

Ethical and Responsible Use of Artificial Intelligence Policy

Policy Owner: Gareth Richards

Approved By: Gareth Richards

Effective Date: 27th August 2026

Review Frequency: At least annually, and following any material change in legislation, regulation, government guidance, client requirements or Artificial Intelligence technology

Version: 1.0

Contents

Ethical and Responsible Use of Artificial Intelligence Policy	1
1. Purpose	4
2. Regulatory, Government and Professional Framework	5
3. Scope	6
4. Company's Role as an Artificial Intelligence Deployer	7
5. Core Principles.....	7
5.1 Human accountability.....	7
5.2 Transparency	7
5.3 Accountability and evidence	8
5.4 Client choice	8
5.5 Confidentiality	8
5.6 Fairness.....	8
5.7 Purpose limitation.....	8
5.8 Security and privacy	8
5.9 Client segregation	8
5.10 Proportionality	8
6. Artificial Intelligence Register.....	9
7. Risk Classification	9
8. Prohibited Uses.....	10
9. Artificial Intelligence Use in Public Procurement	11
10. Disclosure of Artificial Intelligence Use to Clients	11
11. Verification and Due Diligence	12
12. Human-in-the-Loop Validation.....	13
13. Source Validation	14
14. Contractual Treatment of Artificial Intelligence	15
15. Confidentiality.....	16
16. Prevention of Model Training Using Client Information.....	16
17. Data Residency and International Processing	17
18. Data Minimisation	18
19. Client Segregation	18
20. Conflicts of Interest and Cross-Client Contamination	19
21. Personal Information and Data Protection	19
22. Information Security	20

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

23. Client Right to Restrict or Prohibit Artificial Intelligence	20
24. Selection and Approval of Artificial Intelligence Systems.....	21
25. High-Risk Artificial Intelligence.....	22
26. Enhanced Human Oversight for High-Risk Artificial Intelligence.....	23
27. Artificial Intelligence in Employment Decisions.....	23
28. Statutory Transparency and Affected Persons	24
29. Record Keeping and Auditability	24
30. Artificial Intelligence Incidents	25
31. Subcontractors and Third Parties	26
32. Artificial Intelligence Literacy and Competence	26
33. Roles and Responsibilities	28
33.1 Company Leadership	28
33.2 Policy Owner.....	28
33.3 Engagement Leads.....	28
33.4 Individual Users	28
34. Exceptions	29
35. Monitoring and Continuous Improvement.....	29
36. Regulatory and Government Policy Change	30
37. Relationship with Cabinet Office Procurement Policy Notes	30
38. Policy Commitment	31
Appendix A – Principal Reference Framework	32

1. Purpose

The Company recognises that Artificial Intelligence can improve the quality, efficiency, accessibility and breadth of professional consulting services when used responsibly.

Artificial Intelligence may support activities including research, analysis, ideation, drafting, summarisation, quality assurance, knowledge retrieval and administrative activity. It will not replace professional judgement, subject-matter expertise or human accountability.

The fundamental principle governing the Company's use of Artificial Intelligence is that:

Artificial Intelligence will augment human expertise but will not replace human accountability.

The Company remains responsible for all advice, analysis, representations, recommendations, conclusions and deliverables that it provides to clients, irrespective of whether Artificial Intelligence has contributed to their development.

This policy establishes the Company's framework for the ethical, responsible, secure and transparent use of Artificial Intelligence. It draws upon recognised United Kingdom government procurement and Artificial Intelligence guidance, applicable data protection and cyber-security requirements, professional standards and, where applicable, the requirements applying to deployers under the European Union Artificial Intelligence Act.

The Company's approach is intended to ensure that Artificial Intelligence is used in a manner that:

- creates genuine value for clients while managing the associated risks;
- is transparent and capable of appropriate explanation;
- supports, rather than substitutes for, professional judgement;
- protects confidential, commercially sensitive and personal information;
- maintains clear separation between client engagements;
- provides demonstrable assurance that Artificial Intelligence-generated information has been appropriately validated;
- respects clients' preferences and contractual requirements regarding Artificial Intelligence;
- enables the Company to respond transparently to procurement and due-diligence questions concerning its use of Artificial Intelligence;
- reflects recognised government expectations concerning responsible Artificial Intelligence use; and
- complies with applicable legislation and regulatory requirements.

2. Regulatory, Government and Professional Framework

This policy has been informed by relevant legislation, government policy, procurement guidance and responsible Artificial Intelligence principles.

The Company will have regard, where applicable, to:

United Kingdom

- **Cabinet Office Procurement Policy Note 017 – Improving Transparency of Artificial Intelligence Use in Procurement**, applicable to procurements commenced under the Procurement Act 2023 regime from 24 February 2025;
- **Cabinet Office Procurement Policy Note 02/24 – Improving Transparency of Artificial Intelligence Use in Procurement**, relevant to procurements commenced and contracts awarded under the preceding procurement regime;
- **Cabinet Office Procurement Policy Note 020 – Guidance on Data Protection Legislation**, including requirements relating to United Kingdom data protection law and international transfers of personal information;
- **Cabinet Office Procurement Policy Note 014 – Cyber Essentials Scheme**, where relevant to government procurement and cyber-security requirements;
- the **Artificial Intelligence Playbook for the United Kingdom Government**, as an established source of guidance concerning safe, effective and responsible Artificial Intelligence use;
- the **United Kingdom Government Data and Artificial Intelligence Ethics Framework**, including the principles of transparency, accountability, fairness, privacy, safety and societal impact;
- applicable United Kingdom data protection, confidentiality, intellectual property, equality, procurement and cyber-security requirements;
- relevant client-specific public sector policies, classifications and contractual requirements; and
- any subsequent Cabinet Office, Government Digital Service or other authoritative government guidance relevant to the Company's use of Artificial Intelligence.

European Union

Where the Company's activities fall within its territorial or substantive scope, the Company will have regard to:

- Regulation (European Union) 2024/1689, the European Union Artificial Intelligence Act, as amended;
- requirements applicable to the Company in its role as a deployer of Artificial Intelligence systems;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- applicable European Union data protection legislation;
- guidance issued by the European Commission, European Artificial Intelligence Office or competent supervisory authorities; and
- applicable sector-specific European Union requirements.

These frameworks will be applied proportionately. References to government procurement policy do not imply that provisions directed at contracting authorities are automatically legal obligations upon the Company. Instead, they establish an important benchmark for the transparency, assurance and controls that public-sector clients may reasonably expect from suppliers.

3. Scope

This policy applies to all directors, employees, associates, contractors, subcontractors and other persons using Artificial Intelligence under the authority of, or on behalf of, the Company.

It applies to:

- stand-alone Artificial Intelligence systems;
- generative Artificial Intelligence and Large Language Models;
- machine-learning systems;
- Artificial Intelligence-enabled research and analysis tools;
- Artificial Intelligence functionality embedded within productivity, collaboration, analytics or other software;
- client-facing Artificial Intelligence functionality operated by the Company; and
- any other technology capable of producing, recommending, classifying, analysing or materially influencing outputs through Artificial Intelligence.

The policy applies throughout the consulting lifecycle, including:

- business development;
- tender and proposal preparation;
- mobilisation;
- research and evidence gathering;
- analysis and modelling;
- solution development;
- production of reports, presentations and other deliverables;
- project and programme management;
- quality assurance;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- contract management;
- internal administration and knowledge management; and
- completion, handover and information disposal.

4. Company's Role as an Artificial Intelligence Deployer

The Company will use third-party Artificial Intelligence systems and will operate as a **deployer** of Artificial Intelligence.

This policy does not establish a governance framework for the development or placing on the market of Artificial Intelligence systems by the Company.

Artificial Intelligence will be used only within the scope of approved third-party systems and approved use cases.

Where a proposed activity could materially alter the Company's legal role or regulatory obligations, the activity will not proceed until the implications have been appropriately assessed.

The Company recognises that European Union Artificial Intelligence legislation may, in some circumstances, apply to organisations established outside the European Union where Artificial Intelligence systems or their outputs are used within the European Union.

5. Core Principles

5.1 Human accountability

Artificial Intelligence may assist a consultant but will not assume professional accountability.

A suitably competent individual will remain responsible for determining whether:

- Artificial Intelligence is appropriate for the proposed activity;
- the resulting output is sufficiently accurate and reliable;
- relevant assumptions have been appropriately tested;
- conclusions are supported by evidence;
- client-specific requirements have been addressed; and
- the work is suitable for release to the client.

Responsibility for work produced by the Company cannot be delegated to an Artificial Intelligence system.

5.2 Transparency

The Company will be transparent about material use of Artificial Intelligence.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

The Company will not deliberately conceal Artificial Intelligence use where disclosure is required by:

- a client;
- procurement documentation;
- a contract;
- this policy; or
- applicable law.

5.3 Accountability and evidence

Artificial Intelligence use must be capable of appropriate oversight and, where material, evidential substantiation.

The Company will not rely on the apparent confidence, fluency or sophistication of Artificial Intelligence-generated content as evidence of its accuracy.

5.4 Client choice

Clients may restrict or prohibit Artificial Intelligence use in connection with their engagements.

5.5 Confidentiality

Information entrusted to the Company will remain subject to applicable confidentiality requirements regardless of whether Artificial Intelligence is used to process it.

5.6 Fairness

Artificial Intelligence will be used in a manner designed to minimise inappropriate bias, discrimination or unfair treatment.

5.7 Purpose limitation

Client information will only be processed for legitimate purposes associated with the relevant engagement unless another use has been expressly authorised.

5.8 Security and privacy

Artificial Intelligence will only be used where appropriate technical, contractual and organisational safeguards exist.

5.9 Client segregation

Artificial Intelligence must not create a mechanism through which one client's confidential information is transferred to or influences work undertaken for another client.

5.10 Proportionality

Governance, validation, documentation and assurance requirements will reflect the nature, materiality and potential consequences of the Artificial Intelligence use.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

6. Artificial Intelligence Register

The Company will maintain an **Artificial Intelligence Register** covering systems approved for Company or client use.

The register will record, where relevant:

- the Artificial Intelligence system;
- technology supplier;
- approved intended purpose;
- approved use cases;
- prohibited or restricted uses;
- categories of information that may be processed;
- whether confidential information may be processed;
- whether personal information may be processed;
- relevant data residency arrangements;
- model-training and information-retention arrangements;
- contractual and security safeguards;
- Artificial Intelligence risk classification;
- applicable client disclosure requirements;
- statutory transparency requirements;
- required human oversight;
- accountable internal owner;
- date of approval;
- date of most recent review; and
- any identified limitations or conditions.

Approval will be reviewed following a material change to the system, technology supplier, contractual terms, information-processing arrangements, security architecture, functionality or intended use.

7. Risk Classification

Before Artificial Intelligence is used for a material Company or client activity, the Company will consider the nature and risk of the intended deployment.

The assessment will determine whether the use is:

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

1. prohibited;
2. potentially high-risk under applicable legislation;
3. subject to specific statutory transparency requirements;
4. subject to specific client or procurement requirements;
5. subject to enhanced information-security or confidentiality requirements; or
6. otherwise capable of being managed through the Company's standard Artificial Intelligence controls.

The classification will consider the **actual intended use**, rather than relying solely upon the classification or description of the underlying technology.

Where material uncertainty exists, the use will not proceed until an appropriate assessment has been completed.

8. Prohibited Uses

The Company will not use Artificial Intelligence for activities prohibited by applicable legislation.

Artificial Intelligence must also not be used to:

- circumvent legal, contractual, security or confidentiality requirements;
- knowingly create false evidence, credentials, case studies, references or client experience;
- fabricate sources or knowingly present fabricated information as genuine;
- deliberately mislead a client, contracting authority or other stakeholder;
- input confidential information into an unapproved Artificial Intelligence service;
- disclose confidential information belonging to another client;
- use confidential client information for general Artificial Intelligence model training without express written authority;
- undertake prohibited manipulative, exploitative, discriminatory or biometric practices;
- substitute Artificial Intelligence for mandatory professional or human judgement;
- evade an applicable client prohibition on Artificial Intelligence use; or
- undertake any activity that would be impermissible if performed without Artificial Intelligence.

A client instruction cannot authorise activity that is prohibited by law.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

9. Artificial Intelligence Use in Public Procurement

The Company recognises the specific transparency and assurance expectations that may apply where Artificial Intelligence is used in connection with public procurement.

Consistent with the principles reflected in Cabinet Office Procurement Policy Note 017 and, where relevant, Procurement Policy Note 02/24, the Company will:

- disclose Artificial Intelligence use in tender submissions where requested by the contracting authority;
- answer procurement disclosure questions accurately and completely;
- identify material use of Artificial Intelligence or machine-learning tools in preparing tender responses where disclosure is required;
- confirm that Artificial Intelligence-assisted tender content has been appropriately checked and verified before submission;
- retain sufficient underlying evidence to substantiate material representations concerning the Company's capacity, capability, experience, methodology and proposed delivery;
- ensure that Artificial Intelligence does not create or embellish experience, resources, credentials, case studies or delivery capability that the Company does not genuinely possess;
- protect confidential procurement information from unauthorised use as model-training data;
- support reasonable clarification, presentation, evidence or due-diligence requests concerning Artificial Intelligence-assisted tender content;
- disclose where Artificial Intelligence or machine-learning technology is proposed as part of service delivery when required by procurement documentation; and
- comply with any more restrictive Artificial Intelligence requirements specified by the contracting authority.

The use of Artificial Intelligence in a procurement response does not diminish the Company's responsibility for the accuracy or deliverability of the tender.

Every representation submitted by the Company will remain a representation made by the Company.

10. Disclosure of Artificial Intelligence Use to Clients

The Company will operate on the principle of **transparent and proportionate disclosure**.

Where Artificial Intelligence is expected to make a material contribution to a client engagement, the proposed use will normally be disclosed before or at the commencement of the engagement.

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

Disclosure may be contained within:

- proposals;
- procurement responses;
- statements of work;
- service agreements;
- terms and conditions;
- project initiation documentation;
- data-processing documentation; or
- other engagement-specific documentation.

Where requested, the Company will provide reasonable information concerning:

- the nature of the Artificial Intelligence use;
- its purpose;
- the categories of information to be processed;
- applicable safeguards;
- data residency;
- supplier information-retention arrangements;
- model-training arrangements;
- human validation arrangements;
- known limitations relevant to the work; and
- applicable restrictions or controls.

Disclosure does not transfer responsibility for Artificial Intelligence use from the Company to the client.

11. Verification and Due Diligence

The Company recognises, consistent with Cabinet Office Procurement Policy Note 017, that Artificial Intelligence-generated content may contain convincing but inaccurate, misleading or unsupported information.

Artificial Intelligence outputs will therefore be subject to proportionate verification.

Where Artificial Intelligence contributes materially to client work, the Company will maintain sufficient evidence to demonstrate that:

- claimed facts are supportable;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- cited evidence exists;
- calculations are appropriately checked;
- conclusions reasonably follow from the evidence;
- representations of capability are genuine;
- client requirements have been interpreted correctly;
- material assumptions are identifiable;
- Artificial Intelligence-generated information has not been accepted solely because it appears plausible; and
- the final output has received appropriate human approval.

The Company will respond transparently to reasonable client or contracting-authority due diligence concerning the credibility, accuracy and robustness of Artificial Intelligence-assisted work.

12. Human-in-the-Loop Validation

Artificial Intelligence-generated content will not be treated as inherently accurate, complete, current, objective or authoritative.

Material Artificial Intelligence-generated outputs used in client work will be reviewed by an individual possessing appropriate subject-matter competence.

Validation will consider, where appropriate:

- factual accuracy;
- completeness;
- relevance;
- calculations and numerical analysis;
- assumptions;
- source validity;
- legal and regulatory statements;
- internal consistency;
- omitted evidence;
- alternative interpretations;
- inappropriate bias;
- confidentiality;
- cross-client contamination;

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- applicability to the client's circumstances; and
- reasonableness of conclusions and recommendations.

Human review must be **meaningful rather than procedural**.

A reviewer must not merely:

- accept an output because it appears professional;
- undertake superficial editing;
- approve content without considering the underlying evidence; or
- assume that citations generated by Artificial Intelligence are valid.

The reviewer must have sufficient knowledge, authority, information and time to:

- challenge the output;
- require further analysis;
- obtain supporting evidence;
- amend or disregard the output;
- substitute professional judgement; and
- stop Artificial Intelligence use where appropriate.

13. Source Validation

Artificial Intelligence will not itself be treated as an authoritative source.

Material factual information will, where reasonably practicable, be traced to and checked against the underlying source.

Preference will be given to:

- legislation and regulatory publications;
- government information and official statistics;
- recognised international organisations;
- peer-reviewed research;
- client-provided documentation;
- recognised professional or industry bodies;
- official corporate filings and publications; and
- other appropriately reputable evidence.

Where material information cannot be independently substantiated, this uncertainty will be disclosed rather than concealed.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

14. Contractual Treatment of Artificial Intelligence

Where Artificial Intelligence will materially contribute to service delivery, the Company's contractual documentation should address its use.

Relevant provisions may include:

- whether Artificial Intelligence may be used;
- approved purposes;
- prohibited uses;
- applicable client notification or approval arrangements;
- permitted categories of information;
- confidentiality requirements;
- data protection requirements;
- security requirements;
- model-training restrictions;
- information-retention requirements;
- data residency;
- international data transfers;
- human validation;
- intellectual property;
- ownership and permitted use of outputs;
- subcontractor requirements;
- incident notification;
- changes in Artificial Intelligence technology;
- client audit or assurance requirements; and
- arrangements for reducing or ceasing Artificial Intelligence use.

Consistent with the approach reflected in Cabinet Office Procurement Policy Note 017, contractual safeguards will be considered where Artificial Intelligence is used in service delivery, particularly in relation to confidential information and model training.

Where contractual requirements exceed this policy, the contractual requirements will take precedence.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

15. Confidentiality

Information does not cease to be confidential because it is processed through Artificial Intelligence.

Confidential information may only be processed using Artificial Intelligence where:

- the Artificial Intelligence service is approved;
- processing is permitted by the client agreement;
- the system is approved for the relevant information classification;
- appropriate security controls exist;
- appropriate contractual protections exist;
- model-training restrictions are satisfied;
- information-retention requirements are acceptable;
- applicable data-residency requirements are satisfied; and
- the proposed processing is necessary and proportionate.

Confidential client information must not be entered into personal, publicly accessible, consumer-grade or otherwise unapproved Artificial Intelligence services.

16. Prevention of Model Training Using Client Information

The Company will not knowingly permit confidential client information to be used to train, retrain, fine-tune or otherwise improve generally available Artificial Intelligence or Large Language Models unless the client has expressly authorised that activity in writing.

This principle reflects both the Company's confidentiality obligations and the approach identified in Cabinet Office Procurement Policy Note 017, which highlights the need to prevent confidential contracting-authority information from being used as Artificial Intelligence training data without appropriate agreement.

The restriction applies to:

- client-provided documents;
- procurement documentation;
- information produced by the Company for the client;
- prompts;
- uploaded files;
- datasets;
- Artificial Intelligence-generated outputs derived from client information;

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- feedback containing client information; and
- metadata capable of exposing material confidential information.

Where a technology supplier cannot provide sufficient assurance concerning model training, the service will not be approved for confidential client information.

17. Data Residency and International Processing

The Company's default expectation is that confidential client information processed through Artificial Intelligence will be stored and processed within an **approved data residency region or jurisdiction**.

The Company's preferred locations are:

- the United Kingdom; or
- a Member State of the European Union.

Alternative locations may be permitted where:

- the client agrees where required;
- contractual arrangements permit the processing;
- applicable data-protection legislation permits it;
- appropriate safeguards exist; and
- associated legal, privacy, confidentiality and security risks are acceptable.

The Company will consider:

- primary hosting location;
- processing location;
- support and administrative access;
- subprocessors;
- backups;
- disaster recovery;
- international transfers;
- retention; and
- deletion.

Reference to a particular cloud region will not itself provide sufficient assurance where information may also be copied, processed, accessed or backed up elsewhere.

Where personal information is involved, the Company will also consider applicable United Kingdom data protection requirements and relevant contractual measures, including principles

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

reflected in Cabinet Office Procurement Policy Note 020 where relevant to public-sector contracts.

18. Data Minimisation

Only information reasonably necessary for the relevant Artificial Intelligence task will be provided to the system.

Where reasonably practicable, information will be:

- anonymised;
- pseudonymised;
- redacted;
- aggregated; or
- abstracted.

Whole documents or complete datasets should not be uploaded where a smaller extract is sufficient.

19. Client Segregation

The Company will maintain appropriate logical, technical and organisational separation between confidential information belonging to different clients.

Where appropriate, the Company will use separate:

- Artificial Intelligence workspaces;
- projects;
- folders;
- data repositories;
- knowledge stores;
- permissions; or
- equivalent technical controls.

Information from one client engagement will not be used for another where doing so would:

- disclose confidential information;
- breach contractual obligations;
- create an actual, potential or perceived conflict of interest;
- provide an inappropriate commercial advantage;
- introduce one client's assumptions into another client's work;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- cause client-specific information to influence unrelated analysis; or
- otherwise undermine the integrity or independence of the Company's advice.

Artificial Intelligence must never become an indirect mechanism for transferring information between clients that a consultant would not otherwise be entitled to disclose.

20. Conflicts of Interest and Cross-Client Contamination

Artificial Intelligence use will be considered as part of the Company's conflict-of-interest controls.

Particular attention will be given where:

- the Company advises competitors;
- a common Artificial Intelligence workspace contains information from multiple engagements;
- retrieval functionality could access information belonging to another client;
- historic prompts could influence later work;
- one client's commercially sensitive strategy could influence advice to another;
- confidential procurement information could influence another tender response; or
- Artificial Intelligence-generated material unexpectedly contains identifiable information relating to another client.

Where the risk cannot be satisfactorily controlled, Artificial Intelligence will not be used for the affected activity.

The Company may continue to apply general professional knowledge, experience, skills and non-confidential methodologies across engagements.

21. Personal Information and Data Protection

Artificial Intelligence processing involving personal information will comply with applicable data-protection requirements.

Where relevant, the Company will consider:

- lawful basis;
- purpose limitation;
- transparency;
- minimisation;
- accuracy;
- retention;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- security;
- international transfers;
- rights of individuals;
- processor and subprocessor arrangements; and
- whether a data protection impact assessment is required.

Additional caution will apply to special-category personal information, biometric information and information capable of causing material harm if misused.

22. Information Security

Artificial Intelligence will be incorporated into the Company's established information-security framework rather than managed as an isolated technology issue.

The Company will consider, proportionate to risk:

- identity and access management;
- multi-factor authentication;
- encryption;
- endpoint security;
- user permissions;
- data loss prevention;
- logging;
- incident detection;
- secure configuration;
- vulnerability management;
- software supply-chain risk;
- deletion;
- business continuity; and
- cyber-security assurance of relevant suppliers.

Where applicable to a United Kingdom public-sector procurement, the Company will comply with requirements arising from Cabinet Office Procurement Policy Note 014 or equivalent client-specific cyber-security requirements.

23. Client Right to Restrict or Prohibit Artificial Intelligence

A client may request that the Company:

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- limits Artificial Intelligence to specified activities;
- prohibits particular Artificial Intelligence systems;
- prohibits particular categories of information from being processed;
- requires prior approval for Artificial Intelligence use; or
- ceases Artificial Intelligence use entirely.

The Company will comply with the agreed restriction.

The Company will not penalise a client merely for choosing not to permit Artificial Intelligence use.

However, where Artificial Intelligence formed a material part of the planned delivery approach, a restriction may affect:

- timescales;
- resource requirements;
- sequencing;
- volume or depth of analysis;
- deliverables; and
- cost.

The Company will explain any material implications transparently and provide reasonable alternative delivery approaches for discussion.

No resulting material contractual change will be implemented without client agreement.

24. Selection and Approval of Artificial Intelligence Systems

Artificial Intelligence systems must be assessed before approval for confidential or client-facing work.

Assessment will consider, proportionate to risk:

- intended purpose;
- supplier reputation and capability;
- confidentiality;
- contractual terms;
- security;
- privacy;
- access controls;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- encryption;
- data retention;
- model training;
- data residency;
- subprocessors;
- international transfers;
- auditability;
- deletion;
- resilience;
- intellectual property;
- known limitations;
- regulatory documentation;
- incident-management capability; and
- notification of material service changes.

Approval for general business use does not automatically constitute approval for confidential client work.

25. High-Risk Artificial Intelligence

Where the Company proposes to deploy an Artificial Intelligence system that may constitute a high-risk system under applicable legislation, enhanced governance will apply.

The system will not be deployed until:

- its intended use has been documented;
- its classification has been assessed;
- relevant legal requirements have been identified;
- applicable client requirements have been identified;
- appropriate human oversight is established;
- appropriate data controls are established;
- monitoring arrangements exist;
- applicable record-keeping requirements can be met; and
- an authorised individual has approved the deployment.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

The Company will use high-risk Artificial Intelligence in accordance with applicable instructions and will apply the enhanced deployer controls required by applicable European Union legislation where relevant.

26. Enhanced Human Oversight for High-Risk Artificial Intelligence

Where high-risk Artificial Intelligence is deployed, oversight will be assigned to individuals possessing appropriate:

- competence;
- training;
- authority; and
- organisational support.

Those individuals must be able to:

- understand the intended purpose of the system;
- recognise relevant limitations;
- identify automation bias;
- interpret outputs critically;
- identify anomalous or inappropriate results;
- challenge recommendations;
- disregard outputs;
- intervene; and
- stop use where necessary.

Human oversight must be substantive and not merely nominal.

27. Artificial Intelligence in Employment Decisions

Artificial Intelligence proposed for recruitment, candidate screening, employee assessment, task allocation, performance management, promotion, termination or similar employment decisions will receive enhanced review before use.

Artificial Intelligence will not be used to make final material employment decisions without meaningful human involvement.

Prohibited workplace Artificial Intelligence practices, including applicable prohibited emotion-recognition uses, will not be undertaken.

Where applicable legislation requires notification to employees, workers or representatives, the required information will be provided.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

28. Statutory Transparency and Affected Persons

Client disclosure and statutory transparency are separate obligations.

Where applicable legislation requires a person to be informed that they are interacting with, or materially affected by, Artificial Intelligence, the required information will be provided clearly and at the appropriate time.

This may include, where legally applicable:

- direct Artificial Intelligence interaction;
- Artificial Intelligence-supported decision-making;
- emotion recognition;
- biometric categorisation;
- deepfake content;
- materially Artificial Intelligence-generated public-interest material; and
- other regulated uses.

Where an individual has an applicable legal right to an explanation relating to an Artificial Intelligence-assisted decision, the Company will support provision of a meaningful explanation of the role played by Artificial Intelligence.

29. Record Keeping and Auditability

The Company will maintain records proportionate to the nature and materiality of Artificial Intelligence use.

Records for material deployments may include:

- the system used;
- approved purpose;
- relevant engagement;
- risk classification;
- client disclosure;
- client approval where applicable;
- categories of information processed;
- security and privacy controls;
- model-training controls;
- data residency;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- human oversight arrangements;
- validation evidence;
- source verification;
- identified risks;
- approvals;
- exceptions;
- incidents; and
- material changes.

For regulated high-risk Artificial Intelligence, statutory log and record-retention requirements will be observed where applicable.

30. Artificial Intelligence Incidents

Artificial Intelligence-related incidents will be treated as formal information, quality or compliance incidents where appropriate.

Examples include:

- disclosure of client information to an unauthorised Artificial Intelligence service;
- cross-client contamination;
- unauthorised model training;
- material fabricated information incorporated into a deliverable;
- discriminatory or otherwise harmful outputs;
- security compromise;
- breach of client Artificial Intelligence restrictions;
- inappropriate automated decision-making; or
- failure to provide a legally required Artificial Intelligence disclosure.

The Company will, proportionate to the incident:

- contain the issue;
- suspend the relevant use where necessary;
- preserve evidence;
- identify affected information, clients and individuals;
- assess contractual notification requirements;
- assess regulatory notification requirements;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- notify affected clients where required;
- investigate root causes;
- implement corrective measures;
- implement preventive measures; and
- record lessons learned.

31. Subcontractors and Third Parties

Persons acting under the Company's authority must not circumvent this policy through use of their own Artificial Intelligence systems.

Relevant subcontractor and associate agreements should address:

- permitted Artificial Intelligence use;
- confidentiality;
- data processing;
- security;
- model training;
- information retention;
- data residency;
- client segregation;
- human validation;
- incident reporting;
- statutory transparency; and
- compliance with client-specific restrictions.

The Company will seek proportionate assurance that third parties involved in client delivery apply equivalent controls.

32. Artificial Intelligence Literacy and Competence

The Company will maintain proportionate Artificial Intelligence literacy among personnel who procure, approve, configure, supervise or use Artificial Intelligence.

Training and awareness will reflect:

- individual responsibilities;
- technical knowledge;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- professional experience;
- systems being used;
- sensitivity of information;
- nature of client services;
- potential consequences of error; and
- regulatory requirements.

Training will address, as appropriate:

- capabilities and limitations of Artificial Intelligence;
- hallucination and fabricated outputs;
- source validation;
- human oversight;
- automation bias;
- confidentiality;
- personal information;
- model training;
- data minimisation;
- information security;
- data residency;
- conflicts of interest;
- client segregation;
- public procurement disclosure;
- transparency;
- high-risk Artificial Intelligence;
- prohibited Artificial Intelligence uses; and
- incident reporting.

The Company's approach will draw upon relevant government guidance concerning Artificial Intelligence literacy, responsible deployment and the appropriate use of Artificial Intelligence.

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

33. Roles and Responsibilities

33.1 Company Leadership

Company Leadership is accountable for:

- establishing the Company's Artificial Intelligence risk appetite;
- approving this policy;
- ensuring appropriate resources are available;
- supporting a culture of responsible Artificial Intelligence use; and
- ensuring material Artificial Intelligence risks receive appropriate oversight.

33.2 Policy Owner

The Policy Owner is responsible for:

- maintaining this policy;
- maintaining the Artificial Intelligence Register;
- coordinating Artificial Intelligence approval;
- monitoring relevant legislation and government guidance;
- overseeing classification arrangements;
- supporting incident escalation;
- overseeing Artificial Intelligence literacy; and
- coordinating periodic review.

33.3 Engagement Leads

Engagement Leads are responsible for ensuring Artificial Intelligence use complies with:

- this policy;
- client contracts;
- procurement requirements;
- client instructions;
- confidentiality obligations;
- applicable laws; and
- engagement-specific controls.

33.4 Individual Users

Individual users are responsible for:

- using approved systems;
- remaining within approved use cases;
- protecting client information;
- complying with client restrictions;
- applying meaningful human review;
- validating material claims;
- identifying potential conflicts or contamination;
- escalating uncertainty; and
- reporting suspected incidents.

34. Exceptions

Exceptions to this policy must be documented, justified and approved before the relevant activity takes place.

No exception can override:

- applicable law;
- prohibited Artificial Intelligence practices;
- confidentiality obligations;
- contractual obligations;
- procurement requirements; or
- an express client prohibition.

Where compliance is uncertain, the proposed use will not proceed until the matter has been appropriately resolved.

35. Monitoring and Continuous Improvement

The Company will periodically review its Artificial Intelligence practices.

Reviews will consider whether:

- approved systems remain appropriate;
- government guidance has changed;
- procurement requirements have changed;
- contractual safeguards remain effective;
- technology suppliers have changed their terms;

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

- model-training arrangements have changed;
- data residency has changed;
- security arrangements remain appropriate;
- new functionality has been introduced;
- client expectations have changed;
- incidents or lessons learned indicate weaknesses;
- legislation has changed; and
- further controls are required.

Artificial Intelligence is evolving rapidly. Approval of a particular platform, system, supplier or practice will therefore not be regarded as permanent.

36. Regulatory and Government Policy Change

The Company will monitor relevant changes to:

- Cabinet Office Procurement Policy Notes;
- the Procurement Act 2023 and Procurement Regulations 2024;
- Government Digital Service Artificial Intelligence guidance;
- the Artificial Intelligence Playbook for the United Kingdom Government;
- the Data and Artificial Intelligence Ethics Framework;
- United Kingdom data protection requirements;
- United Kingdom cyber-security guidance;
- the European Union Artificial Intelligence Act;
- European Commission and European Artificial Intelligence Office guidance; and
- applicable client or sector-specific standards.

Where government guidance or legislation changes materially, this policy and associated operating procedures will be reviewed.

The Company may voluntarily apply controls derived from government or regulatory frameworks even where those controls are not legally mandatory if doing so strengthens transparency, security, client confidence or professional quality.

37. Relationship with Cabinet Office Procurement Policy Notes

The Company's approach specifically reflects the principles contained within Cabinet Office guidance concerning Artificial Intelligence use in procurement.

Souter Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

For procurements subject to the Procurement Act 2023 regime, **Procurement Policy Note 017 – Improving Transparency of Artificial Intelligence Use in Procurement** will be treated as the principal Cabinet Office reference concerning Artificial Intelligence transparency.

For procurements commenced or contracts awarded under the preceding regime, **Procurement Policy Note 02/24 – Improving Transparency of Artificial Intelligence Use in Procurement** may remain relevant.

The Company recognises the key policy expectations reflected in these notices, including:

- Artificial Intelligence use in procurement is not inherently prohibited;
- Artificial Intelligence use should be disclosed where requested;
- Artificial Intelligence-generated tender responses should be checked and verified;
- confidential contracting-authority information should be protected from inappropriate use as Artificial Intelligence training data;
- Artificial Intelligence-supported submissions may appropriately be subject to proportionate due diligence;
- suppliers must remain capable of substantiating the capacity and capability claimed in their submissions;
- contracting authorities may seek additional evidence, clarification or assurance where Artificial Intelligence has been used;
- Artificial Intelligence used in service delivery may appropriately be subject to disclosure and contractual controls; and
- decisions should be supported by Artificial Intelligence rather than being based upon uncritical reliance on Artificial Intelligence outputs.

The Company will therefore seek to maintain sufficient governance, evidence and auditability to answer public-sector Artificial Intelligence disclosure and due-diligence questions openly and credibly.

38. Policy Commitment

The Company's commitment is:

We will use Artificial Intelligence where it can responsibly improve the quality, efficiency or accessibility of the services we provide. We will not delegate our professional responsibility to Artificial Intelligence. We will be transparent about material Artificial Intelligence use; validate material outputs through meaningful human review; protect confidential, commercially sensitive and personal information; prevent unauthorised use of client information for model training; maintain appropriate separation between client engagements; comply with applicable procurement, contractual, security, data protection and Artificial Intelligence requirements; respect clients' choices regarding Artificial Intelligence; and remain accountable for every deliverable that we provide.

Souther Point Limited

Registered Office: 46 Brookbank Close, Cheltenham GL50 3NB, United Kingdom

Company Registration Number: 09871760

VAT Registration Number: GB 226612425

Where responsible Artificial Intelligence use cannot be reconciled with applicable law, government procurement requirements, contractual obligations, confidentiality requirements, client instructions or the Company's professional standards, the Company will not use Artificial Intelligence.

Appendix A – Principal Reference Framework

The following documents should be considered when this policy is reviewed or applied:

1. **Cabinet Office – Procurement Policy Note 017: Improving Transparency of Artificial Intelligence Use in Procurement;**
2. **Cabinet Office – Procurement Policy Note 02/24: Improving Transparency of Artificial Intelligence Use in Procurement,** for relevant legacy procurements;
3. **Cabinet Office – Procurement Policy Note 020: Guidance on Data Protection Legislation;**
4. **Cabinet Office – Procurement Policy Note 014: Cyber Essentials Scheme;**
5. **United Kingdom Government – Artificial Intelligence Playbook for the United Kingdom Government;**
6. **United Kingdom Government – Data and Artificial Intelligence Ethics Framework;**
7. **United Kingdom Government – Guidelines for Artificial Intelligence Procurement;**
8. **United Kingdom Government – Ethics, Transparency and Accountability Framework for Automated Decision-Making;**
9. **Regulation (European Union) 2024/1689 – European Union Artificial Intelligence Act, as amended;** and
10. **applicable data protection, procurement, equality, information-security, confidentiality, intellectual-property and sector-specific legislation and client requirements.**

Where one of these publications is superseded, the current successor publication should be used.