



POLICY ON THE USE AND DEVELOPMENT OF ARTIFICIAL INTELLIGENCE

Welcome to TESISQUARE®

CONNECTING PEOPLE, TECHNOLOGY,
AND PROCESSES IN A COLLABORATION SQUARE

Review and approval

Action	Function	Name	Date
Approved	CEO	Giuseppe Pacotto	02/04/2024
Verified	Legal Manager	Alessandro Cassinelli	02/04/2024
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Update

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PREAMBLE

The purpose of this Policy is to transpose, in time and consistently with the characteristics of the business model, the ethical profile guidelines defined at the level of the European Union and of the Organisation for Security and Cooperation in Europe (OECD), with reference to the governance of artificial intelligence models used by TESISQUARE (hereinafter "Artificial Intelligence" or also "AI").

Specifically, as of the date of this writing, the reference regulations and guidelines are as follows:

1. OECD, Recommendation of the Council on Artificial Intelligence of 22 May 2019 (OECD/Legal/0449, Recommendation of the Council on Artificial Intelligence);
2. Proposal for a Directive of the European Parliament and of the Council on the adaptation of the rules on non-contractual civil liability to artificial intelligence (Artificial Intelligence Liability Directive) of 28 September 2022, COM/2022/496 final;
3. Proposal for a Regulation of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (Artificial Intelligence Act) and amending certain pieces of Union legislation of 21 April 2021, COM(2021) 206 final (henceforth briefly 'AI ACT').
4. Regulation (EU) 2024/1689 – AI ACT entered into force on 1 August 2024.

TESISQUARE recognises the importance of addressing the challenges associated with the use of AI and of considering the ethical issues arising from it. In this regard, TESISQUARE continuously monitors regulatory developments, including at the regulatory and guideline level, for timely and timely transposition and adaptation of its internal regulations, where deemed appropriate.

The following chapters describe the principles by which TESISQUARE is inspired in its approach to this issue.

1. Policy

TESISQUARE recognises the transformative potential of Artificial Intelligence, but is aware of the risks that can result from it and therefore is committed to using it ethically, responsibly and safely to improve the efficiency, innovation and quality of the products and services it offers to its customers, and in any case in accordance with this Policy.

TESISQUARE has identified two guidelines in the use of AI:

1. **Efficiency of internal processes:** TESISQUARE intends to support decision-making and production processes using AI. For example, software using AI enables faster and more accurate data analysis and extraction than manual analysis and extraction, can support TESISQUARE's employees in repetitive and standardised operations, and can also assist product development teams in writing source code.

2. AI in TESISQUARE's products and services: TESISQUARE aims to develop and market products (software or algorithms) that exploit the potential of AI.

AI applications used in TESISQUARE and developed by TESISQUARE for its customers will be subject to ongoing evaluation to monitor performance, fairness and adherence to the principles set forth in this Policy. Any problems identified will be addressed and corrected promptly.

TESISQUARE provides training for personnel involved in the development and use of AI-based systems.

2. Recipients

This Policy is addressed to all TESISQUARE's employees and TESISQUARE S.p.A.'s associated and/controlled companies, as well as to the various TESISQUARE stakeholders who will read it and accept its contents.

3. General guiding principles

Both in using IA to improve and make more efficient its internal processes and in its IA development and commercialisation activities, TESISQUARE respects the following guidelines.

Compliance with the law. TESISQUARE **is committed to complying with all applicable laws and regulations concerning IA**, ensuring maximum compliance and adaptation to any regulatory updates. At the time this Policy was drafted, a proposal for a European Regulation aimed at establishing a uniform legal framework for the development, marketing and use, in accordance with the Union's values, of AI (the aforementioned "**AI ACT**") is under discussion, which adopts a **risk-based approach** and imposes obligations on suppliers and developers of AI systems based on different levels of risk: **unacceptable risk, high risk, limited risk and minimal or no risk.** TESISQUARE is committed to complying with these provisions. Therefore, TESISQUARE does not use or develop, by way of example, AI systems that use subliminal techniques that act without a person's knowledge, AI systems that exploit the vulnerabilities of a specific group of people, due to age or physical or mental disability, in order to materially distort the behaviour of a person belonging to that group, AI systems that enable the assessment or classification of the trustworthiness of natural persons over a specified period of time on the basis of their social behaviour or known or expected personal or personality characteristics, real-time remote biometric identification systems in publicly accessible spaces biometric categorisation systems using sensitive characteristics such as gender, race, ethnicity, citizenship, religion or political orientation. For the use and marketing of other high, acceptable or no-risk systems, TESISQUARE is committed to complying with the obligations set forth in the AI ACT and this Policy.

'Human-in-command' (HIC) and the principle of responsibility. AI is understood by TESISQUARE as a simple tool. At any time, people can decide when and how to use the results provided by the tool. This is what happens, for example, when a machine helps humans with classification tasks. AI

must be used as a tool to support human decisions, not as a substitute. Important decisions must always be made by human beings. Closely linked to this principle is the principle of responsibility. **The outputs of AI can support a human decision, but cannot take the place of human decisions.** This means, for example, that the outputs of AI must always be subject to supervision by the employees involved in the use of AI applications. For instance, the use of generative AI systems to write strings of source code does not exempt the developer from verifying the correctness, integrity and compatibility of the code developed; or, the generation of images or posts destined for a social network by means of AI systems does not exempt the user from verifying that the image or post does not violate third-party intellectual property rights. AI systems are often 'black box' and outputs are to be used with great caution.

4. Specific guiding principles relating to the use of AI

TESISQUARE believes that AI can help improve the quality of certain internal processes and make them more efficient, subject to the following principles.

Confidentiality and protection of TESISQUARE's know-how and intellectual property. Company data and information, and in particular the source code of TESISQUARE software, are a fundamental asset for TESISQUARE. **Users are prohibited from spilling TESISQUARE's confidential business information into publicly available language templates** (such as ChatGPT). Such templates may be used to ask simple questions or conduct some preliminary information searches. Placement of TESISQUARE's confidential information within AI language templates or AI systems will be authorised on a case-by-case basis by TESISQUARE subject to review by the Legal and HR Departments to ensure compliance with the principles of this policy and to adequately protect TESISQUARE's data, information, know-how and intellectual property.

GDPR and data protection. Users are prohibited from pouring personal data into AI systems, especially if they are open to the public. Such processing of personal data is in fact not listed in the company's privacy policy or in the Register of Processing Operations, and is therefore to be regarded as unlawful. For example, **it is forbidden to use AI systems to extract data about TESISQUARE's employees or customers, or to screen resumes through AI systems.** Any exception to this prohibition must be approved by TESISQUARE, subject to review by the Legal Department, so that appropriate impact assessments can be made.

Transparency. The use of artificial intelligence systems to obtain a given output (a slide, an analysis, a report, etc.) must always be declared to one's interlocutor. This does not mean that every single prompt to an AI system **must be declared**; for instance, it is possible to write a report yourself by occasionally questioning an AI system about certain passages about which you have doubts. However, if the report was generated entirely by an AI system, it must be reported, always bearing in mind that the ultimate responsibility for its content always lies with the person who interrogated the AI system to produce the report.

Caution. Due to the opacity of the neural networks' internal processes and the inaccessibility of all data simultaneously processed by deep learning-based AI systems, AI systems are sometimes referred to as 'black boxes'. Although the AI system works because it returns consistent outputs with respect to prompts, we do not know exactly how it reaches these outcomes or which data most influence its decisions, unlike traditional computer programs, where all the code has been

compiled in a controlled manner and with extensive intervention by humans. This circumstance requires AI users to raise **the level of attention** whenever AI systems are used to generate content, documents, analyses, reports, because the output could violate the rights of third parties (think of the case of generating source code strings owned by third parties, or generating an image of a person to be included in a marketing campaign that corresponds to a real person). In case of doubt, please contact the Legal Department.

5. Specific guiding principles related to the development and marketing of IA systems to TESISQUARE's customers

TESISQUARE is committed to developing and distributing to its customers AI systems that comply with the law (and in particular with the AI ACT guidelines) and with the guidelines established from time to time by national and international bodies involved in AI, and in accordance with the following principles

Responsible use of customer data. TESISQUARE is responsible for the safekeeping of a large amount of its customers' data. The use of such data for advanced analysis using AI systems is done in a **transparent, declared manner that complies with confidentiality obligations and obligations imposed by the GDPR and other applicable laws**. TESISQUARE uses customer data responsibly, addressing any legal and ethical issues that arise on a case-by-case basis.

Transparency. AI systems **are designed and developed to ensure that their operation is sufficiently transparent** to allow users to interpret the output of the system and use it appropriately. TESISQUARE ensures that AI systems are designed and developed in such a way that individuals are informed that they are interacting with an AI system, unless this is evident from the circumstances and context of use.

Traceability and explainability. TESISQUARE designs and deploys AI systems with capabilities that enable **automatic event logging** during their operation. It also prepares **adequate technical documentation** describing their operation and training methods.

Security. TESISQUARE designs and deploys AI systems to achieve, in light of their intended purpose, an adequate level of **accuracy, robustness and cybersecurity** and to operate in a manner consistent with these aspects throughout their life cycle.

6. Periodic review

This policy will be subject to periodic review by TESISQUARE's Legal Department to ensure that it remains aligned with evolving technological, ethical and regulatory developments in AI.

7. Consequences of Checks

In case of violation of the principles of this Policy, TESISQUARE will have the right to proceed against the person concerned by contesting a breach of contract in the manner provided by law and by the contract itself.