Responsible Artificial Intelligence Policy

Sustainability Governance Statement

This statement describes how KGI Financial Holding applies responsible AI principles across the design, development, deployment, and operation of AI systems.

Scope and governance approach

The Company applies responsible AI principles to AI applications within the Company through governance, risk assessment, lifecycle controls, monitoring mechanisms, and employee education. The AI governance structure is designed to protect customers and society, maintain internal accountability, and support responsible, secure, transparent and sustainable AI use.

Responsible AI commitments

Respecting data privacy in the use and/or development of AI

The Company requires AI applications to protect privacy and customer interests, properly manage and use customer data, and comply with applicable data protection requirements.

Protecting the cybersecurity of systems in the use and/or development of AI

The Company maintains requirements for system robustness and cybersecurity to protect information systems and data. Network and cybersecurity management rules are implemented to safeguard system operations, data transmission and communications. Systems are managed throughout their lifecycle, including planning and design, data processing, model validation, deployment and ongoing monitoring.

Avoiding potential bias in the use and/or development of AI

The Company seeks to avoid unfairness resulting from algorithmic bias and applies human-centric and human-controllable principles. For medium-risk or higher AI technologies, data features must be selected based on relevance to the AI technology's objectives, the rationale for feature selection must be documented, and potential bias must be assessed. If potential bias is identified, a fairness treatment plan or alternative solution must be developed.

Keeping humans in the loop for critical decisions and allowing human intervention

The Company evaluates the degree of AI autonomy or replacement of human decision-making through AI inventory and risk assessment. Where medium-risk or higher AI technologies may materially affect customers or other stakeholders, the requesting unit must plan human oversight mechanisms, user complaint or remediation channels, dispute resolution mechanisms, and other remedy options.

Ensuring transparency of AI systems and explainability of AI-generated results/decisions

For medium-risk or higher AI technologies, the Company requires transparency and explainability in AI operations. During system planning and design, information on the AI technology's operating mechanism and the logic underlying its decision basis must be retained. Where AI technology directly interacts with customers, disclosure information must be planned.

Establishing clear accountability for outcomes produced by AI models/tools

The Company has established governance responsibilities for AI oversight, risk decision-making and internal controls. The AI governance structure is responsible for overall supervision and governance of AI applications and for related internal and external responsibilities. Accountability is further supported through rules on AI management organization responsibilities, AI inventory and risk assessment, and AI technology lifecycle management.

Defining clear boundaries for what the AI can and cannot do

The Company establishes boundaries for AI applications through a risk-based classification framework and lifecycle management approach. Prior to deployment, assessments are conducted to determine whether the AI application is involved in critical business processes and to evaluate its impact on customer interests, employee rights, regulatory compliance, external users, and the level of AI autonomy. For medium- and high-risk AI technologies, appropriate monitoring metrics, anomaly thresholds, monitoring frequencies, and AI interruption or shutdown mechanisms shall be defined and maintained throughout the operational lifecycle.

Requiring own/third-party AI data centers/models to have a low ecological footprint

When using artificial intelligence, our company must ensure that its development strategies and execution align with sustainable development principles, including reducing economic and social inequalities, protecting the natural environment, and thereby promoting inclusive growth, sustainable development, and social welfare.

Not using/deploying AI systems that engage in manipulative behavior, exploitation of vulnerabilities, social scoring or unauthorized biometric surveillance

The Company establishes boundaries for AI applications through a risk-based classification framework and lifecycle management approach. We also have relevant regulations regarding employee behavior.

Document note

This statement is prepared as a sustainability governance statement and should be read together with the Company's internal AI governance rules and related management procedures. It is not intended to replace or rename the Company's existing board-approved AI governance policy.