Reconomy

Artificial Intelligence (AI) Policy

Contents

Reconomy UK Ltd. Kelsall House, Stafford Court, Stafford Park 1, Telford, Shropshire TF3 3BD

01952 292 000 **enquiries@reconomy.com** **reconomy.com**

1. Introduction

1.1 Purpose

In an era where artificial intelligence (AI) and machine learning (ML) systems increasingly influence decision-making across sectors, it is essential to ensure that their development and deployment uphold the fundamental principles of **vigilance, equality, fairness, and non-discrimination**.

Also, we recognise that the use of publicly accessible or consumer-grade AI systems presents significant risks related to intellectual property exposure, confidentiality breaches, and loss of control over company information. When sensitive, proprietary, or personal data is input into external AI platforms, that data may be stored, processed outside approved jurisdictions, or used to further train external models, potentially resulting in unintended disclosure or loss of competitive advantage.

This policy establishes clear governance controls to mitigate these risks and to ensure that AI technologies are used in a fair manner that safeguards the organisation's intellectual property, confidential information, regulatory compliance obligations, and overall information security posture.

1.2 Scope

This AI Policy applies to **all employees**, across all roles, departments, and levels of responsibility.

This policy applies to all AI systems used within Reconomy, including third-party platforms, internal tools, and experimental technologies, regardless of the department or function. Whether AI tools are used for administrative tasks, data analysis, communication, decision support, or creative work, every employee shares the responsibility to ensure that these technologies are used ethically, transparently, and in alignment with human rights principles and information security standards.

1.3 Definitions

Artificial Intelligence (AI):
A set of technologies that enable machines to perform tasks that typically require human intelligence, such as understanding language, recognizing patterns, making decisions, or generating content.

Machine Learning (ML):
A subset of AI that involves algorithms learning from data to improve performance over time without being explicitly programmed for each task.

AI Tool:
Any software, platform, or system that uses AI or ML to assist with tasks such as automation, prediction, content generation, analysis, or decision support.

Large Language Model (LLM)
AI algorithm that uses huge data sets and ML techniques to generate content, it is "trained" to generate responses based on the data it holds and the content of the query. Public LLM tools such as ChatGPT, Gemini, and Grok are free to use by anyone, and they may store the data used in questions they receive.

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Bias:
Systematic and unfair discrimination in AI outputs, often resulting from biased training data, flawed algorithms, or lack of diverse input.

Hallucinations
A response produced by an artificial intelligence program or tool that appears to be accurate or plausible but that contains inaccurate or misleading information.

Generative Artificial Intelligence (Gen-AI)
A subset of artificial intelligence that creates new, original content including text, images, code, audio, and video by learning patterns from existing data using large-scale machine learning models. Popularized by tools like ChatGPT and Gemini, it enables users to generate content via natural language prompts.

Human Oversight:
The active involvement of staff in reviewing, validating, and making final decisions when AI tools are used, ensuring that technology does not replace human judgment.

AI Ethics:
Set of principles, guidelines, and practices that ensure artificial intelligence systems are developed, deployed, and used in a manner that is responsible, fair, transparent, and aligned with human values.

Sensitive Data:
Any personal, confidential, or protected information that must be handled in accordance with data protection laws and internal privacy policies.

Approved AI Tools:
AI platforms or applications that have been reviewed and authorised by the organisation for use in daily operations.

Due Diligence (DD)

A structured process used to identify, verify, and assess a supplier's compliance risks around data processing before entering or continuing a business relationship.

Enhanced Due Diligence (EDD)

An in-depth structured process applicable when the supplier is likely to perform higher risk processing of personal data or process a large amount of personal data and a Data Protection Impact Assessment (DPIA) is required.

Non-Discrimination:
The commitment to ensure that AI systems do not treat individuals or groups unfairly based on race, gender, age, disability, or other protected characteristics.

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2. AI Usage Principles

AI use within the organisation must adhere to the following principles:

1. Use AI as a Support Tool, not a Decision-Maker

AI systems should assist - not replace - human judgement. Staff must critically evaluate AI-generated outputs and avoid relying solely on automated decisions, especially in matters that affect individuals' rights, opportunities, or well-being.

2. Fairness and Non-Discrimination

When using AI tools (e.g., for data analysis, content generation, or decision support), staff should be aware that outputs may reflect biases present in the training data. Always review results for fairness and consider whether they could unintentionally disadvantage certain individuals or groups.

3. Data Protection and Intellectual Property Integrity

Users are strictly prohibited from inputting Personal Identifiable Information (PII), proprietary intellectual property, or data classified as 'Confidential' or 'Highly Confidential' into any AI or Large Language Model (LLM) system, **unless** it is an Approved Enterprise Tool. Please see below in section 5 “Audit & Review” the approved AI tools.

Approved Enterprise Tools: Systems such as Microsoft 365 Copilot, are permitted for use with internal documentation and proprietary data. However, use of non-Enterprise, consumer grade AI tools (free or personally paid versions of ChatGPT, Gemini, etc) for company or sensitive data remains strictly prohibited, as these platforms may use inputs to train global models.

All AI outputs must be independently verified by a human before use to ensure accuracy and compliance with GDPR and contractual obligations".

For more information regarding data labelling and handling standards, please check the standards here Data Labelling & Handling Standards.

4. Be vigilant with suppliers & vendors

When sharing data with suppliers & vendors, make sure that all required agreements are signed, valid and up to date, and stored. This includes framework contracts, statements of work, service level agreements, non-disclosure agreements (NDA), data processing agreements (DPA), Supplier Security Assurance Form or equivalent “Trust” package, or relevant Information Security certifications such as ISO 27001, SOC-II.

Any new AI system needs to go through a Due Diligence process approved by Group Compliance Team and Information Security. Please find more information in the **Due Diligence Hub** and in Section 3-Goveranance

5. Ensure Transparency and Explainability

When communicating decisions or insights derived from AI tools, staff should be prepared to explain how the AI contributed to the outcome. Transparency builds trust and helps others understand the role of technology in our processes.

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6. Report Issues and Seek Guidance

If an AI tool produces questionable, biased, or harmful outputs, staff should report the issue with a ServiceNow request from here Report a security issue - Employee Center

7. Stay Informed and Engaged

Staff are encouraged to stay updated on best practices, risks, and developments in AI. Training and awareness initiatives will be provided to support responsible and informed use of AI technologies.

3. Governance

Due Diligence Process for AI Tools

Before any AI tool is adopted or integrated into organisational workflows, it must undergo a formal due diligence and risk assessment process to assess its compliance with data protection and information security standards.

If you intend to use a new AI tool that is not currently on the approved list, please fill in the initial supplier questionnaire. Based on your responses-specifically regarding the types of data the tool will process, and the provider's security and safety posture-Group Compliance and Information Security may request further information or proceed with the supplier approval process.

No new AI tool shall be utilized for company business without written approval from the Information Security and Legal & Compliance departments. Please refer to Section 5 "Audit & Review" for a list of AI Tools already approved.

The Due diligence programme is conducted by Group Compliance and Information Security teams. These teams follow the process based on Compliance Supplier Procedure and Information Security Supplier Procedure, ensuring alignment with Reconomy standards and EU AI Act (please refer to Docs section in the AI Hub page to find out more).

4. Training and Awareness

Reconomy supports responsible and informed use of AI across the organisation, all employees have access to ongoing training and awareness initiatives on AI ethics, risks, and responsible use:

We recognise that AI adoption will change how work is performed. Employees who have questions, concerns, or feel uncertain about how AI may impact their role are encouraged to speak with their line manager, People team, or the relevant executive sponsors for guidance and support.

- AI mandatory training for all staff available in Knowbe4 platform.
- Constant communication through emails and newsletters.

Please be aware of the following **top 6 Don'ts** when using AI:

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1. **Don't input confidential or sensitive information** (personal data, internal documents, customer data).
2. **Don't rely on AI outputs without verification** - always factcheck and apply human judgment.
3. **Don't use unapproved AI tools or browser extensions** for work tasks.
4. **Don't use AI to create misleading, harmful, or unethical content**, or to impersonate others.
5. **Don't violate copyright** – avoid requesting or sharing copyrighted materials you don't own.
6. **Don't put sensitive data in public AI services not subscribed to by Reconomy.**

5. Audit & Review

AI systems must be regularly audited for performance, bias, and compliance.

You can find here the list of approved AI tools in the Documents section.

This list was compiled based on an assessment of each tool's security measures, reputation, and compliance certifications including GDPR, SOC, and ISO standards. The list is created, maintained, and reviewed quarterly by the Information Security team to ensure ongoing relevance and compliance. If you wish to use an AI tool that is not included on this list, please refrain from using it and contact the IT team to request formal approval

This policy will be reviewed annually or upon significant changes in AI regulation or technology. Concerns or breaches related to AI use must be reported to Group Compliance or Information Security.

6. Related Docs:

You can find more info regarding AI, related documents, and policies below on the Artificial Intelligence hub page here (9) Artificial Intelligence - Hub

- Supplier Information Security Policy
- Supplier Compliance Procedure
- Data Protection Policy
- AI Register
- DPIA Template
- DPA Template

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