries including Avangrid Renewables, LLC, or Renewables.</p> <p>Through Networks, we own electric distribution, transmission and generation companies and natural gas distribution, transportation and sales companies in New York, Maine, Connecticut and Massachusetts. They are Berkshire Gas (MA), Central Maine Power (ME), New York State Electric & Gas (NY), Rochester Gas & Electric (NY), Southern Connecticut Gas (CT), Connecticut Natural Gas (CT), Maine Natural Gas (ME), United Illuminating (CT)</p> <p>See page 6 of the AVANGRID Form 10-K for 2021. This report covers Avangrid Inc and its subsidiaries.</p>
102-46	Defining report content and topic Boundaries	<p>AVANGRID, as part of Iberdrola Group, participates in a materiality study in consultation with an independent outside firm, which identifies the specific aspects of interest related to the company's activity by consulting in-house and outside sources. This process identifies economic, social, environmental and ethics issues that are significant to its focus on sustainable development. AVANGRID provides an annual report on these issues through its Sustainability Report, adhering to the materiality requirements, following macro-trends in sustainable development and generally meeting Stakeholder expectations. The Topics of the GRI Sustainability Reporting Standards (and prior versions) as well as the Electric Utility Sector Supplement are incorporated in this analysis. Various Stakeholders participate in this process including representatives from business, unions, the financial markets, auditors and specialists from various disciplines in the business area, regulators and governmental authorities.</p>
102-47	List all material topics	<p>The Materiality study prepared by Iberdrola Group covering all the countries where the Group is present, including AVANGRID in the United States, has identified seven priority topics that are significant within the organization:</p> <ul style="list-style-type: none"> - Occupational health and safety - Economic and financial performance - Energy transition - Connectivity, Digitalization and Cybersecurity - Climate change - Diversity and equal opportunity - Socially responsible investment
102-48	Restatement of information	AVANGRID does not have a restatement of information
102-49	Changes in reporting	There were no changes deemed significant in the scope, coverage or methods of valuation used in the report in financial year 2021, keeping the ability to compare the group's key figures with those of prior years
102-50	Reporting period	The reporting period is for calendar year 2021
102-51	Date of previous report	2021 Avangrid Sustainability Report, issued in May 2022, focused on calendar year 2021
102-52	Reporting cycle	We report on an annual basis.
102-53	Contact point for questions	corporatecommunications@avangrid.com
102-54	Claims for reporting in accordance with GRI Standards	AVANGRID continues to evolve its approach to non-financial reporting. We have prepared this GRI reference table to help readers more readily locate relevant information across AVANGRID's non-financial reports and its web-based resources.
102-55	GRI Content Index	Used GRI Reporting Initiative Index
102-56	Current practice for external assurance for the report	The report has been reviewed by our Internal Audit team. AVANGRID has not sought external assurance of our sustainability report. However, all GRI indicators are also reported to the Iberdrola Sustainability report that has been assured by an External Independent Assurance, performed by KPMG. This assurance covers the full Sustainability Report, and therefore, the full environmental and social information included in the Report. Also, in this Assurance is included the revision of the approach and activities of IBERDROLA's Stakeholder Engagement.

Material Topics

GRI 103: Management Approach

Indicator	Description	Response / Reference to Information
103-1	Explanation of material topics and their boundaries	AVANGRID's response to each of the material topics identified can be found on the following sections in the 2021 Sustainability Report: <ul style="list-style-type: none"> - Diversity and equal opportunity: section "Making Avangrid an Employer of Choice" and "Supplier Diversity" - Energy transition: section "Business Overview" - Occupational health and safety: section "Expanding Employee Benefits and Family Support to Address Whole Health" - Customer satisfaction: section "Empowering Our Customers, Improving Our Service" - Climate change: section "Environment" - Economic and financial performance: section "Financial Stewardship Drives Results"
103-2	The management approach and its components	Also refer to the narrative of the sections of the 2021 sustainability report identified in indicator 103-1

Indicator	Description	Response / Reference to Information
Category: Economic Performance		
103-2	Management Approach	<p>At AVANGRID, we are accelerating the transformation to a cleaner tomorrow. In 2021, our Networks and Renewables businesses invested \$3.3 billion to build a cleaner, connected and more resilient energy system, as part of a total planned capital spend of more than \$20 billion across Avangrid Renewables and Avangrid Networks from 2021 to 2025. These investments in a connected and resilient grid will help accelerate the clean energy transformation while also ensuring that we're providing our customers with safe, reliable and affordable power to meet their daily energy needs.</p> <p>Please see OUR STRATEGY AND VISION: TO ACCELERATE THE CLEAN ENERGY TRANSFORMATION on pages 6-8 of the 2021 AVANGRID Sustainability report</p>
201-1	Direct economic value generated and distributed	<p>AVANGRID is shaping the American clean energy industry, which will deliver affordable energy to millions of families, spur local economic growth and create good-paying jobs while substantially reducing our national carbon footprint and expanding our country's energy independence.</p> <p>Please see AVANGRID Form 10-k for 2021 including AVANGRID's financial statements for the year ended December 31, 2021. Please also see Letter from CEO on page 2 & Key Performance Indicators section beginning on page 64 of AVANGRID 2021 sustainability report.</p>
201-2	Financial implications and other risks and opportunities due to climate change	<p>Today, AVANGRID is well-positioned to take advantage of the following opportunities, among others, thanks to its leadership in renewable energy, smart grids, and its commitment to the transition towards a low-carbon and climate-resilient economy:</p> <ul style="list-style-type: none"> - Investment opportunities and improved competitive advantage. Legislative and regulatory changes encouraging decarbonization through greater electrification, the development of renewable energy and the integration thereof into the electricity system through smart grids and backup capacity, technological innovation, etc. - New services and markets. Demand for new energy services and products related to the energy transition (e.g. electric mobility, demand-side management, smart grids, energy storage, etc.). - Advantages in the acquisition of financing. Growing pressure on the financial sector and capital markets, which favors those companies with an ambitious decarbonization strategy, low exposure to assets linked to climate change and good positioning on the sustainability and transparency indexes. - Strengthening of corporate reputation. Result of a leadership position in the energy transition. - Sustainable creation of value. Maximization of the social dividend for all Stakeholders. <p><u>Opportunities identified:</u></p> <ol style="list-style-type: none"> 1) Our focus is on development and converting our identified ~22 GW pipeline into contracted projects and improving the operating efficiency of our existing fleet of renewables. In addition, our goal is to reduce our overall merchant exposure from our existing portfolio and to deliver on our exciting offshore wind growth prospects. In the short-term, Avangrid Renewables targets the delivery of approximately ~1 GW of new onshore wind and solar capacity in 2022 and 2023. 2) As part of efforts to protect the Connecticut electric grid from outages due to coastal flooding and storm damage and to implement upgrades to the bulk electric system in general, AVANGRID proposed to regulators in Connecticut to relocate and rebuild a substation in Bridgeport, Connecticut. 3) Offshore wind industry is starting in the US and AVANGRID wants to play a significant part in the development of this market with the experience of the Group in other markets. Several states are committed with the fight against climate change and are launching programs to support new technologies like offshore wind. <p>Renewables' growing strategic business is offshore wind. Renewables has access to two lease areas off the coast of the eastern United States that it is developing through Vineyard Wind, LLC, a 50-50 partnership with Copenhagen Infrastructure Partners, or CIP, a fund management company based in Denmark.</p> <p>Vineyard Wind LLC is developing the Vineyard Wind I project, an 800 MW utility-scale offshore wind project located 15 miles off the coast of Massachusetts. The Vineyard Wind I project is expected to generate clean energy for over 400,000 households and businesses in Massachusetts and reduce carbon emissions by over 1.6 million tons per year. The project has 20-year PPA's with the electric distribution companies in Massachusetts with an average price of \$88.77/MWh.</p> <p>Vineyard Wind LLC is also developing the Park City Wind project, an 804 MW project located in the same lease area as the Vineyard Wind I project, that will deliver clean, reliable energy to the residents of Connecticut through contracts with the electric distribution companies in Connecticut. The project has 20-year PPA's with the electric distribution companies in Connecticut, including UI, with an average price of \$79.83/MWh</p> <p>4) New England Clean Energy Connect (NECEC) transmission project to deliver renewable energy from Quebec to the New England grid. It is a joint bid between Avangrid and Hydro Quebec. It was selected as the sole clean energy solution in the Massachusetts Green Communities Act Section 83D RFP. New England Clean Energy Connect (NECEC) transmission project to deliver renewable energy from Quebec to the New England grid. It is a joint bid between Avangrid and Hydro Quebec. It was selected as the sole clean energy solution in the Massachusetts Green Communities Act Section 83D RFP.</p> <p>With an investment of \$950 million, the NECEC project will transport renewable energy from Quebec to Massachusetts through the border state of Maine — both in the New England region —, with the construction of a 233km high-voltage power line with 1,200 MW transmission capacity. The NECEC will reduce regional carbon emissions between 3.0 and 3.6 million metric tons every year.</p> <p>With an investment of \$950 million, the NECEC project will transport renewable energy from Quebec to Massachusetts through the border state of Maine — both in the New England region —, with the construction of a 233km high-voltage power line with 1,200 MW transmission capacity. The NECEC will reduce regional carbon emissions between 3.0 and 3.6 million metric tons every year.</p> <p>5) Distributed System Implementation Plan (DSIP) is AVANGRID strategy to integrate distributed energy resources (DER) into the New York grid. The plan outlines the framework for how AVANGRID will support New York state energy and decarbonization goals by building integrated planning and interconnection, grid operations and market services functions.</p> <p>Through execution of the DSIP, AVANGRID subsidiaries in New York (NYSEG and RG&E) will work to achieve New York's policy goals, provide customers with greater control over their energy usage and total energy bills and provide developers and other market participants with the information they need to make informed investment decisions.</p> <p>6) AVANGRID is developing a smart grid project for full AMI deployment in NYSEG and RG&E service territory in the state of New York. Patterns of load growth and customer demand could change in a manner that could bring opportunities for AVANGRID in two ways: 1- It could stimulate demand for new energy services that can be retailed from our business. 2- It could allow the company to develop (with better metering information and control) products that could lead to profit optimization (for example, tele-switched products that help with demand side management).</p> <p><u>Risks identified with the potential to have a substantive financial and/or strategic impact on our business include:</u></p> <ol style="list-style-type: none"> 1) Our businesses' operations and power production may fall below expectations due to the impact of severe weather or other natural events, which could adversely affect our cash flows, results of operations and financial position. Hurricanes and severe storms are climate events which occur on a yearly basis. These events cause damages and power outages. In cases of extreme high winds, wind power plants shutdown. As a reference, the total storm costs for Avangrid Networks, including deferrable and non-deferrable, was \$151M in 2021 with a financial impact of approximately \$27 million. Potential financial impact in the next years is unpredictable. Weather related events can have a significant financial impact, which will depend on which facility was affected. For example, the costs incurred to restore service and repair damaged facilities, to obtain replacement power and to access available financing sources, may not be recoverable from customers, and could adversely affect our cash flows, results of operations and financial position. AVANGRID mitigates these risks by carrying out the necessary investments, conducting operation and maintenance procedures and programs (supported by quality control systems) and
201-3	Defined benefit plan obligations and other retirement plans	<p>AVANGRID provides pensions and other post-retirement benefits for a significant number of employees, former employees and retirees. We account for those benefits in accordance with the accounting rules for retirement benefits. In accounting for our pension and other post-retirement benefit plans, or the AVANGRID plans, we make assumptions regarding the valuation of benefit obligations and the performance of plan assets. The primary assumptions include the discount rate, the expected long-term return on plan assets, health care cost trend rates, mortality assumptions, demographic assumptions and other factors. We apply consistent estimation techniques regarding our actuarial assumptions, where appropriate, across the AVANGRID plans of our operating subsidiaries.</p> <p>As of December 31, 2021 and 2020, the accumulated postretirement benefits obligation for all qualified plans exceeded the fair value of plan assets.</p> <p>See pages 75, 76, and 147 of the AVANGRID Form 10-K for 2021</p>
201-4	Financial assistance received from government	<p>Within deferred income, AVANGRID classifies grants received under Section 1603 of the American Recovery and Reinvestment Act of 2009, where the United States Department of Treasury (DOT) provides eligible parties the option of claiming grants for specified energy property in lieu of tax credits, which we claimed for the majority of our qualifying properties.</p> <p>AVANGRID believes we are in compliance with each grant's terms and conditions as of December 31, 2021 and 2020.</p> <p>Please see section "Note 21. Grants, Government Incentives and Deferred Income" on Page 154 of the AVANGRID Form 10-K for 2021.</p>
Market Presence		
202-1	Entry-level wage compared to legal minimum wage (%)	The lowest entry level wage at Avangrid in 2021 was \$37,024 USD annually. Based on the lowest entry level wage, the ratio of standard entry level wage compared to local minimum wage was 124.01 in 2021
Indirect Economic Impacts		

Indicator	Description	Response / Reference to Information
203-1	Infrastructure investments and services supported	<p>During the construction and operation of its facilities, AVANGRID also carries out certain infrastructure activities that are unrelated to its facilities and without a specific commercial purpose, but rather that are intended to meet the needs of the social environment, resolving existing shortcomings in the local communities.</p> <p>As part of our Vineyard Wind 1 project, we've committed \$15 million in local and diverse supplier development to fund our Diversity, Equity and Inclusion efforts. These efforts will increase diversity in the industry and provide underrepresented populations with opportunities to join the offshore, renewable energy workforce. Our Vineyard Wind 1 project is also funding partnerships with workforce development, training and educational programs in vocational-technical schools, colleges and universities, trade unions and other workforce development organizations. Our goal is to help diverse communities develop the skills to help us create projects like Park City Wind and other offshore wind projects.</p> <p>Please refer to the "Creating a More Sustainable and Diverse Supply Chain" section on page 56 of the 2021 Avangrid Sustainability Report.</p>
203-2	Significant indirect economic impacts	<p>Potentially negative effects can be considered to include the following:</p> <ul style="list-style-type: none"> • Environmental risks, which may give rise to undesirable consequences for the environment, such as spills and improper emissions, or waste management. • The impact on terrain of the facilities, especially large ones, and the possible negative effects (during construction or operation) on traditional activities, particularly in the rural environment, such as ranching, hunting or fishing. <p>Some 2021 impacts:</p> <ul style="list-style-type: none"> • The Companies through implementation of their economic development programs approved by the New York State Public Service Commission (NYSPSC), offer a variety of economic development programs to build a strong, healthy, and sustainable economy in New York. In 2021, through implementation of these programs, the Companies have provided approximately \$9 million in assistance to businesses across the NYSEG and RG&E service areas, and identified approximately \$7 million in future project commitments for a total of \$16 million, to support our communities across New York. This total was comprised of 144 completed projects and awards for 2021 and over 400 active projects for 2022 and beyond. Since 2010, the Companies have provided approximately \$108 million in assistance to businesses across our service areas, contributing to over \$5 billion in new capital investment and tens of thousands of new and retained jobs in New York. (Positive impact) • The CT companies support in the BEDCO project: (Positive) <ul style="list-style-type: none"> • Assemble land for industrial and commercial expansion for the city of Bridgeport • Administer Brownfield cleanups • Provide grant/financing services for private companies receiving state economic development assistance • Provide cost-effective capacity to the City and State's economic development efforts • The CT companies support in the Lighting Up the Arts project: (Positive) <ul style="list-style-type: none"> • Reinvigorate and uplift the cultural artistic economy as it recovered from the pandemic • Supporting New Haven's creative economy which is critical to the collective economic resiliency and identity <p>In support to entrepreneurs, the following actions were taken:</p> <ul style="list-style-type: none"> • In 2021, NYSEG and RG&E have provided support to a number of start-up companies under their Economic Development Innovation & Entrepreneurship Program. • RG&E, working in partnership with local, regional, and state organizations, and community leaders is providing economic development assistance for Plug Power, a \$125 million investment for a hydrogen fuel cell innovation center in Monroe County, New York, with the potential to create up to 377 new jobs for the region. Plug Power has identified this new facility as the world's first ever Gigafactory, for proton exchange membrane (PEM) technology, where it will manufacture hydrogen fuel cell stacks and electrolyzers.
Procurement Practices		
204-1	Proportion of spending on local suppliers	<p>In 2021 96.4% of total purchases were from local U.S. suppliers.</p> <p>Please see page 65 of AVANGRID 2021 Sustainability Report. Also please see the Suppliers section of www.avangrid.com for information about AVANGRID's supplier selection process and Supplier Code of Ethics.</p>
Anti-corruption		
205-1	Operations assessed for risks related to corruption	<p>The AVANGRID Compliance Division retains risk maps, certifications, and other records to support its risk assessment process. Taking into account that this compliance division has carried out the corresponding compliance risk assessment, it is considered that 100% of the corruption risks in the activities carried out by the company have been evaluated. In 2021 there were no significant risks related to corruption identified through the risk assessment.</p> <p>See "Recognized Leader in Ethics, Compliance and Corporate Governance" pages 38-43 of AVANGRID 2021 Sustainability Report. Please also see the Compliance Policies and Compliance Program sections of www.avangrid.com.</p>

Indicator	Description	Response / Reference to Information
205-2	Communication and training about anti-corruption policies and procedures	<p>The AVANGRID Compliance Division tracks employee knowledge of anti-corruption policies and procedures through its annual training initiatives. Taking into account that the policies are published on the corporate website and that compliance protocols and procedures are found on the employee portal. 100% of AVANGRID employees, contractors, suppliers, service providers received training in 2021.</p> <p><u>Employees</u> The Company's online Code of Ethics training is completed by all Avangrid Group employees annually and to select third-party service providers. The following were notable features of the 2021 training: a) The training materials included a global training module on the Code of Ethics made available by the Compliance Unit for Iberdrola. b) A supplemental training module was included to reflect certain U.S.-specific concepts, including restrictions on affiliate transactions, and key state law gift and hospitality restrictions applicable to government employees. c) A test was included at the end of the training to confirm retention of key concepts by employees. d) Statements regarding compliance with the Code of Ethics were included for confirmation by employees.</p> <p><u>Suppliers</u> To reinforce this commitment and its extension to third parties with whom the Company has business relationship, during the year, the Company has approved a specific Suppliers Code of Ethics establishing the Group's firm commitment to prohibiting any corrupt, fraudulent or illegal practices, and those that run contrary to the policies and principles of the Company in the area of corporate social responsibility. The Supplier Code of Ethics must be accepted by AVANGRID's suppliers and is attached as an exhibit to the respective contracts. In addition to this, the General conditions for procurement contracts also include specific provisions for ethical conduct and anti-corruption topics.</p> <p><u>Joint Ventures and other holdings</u> The Company approved a Corporate operation protocol which extends the Company's compliance system principles to joint ventures and other shareholdings. This protocol establishes the following: In the case of joint ventures managed by AVANGRID, the Group's compliance system must be introduced or equivalent procedures aimed at preventing and correcting improper conduct. In the case of a joint venture not managed by the Group, the managing partner must be required to apply rules and procedures in the area of compliance that are compatible with the Group's preventive culture and which ensure a sufficient level of protection against the committing of unlawful acts and situations of fraud. The Compliance Division must be able to perform regular reviews in the area of corruption and fraud. Should a partner breach the aforementioned compliance rules and procedures, the Group must be entitled to resolve the agreement unilaterally and to receive compensation for any damages incurred.</p> <p>Employees trained on anti-corruption: Leadership 330 Qualified Technicians 2,861 Skilled workers and support personnel 4,244</p>
205-3	Confirmed incidents of corruption and actions taken	<p>AVANGRID did not have any confirmed cases of corruption & bribery during the past four fiscal years and we are not currently involved in any ongoing corruption & bribery cases.</p> <p>AVANGRID anti-corruption and bribery policy is publicly available at the AVANGRID website.</p>
ANTI-COMPETITIVE BEHAVIOR		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>There was one legal action for anti-competitive behavior, anti-trust, and monopoly practices to report - Security Limits Inc. v. Avangrid Networks, Inc., et. al.; Avangrid, Inc. v. Security Limits & P. Silva (This case was dismissed in February 2022)</p>
TAX		
207-1	Approach to tax	<p>AVANGRID is committed to the application of good tax practices and compliance with applicable tax laws and regulations and seeks the coordination of the tax practices followed by the companies of the AVANGRID Group within the framework of its Governance and Sustainability System.</p> <p>For more information review AVANGRID's Tax Policy located within AVANGRID website - www.avangrid.com/wps/wcm/connect/www.avangrid.com</p>
207-2	Tax governance, control, and risk management	<p>The Audit and Compliance Committee of the AVANGRID Board of Directors (the "Committee") is responsible for ensuring compliance with the Tax Policy. The AVANGRID Group shall adopt control mechanisms necessary to ensure compliance with tax laws and regulations and with the principles set, as part of an appropriate business management, and management shall ensure that the AVANGRID Group has the appropriate resources for such purposes. The head of the tax division of the AVANGRID Group shall report to the Committee on an annual basis regarding the Avangrid Group's compliance with the tax policy.</p>
207-3	Stakeholder engagement and management of concerns related to tax	<p>Iberdrola (AVANGRID) has a Corporate Tax Policy that sets out the group's tax strategy, based on ensuring compliance with applicable tax regulations, excellence and the commitment to applying good tax practices, within the framework of the group's corporate and governance structure. The Corporate Tax Policy is publicly available on the group's corporate website.</p> <p>Aware of the importance that tax information represents for all Stakeholders, and as part of its commitment to transparency and best practices, Iberdrola voluntarily prepares the annual "Report on Tax Transparency of the Iberdrola group." The report sets out all significant issues from a tax standpoint, together with an analysis of the group's tax contribution at the global level, and complements the information provided herein. This report is publicly released and available on the group's corporate website.</p> <p>Please see the 2021 Iberdrola Sustainability Report on page 180.</p>
207-4	Country-by-country reporting	Not applicable to AVANGRID

Indicator	Description	Response / Reference to Information
Category: Environmental		
Energy		
103-2	Management Approach	<p>AVANGRID ensures optimization in the use of energy throughout its entire value chain (production, transmission, distribution, marketing and end use), contemplating energy efficiency from a three-fold perspective:</p> <ul style="list-style-type: none"> • As an electricity generator and distributor, it seeks to improve efficiency by introducing the most advanced technologies, equipment and digitization. • As an energy consumer, AVANGRID promotes the ongoing improvement of energy efficiency across all its activities (offices and buildings, mobility, etc.). • As an electricity supplier, the company informs, promotes and supplies comprehensive efficiency solutions aligned with the emission reduction strategy, thereby contributing to more efficient use of energy by consumers, whilst encouraging the reduction of the environmental impact of their energy habits and consumption. <p>Please see "BUSINESS OVERVIEW" section on pages 10-23 of the 2021 AVANGRID Sustainability Report</p>
301-1	Use of raw materials	<p>2021 Use of raw materials: Natural Gas (Nm3): 666,244,976 Diesel oil (m3): 351 Production with local sources: 86.55%</p>
301-2	Recycled input materials used	<p>AVANGRID does not capture the data to calculate the percentage of recycled input materials used.</p> <p>The AVANGRID Supplier Terms and Conditions does include the following clause, "As far as possible, the Supplier must supply products or materials with ecologically-sound labeling, and must reuse and recycle waste resulting from the products or materials supplied."</p> <p>Please see the AVANGRID website www.avangrid.com/documents/Suppliers/ContractingTerms</p>
301-3	Reclaimed products and their packaging materials	<p>AVANGRID does not capture the data to calculate the percentage of reclaimed products and their packaging materials for each product category.</p> <p>The AVANGRID Supplier Terms and Conditions does include the following clause, "The Supplier undertakes to fulfill as many duties as fall to it by application of current environmental legislation, notwithstanding any modifications which may take place in the future concerning this area. In particular, the Supplier must comply with environmental legislation concerning packaging, labeling and return of packaging of products, and transport of hazardous substances and preparations.."</p> <p>Please see the AVANGRID website www.avangrid.com/documents/Suppliers/ContractingTerms</p>
302-1	Energy consumption within the organization	<p>Internal Energy Consumption (GJ): 13,167,820</p> <p>Energy consumption within the organization (internal consumption) includes the consumption of energy at Avangrid's facilities, buildings and offices, and is calculated as Energy consumption within the organization (GJ) = Fuel consumption + Energy purchased - Energy sold (non-renewable) - Steam sold.</p> <ul style="list-style-type: none"> • Fuel Consumption (Natural Gas, GJ): 23,764,507 • Purchased Energy (GJ): 407,757
302-2	Energy consumption outside of the organization	<p>The most significant consumption of energy outside of the organization is consumption associated with the transport of fuel by motorway, with trips to/from work by group employees, and with business travel (planes and motorways). This information is included in the scope 3 of greenhouse gas emissions inventory.</p>
302-3	Energy intensity	<p>Fossil fuel consumption (tep/GWh) in 2021: TOTAL AVANGRID: 181.37</p> <p>Intensity of internal energy consumption (GJ/GWh) in 2021: TOTAL AVANGRID: 0.58</p> <p>Generation technologies (% energy production) in 2021 Wind (84.19%) Hydro (0.59%) Solar and other renew (1.07%) Cogeneration (14.15%)</p>

Indicator	Description	Response / Reference to Information
302-4	Reduction of energy consumption	<p>2021 Reduction of energy consumption: Renewables: Annual primary energy savings through the production of renewable energy (GJ): 73,270,289 Cogeneration: Annual savings through the supply of steam (GJ): 194,692 Reduction of energy consumption associated with improved efficiency (GJ): 12.6 Energy savings of green products and services = 90 GJ</p>
302-5	Reductions in energy requirements of products and services	AVANGRID energy savings of green products and services for 2021 was 90 GJ
EU 2	Net Energy Output	<p>Net production of electricity by energy source - renewables own 19,400 GWh Net production of electricity by energy source - own onshore wind power 18,943 GWh Net production of electricity by energy source - Hydroelectric 132 GWh Net production of electricity by energy source - Solar and others 325 GWh Net production of electricity by energy source - cogeneration 3,184 GWh Net production of electricity by energy source - own peaking 7 GW</p>
EU11	Average performance of thermal generation facilities (%)	<p>Klamath Cogeneration Power Plant: 47%</p> <p>AVANGRID does not own coal power plants. AVANGRID Renewables owns and operates two gas-fired generation facilities in the city of Klamath, Oregon. The 536 MW Klamath Plant operates by creating two useful forms of energy, electricity and process steam, from a single fuel source of natural gas. The highly flexible 100 MW Klamath Peaking Plant adjacent to the Klamath Plant, providing customers of Renewables additional capability to meet their peak summer and winter power needs.</p>
EU12	Transmission and distribution network losses (%)	<p>2021 Losses: Transmission losses = 1.6% Distribution losses = 3.92%</p> <p>2020 Losses: Transmission losses = 1.36% Distribution losses = 4.16%</p> <p>2019 Losses: Transmission losses = 0.85% Distribution losses = 2.24%</p> <p>2018 Losses: Transmission losses = 4.68% Distribution losses = 5.25%</p> <p>Energy losses are calculated considering the difference between energy entering and leaving the system.</p>
EU30	Average availability factor of generation technologies (%)	<p>2021 Average availability factor of generation technologies = 91% Cogeneration: 91.32% Wind: 97.1%</p> <p>AVANGRID does not own coal power plants. AVANGRID Renewables owns and operates two gas-fired generation facilities in the city of Klamath, Oregon. The 536 MW Klamath Plant operates by creating two useful forms of energy, electricity and process steam, from a single fuel source of natural gas. The highly flexible 100 MW Klamath Peaking Plant adjacent to the Klamath Plant, providing customers of Renewables additional capability to meet their peak summer and winter power needs.</p>
Water and Effluents		

Indicator	Description	Response / Reference to Information
303-1	Interactions with water as a shared resource	<p>The water cycle needed to generate power at Iberdrola's (including AVANGRID) thermal generation plants is based on the following three phases:</p> <ul style="list-style-type: none"> • Withdrawal: performed within regulatory limits in terms of both quantity and quality of the water withdrawn. (Refer to GRI 303-3 for the water withdrawal at Avangrid for its Klamath power generation) • Use: Use in cooling and auxiliary services of plants. • Return to the environment: the quality of effluent discharged into the environment is always within the required limits and even improving on them compared to the values of water withdrawn <p>See page 74 of the 2021 Iberdrola Sustainability Report.</p>
303-2	Management of water discharge-related impacts	<p>Ensuring compliance with the law and seeking methods to minimize the risk of spills applies to all of Iberdrola's facilities, including generating plants, renewables facilities and distribution substations. To avoid the risk of polluting discharges, with a possible negative impact, Iberdrola has:</p> <ol style="list-style-type: none"> 1) Consolidated Environmental Management Systems: ISO 14001 and EMAS certificates, in which possible anomalies and incidents are managed, establishing plans to minimize spillage risks, by implementing predictive, preventive and corrective actions that ensure the proper condition of the water. 2) Water consumption and discharges by the facilities in 2021 were within the limits indicated by the relevant comprehensive environmental permit for each facility, and no anomalies were detected that might materially affect the water resources or associated habitats. <p>No incidents of non-compliance relating to permits, standards and regulations on water quantity or quality were declared in 2021.</p> <p>See page 74 of the 2021 Iberdrola Sustainability Report.</p>
303-3	Water withdrawal	<p>For 2021: Water withdrawn = 186 m3/GWh Water withdrawal for Klamath power generation: 3,950,204 m3 Treated wastewater 99 % See page 65 of AVANGRID 2021 Sustainability Report</p>
303-5	Water consumption	<p>AVANGRID has put in place several practices to minimize our waste generation and water usage across our companies. Our waste reduction and water conservation commitments and practices predate COVID-19; however, recent (and significant) reductions in the waste we generate and the water we use can be attributed to changes due to the pandemic as more of our people are working remotely.</p> <p>2021 Total Water consumed = 2549.19 ML</p>

Indicator	Description	Response / Reference to Information
Biodiversity		
103-2	Management Approach	<p>Within Avangrid's governance and Sustainability System, the Board of Directors has approved a Biodiversity Policy. AVANGRID has a biodiversity commitment which includes the following elements:</p> <ul style="list-style-type: none"> ✓ Commitment required of own operations and supply chain to avoid operational activities in close proximity to World Heritage areas and IUCN Category I-IV protected areas ✓ Application of mitigation hierarchy (avoid, minimize, restore & offset) when operating in areas in close proximity to critical biodiversity ✓ Work with external partners to fulfill the commitment <p>The CEO, who is a member of Avangrid board is responsible for Sustainability including biodiversity. The Compensation, Nomination and Corporate Governance is responsible for overseeing environmental, social and governance issues. The CEOs of Networks and Renewables would be responsible for the oversight of the biodiversity objectives and issues within their business areas.</p> <p>We measure our impact on biodiversity at project level through ecological assessments carried out before, during and after the construction and monitoring programs during operation. At corporate level: by our Corporate Environmental Footprint. We measure the progress our commitment through monitoring of the application of the mitigation hierarchy in new facilities. We are working on continual improvement running some pilots on methodologies that can provide further assessments on BES (Natural Capital Protocol) and NNL/NPI (Instituto LIFE Methodology).</p> <p>Target year for full implementation of our biodiversity commitment is 2030.</p> <p>Please see "Land Use, Habitat Protection, and Biodiversity on pages 32-34 of AVANGRID 2021 Sustainability Report. Also see the Biodiversity section of www.avangrid.com which also includes AVANGRID's Biodiversity Policy.</p>
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>The company operates in 24 states with a range of reporting requirements and indicators depending on the specific local requirements. Reporting stakeholders include the state DEPs and BOEM.</p> <ul style="list-style-type: none"> • AVANGRID total number of sites and the total area used for operational activities: 90 sites 182,000 hectares • In the past five years conducted biodiversity impact assessments for sites used for operational activities: 84 sites • Of the sites assessed in the past five years, number of sites in close proximity to critical biodiversity, and total area of these sites: 1 site, 32 hectares (there is a management plan for the full area covered) <p>Avangrid operates 65 wind farms, 4 solar plants, 9 small hydros, 1 cogeneration and 1 peaker power plant, and 4 small fuel cells and solar PV</p> <p>Onshore wind farms: 32 hectares are inside National Forest Systems (Hectares number has been estimated based on an wind farm average occupancy of 100 hectares / 4 MW)</p> <p>Power Lines: 481.1 National Forest (USFS), Natural reserve, State Forest Reserve, State Conservation Area, National Wildlife Refuge, State Forest, Wildlife Sanctuary, National Trail (NPS), National Scenic Trail.</p>

Indicator	Description	Response / Reference to Information
304-2	Significant impacts of activities, products, and services on biodiversity	<p>MAIN ACTIVITIES during the phases of a facility's life-cycle that might have an impact on biodiversity are:</p> <ul style="list-style-type: none"> • Construction phase: Entry of vehicles and machinery. Opening of pathways and changes in plant cover or the seabed. Generation of noise, vibrations and turbidity in the water. Prolonged human presence (which temporarily affects the behavior of species of fauna, and is generally reversible). Changes in landscape. • Operation phase: Emissions. Changes in the natural system of rivers and barrier effect of hydroelectric developments (affecting the ecosystems and habitat of certain species). Presence of facilities. Changes in vegetation to maintain power line corridors, etc. Discharges and spills. • Decommissioning phase: Use of machinery and vehicles to remove and demolish existing facilities. Prolonged human presence (which temporarily affects the behavior of species of fauna, and is generally reversible). <p>POTENTIAL IMPACTS:</p> <ul style="list-style-type: none"> • General impacts: Loss of habitat and species. Increase in greenhouse gases and climate change. Pollution of the atmospheric, edaphic and/or aquatic environment. • Impact on avifauna: Electrocutions. Collisions. • Impact on terrestrial fauna: Electrocution. Trapping. • Impact on ichthyofauna: Changes in water quality. Discharges/spills into the hydrological environment. • Impact on flora: Production and spread of fires. Deterioration in the edaphic environment.
304-3	Habitats protected or restored	<p>Protection of fauna, avifauna and chiropteran:</p> <ul style="list-style-type: none"> • Power lines: Activities aimed at the protection of fauna on projects, such as contractor training and on-site monitoring. • Power Lines: Osprey nests were relocated. • Wind farms: Continued tracking and monitoring of avifauna and bats at wind farms. Performance of livestock management tasks and the removal of carcasses. • Wind farms: The Manzana wind project has implemented a geofencing technology to monitor the risks to the California condor. A large portion of the condors in the southern California population have been fitted with radiofrequency technologies and a global positioning system to monitor their movements. When a condor fitted with a transmitter crosses the geofence boundary around Manzana, a third party remotely supervising the condor's movements notifies the Avangrid Renewables National Control Centre, which applies restrictions on the turbines. • Wind farms: Correction of substations and pylons of the evacuation lines at six wind farms in accordance with the directives issued by the Avian Power Line Interaction Committee (APLIC) for protection against electrocution and fauna collision.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>AVANGRID 2021 number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk are:</p> <p>Critically Endangered: 2 Endangered: 13 Vulnerable: 12 Near threatened: 11 Least Concern: 39</p>
EU13	Principal actions taken during 2021	<p>One way our biodiversity policy was put into action in 2021 includes our Greenfield Substation project in Greenfield, Maine. In the development of this substation, we took actions to mitigate wetland impacts by creating a meadow buffer around the project to protect biodiversity in the immediate area.</p> <p>Established a land purchase agreement with a land trust to preserve 470 acres of property on the pristine shoreline of Cayuga Lake, New York</p> <p>General actions include:</p> <ul style="list-style-type: none"> • Informing project siting to minimize impacts to biodiversity. And, where appropriate, selecting alternate routes or layouts for projects to protect biodiversity. • Adjusting construction schedules to avoid impacts to endangered species. • Creating new wetlands and buffers. • Reducing our landfilled waste by reusing or recycling soils from our excavation activities. <p>See Avangrid's 2021 Sustainability Report pages 32 -37 "Land Use, Habitat Protection and Biodiversity"</p>

Indicator	Description	Response / Reference to Information
Emissions		
103-2	Management Approach	<p>Climate change is a key consideration in defining the company’s strategy. AVANGRID treats it not only as a risk factor, but also as an opportunity for growth through mitigation and adjustment activities during the transition toward a low-carbon economy. AVANGRID’s strategy is aligned with the objectives of the Paris Agreement, clearly committing to the decarbonization of the energy model through renewable energy, storage and smart grids, together with the commitment to achieve the SDGs. We are also investing in infrastructure to protect customers from the threat of flooding and the increasing frequency and severity of storms.</p> <p>In 2021, our Networks and Renewables businesses invested \$3.3 billion to build a cleaner, connected and more resilient energy system. AVANGRID remains one of the cleanest utilities in the U.S., with over 90% emissions-free generating capacity producing close to 20,000 gigawatt-hours of clean electricity – enough to power nearly two million homes.</p> <p>Please see page 2 "Letter from CEO" and pages 26-31 "Actions to Decarbonize: Reducing our Emissions" of AVANGRID 2021 Sustainability Report. See also information about AVANGRID’s carbon footprint available at www.avangrid.com/wps/portal/avangrid/sustainability/environment</p>
305-1	Direct (Scope 1) GHG emissions	<p>Scope 1: Direct GHG emissions from GHG sources owned or controlled by the Company. These include:</p> <ol style="list-style-type: none"> 1. Emissions from electric power generation facilities: carbon dioxide (CO2) emissions produced from the combustion of fossil fuels 1,306,617 t CO2eq 2. Combustion emissions are the emissions from electric power generation facilities (nitrous oxide N2O and methane CH4 emissions) produced by combustion of fossil fuels 1,280 t CO2eq 3. Emissions in buildings: emissions from facilities (heating, generators, ...) that provide services to company buildings (consumption of fuels, diesel, natural gas and LPG). 6,149 t CO2eq 4. Fugitive emissions from methane (CH4) leaks from gas storage and transportation facilities. Emissions from sulfur hexafluoride (SF6) leaks in electrical transformation and regulation equipment in which said gas acts as a dielectric. Emissions from refrigerant gases (CFCs) from air conditioning equipment. 270,395 t CO2eq 5. Emissions from gas storage facilities (Hatfield moor UK) and emissions from plant waste from logging and pruning. ZERO 6. Emissions from mobile combustion: emissions associated with the road transport of employees with fleet vehicles (owned or managed by the company). 33,278 t CO2eq <p>2021 Total = 1,617,721 t CO2eq</p> <p>Please see page 64 of the AVANGRID 2021 Sustainability Report and also please see the Iberdrola Group 2021 GHG Report available on AVANGRID website. <i>(There are some differences in the data between the IBE GHG report and IBE Sustainability Report due to differences in the standards used. Specifically, the difference is due to the fact that in the GHG verification under the ISO 14064-2018 standard, IPCC AR5 must be used, while in the calculations of emissions in the IBE Sustainability report, IPCC AR4 was used.)</i></p>

Indicator	Description	Response / Reference to Information
305-2	Energy indirect (Scope 2) GHG emissions	<p>Scope 2: Indirect GHG emissions are those that come from electricity, heat or steam generation of external origin consumed by the organization. These emissions are:</p> <ul style="list-style-type: none"> □ Emissions associated with the consumption of electrical energy in shutdown of thermal, renewable and nuclear power plants and pumping in hydroelectric plants. 26,966 t CO2eq □ Emissions derived from the consumption of electrical energy in buildings, offices and facilities. The calculation is made with the Market based methodology (the energy accounted for will be the total supplied, discounting the energy with certification of origin). 18,048 t CO2eq □ Emissions associated with losses from the distribution network or transportation in its own network, which results from discounting its own net generation from the total distribution. The country sub holdings with several distribution businesses do not count the emissions as the sum of the partial ones, but rather carry out a general calculation. 357,366 t CO2eq <p>2021 Total = 402,350 t CO2eq</p> <p>Please see page 64 of the AVANGRID 2021 Sustainability Report and also please see the Iberdrola Group 2021 GHG Report available on AVANGRID website. <i>(There are some differences in the data between the IBE GHG report and IBE Sustainability Report due to differences in the standards used. Specifically, the difference is due to the fact that in the GHG verification under the ISO 14064-2018 standard, IPCC AR5 must be used, while in the calculations of emissions in the IBE Sustainability report, IPCC AR4 was used.)</i></p>
305-3	Other indirect (Scope 3) GHG emissions	<p>Scope 3: All other GHG emissions, other than indirect GHG emissions from energy, which are a consequence of the company's activities, but occur at sources of GHGs that are not owned or controlled by the company. These other emissions are:</p> <ol style="list-style-type: none"> 1. Emissions derived from employee travel for work purposes. 2,689 t CO2eq 2. Emissions derived from electrical energy purchased from third parties for sale to the end customer when this is not accounted for in scope 1 or 2. The emissions calculated are those from the generation of the purchased energy. 5,512,893 t CO2eq 3. Emissions associated with the supply chain. 1,100,820 t CO2eq 4. Commuting emissions are the emissions derived from the movement of employees from home to work. 992 t CO2eq 5. Emissions associated with the use of gas products sold to end customer. 12,455,254 t CO2eq 6. Upstream emissions: WTT (Well To Tank) of fuels purchased and consumed Emissions from electrical energy generation facilities: fuel consumption of production for third parties, including CO2, CH4 and N2O 230,474 t CO2eq <p>2021 Total = 19,303,123 t CO2eq</p> <p>Please see page 64 of the AVANGRID 2021 Sustainability Report and also please see the Iberdrola Group 2021 GHG Report available on AVANGRID website. <i>(There are some differences in the data between the IBE GHG report and IBE Sustainability Report due to differences in the standards used. Specifically, the difference is due to the fact that in the GHG verification under the ISO 14064-2018 standard, IPCC AR5 must be used, while in the calculations of emissions in the IBE Sustainability report, IPCC AR4 was used.)</i></p>
305-4	GHG emissions intensity	<p>Evolution of the intensity of CO2 emissions - Specific emissions Global mix 2021 = 57.7 kg CO2/MWh</p> <p>Please see page 64 of AVANGRID 2021 Sustainability Report. It covers direct CO2 emissions from generation facilities. <i>(There are some differences in the data between the IBE GHG report and IBE Sustainability Report due to differences in the standards used. Specifically, the difference is due to the fact that in the GHG verification under the ISO 14064-2018 standard, IPCC AR5 must be used, while in the calculations of emissions in the IBE Sustainability report, IPCC AR4 was used.)</i></p>

Indicator	Description	Response / Reference to Information
305-5	Initiatives for reducing emissions	<p>2021 Total = Reduction of GHG emissions - Total 8,120,673.25 tCO2e</p> <p>Reduction of GHG emissions - Renewables - Savings in primary energy due to renewable energy production 8,098,972.95 t CO2e Reduction of GHG emissions - Cogeneration - Savings from the supply of thermal energy (steam) in the Group 21,690.27 t CO2e Reduction of GHG emissions - Commercial - Energy savings and efficiency due to green products and services 10.03 t CO2e</p> <p>Initiatives: 1) Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters 2) Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p>Please see pages 26-31 "Actions to Decarbonize: Reducing Our Emissions" of AVANGRID 2021 Sustainability Report.</p>
305-6	Emissions of ozone-depleting substances (ODS)	Not Material topic for AVANGRID.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<p>NOX: 134 t, SOX: 6 t, Particulate: 21 t</p> <p>See page 64 of AVANGRID 2021 Sustainability Report</p>
Effluents and Waste		
103-2	Management Approach	<p>AVANGRID manages, reduces and eliminates waste across our facilities and how we manage precious natural resources like water. To further reduce our environmental impacts, we have put in place several practices to minimize our waste generation and water usage across our companies. Our waste reduction and water conservation commitments and practices predate COVID-19; however, recent (and significant) reductions in the waste we generate and the water we use can be attributed to changes due to the pandemic as more of our people are working remotely.</p> <p>We are making real impacts in the communities we serve. These included several notable accomplishments in 2021:</p> <ul style="list-style-type: none"> • Creating an innovative plan to protect California Condors near our Manzana Wind Power Project. • Entering a land purchase agreement with a land trust to preserve a pristine property on Lake Cayuga, New York. • Siting projects and creating new wetlands and buffers to minimize impacts on biodiversity. • Adjusting construction schedules to protect endangered species. • Reusing or recycling soils from our excavation activities. <p>Please see "Waste and Water Management" on pages 35-37 of AVANGRID 2021 Sustainability Report</p>
303-3	Water withdrawal	<p>AVANGRID does not have power plants located in areas considered water stressed. Klamath power plant is the only facility that uses water in its cooling system and 100% is either waste or recycled water. Iberdrola's Group core policy of replacing its least efficient technologies with clean and sustainable ones, such as renewables, green hydrogen and dry combined cycle, is the reason for the decrease in the net water consumption of thermal power generation. The water resource is carefully analyzed and controlled in our company. Please check https://www.iberdrola.com/sustainability/environment/waterusage.</p> <p>2021 = Water withdrawn = 186 m3/GWh Water consumed = 316,016 m3</p> <p>Water withdrawal for Klamath power generation: 3,950,204 m3 Treated wastewater 99 % See page 65 of AVANGRID 2021 Sustainability Report</p>

Indicator	Description	Response / Reference to Information
303-4	Water discharge	<p>In the event that a discharge occurs at the Company's facilities having negative effects on the surrounding environment, the Company provides the information required and cooperates with the competent bodies until resolution of the incident. The reasons for the discharge is subsequently analyzed, and the appropriate measures are taken in order to minimize the probability of re-occurrence.</p> <p>2021 = 1,645,734 m3 See page 65 of AVANGRID 2021 Sustainability Report</p>
306-1	Waste generation and significant waste-related impacts	<p>As part of its circular economy plan, waste at IBERDROLA (AVANGRID) is managed in accordance with the following principles:</p> <ul style="list-style-type: none"> • Minimize the generation of waste at source. • Maximize the reuse, recycling and recovery of waste. • Promote awareness-raising campaigns regarding the minimization of waste. • Specific treatment and management of hazardous waste. <p>See page 81 of the 2021 Iberdrola Sustainability Report.</p>
306-2	Management of significant waste-related impacts	<p>As part of its circular economy plan, waste at IBERDROLA (AVANGRID) is managed in accordance with the following principles:</p> <ul style="list-style-type: none"> • Minimize the generation of waste at source. • Maximize the reuse, recycling and recovery of waste. • Promote awareness-raising campaigns regarding the minimization of waste. • Specific treatment and management of hazardous waste. <p>See page 81 of the 2021 Iberdrola Sustainability Report.</p>
306-3	Waste generated	<p>AVANGRID has put in place several practices to minimize our waste generation and water usage across our companies. Our waste reduction and water conservation commitments and practices predate COVID-19; however, recent (and significant) reductions in the waste we generate and the water we use can be attributed to changes due to the pandemic as more of our people are working remotely.</p> <p>2021 = HAZARDOUS WASTE: 602 mt produced NON-HAZARDOUS WASTE: 154,649 mt produced</p> <p>See pages 35-37 of AVANGRID 2021 Sustainability Report</p>
306-4	Waste diverted from disposal	<p>2021= HAZARDOUS WASTE: 253.55 mt recovered/recycled/reused 334.08 mt landfilled 18.42 mt incinerated NON-HAZARDOUS WASTE: 5,038 mt recovered/recycled/reused</p> <p>Paper and wood related products: 569.76 mt recycle /reused</p> <p>Municipal Solid Waste (MSW): 441.3 mt incinerated trash to energy</p> <p>The variation with respect to the previous year is caused by a variation in the volume of business.</p>
306-5	Waste directed to disposal	<p>2021 = HAZARDOUS WASTE: 348 mt deposited/incinerated NON-HAZARDOUS WASTE: 149,610 mt deposited/incinerated</p> <p>Municipal Solid Waste (MSW): 1,379.76 landfilled</p> <p>Hazardous waste with unknown disposal waste - 249.5 mt</p> <p>The variation with respect to the previous year is caused by a variation in the volume of business</p>

Indicator	Description	Response / Reference to Information
Environmental Compliance		
103-2	Management Approach	<p>AVANGRID, as a leading energy company, recognizes the importance of environmental protection and the company's responsibility to take action to protect the environment. We are committed to accelerating the transformation to clean and affordable energy. And while we focus on increasing access to renewable energy for everyone, we also recognize that a clean energy future – and the road to carbon neutrality – requires that we identify and reduce environmental impacts across our own footprint while also helping our customers reduce their impacts. We are committed to meeting high standards of environmental stewardship in the communities we serve, and to conduct business in a manner that minimizes adverse environmental impacts on present and future generations.</p> <p>AVANGRID champions a sustainable energy model supported by lower emissions, greater energy efficiency and preservation of the environment. AVANGRID works to reduce environmental risks, improve management of resources and optimize investments in our facilities. Our companies strive to use resources and products wisely in day-to-day operations, favoring non-hazardous products where possible for facilities maintenance. We also seek to reuse and recycle materials at every opportunity.</p> <p>Each state in which AVANGRID operates has major project environmental review requirements that can result in the preparation of EIAs/SIAs for projects with potentially significant impacts. The EIA will require public notices be posted for the general public (e.g. newspapers), public stakeholder meetings, and governmental approval before project implementation. Regarding the operating period, Community Trust Funds have also been established in order to finance local environmental, educational, and social projects. Each state's process is open to public review and comment and therefore it is accessible by affected parties and communities. The regulatory authority to approve these types of projects is often held at the local city or state level. All information is made publicly available throughout the review process.</p> <p>In the particular case of Avangrid Renewables: EIAs, studies and other results for major infrastructure developments such as wind plants are published and available in accordance with federal, state, and local legislation as it may apply. Most jurisdictions that are involved in the permitting process for a wind plant have public access and freedom of information act regulations pursuant, plus testimony from public hearings and other permit application information. These provisions, in essence, ensure a defined process so the information will be available to the public. There are also permit notices that may be required to be posted in newspapers or signs posted in the permit area, and in addition many hearings are open to the general public and all stakeholders. Technical advisory committees also exist which typically comprise numerous stakeholders where avian and other annual study results are periodically reviewed.</p> <p>AVANGRID has five specific corporate policies for environmental management, all approved by the Board of Directors: Environmental Policy, Policy against Climate Change, Biodiversity Policy, Sustainability Policy, and Sustainable Development Policy</p> <p>Please see the policies on the AVANGRID website, www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies</p> <p>Also please see the Environment section on pages 24-37 of AVANGRID 2021 Sustainability Report.</p>
307-1	Non-compliance with environmental laws and regulations	<p>To achieve AVANGRID's goals on environmental protection, AVANGRID's first principle within our Environmental policy is to comply with applicable environmental laws, regulations and standards, attempt to anticipate compliance with new environmental requirements and implement industry best practices on environmental protection.</p> <p>In 2021 AVANGRID was not assessed any environmental fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations.</p> <p>Please see AVANGRID's Environmental Policy available on www.avangrid.com</p>
Supplier Environmental Assessment		
103-2	Management Approach	<p>AVANGRID is committed to protecting and conserving the environment for the benefit of all our stakeholders. We want our suppliers to have a similar level of environmental and sustainability commitment. We expect suppliers understand the environmental issues associated with the production of goods and services that they provide and abide by the letter and the spirit of all associated federal, state and local environmental laws, rules and regulations, including proper handling of all potentially hazardous or regulated materials. We also expect that suppliers will commit to minimizing their production of hazardous air emissions through methods such as conservation and the use of clean and renewable energy sources.</p> <p>Please see "Supplier Sustainability" section on page 28 of AVANGRID 2021 Sustainability Report, and "AVANGRID's Supplier Code of Ethics" available on www.avangrid.com</p>

Indicator	Description	Response / Reference to Information
308-1	New suppliers that were screened using environmental criteria	<p>We see our suppliers as key stakeholders and business partners, and we set high expectations for our suppliers to comply with our sustainable development policies and standards. Suppliers are assessed against an evaluation model based on our Environmental, Social and Governance (ESG) criteria, and this assessment includes 43 factors used to calculate each supplier's ESG score. 100% of suppliers (both new and existing) of general supplies and significant suppliers of fuel in Iberdrola Group are evaluated according to environmental and sustainability criteria.</p> <p>As of 12/31/2021, 58% of AVANGRID's suppliers had a certified Environmental Management System. This is an increase of 8% over 2020.</p> <p>In 2022, AVANGRID's goal is to ensure that at least 55% of our strategic suppliers are meeting our sustainability standards. Our success here tells us that our suppliers are capable and eager to meet these standards, and we are eager to continue to provide resources to help them become more sustainable as they build their relationships with us.</p> <p>Please see "Supplier Sustainability" section on page 28 of AVANGRID 2021 Sustainability Report, and "AVANGRID's Supplier Code of Ethics" available on www.avangrid.com</p>
308-2	Negative environmental impacts in the supply chain and actions taken	<p>No supplier with a significant negative environmental impact has been detected. Furthermore, Iberdrola Group does not have major suppliers located in areas with water stress.</p>

Indicator	Description	Response / Reference to Information
401-3	Parental leave	<p>AVANGRID does provide parental medical leave to care for a newborn child, adoption of a child or placement of a foster child.</p> <p>In 2021: Employees entitled to maternity / paternity leave: Men 5,332 Women 2,016 Number of employees who have enjoyed the right to maternity / paternity leave: Men 0, Women 57 Number of employees who have returned to work after parental leave: Men 209, Women 94 Number of employees who have returned to work after terminating parental leave and who were still employed 12 months after returning to work: Men 203, Women 88</p>
Labor/Management Relations		
103-2	Management Approach	<p>AVANGRID serves over 7,000 employees, within a global, ever-changing, multicultural environment, in order to develop labor relations based on equal opportunities, non-discrimination and respect for diversity.</p> <p>We endeavor to provide a good working environment for all AVANGRID employees that will engage us as partners in our company's success, thereby fostering our personal and professional growth, through measures designed to promote</p> <ul style="list-style-type: none"> -Reconciliation between professional and family life. -Equal opportunities. -Diversity and integration. -Continuous training. -Capturing, promoting and retaining talent. -A secure and decent job.
402-1	Minimum notice periods regarding operational changes	<p>In the United States, notice requirements are governed both by collective bargaining agreements and labor laws. When organizational change or significant events occur that may impact union employees, union leaders are routinely provided with advance notice. The minimum notice period depends on the change to be implemented, but is generally four weeks.</p>
Occupational Health/Safety		
103-2	Management Approach	<p>AVANGRID has formal policies and procedures around health and safety in order to establish accountability. We also support a healthy and safe workplace by encouraging a culture of shared responsibility, starting with a firm commitment from the executive team and extending out to bargaining units, management, contractors and each individual employee.</p> <p>Please see "Health & Safety Focus During the COVID-19 Pandemic" on pages 49-50 of the 2021 Sustainability Report. Please also see Health and Safety section of the website www.avangrid.com/wps/portal/avangrid/sustainability/SustainableBusiness/healthandsafety/</p>
403-1	Occupational health and safety management system	<p>AVANGRID has implemented a Health and Safety Management System (HSMS) and an Environmental Management System (EMS) at various levels of its organization. In the United States, the only existing legal requirements to implement an occupational health and safety system are those relating to the offshore wind power sector. This sector is a business that is still emerging, for which reason the projects are still currently under development. Both the On Land Renewables and Networks business areas have implemented ISO 45001 compliant HSMS and portions of the Networks have implemented ISO 14001 compliant EMS. The implementation of these management systems is not a legal requirement for either business.</p> <p>Managing the health of employees: mental stress caused by COVID-19: During the year Avangrid provided employees with programs addressing Wellbeing from Physical/Emotional/Financial and Social aspects. Some of the financial programs include an online program called "CueltUp" that allows employees to complete modules such as personal budgeting, emergency savings, credit card debit and savings for retirement. The physical health & wellbeing programs include weight management programs such as weight watcher and walking challenges. Two walking challenges were completed this year. Our Engage app includes the ability to do online coaching for weight management, fitness, smoking cessation and stress management. As a result of COVID-19 emotional and mental health concerns have both come to light. This year we have also developed a multi-prong program that addresses mental health awareness and stigma. This program includes webinars, manager training, mental health advocates and a digital tool that is being introduced next January called my Strength which will give tools to employee that can address stress, resiliency, anxiety and depression to mention a few.</p>

Indicator	Description	Response / Reference to Information
403-2	Hazard identification, risk assessment and incident investigation	<p>AVANGRID is dedicated to the proactive identification and mitigation of hazards in the work environment. This is accomplished through the use of various risk assessment tools throughout the various operating areas. Tools used to identify hazards and assess risk include Job Briefings, Job Hazard Assessments, and site safety assessments and inspections. Employees are trained in Hazard Identification annually and throughout their professional development. Job briefings, Job Hazard Assessments, Work Permits (where applicable) and Risk Reduction Plans are audited as part of the internal compliance audit program, the internal HSMS audit program, and through our annual external ISO audits. Additionally, Management, Supervision and EHS regularly assess the implementation of these tools. Opportunities identified through Risk Reduction Plans, Job Hazard Assessments or other hazard identification tools are communicated throughout the organization for implementation. Additionally, items identified through audits and spot checks are used to create action plans or best practice communications which are shared throughout the organization.</p> <p>Workers are encouraged to report workplace hazards through their chain of command, or directly to EHS. Company policy, specifically the workplace code of ethics, prohibits discrimination or reprisal against any worker for reporting work related hazards. Additionally, if workers feel that they would like to anomalously report an issue or concern there are avenues such as the employee ethics hotline for such reporting.</p> <p>All workers are empowered with "Stop Work Authority" meaning that workers have the right to speak up and stop a job or to remove themselves from the job if they feel the situation is unsafe. Additionally, as stated above it is against the business code of ethics which specifically prohibits reprisals against an employee for reporting a hazard, this includes for the implementation of stop work.</p> <p>Work-related incidents are investigated in accordance to the Organizations incident management policy. This includes tracking of all work-related incidents in the online EHS system of record and a formal investigative process focusing on the identification of direct cause and contributing factors. The method of investigation is determined by the severity or potential severity of the incident or near miss.</p>
403-3	Occupational health services	<p>In addition to the measures that have been implemented to identify and mitigate hazards specific to the work environment, there are other programs in place to identify hazards to the organization as well as to the worker. Specific programs include regular legal review to assess new and changing legal risks and create plans to mitigate and reduce these risks. The results of this review are communicated to the organization through regularly scheduled meetings including senior leadership, employees, and their representatives. As with other programs the quality of this program is assessed through regular internal and external audits.</p>
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>100% of employees are represented on health and safety committees. There is a safety committee at either the facility or job level, that ensures the representation of all employees.</p> <p>Worker consultation occurs both informally and formally. Formal consultation is conducted through an established series of skilled worker panels, where workers nominated by their peers are consulted on the development of the management system, and through the strategic safety board where leadership and senior workers representatives are consulted.</p> <p>Worker skilled safety panels and the strategic safety board meet monthly. These panels provide the needed expertise and knowledge to further develop the HSMS.</p>
403-5	Worker training on occupational health and safety	<p>AVANGRID workers receive both Technical and Safety training through a mixture of in person hands on training, classroom instruction, and online training. Workers are prohibited from conducting work until they demonstrate the proficiency and knowledge necessary to safely do so. Technical training includes training on hazards, risks and controls associated with each job function.</p>
403-6	Promotion of worker health	<p>AVANGRID offers a comprehensive benefits package including medical, dental, and vision coverage to full-time and part-time employees if working 20 hours or more. Benefits include:</p> <ul style="list-style-type: none"> • Health Care: Health Insurance, Dental Insurance, Vision Care Insurance, Flexible Spending Accounts • Retirement Programs: 401(k) Qualified Retirement Plan • Income Protection Programs: Short-Term Disability Insurance, Long-Term Disability Insurance, Life Insurance • Paid Time Off: Vacation, Holidays • Paid Parental Leave • Other Policies, Programs and Resources: Employee Assistance Program
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>AVANGRID takes a systems-based approach to mitigation of occupational safety and health impacts. This approach is focused upon finding opportunities to build robust systems that not only put measures in place to reduce the probability that an impact will occur, but which also mitigate the potential consequences in the event of an impact or failure. The general idea is to focus on development of systems which utilize various types of controls to create layers providing protection to prevent incidents and mitigate impacts in the event of an incident.</p>

Indicator	Description	Response / Reference to Information
403-8	Workers covered by an occupational health and safety management system	In the United States, no worker at AVANGRID has been excluded from the scope. The data collected is based on an assessment of the organization's procedures, policies and metrics.
403-9	Work-related injuries	<p>NUMBER OF ACCIDENTS - Own Employees Men: 340 (fatal 0, with leave 38, with high consequences 0, without leave 302) Women: 32 (fatal 0, with leave 6, with high consequences 0, without leave 26)</p> <p>FREQUENCY INDEX (Employees): Total 2.9 (Men 3.48 Women 1.41) SEVERITY INDEX (Employees): Total 0.12 (Men 0.15, Women 0.03)</p> <p>ABSENTEEISM (Employees) (days lost): 1,804 (Men 1,689 Women 115)</p> <p>NUMBER OF ACCIDENTS - Outsourcing Men: 131 (fatal 0, with leave 16, with high consequences 0, without leave 115) Women: 0</p> <p>FREQUENCY INDEX (Outsourcing): Total 1.71 (Men 1.71, Women 0)</p> <p>ABSENTEEISM (Outsourcing) (days lost): 189</p>
403-10	Work-related ill health	<p>The main types of occupational ailments and diseases for employees and non-employee workers are Lyme disease (tick borne illness) and hearing loss due to high noise. Although hearing loss due to occupational exposure is difficult to determine. Heat exhaustion and cold weather exposure ailments although very possible are less common.</p> <p>In Electric Operations, several occupational health hazards are common to employees in different departments who are either conducting the same tasks or work in similar circumstances. The activities or conditions which fall in these categories include:- A wide range of ergonomic stressors related to equipment use and working conditions, requiring awkward positioning and exertion, result in reported injuries such as strains and sprains. Musculoskeletal disorders affect soft body tissues such as cartilage, joints, ligaments, muscles and tendons. Risk factors include poorly designed tools, extreme temperature, bending, kneeling, twisting, reaching and working overhead or with a bent wrist. Weather-related stress (extreme cold, extreme heat, windstorms, torrential rain, snowstorms). Work-related driving which may lead to avoidable and preventable stress and injury from static posture, back compression, and low frequency whole-body vibration. Noise (use of power tools like jackhammers and grinders, and work near noisy equipment, generators, trucks). Biological agents (tickborne and mosquito-borne bacteria and viruses). Legacy pollutants/contaminants encountered at various jobsites including on customer property (PCBs, lead, asbestos). Chemical Hazards include Hot work (metal fumes and dusts), Respirable Crystalline Silica, and Asbestos. Overhead line workers are trained in protocol for leak reporting of sulfur hexafluoride (SF6) which is used as an insulating gas to quench arcing between phases of electrical equipment. It is generally used in 150 kV circuit breakers, 115 kV.</p>

Training and Education		
103-2	Management Approach	<p>AVANGRID is committed to a model of learning that combines experience, relationships and training. A key factor for performance at work, adapting to change and professional development. We acknowledge that people learn in a variety of ways and we advocate the "70/20/10 Model of Learning" which indicates that:</p> <p>70% of learning takes place on the job (experience). 20% of learning comes from other people (relationships). 10% of learning comes from a formal training situation (education).</p> <p>In 2021, we expanded several programs designed to support our employees, including by providing additional Leadership and Development courses. In the employee survey, respondents gave high scores for development opportunities, with 80% stating they believe their line manager supports them in learning and development, and 67% expressing that they have the opportunity to achieve their work goals.</p> <p>Please see "Making AVANGRID an Employer of Choice" section on pages 49-54 of the 2021 Sustainability Report. Also see the Training section of the website www.avangrid.com/wps/portal/avangrid/peopleandtalent/careeradvancement/training.</p>

Indicator	Description	Response / Reference to Information
404-1	Average hours of training per year per employee	<p>AVANGRID TOTAL: Average Hours of training per employee: 36.31h Management 18.68h (men 18.16 & women 19.89h) Middle Managers and skilled technician 18.62h (men 19.55h & women 16.79h) Skilled workers and support personnel 49.72h (men 55.2h & women 32.16h)</p> <p>Average amount spent per FTE on training and development. - \$485.90 USD</p>
404-2	Programs for upgrading employee skills and transition assistance programs	<p>During 2021, AVANGRID focused on the importance of an inclusive workplace, how to recognize unconscious biases, and continued to build on the attraction and development of talent throughout the organization. As a result of these actions, key highlights are as follows:- Recruiters were continually instructed to source for ethnically and gender diverse qualified talent and required to provide a diverse candidate slate to Hiring Managers whenever possible. Through this focus, we aimed to send at least one diverse candidate for interview consideration for every requisition.- To help People Leaders mitigate their unconscious biases, we implemented a robust unconscious bias and inclusive leadership training for employees who held a lead position or above within the organization. At the end of 2021, we achieved our goal of having 90% of that population complete 2-hours of DE&I focused training, with an hour of focus on unconscious bias. To bolster support for an inclusive workplace, we have created and supported seven Business Resource Groups (BRGs). With the support of Executive Sponsors, Internal Communications, and Human Resources, these BRGs have celebrated 6 heritage months and hosted over 25 events throughout 2021 to help foster inclusive conversations, elevate the discussion around the importance of authenticity in the workplace, and supply a safe environment for employees to connect with others of similar affinity – whether personally or as an ally. To date, we have over 10% of AVANGRID’s employee population currently a part of at least one BRG.</p> <p>In 2021 AVANGRID focused on optimizing processes and compliance in Talent Acquisition and for hiring managers. Key highlights were as follows:- Partnering with an organization for high-volume recruitment (customer service, technician, and other roles). Anticipated benefits: better diversity & quality of hire, reduced first-year attrition, lower media spend, improved cycle time, fewer low-value activities by recruiters & managers. · Implementing a Hiring Manager Certification -The Hiring Manager Certification is a curated learning path that includes the essential training hiring managers need to ensure legal compliance, foster engagement in the recruitment process, understand their own unconscious biases, effectively interview candidates, and successfully onboard new employees. This certification was required of any leader participating in the recruitment process for any role, effective March 1st. Managers will not be able to begin the recruitment process until they have completed the HM Certification. Year to date, we have certified 550 HMs.</p> <p>In 2021, AVANGRID expanded upon our LinkedIn Learning offering to all employees in the US by curating learning paths to enhance current development programs (such as AMP’D Leading People and the Engineering Development Program) as well as assist in furthering the integration of our Behavioral Model throughout the organization, by launching development paths for each level of the behaviors company-wide. Also related to our behavioral model, we launched an e-learning program on “Living Our Behaviors” as well as a self-assessment tool to assist employees in identifying behaviors in which they may want to focus their development. AVANGRID took several actions to enhance its leadership development programs as well including the launch of the AVANGRID mentoring program to all non-union employees; continuation of the Purpose-Driven Leaders program in partnership with Yale University; launch of the Leadership Essentials program for new people leaders; launch of several open enrollment programs for leaders related to unconscious bias and building an inclusive team; and expansion of resources to help people leaders manage teams effectively in a remote/hybrid environment.</p> <p>"Making Avangrid Employer of Choice" section on pages 49-51 of the 2021 Sustainability Report. Please also see the People and Talent section of www.avangrid.com. https://www.avangrid.com/wps/portal/avangrid/peopleandtalent</p>
404-3	Percentage of employees receiving regular performance and career development reviews	<p>A Professional Development Programmes (PDP) catalogue has been created and offered to all employees and leaders in order to link professional development tools to the behaviors. Meanwhile, webinars have been given to employees and managers alike to provide a clearer picture of how the behaviors are linked to their PDP.</p> <p>2021 TOTAL: 43.13% -Men 38.9% & Women 54.32% MANAGERS 89.3% -Men 88.74% & Women 90.63% MIDDLE MANAGERS 81.15% -Men 80.68% & Women 82.08% TECHNICIANS and SUPPORT STAFF 14.23% -Men 11.3% & Women 23.95%</p> <p>The responses are for our non-union employee population only. Union employees do not have a performance appraisal as they do not have performance-related compensation.</p>

Diversity and Equal Opportunity

Indicator	Description	Response / Reference to Information
103-2	Management Approach	<p>Diversity, Equity and Inclusion, or DE&I, is a business imperative for AVANGRID, as we believe that it is key to our future success. We strive to build and sustain a diverse workforce with a rich mix of differences, inclusive workplaces where each of us feels valued and connected, with equitable opportunities to grow and develop – no matter where we work. We have focused our DE&I initiatives on increasing diverse representation, especially in positions of authority, removing barriers, promoting equitable opportunities to grow and develop and building community by establishing tangible pathways for connection with others inside and outside AVANGRID.</p> <p>Please see Equal Opportunity Policy on AVANGRID website www.avangrid.com/wps/portal/avangrid/corporategovernance, and Diversity and Integration section of the website www.avangrid.com/wps/portal/avangrid/peopleandtalent/whyavangrid/diversityintegration, and Equality Plan section of the website www.avangrid.com/wps/portal/avangrid/peopleandtalent/whyavangrid/equalityplan</p> <p>Also please see page 51 "Diversity, Equity and Inclusion" of the 2021 AVANGRID Sustainability Report.</p>
	Specific activities regarding equality	<p>A key component of our DE&I strategy in 2021 included the implementation of unconscious bias training throughout the organization, including curated learning paths, synchronous training opportunities and e-learning. Over 90% of our lead-level employees completed two hours of self-guided training, including a multi-day university-style training attended by over 200 people leaders. We also incorporated unconscious bias training as part of our new Hiring Manager Certification, which is required for any AVANGRID leader participating in the recruitment process.</p> <p>See page 51 "Unconscious Bias Training" of the 2021 AVANGRID Sustainability Report</p>
405-1	Diversity of governance bodies and employees	<p>BOARD OF DIRECTORS: See avangrid.com.com for the most up-to-date information on the composition of our board.</p> <p>EMPLOYEES: 2,016 (or 27.44%) of our 7,348 employees at December 31, 2021 were women. Employee demographics are shown on page 52 of AVANGRID 2021 Sustainability Report.</p> <p>Workforce by gender and age</p> <ul style="list-style-type: none"> - Men: 5,332 (874 up to 30 years old, 2,601 between 31 and 50 years old, 1,857 more than 51 years old) - Women: 2,016 (230 up to 30 years old, 931 between 31 and 50 years old, 855 more than 51 years old) <p>Share of women in all management positions, including junior, middle and top management (as % of total management positions) - 30.84%</p> <p>Share of women in junior management positions, i.e. first level of management (as % of total junior management positions) - 30.87%</p> <p>Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions) - 30.26%. The public target is to reach 50% by 2030.</p> <p>Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.) - 27.32%</p> <p>At least 20% of our workforce is based in the US and we monitor the breakdown of our workforce according to ethnic and racial indicators.</p> <ul style="list-style-type: none"> Asian - 2.75% Black / African American - 5.76% Hispanic or Latino - 6.93% White - 76.78% Indigenous or Native - 0.48% Other - 1.33% <p>6% of the workforce has declined to self-identify thus the percentages do not add to 100%</p>

Indicator	Description	Response / Reference to Information
Non-discrimination		
103-2	Management Approach	<p>AVANGRID believes the workplace should be respectful and free from all manifestations of discrimination. AVANGRID maintains policies to promote an equitable workplace and protect employees from harassment, discrimination, and retaliation. All of our employees are responsible for supporting a workplace free from harassment or discrimination, and contributing to the equitable treatment of the people in our organization and the communities we serve.</p> <p>There are 3 HR policies which relate to non-discrimination and anti-harassment: 1) EEO Policy 2) Sexual Harassment Prevention Policy 3) Anti-Harassment & Discrimination Free Work Environment Policy. There are also 17 Corporate policy, several of which relate to non-discrimination and anti-harassment.</p> <p>Please see Diversity and Integration section of the AVANGRID website www.avangrid.com/wps/portal/avangrid/peopleandtalent/whyavangrid/diversityintegration</p> <p>Please see Equality Plan section of the website www.avangrid.com/wps/portal/avangrid/peopleandtalent/whyavangrid/equalityplan</p>
406-1	Incidents of discrimination and corrective actions taken	<p>AVANGRID is committed to providing equal employment opportunities for all individuals and to maintaining a work environment free of discrimination, harassment and retaliation. The AVANGRID Board of Directors has adopted an Equal Opportunity Policy that articulates these principles, and the AVANGRID Board of Directors has adopted a Supplier Code of Ethics pursuant to which we require all suppliers, partners and independent contractors to comply with company policy and applicable law. As a result of AVANGRID's commitment to creating and sustaining a workplace where employees feel safe, valued and included, all AVANGRID employees are expected to uphold federal, state and local laws and comply with all AVANGRID policies, including but not limited to the Equal Opportunity and Sexual and Other Unlawful Harassment/Anti-discrimination policies.</p> <p>Please see the Equal Opportunity Policy and Supplier Code of Ethics in the Corporate Governance section of www.avangrid.com</p>
Freedom of Association and Collective Bargaining		
103-2	Management Approach	<p>Respect for human rights is fundamental to our company, to the communities in which we operate and serve and to our ambition to help achieve a more just and sustainable world. Because of this, we have developed and strictly adhere to a set of guiding principles to ensure the protection of human rights in everything we do. This means that we respect and abide by internationally recognized human rights principles, and that we are committed to treating people with dignity and with respect. From protecting the rights of ethnic minorities and indigenous peoples, to respecting employees' rights to associate and engage in collective bargaining, we've established mechanisms to identify, prevent and mitigate adverse human rights impacts.</p> <p>Please see Suppliers Code of Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies Also please see page 43 "Human Rights and Supplier Code of Conduct" of the 2021 AVANGRID Sustainability Report.</p>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>There was no identification in 2021 of any operations or contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labor, nor is there evidence of receiving complaints on these grounds. Our Purchasing Policy includes a specific section on respect for human rights. All suppliers are required to comply with all applicable employment laws, rules and regulations, including state, federal and applicable in-country laws and regulations regarding among other topics: equal opportunity and non-discrimination, human rights, Forced or compulsory labor (including slavery and human trafficking), child labor, freedom of association and collective bargaining.</p> <p>Please see Supplier Contracting Terms on the Avangrid website.</p>
Child Labor		

Indicator	Description	Response / Reference to Information
103-2	Management Approach	<p>AVANGRID has a long standing commitment to human rights and is guided by principles in the Universal Declaration of Human Rights, the International Labor Organization’s (“ILO”) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the Sustainable Development Goals (SDGs) approved by the member states of the United Nations. We are expected to comply with applicable laws related to freedom of association, collective bargaining, child labor and forced labor, slavery and human trafficking.</p> <p>Please see Human Rights Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies Please see Suppliers Code of Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies</p>
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>There was no identification in 2021 of any operations or contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labor, nor is there evidence of receiving complaints on these grounds. Our Purchasing Policy includes a specific section on respect for human rights. All suppliers are required to comply with all applicable employment laws, rules and regulations, including state, federal and applicable in-country laws and regulations regarding among other topics: equal opportunity and non-discrimination, human rights, Forced or compulsory labor (including slavery and human trafficking), child labor, freedom of association and collective bargaining.</p>

Forced or Compulsory Labor		
103-2	Management Approach	<p>The company has a long standing commitment to human rights and is guided by principles in the Universal Declaration of Human Rights, the International Labor Organization’s (“ILO”) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the Sustainable Development Goals (SDGs) approved by the member states of the United Nations. We are expected to comply with applicable laws related to freedom of association, collective bargaining, child labor and forced labor, slavery and human trafficking.</p> <p>Please see Human Rights Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies Please see Suppliers Code of Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies</p>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>There was no identification in 2021 of any operations or contracting with suppliers that has generated incidents relating to freedom of association, collective bargaining, or the use of child or forced or compulsory labor, nor is there evidence of receiving complaints on these grounds. Our Purchasing Policy includes a specific section on respect for human rights. All suppliers are required to comply with all applicable employment laws, rules and regulations, including state, federal and applicable in-country laws and regulations regarding among other topics: equal opportunity and non-discrimination, human rights, Forced or compulsory labor (including slavery and human trafficking), child labor, freedom of association and collective bargaining.</p>

Indicator	Description	Response / Reference to Information
Security Practices		
103-2	Management Approach	<p>The Corporate Security Policy seeks to protect AVANGRID Group people, assets, and information while at the same time ensuring that security related actions fully conform to applicable laws and regulations and respect human rights. This Policy contributes to the achievement of goal sixteen (Peace, Justice and Strong Institutions) of the Sustainable Development Goals (SDGs) adopted by the member states of the United Nations. To achieve these goals, the AVANGRID Group shall:</p> <ul style="list-style-type: none"> a) Comply with all applicable laws and regulations regarding physical, cyber, and information security and AVANGRID's Governance and Sustainability System; b) Ensure security personnel are qualified and properly trained in the relevant areas, including, without limitation, privacy, human rights, and the AVANGRID Governance and Sustainability System; c) Develop a preventive strategy and implement security programs that seek to protect critical infrastructure and maintain essential services provided by the AVANGRID Group and minimize security risks, including, without limitation, operational-, reputational-, financial-, privacy-, and compliance-related risks; d) Actively engage internal and external stakeholders to mitigate identified security risks; e) Optimize resources by prioritizing critical security services while complying with all legal and/or regulatory mandates; f) Implement best practices in "threat and incident detection" and "response readiness" to mitigate risk; g) Drive innovation and deployment of technology-related solutions in security and compliance to achieve a best-in-class security programs; and h) Contribute to the promotion of a culture of security throughout the AVANGRID Group through effective communication and training programs <p>Please see Human Rights Policy and Corporate Security Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies</p>
410-1	Security personnel trained in human rights policies or procedures	<p>Total number of in-house security personnel employees trained in human rights policies or procedures in 2021 was 40. Total number of sub-contracted security personnel employees trained in human rights policies or procedures in 2021 was 94.</p>
Rights of Indigenous Peoples		
103-2	Management Approach	<p>At AVANGRID we are firmly committed to the upholding human rights, which is why the company uses a set of tools that guarantee and promote protection and respect for people to prevent, mitigate and repair any possible impact that may affect human rights.</p> <p>Our practices are aligned with the main international standards:</p> <ul style="list-style-type: none"> -The principles on which the United Nations Global Compact is based -The UN's Guiding Principles on Business and Human Rights. -The OECD Guidelines for Multinational Enterprises -Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. -The International Labor Organization Conventions (including ILO 169). -The Sustainable Development Goals, particularly SDGs 2, 8, 5 and 16. <p>Please see Human Rights Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies</p>
411-1	Incidents of violations involving rights of indigenous peoples	<p>Projects in indigenous territories are described below:</p> <p>In the United States, the following actions were taken with regard to projects under construction in the state of Oregon, pursuant to the requirements of the Oregon Energy Facility: At the Golden Hills wind farm, at the request of the Confederated Tribes of the Umatilla Indian Reservation, the certificate for the specific type of pylons used at the site was delivered; and at the Bakeoven photovoltaic park, at the request of the Warm Springs Confederated Tribes, the fulfilment of all the settlement requirements at the site was verified.</p> <p>Regarding solar projects under development, also in the United States, the following actions have been carried out: work is under way with the Yakama Indian Nation to detect issues that might affect the traditional cultural territories in the vicinity of the Bluebird photovoltaic park; actions have also been carried out with respect to the Badger Mountain project with the Yakama Indian Nation and the Colville Tribe, as well as the Tower Road project with the Yakama Indian Nation and the Confederated Tribes of the Umatilla Indian Reservation.</p> <p>Please refer to the Iberdrola website page 146.</p>

Indicator	Description	Response / Reference to Information
Human Rights Assessment		
103-2	Management Approach	<p>At AVANGRID we are firmly committed to the upholding human rights, which is why the company uses a set of tools that guarantee and promote protection and respect for people to prevent, mitigate and repair any possible impact that may affect human rights.</p> <p>Our practices are aligned with the main international standards:</p> <ul style="list-style-type: none"> -The principles on which the United Nations Global Compact is based -The UN's Guiding Principles on Business and Human Rights. -The OECD Guidelines for Multinational Enterprises -Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. -The International Labor Organization Conventions (including ILO 169). -The Sustainable Development Goals, particularly SDGs 2, 8, 5 and 16. <p>Please see Human Rights Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies</p> <p>Also AVANGRID participates in the Iberdrola Human Rights Assessment process and the conclusions of this study can be found in the Iberdrola Sustainability Report on page 143. After the human rights due diligence analysis in 2021, the company worked on the improvement opportunities that were detected. The gap analysis, together with the review and update of the ad hoc risk map for the company's business activity, sets out the process for prioritizing actions to prevent and mitigate possible impacts.</p>
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>Number of OFFICES that constitute the main centers of activity located in countries at risk of human rights violations = 28</p> <p>Number of PRODUCTION CENTERS that constitute the main activity centers located in countries at risk of human rights violations = 20</p> <p>AVANGRID complies with all federal, state and local laws. HR has not identified any specific human rights risk during the reporting period.</p>
412-2	Employee training on human rights policies or procedures	<p>Employee training on human rights (hours): 116,211 (2021) 69,952 (2020) 109,570 (2019) 15,238 (2018)</p> <p>Due to the importance that respect for human rights has for the company, there are various training initiatives to inform the entire organization of the social and labor rights affecting the activities of the company and to train all employees on the prevention of risks in the operations of the company, mitigation and the remediation of any violation of human rights. A virtual training on Human Rights was added in 2019.</p>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>The number of agreements and contracts signed for significant investments (no. of agreements, not their value). A significant investment is defined as either one involving more than 100 million euros or one that is considered significant for the company due to its size or strategic importance, even though it is less than this value = 3</p> <p>The number of significant investment agreements reported in the previous question above that include human rights clauses = 3</p> <p>Contractor is required to comply with human rights laws, rules and treaties under sec. 4.5 of Golden Hills and Midland Wind contracts</p> <p>EPC contract for Lund Hill Solar in Washington is the only significant investment entered into for solar in 2021. Contract requires contractor to comply with all applicable laws and permits including labor requirements necessary to qualify for Washington State sales tax abatement the condition for which is entering into a Project Labor Agreement (Washington Senate Bill 5116, sec. 18).</p>

Indicator	Description	Response / Reference to Information
Local Communities		
103-2	Management Approach	<p>We Put Energy Into What Really Matters - Keeping our communities strong and sustainable means stepping up when help is most needed. Alongside national and local partners, we're working to support our neighbors in need.</p> <p>AVANGRID corporate citizenship and/or philanthropic contributions fall within these categories: Charitable Donations - 27% Community Investments - 72% Commercial Initiatives - 1%</p> <p>AVANGRID Total monetary value (at cost) of our company's corporate citizenship/philanthropic contributions for each of the following categories were: Cash Contributions - \$4,700,187 Time: employee volunteering during paid working hours - \$37,224 Management overheads - \$389,491</p> <p>AVANGRID is proud to support employee volunteering, whether at an organizational or an individual level, as part of our commitment to building healthier, more sustainable communities. Our intention is to create and celebrate volunteering activities that are meaningful to our employees, impactful to our local communities, and aligned with our mission and values. Avangrid undertakes a number of different types of events at the Company, local and personal level. Depending on circumstances, our employees are encouraged to participate in events that can be both outside of working hours or during normal paid working hours. In 2021, 25% of employee volunteer hours (767 hours) occurred during working hours.</p> <p>Overall we are committed to a goal of 35,000 employee volunteer hours in 2025.</p> <p>Please see page 48 "Showing Up When Customers Need Us Most" of the 2021 Sustainability Report. Please also see the Society section on the website www.avangrid.com/wps/portal/avangrid/sustainability/society.</p>
413-1	Operations with local community engagement, impact assessments, and development programs	<p>Please see "UNDERSTANDING – AND ADDRESSING – THE “WHY” OF SOCIAL IMPACT" on pages 46- 59 of AVANGRID 2021 Sustainability Report.</p> <p>For AVANGRID Networks projects, in 2021, no specific social impact studies were conducted and certain Networks Projects required consultations with local communities via municipality permitting processes.</p> <p>For AVANGRID Renewables (Wind), the 2021 permits were narrow in scope with no anticipated social impacts. The analyses did address other matters, however, including impacts on local property owners, tribes (indigenous people), and historic resources as well as environmental impacts. The three wind projects receiving permits in 2021 were for modifications or ancillary changes. Therefore, in 2021 not all social impact considerations required full-scale analysis. The relevant analyses were conducted and formed the basis for permit actions by the regulatory agencies.</p> <p>For AVANGRID Renewables (Solar), 7 projects required application and orders and all addressed the range of social, environmental, cultural, and other impacts. Such as changes in land use, Impacts on infrastructures (roads, buildings, etc.), and changes in the appearance and quality of the landscape</p> <p>In 2021, AVANGRID operating companies and Avangrid Foundation provided \$4.4 million in total giving contributions throughout our service territories. Employees provided a total of \$363K.</p>

Indicator	Description	Response / Reference to Information
413-2	Operations with significant actual and potential negative impacts on local communities	<p>In 2021, there were no significant negative impacts (real or potential) from the Company's facilities identified for local communities.</p> <p>AVANGRID is committed to sustainability through our investments and initiatives in our communities. Environmental impact assessment studies are performed in accordance with applicable law prior to the construction of facilities, which include a social impact assessment. Activities addressing its Stakeholders are also performed, including social development programs and participation in local communities.</p> <p>Avangrid Foundation, the primary philanthropic arm of AVANGRID, focuses on the environment, preserving cultural and artistic heritage, advancing education and improving the lives of people, particularly in the places where AVANGRID has an operating presence. In 2021, AVANGRID operating companies and Avangrid Foundation provided \$4.4 million in total giving contributions throughout our service territories. Employees provided a total of \$363K.</p>

Supplier Social Assessment

103-2	Management Approach	<p>At AVANGRID we set strong expectations for our suppliers to engage in sustainable business practices to help create a more socially conscious and equitable supply chain. Here, we expect our suppliers to understand and adhere to our environmental policies, to take steps to reduce their greenhouse gas emissions, to invest in protecting biodiversity and to manage and protect precious resources like water. To meet our goals around supplier diversity and sustainability, AVANGRID has created a supplier evaluation model based on criteria used globally to measure a company's environmental, social and governance (ESG) practices.</p> <p>Please see pages 55-56 "Supplier Diversity" of the 2021 AVANGRID Sustainability Report. Also please see Suppliers Code of Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies</p>
414-1	New suppliers that were screened using social criteria	<p>The top priorities of Iberdrola's general supply chain management strategy are: Competitiveness, Efficiency, Sustainability, Internal customer satisfaction and Digital transformation.</p> <p>Ethics is at the heart of our Business Model and is embedded in our Corporate Governance Structure and in our policies and procedures for managing our suppliers. The Iberdrola Group is permanently committed to the application of ethical governance practices and the maintenance, development and supervision of compliance policies in all areas of activity. This ethical and good governance commitment extends to all Group companies and all its professionals and the policies that develop it make it clear that the Group is firmly opposed to the commission of any illicit, criminal or other act that promotes a preventive culture based on the principle of "zero tolerance" towards the commission of unlawful acts and situations of fraud and in the application of the principles of ethics and responsible behavior. It is essential that this message be conveyed in a decisive manner to the third parties with which the Group companies are related, in such a way that they formally commit themselves to respect the ethical commitment and good governance of the Group.</p> <p>At Iberdrola we look for sustainable, transparent, fair and ethical supplies and suppliers. That's why we evaluate your company to find out what the potential risk is during the purchasing process. We check that supplier modus operandi is aligned with our group's policies, principles and responsibilities.</p> <p>Also Governance and Compliance and Supply Chain Development. AVANGRID extends its ethical standards under the Code of Business Conduct and Ethics to <u>all</u> its vendors. Vendors are required by contract to comply with the Suppliers' Code of Ethics, available on AVANGRID's public website.</p> <p>A reinforced screening procedure has been established in conjunction with the Group's Compliance Division for all suppliers that are registered in the Iberdrola group's purchasing systems, in which the supplier is analyzed, together with its parent companies and/or subsidiaries, officers, and shareholders. This screening, which improves the system that was in force until 2021, seeks to identify sanctions, adverse news or indications of non-compliance in terms of compliance and human rights, and is carried out with a tool of proven prestige in the market, owned by Dow Jones.</p> <p>In 2021 4,315 purchase orders were created and all associated vendors were screened using the AVANGRID supplier evaluation model.</p>
414-2	Negative social impacts in the supply chain and actions taken	<p>No suppliers have been detected with a material negative social impact, or incidents reported through the channels established for such purpose.</p>

Public Policy

103-2	Management Approach	<p>Please see the Code of Business Conduct and Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies</p>
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Indicator	Description	Response / Reference to Information
415-1	Political Contributions	2021 AVANGRID political donations were as follows: Trade associations - \$151,280 Lobbying: -federal level \$452,400 -state level \$53,250 Amounts do not include contributions to campaign, candidates, or ballot initiatives
Customer Health and Safety		
103-2	Management Approach	AVANGRID has formal policies and procedures around health and safety in order to establish accountability. We also support a healthy and safe workplace by encouraging a culture of shared responsibility, starting with a firm commitment from the executive team and extending out to bargaining units, management, contractors and each individual employee. Please see "Health & Safety Focus During the COVID-19 Pandemic" on pages 49-50 of the 2021 Sustainability Report. Also please see Health and Safety section of the website www.avangrid.com/wps/portal/avangrid/sustainability/SustainableBusiness/healthandsafety/
416-1	Assessment of the health and safety impacts of product and service categories	AVANGRID's utilities provide gas and electric services to customers. The impacts on health and safety of all categories of major products and services are assessed. Additionally, AVANGRID meets the legal and regulatory obligations (including those pertaining to Customer Service) for each State in which it operates.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	The number of incidents that have given rise to the fines quantified in Health/Safety = 42 The number of incidents involving breaches of regulations related to customer health and safety resulting in non-monetary penalties = 6
Marketing and Labeling		
103-2	Management Approach	AVANGRID understands it is critical for the success of our company is to have ongoing relationships with the customers and communities that we serve. As part of this ongoing partnership, we commit to following all Federal, State and local legal and regulatory rules relating to the protection of customer rights and the establishment of fair and transparent markets.
417-1	Requirements for product and service information and labeling	At the AVANGRID Network Companies, each electric utility is required to inform the customers via their monthly bill the number of KWH used, the charge per KWH, the name of their supplier of electricity and usage history. This information is shown in graphs and labels in formats established by the Maine Public Utilities Commission (MPUC), State of New York Public Service Commission (PSC), and the Public Utilities Regulatory Authority (PURA).
417-2	Incidents of non-compliance concerning product and service information and	There were no breaches of voluntary codes pertaining to information about and the labelling of products or services
417-3	Incidents of non-compliance concerning marketing communications	There were no incidents involving breaches of regulations related to advertising and marketing resulting in non-monetary penalties.

Indicator	Description	Response / Reference to Information
Customer Privacy		
103-2	Management Approach	<p>In the context of the AVANGRID Group’s business activities, the AVANGRID Group processes personally identifiable information (“PII”) from different groups of stakeholders such as customers, employees, and suppliers. AVANGRID recognizes the importance of proper use and handling of the PII acquired, used, stored, destroyed, or disclosed in the course of the AVANGRID Group’s business activities. The AVANGRID Personal Data Privacy Policy sets forth the general principles that guides the processing of PII by the AVANGRID Group and the basic framework for the distribution of privacy compliance related responsibilities within the different AVANGRID Group divisions.</p> <p>The AVANGRID Personal Data Privacy Policy is updated annually and approved by the AVANGRID Board of Directors. Personal Identifiable Information (PII) online training is also provided to all AVANGRID employees.</p> <p>Please see Corporate Security Policy and Personal Data Privacy Policy on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CorporatePolicies</p>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>There have not been any complaints or violations from regulatory bodies to the company according to the Corporate Security Unified Incident Response Plan (UIRP).</p> <p>There have not been any validated breaches according to the Corporate Security UIRP.</p>
Socioeconomic Compliance		
103-2	Management Approach	<p>At AVANGRID the foundation of corporate ethics and compliance is a commitment to maintaining the accuracy and completeness of our documents and records, particularly financial records. Employees are required to maintain books, invoices, records and accounts that accurately and fairly reflect the company’s transactions. Employees are prohibited from intentionally distorting or disguising the true nature of any transaction, particularly related to the company’s accounting. If employees discover deficiencies or weaknesses in the company’s internal controls related to financial reporting or any fraud involving management or other employees, they must report this information to the company’s Compliance Division.</p> <p>See Code of business Conduct and Ethics on the website www.avangrid.com/wps/portal/avangrid/corporategovernance/CorporateGovernanceSystem/CompliancePolicies</p>
419-1	Non-compliance with laws and regulations in the social and economic area	<p>AVANGRID had one fine imposed for reasons relating to social issues.</p> <p>Violation of City of Bridgeport, CT Anti-Blight Ordinance as defined in Section 8.76.020. (RE: 412 Housatonic Avenue, Vacant Structure--garbage, trash, rubbish, other debris, waste material (8.76.020, 2(f) & 8.a.ii)).Structure and other debris must be removed from property within 5 days</p> <p>Fine of \$3,000</p>

AVANGRID RENEWABLES LEADING ASSOCIATION MEMBERSHIPS – 2021
American Clean Power Association – National (US) Trade Association Board and Executive Committee
American Council on Renewable Energy – National Research, Education, and Advocacy Association Board and Executive Committee
MAREC Action – Trade Association in Mid-Atlantic (PJM) States Board and Executive Committee
Alliance for Clean Energy New York -- Research, Education, and Advocacy Association in New York Board
RENEW Northeast – Research, Education, and Advocacy Association in New England Board
Clean Grid Alliance – Research, Education, and Advocacy Association in Midwest US (MISO) Board
Advanced Power Alliance -- Research, Education, and Advocacy Association in Texas and Southwest US Board and Executive Committee
Interwest Energy Alliance – Trade Association in intermountain west States Board
Renewable Northwest – Research, Education, and Advocacy Association in Pacific Northwest Board and Executive Committee
Independent Energy Producers Association of California – Trade Association in California Board and Executive Committee
AVANGRID NETWORKS ASSOCIATION MEMBERSHIPS - 2021
New York State Associations
Greater Binghamton Chamber of Commerce
Rochester Business Alliance
Buffalo-Niagara Partnership
Visit Rochester
Rochester Hispanic Business Assn.
Saratoga Economic Development corp
Three Rivers Development Corp
Putnam County Economic Development Council
Tompkins County Area Development Corp
NY State Economic Development Council
Business Council of NY State
Tioga County Chamber of Commerce
Seneca County Chamber of Commerce
Cortland County Chamber of Commerce
Cayuga County Chamber of Commerce
Geneva Area Chamber of Commerce
Yates County Chamber of Commerce
Ostego County Chamber of Commerce
North County Chamber of Commerce
Columbia County Chamber of Commerce
Capital Region Chamber of Commerce
Rensselaer County Regional Chamber of Commerce
Saratoga County Chamber of Commerce
Hornell Area Chamber of Commerce
Cheektowaga Chamber of Commerce
Wyoming County Chamber & Tourism
Niagara USA Chamber
Rochester Rotary Charities
Canandaigua Chamber of Commerce
Greater Rochester Chamber of Commerce
The Business Council of New York State

Maine State Associations
Brunswick-Topsham Land Trust
Penobscot Bay Regional Chamber
Portland Regional Chamber
Androscoggin County Chamber of Commerce
Kennebec Valley Chamber of Commerce
Maine State Chamber of Commerce
Maine Audubon Society
E2Tech
Maine Better Transportation Assn
The Nature Conservancy-Maine
Maine and Company
Edison Electric Inst. (EEI)
Northeast Gas Assn.
Gas Technology Institute
Lewiston Auburn Metropolitan
Sebago Lakes Regiona Chamber
Skowhegan Area Chamber
Bethel Area Chamber of Commerce
Maine Development Foundation
Mitchell Tardy Jackson LLC
Sportman's Alliance of Maine
Sebasticook Valley
ME Forest Products Council
Sanford/Springvale Chamber of Commerce
Maine & Co.
The Greater York Chamber
Environmental & Energy Technology
Franklin County Chamber of Commerce
Old Orchard Beach Chamber
Southern Midcoast Maine Chamber
Greater Bridgton Lakes Region Chamber of Commerce
Kennebec Valley Tourism Council
Mid Maine Chamber
Connecticut State Associations
American Gas Association
American National Standards Institute
Association for Advancement of Cost Engineering - International
Association of Edison Illuminating Companies
Call Before You Dig , Connecticut
Center for Energy Workforce Development
CIGRE (International Council on Large Electric Systems)
Connecticut Energy Workforce Development Consortium
Edison Electric Institute

Electric Power Research Institute
Energy Council of the Northeast
Institute of Electrical and Electronics Engineers
ISO New England
National Electrical Safe Code
New England Power Pool
North American Electric Reliability Corporation
North American Transmission Owner and Operator Forum
Northeast Gas Association
Northeast Transmission Group (NETG)
Northeast Underground Committee
Connecticut Business Industry Association
Connecticut Power & Energy Society
Greater New Haven Chamber of Commerce
Greater Valley Chamber of Commerce
Hamden Regional Chamber of Commerce
Boston College for Corporate Citizenship
Milford Chamber of Commerce
Orange Economic Development Corporation
West Hartford Chamber of Commerce
Bridgeport Regional Business Council
AdvanceCT
ManufactureCT
Fairfield Chamber of Commerce
MetroHartford Alliance
Greater Manchester Chamber of Commerce
Downtown Milford Business District
Connecticut Sustainable Council
CEDAS
Shoreline Chamber of Commerce
Middlesex Chamber of Commerce
Public Affairs Council
Connecticut Council of Small Towns (COST)
Greenwich Chamber
Massachusetts
American Gas Association
Northeast Gas Association
Gas Technology Institute
National and Regional Associations
Northeast Gas Assn
Northeastern Economic Development Assn
New England-Canada Business Council
Industrial Asset Management Council
Edison Electric Institute

Operations Technology Development
American Gas Assn
International Economic Development Council

