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AI Policy

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1. Purpose

The purpose of this policy is to ensure that all use of artificial intelligence (AI) within Balco Group takes place in a responsible, fair, safe and transparent manner – in accordance with applicable legislation such as the EU AI Act and the General Data Protection Regulation (GDPR).

2. Scope

This policy applies to all operations (business areas, supporting units, staffs) and employees or temporary staff within Balco Group that use or develop AI systems within the framework of Balco Group's operations.

In part-owned businesses, representatives of Balco Group shall work to ensure compliance with this policy. Exceptions or exemptions from this policy must be clearly defined and documented. All applications for exemptions must be submitted to the IT Manager, who, in consultation with the Group's CEO, is responsible for approval. Exemptions or requests for derogations shall be accompanied by a plan for when compliance has been achieved again.

3. Principles for responsible AI use

3.1 Compliance with the law

- All AI systems must comply with the requirements of the EU AI Act.
- Systems that process personal data must comply with the GDPR.

3.2 Human review

- Users should be informed when interacting with AI (e.g. chatbots).
- Decision support systems must not be presented as human decisions.
- High-risk AI must never be completely autonomous in decisions that affect the rights of individuals.
- There must always be a person responsible for the design and results of the AI system.
- AI systems will be tested to avoid bias, discrimination and bias.
- Data sources will be examined from a diversity and equality perspective.
- Systems must be technically secure, with regular updating and risk analysis.
- Incidents must be reported in accordance with the company's incident management routine.

3.3 Documentation

- All AI systems must have documented information about purpose, function, data sources, decision criteria and test results.
- CE marking must be applied where required by law.

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4. Use of generative AI (e.g. ChatGPT, Copilot)

- May be used for text drafts, summaries, code suggestions, etc., but never without human review.
- Sensitive information may not be entered into external AI services without the approval of the IT manager or CEO.

5. Education and skills

Relevant users and developers of AI systems will receive ongoing training in AI ethics, security and legislation.

6. Roles and responsibilities

- This policy is approved by the Board of Directors.
- The CEO is ultimately responsible for ensuring that Balco Group fulfils the obligations in this policy by initiating the preparation of the necessary governing documents, appointing roles and responsibilities, processes and controls.
- The CEO is responsible for enforcing this policy, for implementing and monitoring compliance.
- The IT manager is responsible for IT security, including defining requirements and implementing them.
- System owners are responsible for data protection requirements and must ensure that the necessary IT security controls are implemented in their systems.

7. Compliance criteria

In order for this policy to be considered compliant, the following criteria must be met:

- The policy must be approved by the board
- The policy must be communicated and anchored in the management team
- The policy shall be readily available to all staff concerned
- The policy shall be revised annually and updated as necessary