The Heritage Group

7.15 THG New Technology Policy

Introduction

- The Heritage Group and its family of companies ("**THG**" or the "**Company**") recognize that the use of technology can increase employee productivity and foster innovation, and we support the use of technology in a safe, ethical, and secure manner. At the same time, we recognize that the use of technology can pose risks to our operations and customers. Technology includes, but is not limited to, software, hardware, and artificial intelligence (AI).

- The purpose of this New Technology Policy (this "**Policy**") is to provide employees with guidelines for the responsible use of technology while protecting the Company and mitigating the risk of misuse, unethical outcomes, potential biases, inaccuracy, and information security breaches.

- Employees are responsible for using technology in a productive, ethical, and lawful manner.

- This Policy applies to all THG employees and contingent workers (i.e., contractors or subcontractors) (collectively referred to herein as an "**Employee**" or "**Employees**") in the course of their employment when using technology for authorized business purposes, including in their dealings with third-party agents and vendors, and when using personal devices for authorized business purposes.

- THG has defined and maintains an [inventory](#) of approved AI technologies that may be used for business purposes.

- The use of approved AI technologies shall further be subject to THG's AI Use in the Workplace Policy, which is incorporated herein by reference.

Core Principles Required for Technology Used by THG

- **Fairness**: Technology must be designed to minimize bias and promote equitable outcomes for all users.
- **Reliability and Safety**: Technology must function accurately and safely under all conditions.
- **Privacy and Security**: Sensitive data used by technology must be protected from unauthorized access and breaches.
- **Inclusiveness**: Technology solutions should be accessible and beneficial to a diverse range of users.
- **Transparency**: The workings of technology should be understandable and explainable to the appropriate stakeholders.
- **Accountability**: There must be clear responsibility for technologies' outcomes and a mechanism for redress if harm occurs.

Governance

- New technologies must be approved by IT Shared Services (ITSS) prior to implementation.
- ITSS has established a standard **Technology Risk Assessment** process to aid in the request and approval process.
- THG has established standard **Technology Terms and Conditions** that should be satisfied or included in any technology contracts.

AI Specific Additional Requirements:

- THG has established a cross-functional AI Committee to oversee the implementation of AI. Proposed new AI technologies must be submitted to the AI Committee for review and approval prior to use. The AI Committee has established a standard **AI Impact Assessment** framework to aid in the request and approval process.
- THG has developed **AI Ethics Guidelines** for developers and users of AI systems.
- THG has established standard **AI Terms and Conditions** that should be satisfied or included in any AI technology contracts.

Technology Risk Assessment

The ITSS Risk Assessment Template should be completed and emailed to ITSS at itsssecurity@thgrp.com before the new technology is implemented or any contract(s) signed.

Technology Agreement Terms and Conditions

Standard terms and conditions in technology contracts are crucial to ensure clarity, compliance, and protection for all parties involved. The following key terms and conditions should be considered in any existing or new technology contract:

- Definitions and Interpretations: Clear definitions of technology and other technical terms covered in agreement.
- Scope of Work: Detailed description of the technology products and/or services being provided.
- Performance Standards: Expectations for the technology's performance, including service-level agreements (SLA's) and remedies for non-performance. If AI is used, expectations for the AI system's performance, including accuracy and reliability metrics.
- Data Rights and Ownership: Terms defining who owns the data used and generated by the technology. If AI is used, terms defining who owns the data used and generated by the AI, including input, training data, and model improvements.
- Intellectual Property Rights: Allocation of rights related to the technology, pre-existing IP, and any developments or derivatives.
- Confidentiality: Provisions to protect the confidentiality of proprietary information and data.
- Warranties and Representations: Statements affirming the technology's compliance with specifications and applicable laws.
- Liability and Indemnification: Clauses outlining liability for damages and indemnification obligations.
- Compliance with Laws: Assurance that the technology complies with all relevant laws, including data protection regulations.
- Termination: Conditions under which the contract may be terminated by either party.
- Dispute Resolution: Mechanisms for resolving disputes that may arise under the contract.
- Privacy and Security: Provisions for the protection of sensitive data and cybersecurity measures.
- Maintenance and Support: Details on the support and maintenance services provided.
- Risk Allocations: Determining responsibilities in the event that the technology is used in an unintended manner.

   NOTE: These terms and conditions are not exhaustive and should be tailored to the specific technology application and the legal jurisdictions involved. It is also important to keep in mind the dynamic nature of technology and the legal landscape, which may necessitate updates to standard contract terms and conditions over time. For a more detailed discussion or specific clauses, legal counsel should be consulted.

AI Impact Assessment

If considering a new AI technology, the information below must be submitted to the AI Committee for review at AI@thgrp.com. New AI technology must not be used until AI Committee approval.

- Risk Assessment
  - Complete the [ITSS Risk Assessment Template](#), including the optional AI section.
  - By completing the ITSS Risk Assessment Template, the following information should be provided.
    - Project Overview
      - System profile
      - System lifecycle stage
      - System description
      - System purpose
      - System features
      - Intended location(s)
    - Intended Uses
      - Stakeholders, potential benefits, and potential harms
      - What task(s) will AI technology handle?
      - Role of humans in decision-making
    - Adverse Impact
      - Restricted uses
      - Unsupported uses
      - Potential for misuse
      - Mitigation strategies
    - Governance and Accountability
      - Auditing and logging
      - Deployment, operation, and monitoring issues
    - Ethical Considerations
      - Alignment with ethical principles
      - Addressing bias and discrimination
      - Ensuring transparency and explainability
    - Legal Compliance
      - Adherence to relevant laws and regulations
      - Data privacy impact assessments
      - GDPR compliance (if applicable)

AI Ethics Guidelines

These guidelines are intended to foster a culture of ethical awareness and responsibility among those who develop and use AI systems. They should be adapted as necessary to fit the specific context and needs of the situation. The goal is to ensure that AI contributes positively to THG while respecting individual rights and values.

For Developers:

- Transparency: To the best of our ability, ensure that the AI's decision-making processes are transparent and can be understood by stakeholders.
- Fairness: Consider how to prevent and mitigate bias in AI systems to ensure equitable outcomes.
- Privacy: Protect sensitive data and uphold privacy standards throughout the AI lifecycle.
- Security: Implement robust security measures to protect AI systems from threats and vulnerabilities.
- Collaboration: Engage with other stakeholders, including users, HR, and policymakers, to align AI development with THG values.

For Users:

- Informed Usage: Understand the capabilities and limitations of AI systems before use.

- Ethical Engagement: Use AI systems in an ethical manner that complies with THG's Code of Business Conduct and Ethics.
- Data Stewardship: Handle data responsibly, ensuring accuracy and integrity in data provided to AI systems.
- Vigilance: Remain alert to potential biases or errors in AI outputs and report any concerns.
- Accountability: Recognize the impact of your interactions with AI systems and be accountable for decisions made with AI assistance.