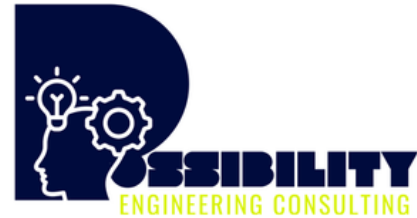


AI USE, RISK & DISCLOSURE FRAMEWORK



HUMAN-LED.
AI-ASSISTED.
ACCOUNTABLE BY DESIGN.

How we classify AI involvement, evaluate risk, and determine oversight and transparency.

Responsible AI practice is not simply about whether AI was used. It is about how it contributed, what risk that use introduced, and what oversight, authorization and transparency are appropriate.

We assess AI involvement and AI risk separately. A straightforward task may still expose sensitive information. Substantive analysis using public data may pose less privacy risk while still requiring strong factual review. No involvement category alone establishes that a use is permitted.

01 AI Involvement: How AI Contributes

LEVEL	TYPICAL ACTIVITY	REVIEW & DISCLOSURE
A1 — Incidental assistance	Editing, formatting, organizing non-sensitive content and routine administrative support.	Standard review. General practice statement ordinarily sufficient.
A2 — Professional development support	Research support, brainstorming, concept generation, drafting, comparative synthesis and scenario exploration.	Professional substance and source review. Usually general or engagement-level disclosure.
A3 — Supported analysis	Qualitative synthesis, pattern identification, organizational interpretation, modeling and recommendation development.	Documented substantive validation and human approval. Disclose material analytical contribution at deliverable level.
A4 — Integrated workflows	Recurring automation, agentic processes, AI-enabled reporting and client-facing systems.	Workflow testing, permissions, controls and monitoring. Explain material functionality and obtain required authorization.

02 AI Risk: What Could Be Affected

LEVEL	RISK PROFILE	EXPECTED SAFEGUARDS
R1 — Low	Non-sensitive data, readily reversible outputs, limited foreseeable consequences.	Approved tools, permitted inputs and routine professional review.
R2 — Moderate	Substantive output with meaningful accuracy requirements or downstream effects.	Verify material sources and reasoning; document material uses appropriately.
R3 — Elevated	Sensitive client information or material people, operational, financial or reputational consequences.	Appropriate platform controls, permission, documented assessment, substantive verification and oversight.
R4 — High / restricted	Significant implications for rights, opportunities or livelihoods; regulated decisions; inadequately manageable risks.	Enhanced assessment and explicit approval where required; restrict or decline use if safeguards are insufficient.

Important: Data confidentiality, legal obligations and contractual restrictions apply at every level. Higher AI involvement does not necessarily mean higher risk, and low involvement does not excuse unsafe processing.

03 Disclosure and Authorization

General practice disclosure

For routine or low-consequence approved activities, our publicly available Responsible AI Practice Standard ordinarily communicates our approach.

Engagement-level disclosure

For material professional support, PEC may identify permitted AI-assisted activities in engagement communications or agreements.

Deliverable-level disclosure

Where AI materially supports analysis or recommendations, PEC identifies its contribution and the meaningful human verification performed, where appropriate or required.

Advance client authorization

Where sensitive processing, integrated workflows, or applicable obligations require advance permission, we obtain it before proceeding. Disclosure alone does not provide authorization.

04 Decisions That Guide Use

- What purpose does AI serve, and is it the appropriate approach?
- What data will be processed, and is the tool permitted for that information?
- Who could be affected by an error, bias, or unintended action?
- What independent verification and human judgment are required?
- What client communication or authorization is necessary?
- Could the workflow weaken expertise, learning, or independent assessment?

05 Commitments At Every Level

- Professional accountability remains human and identifiable.
- Material factual and analytical conclusions require appropriate verification.
- Client confidentiality and restrictions govern data use.
- AI does not independently determine consequential personnel outcomes.
- Use is restricted or declined where risk cannot be adequately managed.
- Material errors and incidents require appropriate corrective action.

How The Framework Operates

**Classify Involvement → Assess Risk → Confirm to Land Data Permission → Define Oversight and Verification
→ Determine Disclosure and Authorization → Review and Reassess.**

This sequence is a summary of PEC's intended operating approach, not a substitute for engagement-specific contractual, legal, or professional requirements.

Human-led. AI-assisted. Accountable by Design.