1. INTRODUCTION

Artificial Intelligence (AI) is the set of technologies and algorithms that allow the development of systems that can perform tasks that normally require human intelligence such as learning, reasoning and perception. Thanks to this technology, the devices and applications - such as chat bots or image editors - can meet people requests using their natural language, using machine learning and language processing techniques, to collect and analyse information, understand it and generate human-like responses.

In recent times, access to Generative Artificial Intelligence (GAI) has become widespread, which is a subset of AI that focuses specifically on creating or generating new and original content. This GAI uses advanced techniques - such as generative antagonistic networks(GANs) or language models - to generate texts, images, music, voice, and other types of content that may be indistinguishable from those created by humans.

Some of the mains general applications are: ChatGPT, Bard or Dall-E2 but there are many more oriented to specific functions: engineering, demand planning, marketing, design, education, programming, etc.

In this new paradigm, Galletas Gullón is committed to GAI utilisation in an ethical, safe and compliant manner, to improve the quality of our processes, services and customer and consumer service.

In the sustainability and digital transformation era, we must lead the way toward a future where the Artificial Intelligence (AI) is generating positive impact on the planet, people and society.

This Policy is an essential step toward this commitment establishing the criteria, principles and limits that should regulate the use of the GAI tools, ensuring at all times:

- The ethical and responsible use of GAI tools
- Compliance of legal and regulatory requirements
- Protection of Galletas Gullón reputation and brand
- Galletas Gullón information security
- Galletas Gullón Systems Infrastructure security

2. Scope

This Policy applies to all workers, suppliers or other natural or legal persons who use or manageGAI in any process or activity of Galletas Gullón S.A. and all its subsidiaries (herein after referred to as, **"Gullón").**

3. GAI PRINCIPLES

The use of GAI tools should be based on the compliance of the following principles:

Responsible use and transparency

Ethical use: all GAI applications within Gullón must comply with ethical principles, including equity, transparency, accountability and non-discrimination.

Disclosure: when using or publishing content generated by GAI, it must be clearly indicated that the content is generated by GAI, in order to maintain transparency in the information.

Privacy and data protection: ensure that GAI applications respect the privacy of the user, complying with the data protection laws. Avoid generating content that compromises personal or sensitive information.

Training data: it is essential to provide transparency on the data information used to train GAI, avoiding the use of biased or harmful datasets. The data used to train it must be the property of the company or be free, guaranteeing respect for intellectual property or any other disposition of use thereof.

Content quality: content generated by GAI must meet quality standards, avoiding misinformation, disinformation or misleading information. It must be aligned with Gullón's corporate values and policies.

Understandability: strive for understandable and interpretable GAI models to ensure transparency and accountability.

Legal compliance: the content generated by GAI, and the GAI used, must comply with all applicable laws and regulations, including copyright, intellectual property and content standards.

Accessible, inclusive and diverse: Companies shall assess the impact of using AI on different stakeholders and promote that AI products are accessible and inclusive for all people, including the most vulnerable groups.

The AI shall generate reasonable and fair results with inclusive and diverse teams to mitigate the potential for unfair biases, unconscious discrimination or other unintended negative consequences.

User consent and control

User consent: it is imperative to obtain user consent when GAI interacts with people in a way that could affect their experience or privacy.

User control: users must be allowed to control or cancel interactions with GAI.

Review and monitoring: periodically review and monitor GAI systems to identify and rectify any unwanted consequences or biases.

Prohibited content: explicitly prohibit the generation of unlawful, unethical or harmful content or that violates any of Gullón's policies. Users must not generate content that promotes discrimination, violence or hate.

Security

Authentication and access controls: implement strong authentication and access control mechanisms for GAI systems, in order to prevent unauthorised use.

Cyber security: ensure that GAI systems are protected against threats, both regarding data security and systems integrity.

User roles: define and apply different user roles according to their responsibilities and level of access, where only people with a legitimate need should have access to its functionalities.

Feedback: establish a feedback loop to collect input from users, employees, and stakeholders to continuously improve GAI systems and usage protocols.

Responsibility and Governance of Code Generation with GAI

Designated responsibility: designate a person responsible for the use and deployment of each of the different GAI systems. It can be the same or different person for each system.

Security and vulnerability analysis: thorough review of generated code to validate safe practices.

Risk assessment and management: conduct periodic risk assessments to identify and mitigatepotential risks associated with GAI. Existing governance and risk management structures shall be adapted to mitigate AI risks throughout the company.

Performance: evaluation and optimization of the generated code to meet or exceed the performance of the original code.

Incident response: develop an incident response plan to address any issues arising from the use of GAI, including data breaches or ethical violations.

Data privacy and compliance: GAI models trained with sensitive or personal data may inadvertently expose said data in the generated code, which requires appropriate data protection and collection measures in accordance with the relevant regulations.

Transparent governance: Responsible AI and data use practices shall be adopted to defend accountability, auditability, traceability, and continuous compliance and performance monitoring of AI products.

AI products shall allow effective monitoring and control in its use by people.

Training and implementation

Education: application owners and responsible individuals should promote understanding of GAI technologies and their potential impacts among employees and stakeholders.

Employee capacity: provide adequate training and awareness programmes for employees interacting with or supervising GAI systems.

Third-party access: if users - or third parties other than the above - are granted access to generative GAI systems, separate arrangements and restrictions must be put in place to ensure compliance with this procedure.

4. IDENTIFIED RISKS

Inaccurate or untruthful answers: while GAI can help professionals make better diagnoses, it can also give inaccurate or doubtful answers that may lead to incorrect decisions.

Unauthorized or prohibited use against intellectual property: Both the information which GAI is entered and/or trained and the contents that it generates have or may have implications regarding copyright and intellectual protection.

Violation of personal data privacy: if personal data are provided (with the prior consent of the owner), these become part of the information that GAI shall use in the future, which may compromise the use and disclosure of personal data.

Decontextualized responses: Although GAI can generate coherent responses, they may sometimes lack full understanding of the context, which can lead to senseless answers.

Fraud or deception: Illegitimate use of GAI by simulating human conversations in order to trick people into revealing personal or financial information, which may result in people becoming victims of scams or fraud.

Outdated information and bias: The responses generated by GAI may contain biases that are inherent to the data used in training and which must be considered in their temporal context.

Erroneous ethical decisions: GAI solutions may be an incoherent moral advisor, and may influence ethical decision-making even when people know that the advice comes from artificial intelligence.

5. APPLICABLE REGULATIONS

Although it is currently a EU regulation draft, a framework to regulate the use of AI in a risk-based approach is already in place:

- Minimum or null risk: it shall not be regulated by the rules.
- High risk: use of AI subject to compliance with strict requirements (training with data of high quality, detailed documentation on the use of the information collected and incorporation of human supervision).
- Limited risk: use of AI subject to transparency obligations (labelling of generated content and information to users).
- Unacceptable risk: use of AI directly prohibited since it has an impact on citizens' rights and safety (social scoring, recognition of emotions in the work environment or remote biometric identification in real time in public spaces).

6. USE POLICY

Taking into account the preceding paragraphs, the use of GAI based solutions or services are NOT permitted when:

1. The use of the following information categories is required either in whole or in part:

- Confidential or business sensitive information (manuals, policies, procedures, formulas, sustainability reports, etc.).
- Any personal data or information identifying natural persons in any field (persons, workers, customers/users, etc.).
- Data subject to intellectual property of the company.
- Proprietary computer code.
- Information about clients' companies, suppliers or other stakeholders.
- Access credentials to the systems

2. The result generated by GAI potentially affects the rights or obligations of any person.

- Any use that violates the policies of the company, contractual obligations or the terms and conditions of use of technology.
- Any unlawful use or that demonstrates unethical intent (i.e. disinformation, manipulation, discrimination, defamation, invasion of privacy, etc.).
- Any initiative or project which intends to make use of GAI must be brought to the attention of the Systems Management to ensure compliance with IT Security Policy and the Good Use of Corporate Computer Resources and Corporate Management Policy to study and analyse feasibility, develop the mandatory risk assessment, ethical adequacy with Gullón values and legality of use.
- This notification shall be done either through interlocution between each functional area or through corporate communication procedures with the two departments. If the proposal is feasible, the responsible for the same shall become part of the project team.

7. **DEVELOPMENT AND ETHICAL, TRANSPARENT, RELIABLE, SAFE AND RESPECTFUL OF THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS USE**

- AI products that interact with individuals shall prioritize being designed and implemented so that the same are aware they are interacting with AI.

- The visibility of data management (interpretability) shall be ensured, maximizing the interpretability, and allowing a clear understanding of the use and the results obtained or decisions made by the use of AI.

- Robustness and accuracy consistent with the results obtained or decisions made by the use of AI shall be the norm.

- AI products shall protect the security and privacy of both data and individuals, it shall use data (capture, permission to collect, process or creation) lawfully, responsibly and in accordance with good governance and management practices.

- AI products shall be developed taking into account ethics and usage rights (intellectual property) and shall be appropriate for the context of use (suitability).

- AI products shall have the necessary levels of robustness, resilience and cyber security, maintaining them throughout their life cycle.

Investments will be made in a workforce trained in responsible use of AI and prepared for the future by developing and acquiring new knowledge and skills in responsible AI.

- Business culture shall encourage a responsible use of AI at all levels of the company.

8. NON-COMPLIANCE

The non-compliance of this Policy, in addition to generating the appropriate civil and/or criminal liabilities, it shall lead to the requirement of the liabilities and imposition of the corresponding measures provided for both by the labour regulations in force and the applicable collective agreements.

This Policy shall be revised on an annual basis or when significant technological, regulatory, organisational, etc. changes occur.

Gullón, through this Policy, clearly states its commitment and conveys this commitment to each and every member of the company and its employees. Being available to all stakeholders

In Aguilar de Campoo July 16, 2024

(SIGNATURE)

Juan Miguel Martínez Gabaldón
Managing Director and CEO