Responsible AI Policy

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1. VERSION HISTORY

Version	Approval Date	Draft	Approval	Comment
1	27/05/2025	DGU	EBD	Initial Issue

2. OBJECTIVE

This policy defines governance, ethical principles, responsibilities, and operational safeguards for the responsible development and use of Artificial Intelligence (AI) within the EDP Group. It ensures alignment with internal controls, international regulations (e.g., EU AI Act, GDPR), and EDP's innovation strategy.

As AI continues to evolve and integrate into various aspects of our activities, operations, and processes, this policy operationalises the EDP Code of Ethics within the AI context.

It reflects EDP's vision to be a leader in the energy transition, while creating superior value with focus on sustainability. The objective is to provide a comprehensive framework that will:

- Support the strategic pillars of EDP of an accelerated and focused growth, an ESG excellence, a distinctive portfolio e a superior value for stakeholders.
- Promote the ethical and fair use of AI technologies, ensuring transparency and accountability in AI decision-making processes.
- Ensure the security, privacy, and protection of data used by AI systems.
- Mitigate risks associated with the use of AI while harnessing its benefits.
- Encourage innovation in AI that aligns with EDP's values and mission.

3. SCOPE

This policy applies to all AI systems and models developed, acquired, or used by the EDP Group across all Platforms, Regions, Business Enablement Functions, Global Business Services and all the entities and subsidiaries within EDP Group, including its technology platforms.

It also applies to all employees (permanent or temporary), members of the governing bodies, and third parties (contractors, service providers, or respective collaborators) who access or interact with EDP's AI systems under any legal arrangement.

4. REFERENCES

- EDP Code of Ethics.
- EU Artificial Intelligence Act (2024/1689).
- ISO/IEC 42001:2023 – AI Management Systems.
- ISO 31000:2018 – Risk Management Principles.
- OECD AI Principles.
- Charter of Fundamental Rights of the European Union.

5. TERMS AND DEFINITIONS

- **Artificial Intelligence (AI):** Any system that can infer, predict, generate, or make recommendations based on learning from data or rules.
- **AI System:** A machine-based system designed to operate with varying levels of autonomy and that may adapt its behaviour by analysing input data to generate outputs such as predictions, decisions, recommendations, or content.
- **AI Model:** A physical, mathematical, or logical representation of a system, entity, phenomenon, process, or data. The model is a core component of an AI system, being that it is responsible for making inferences and transforming inputs into outputs.
- **Generative AI:** A type of AI model capable of generating new content such as text, images, code, or audio (e.g LLMs).
- **High-Risk AI System:** An AI system classified as high-risk due to its impact on human rights, safety, critical infrastructure, or regulated activities, as defined by EU AI Act.
- **Unacceptable-Risk AI System:** An AI system that is prohibited under the EU AI Act, including systems that manipulate behaviour, exploit vulnerabilities, or enable social scoring by public authorities.
- **AI Inventory:** The centralized register of all AI systems and AI models in use at EDP.

6. PRINCIPLES OF CONDUCT

EDP's AI use follows key principles rooted in our values ensuring legal compliance:

- **Respect for Human Rights and Social Well-being**: AI systems must uphold dignity, autonomy, safety, and fairness, particularly in high-risk scenarios.
- **Non-Discrimination and Fairness**: AI systems must be designed and tested to prevent unfair bias or discrimination and promote equal access, gender equality, age, cultural diversity, geography or other protected characteristics.

- **Privacy and Data Protection** All personal data processed by AI systems must comply with privacy regulations and internal data integrity standards. Data quality and integrity for all the datasets used for AI systems is as appropriate, accurate, and free of errors or biases as possible.

- **Transparency and Explainability**: Users must be aware that they interact with an AI system and be able to understand and challenge AI outcomes. Where feasible, AI decisions should be explainable in plain language.

- **Reliability and Safety**: AI systems must be technically robust, reliable, safe and resilient to misuse or attack, and ensure continuity of performance.

- **Innovation and Accountability**: All AI activities must support EDP's innovation strategy while ensuring traceability, documentation, and responsible governance.

- **Environmental Sustainability**: AI systems must minimise environmental impact through energy-efficient design and responsible resource use, supporting the UN Sustainable Development Goals where feasible.

- **Training and Awareness**: EDP ensures that appropriate training on the legal, ethical, and security risks of AI is available, enabling safe and responsible use by all users.

7. RESPONSIBLE AI OPERATING MODEL

EDP's Responsible AI Policy establishes governance and lifecycle processes for ethical AI use, approved and overseen by the Executive Board of Directors.

7.1. Governance Structure

- **1st Line: AI Asset Owners & Delivery Teams** – responsible for system registration and compliance during development, deployment and acquisition.
- **2nd Line: RAI Specialist, Legal & Governance; Ethics & Compliance** – defines risk assessment methodology and ensures regulatory alignment.
- **3rd Line: Internal Audit** – conducts periodic reviews and lifecycle assurance.

The **Responsible AI Committee** provides oversight of AI governance and framework, promotes Responsible AI awareness, approves Risk Treatment Plans, and ensures cross-business alignment with EDP's ethical and regulatory commitments.

7.2. Functional Processes

To operationalize responsible AI use, EDP applies a risk base approach translated into a set of structured functional processes that guide the full AI lifecycle - from initial assessment through to monitoring and documentation. These processes ensure that AI systems are deployed safely, ethically, and in compliance with internal and external requirements.

- **Purpose Assessment:** Classify AI use cases by intended purpose and risk level (Unacceptable, High, Medium, Low).
- **Readiness Review:** Conducted pre-deployment to assess the required safeguards and controls are in place. If gaps are identified, a Risk Treatment Plan must be submitted and approved before deployment.
- **Monitoring & Maintenance:** AI systems are continuously monitored and updated as needed.
- **Documentation & Inventories:** All AI assets are registered, version-controlled, and documented in the central inventory.

8. FINAL PROVISIONS

Ethics & Compliance is responsible for reviewing this Policy every two-years or whenever there are relevant changes to the legal framework and the context of the Group's activities and when new elements emerge that demonstrate its non-integral adequacy, submitting the change proposals to the approval of the EDP's Executive Board of Directors.

Any question regarding the interpretation or the application of this Policy should be directed to Ethics & Compliance, which will provide advice on the most appropriate way of acting.

All changes will be communicated to relevant stakeholders. Users are responsible for periodically checking this policy to stay informed of updates or changes.