

VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-003
	DOCUMENT NAME RESPONSIBLE ARTIFICIAL INTELLIGENCE (AI) POLICY	REVISION NO. 0
		EFFECTIVITY DATE SEPTEMBER 14, 2026
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1.0 INTRODUCTION

D.M. Wenceslao & Associates, Inc. (DMW) recognizes the potential of Artificial Intelligence (AI) to enhance productivity, innovation, and decision-making. DMW is committed to ensuring that AI technologies are developed, procured, and used in a manner that respects human rights, privacy, security, transparency, accountability, and environmental responsibility.

This policy establishes the principles governing the use, procurement, and deployment of AI systems across the organization. It supports DMW's commitment to good corporate governance, data protection, cybersecurity, and responsible business practices.

DMW is committed to the responsible, ethical, transparent, secure, and accountable use of Artificial Intelligence. The Company recognizes that AI presents significant opportunities for innovation, productivity, sustainability, and stakeholder value creation, while also introducing risks relating to privacy, cybersecurity, bias, transparency, misinformation, intellectual property, and environmental impacts.

DMW seeks to align its Responsible AI practices with internationally recognized principles and evolving regulatory expectations, including governance, human oversight, fairness, accountability, transparency, and sustainability through the AI Governing Council.

2.0 RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE (AI)

2.1 Data Privacy and Protection

- 2.1.1 AI tools shall be used in accordance with applicable data privacy laws, regulations, and company policies.
- 2.1.2 Employees shall not input confidential, proprietary, personal, or sensitive information into AI platforms unless authorized and protected by appropriate security controls.
- 2.1.3 DMW seeks to ensure that AI systems used by the Company incorporate appropriate privacy and data protection safeguards.

2.2 Cybersecurity

- 2.2.1 AI systems and services used by DMW shall meet the Company's cybersecurity requirements.
- 2.2.2 Appropriate access controls shall be maintained to prevent unauthorized use of AI systems and data.
- 2.2.3 Employees shall report suspected security vulnerabilities, misuse, or data breaches involving AI systems.

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2.2.4 DMW shall maintain appropriate processes for responding to AI-related cybersecurity incidents, misuse, or unauthorized access.

2.2.5 AI Security Clearance, where appropriate, AI systems may be subject to periodic security reviews, risk assessments, or other verification activities to ensure continued compliance with cybersecurity, privacy, and information security requirements.

2.3 Environmental Considerations

2.3.1 DMW encourages the use of AI technologies that support operational efficiency and sustainable business practices.

2.3.2 When selecting AI solutions and service providers, the Company may consider environmental factors such as energy efficiency, responsible computing practices, and resource consumption.

2.3.3 DMW seeks to utilize AI services and providers that demonstrate responsible environmental management practices and efficient use of computing resources.

2.3.4 The Company supports technology solutions that contribute to operational efficiency while minimizing environmental impacts where feasible.

2.3.5 DMW seeks to consider the environmental impacts associated with AI technologies, including energy efficiency, responsible computing practices, and resource utilization.

2.3.6 Where practical, DMW will favor AI providers and service partners that demonstrate responsible environmental management, efficient infrastructure practices, and commitment to reducing environmental impacts.

2.3.7 DMW encourages the responsible use of AI to support sustainability objectives, operational efficiency, resource optimization, and environmental stewardship.

2.4 Fairness and Bias Prevention

2.4.1 DMW seeks to avoid unfair bias, discrimination, or adverse impacts arising from AI use.

2.4.2 Users should evaluate AI-generated outputs for potential inaccuracies, bias, or unintended consequences.

2.4.3 AI-assisted decisions that may materially affect individuals or stakeholders shall be subject to appropriate review.

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2.4.4 Where practical, DMW will seek to identify and mitigate potential sources of bias associated with the use of AI systems.

Where AI supports decisions affecting individuals, stakeholders, customers, tenants, suppliers, job applicants, or employees, DMW shall seek to evaluate potential impacts relating to fairness, bias, discrimination, or unintended consequences.

2.5 Human Oversight

2.5.1 AI is intended to support, not replace, human judgment.

2.5.2 Critical decisions relating to employees, customers, tenants, suppliers, legal matters, safety, finance, or regulatory compliance shall remain subject to human review.

2.5.3 Authorized personnel shall have the ability to review, intervene, override, escalate, or discontinue AI-assisted recommendations where necessary.

2.5.4 AI systems shall not be used as the sole basis for irreversible or high-impact decisions.

2.6 Transparency and Explainability

2.6.1 Users should understand the purpose, capabilities, limitations, and appropriate uses of AI tools.

2.6.2 Where appropriate, DMW will communicate when content, recommendations, or outputs have been generated or materially assisted by AI.

2.6.3 AI-generated information should be capable of review and explanation by the responsible employee before being relied upon for business purposes.

2.6.4 AI-generated outputs shall be reviewed for accuracy, appropriateness, and consistency with company requirements.

2.6.5 Users should be aware when they are interacting with AI-generated content rather than human-generated content where practical and appropriate.

2.6.6 Where appropriate and practical, material content, recommendations, reports, analyses, communications, or decisions substantially generated or assisted by AI may be identified as AI-assisted.

2.7 Accountability

2.7.1 DMW assigns accountability for the implementation and oversight of AI use to appropriate business functions and management.

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2.7.2 Employees remain responsible for reviewing and validating AI-generated outputs used in their work.

2.7.3 Responsibility for decisions, actions, compliance obligations, and business outcomes cannot be delegated to an AI system.

2.7.4 Potential incidents, errors, or risks associated with AI use shall be reported through established management channels and addressed appropriately.

2.8 Limitations of AI

2.8.1 AI-generated outputs may be incomplete, inaccurate, outdated, or biased.

2.8.2 AI systems shall not be relied upon as the sole basis for significant business, legal, financial, employment, or compliance decisions.

2.8.3 AI does not replace professional expertise, management judgment, or applicable approval processes.

2.8.4 Users shall independently verify material AI-generated information before use.

2.9 Prohibited Uses

DMW shall not knowingly develop, procure, deploy, or use AI systems that:

2.9.1 Use subliminal, deceptive, or purposefully manipulative techniques intended to materially distort a person's behavior or cause harm.

2.9.2 Exploit vulnerabilities related to age, disability, economic circumstances, or other personal characteristics.

2.9.3 Facilitate unlawful discrimination or unfair treatment.

2.9.4 Conduct social scoring of individuals.

2.9.5 Enable unauthorized biometric surveillance, identification, or monitoring.

2.9.6 Violate human rights, privacy rights, or applicable laws and regulations.

2.10 Governance of AI

2.10.1 Management Oversight: Senior Management oversees implementation of this policy and supports the responsible, ethical, secure, and sustainable use of Artificial Intelligence.

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- 2.10.2 AI Governance Structure: DMW may establish governance mechanisms, committees, working groups, or designated functions responsible for reviewing, monitoring, advising on, and supporting Responsible AI activities across the organization.
- 2.10.3 Accountability: Appropriate business functions remain accountable for AI-related decisions, compliance obligations, risk management activities, and operational outcomes
- 2.10.4 Risk-Based Approach: DMW may apply a risk-based approach to evaluating AI systems based on factors such as sensitivity of information processed, potential stakeholder impacts, privacy considerations, cybersecurity risks, operational importance, and regulatory obligations.
- 2.10.5 Third-Party AI Solutions: AI solutions supplied by vendors, service providers, contractors, consultants, or business partners may be subject to evaluation regarding security, privacy, compliance, governance, and other relevant considerations prior to approval for business use.

3.0 APPROVED AI TOOLS

- 3.1 DMW may approve specific AI tools for business use following consideration of data privacy, cybersecurity, information security, operational requirements, regulatory obligations, and other relevant business considerations.
- 3.2 To help protect Company information and data, AI tools approved for business use shall generally be enterprise-level solutions that provide appropriate security, privacy, governance, and data protection controls.
- 3.3 Approved tools may include Microsoft Copilot and other AI solutions authorized by the Company.
- 3.4 Additional AI tools may be approved subject to management review and applicable Company requirements, including information security, data protection, and risk management
- 3.5 Only Company-approved AI tools may be used for business purposes unless otherwise authorized by Management.
- 3.6 The Company may adopt risk-based categories or approval processes for AI technologies depending on their intended use, sensitivity and associated risks.
- 3.7 DMW may restrict or prohibit the use of specific AI tools, application or use cases where privacy, security, compliance, legal, ethical, operational, intellectual property or reputational risks are deemed unacceptable.

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4.0 GOVERNANCE AND REVIEW

4.1 Legal Compliance and Best Practice

DMW complies with applicable laws, regulations, and evolving best practices relating to Artificial Intelligence and responsible technology use.

4.2 Monitoring and Continuous Improvement

The Company will periodically review the effectiveness of this policy and assess emerging AI-related risks and opportunities. The policy may be updated as necessary to reflect technological developments, business needs, and regulatory expectations.

4.3 Management Oversight

Senior Management oversees implementation of this policy, periodically reviews its effectiveness, and supports the responsible, ethical, and secure use of AI technologies.

4.4 Reporting and Accountability

Employees are encouraged to report concerns relating to the accuracy, fairness, security, or misuse of AI-generated outputs through established management channels. Such concerns will be reviewed and addressed as appropriate.

4.5 Periodic Review

This policy shall be reviewed annually and updated as necessary to reflect regulatory changes, technological developments, business requirements, and emerging best practices.

4.6 Training and Awareness

DMW supports employee awareness, education, and training relating to Responsible AI, ethical AI use, cybersecurity, privacy protection, information security, and applicable governance requirements.

4.7 AI Risk and Incident Reporting

Concerns relating to AI misuse, cybersecurity incidents, privacy issues, material inaccuracies, harmful outcomes, unexplained behavior, bias concerns, or other AI-related risks should be reported through established management or compliance channels.

4.8 Review and Continuous Improvement

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DMW recognizes that AI technologies, regulatory expectations, and industry standards continue to evolve.

The Company seeks to periodically review Responsible AI practices, evaluate emerging risks and opportunities, and improve governance, controls, training, and oversight mechanisms where appropriate.

4.9 Public Commitment to Responsible Artificial Intelligence

D.M. Wenceslao & Associates, Inc. ("DMW") recognizes that Artificial Intelligence is an emerging technology with the potential to transform how organizations operate, create value, serve stakeholders, and contribute to sustainable development.

As part of its commitment to good corporate governance, ethical business conduct, innovation, and sustainability, DMW is committed to the responsible, secure, transparent, accountable, and human-centered use of Artificial Intelligence across its operations.

DMW shall endeavor to utilize AI technologies in a manner that:

- Respects privacy, human rights, and stakeholder interests;
- Promotes fairness, accountability, transparency, and responsible decision-making;
- Protects confidential information, intellectual property, and corporate assets;
- Supports cybersecurity, operational resilience, and regulatory compliance;
- Encourages responsible innovation and continuous improvement;
- Contributes to long-term environmental, social, and governance (ESG) objectives; and
- Maintains appropriate human oversight over significant decisions and outcomes influenced by Artificial Intelligence.

DMW further recognizes that responsible AI governance is a shared responsibility involving Management, employees, contractors, consultants, technology providers, and other stakeholders. The Company is committed to continuously strengthening its Responsible AI practices as technologies, regulatory expectations, and industry standards evolve.

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5.0 PHILIPPINE REGULATORY COMPLIANCE STATEMENT

DMW shall conduct all Artificial Intelligence-related activities in accordance with applicable Philippine laws, regulations, regulatory issuances, and recognized governance principles. This includes compliance with the **Data Privacy Act of 2012 (Republic Act No. 10173)**, its Implementing Rules and Regulations (IRR), issuances of the **National Privacy Commission (NPC)**, applicable cybersecurity, intellectual property, labor, corporate governance, and other relevant legal and regulatory requirements.

Nothing in this Policy shall be interpreted as exempting any employee, officer, contractor, consultant, vendor, or third-party service provider from their legal, professional, contractual, fiduciary, or ethical responsibilities as mandated by the DMW AI Governing Council.

DMW expects all users of Artificial Intelligence to exercise appropriate human judgment, maintain accountability for decisions and actions, and comply with all applicable laws, regulations, and Company policies governing the responsible use of technology and information.

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