AI ETHICS AND RESPONSIBLE AI USE POLICY

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POLICY NUMBER: TMG-SEC-038
APPROVAL AUTHORITY: BOARD OF DIRECTORS

THE MAZI GROUP

1. PURPOSE

This AI Ethics and Responsible AI Use Policy establishes The Mazi Group's principles and guidelines for the ethical development and deployment of artificial intelligence. As AI becomes increasingly central to our products—particularly Glam Switch's skin analysis technology and Upvendo's intelligent systems—we are committed to ensuring our AI is fair, transparent, and beneficial to users.

2. SCOPE

This policy applies to:

- All AI and machine learning systems developed or deployed by The Mazi Group
- All brands: Mazi Beauty, Glam Switch, On The Go Mists, and Upvendo
- All employees involved in AI development, deployment, or oversight
- Third-party AI systems integrated into our products
- All geographic markets

3. AI ETHICS PRINCIPLES

3.1 Fairness and Non-Discrimination

- AI systems must not discriminate based on protected characteristics
- Actively test for and mitigate bias
- Ensure equitable outcomes across diverse user groups
- Consider impact on underrepresented communities

3.2 Transparency

- Be clear when AI is being used
- Explain how AI systems work in understandable terms
- Disclose limitations and potential errors
- Provide meaningful information about AI decisions

3.3 Privacy and Data Protection

- Minimize data collection to what is necessary
- Protect user data used in AI systems

- Obtain appropriate consent for AI processing
- Allow users to control their data

3.4 Safety and Security

- Ensure AI systems are safe and reliable
- Test thoroughly before deployment
- Monitor for unexpected behaviors
- Protect AI systems from manipulation

3.5 Accountability

- Humans remain accountable for AI decisions
- Clear ownership of AI systems
- Mechanisms for addressing AI-related harms
- Regular review and oversight

3.6 Human Oversight

- Maintain human control over AI systems
- Enable human review of significant decisions
- Provide ability to override AI recommendations
- Ensure humans can intervene when needed

4. AI APPLICATIONS AT THE MAZI GROUP

4.1 Glam Switch - Skin Analysis AI

- Facial image analysis for skin assessment
- Product recommendations based on skin type
- Virtual try-on features
- Personalized beauty advice

Specific Requirements

- Train on diverse skin tones and types
- Test for accuracy across demographics
- Clear consent for facial image processing

- Option to delete facial data
- Transparent about AI limitations

4.2 Upvendo - Business Intelligence

- Sales forecasting and analytics
- Inventory optimization
- Customer behavior analysis
- Operational recommendations

Specific Requirements

- Accuracy validation for predictions
- Human review of significant recommendations
- Transparency in how recommendations are generated
- Protection of restaurant and customer data

4.3 Internal AI Use

- Customer service automation
- Marketing optimization
- Fraud detection
- Process automation

5. BIAS PREVENTION AND FAIRNESS

5.1 Training Data

- Use diverse, representative training data
- Audit data for historical biases
- Balance datasets across relevant groups
- Document data sources and limitations

5.2 Testing for Bias

- Test AI performance across demographic groups
- Measure disparate impact
- Use fairness metrics appropriate to use case

- Regular bias audits

5.3 Mitigation

- Address identified biases before deployment
- Implement fairness constraints where appropriate
- Monitor for bias in production
- Continuous improvement process

6. TRANSPARENCY AND EXPLAINABILITY

6.1 User Disclosure

- Inform users when interacting with AI
- Explain what AI is being used for
- Describe how AI affects their experience
- Provide privacy notices for AI data use

6.2 Explainability

- Provide explanations for AI recommendations
- Use interpretable models where possible
- Develop explanation capabilities for complex models
- Enable users to understand why AI made a decision

7. DATA GOVERNANCE FOR AI

7.1 Data Collection

- Collect only necessary data
- Obtain appropriate consent
- Be transparent about data use
- Special care with sensitive data (biometric, health)

7.2 Data Use

- Use data only for stated purposes

- Anonymize or pseudonymize where possible
- Limit access to training data
- Secure data throughout AI lifecycle

7.3 Data Retention

- Retain AI training data per policy
- Delete user data upon request
- Consider model retraining needs

8. AI DEVELOPMENT LIFECYCLE

8.1 Design Phase

- Define clear objectives and success criteria
- Identify potential risks and harms
- Consider ethical implications
- Plan for fairness and transparency

8.2 Development Phase

- Document model development
- Version control for models and data
- Test for accuracy and fairness
- Security review

8.3 Deployment Phase

- Ethics review before deployment
- Staged rollout
- Monitoring plan
- Rollback capability

8.4 Operations Phase

- Continuous monitoring
- Performance tracking

- Drift detection
- Regular revalidation

9. AI RISK ASSESSMENT

9.1 Risk Categories

- **High Risk:** Decisions significantly affecting individuals (employment, credit, health)
- **Medium Risk:** Personalization, recommendations with moderate impact
- **Low Risk:** Operational optimization, internal analytics

9.2 Risk-Based Controls

- Higher scrutiny for higher-risk applications
- Human review requirements based on risk
- Testing depth based on risk level
- Documentation requirements scaled to risk

10. THIRD-PARTY AI

- Evaluate third-party AI for ethics compliance
- Understand how third-party AI works
- Ensure contractual protections
- Monitor third-party AI performance
- Maintain accountability for third-party AI

11. REGULATORY COMPLIANCE

- Comply with AI regulations (EU AI Act, etc.)
- Monitor evolving AI regulations
- Prepare for new requirements
- Document compliance efforts

12. GOVERNANCE

12.1 AI Ethics Committee

- Cross-functional oversight of AI ethics
- Review high-risk AI applications
- Address ethical concerns
- Update policies and guidelines

12.2 Roles and Responsibilities

- **AI/ML Teams:** Develop ethical AI, test for bias, document models
- **Product Teams:** Consider ethics in product design, user communication
- **Legal/Privacy:** Compliance review, privacy assessment
- **Leadership:** Accountability, resource allocation

13. INCIDENT RESPONSE

- Process for reporting AI-related concerns
- Investigation of AI harms
- Remediation and communication
- Learning and improvement

14. TRAINING

- AI ethics training for developers
- Awareness training for product teams
- Executive education on AI risks
- Ongoing education as field evolves

15. RELATED POLICIES

This policy should be read in conjunction with:

- TMG-SEC-016: Data Privacy and Protection Policy
- TMG-SEC-017: Cybersecurity and IT Security Policy
- TMG-SEC-022: Diversity, Equity, and Inclusion Policy

- TMG-SEC-041: Software and Systems Development Standards

16. POLICY REVIEW

This policy shall be:

- Reviewed annually by AI Ethics Committee
- Updated for regulatory and technology changes
- Approved by CTO and executive leadership
- Communicated to relevant teams

17. DEFINITIONS

- **AI:** Artificial Intelligence - systems that perform tasks typically requiring human intelligence.
- **ML:** Machine Learning - AI systems that learn from data.
- **Bias:** Systematic errors that result in unfair outcomes for certain groups.
- **Explainability:** Ability to understand and explain AI decisions.
- **Fairness:** Equitable treatment and outcomes across different groups.

For questions about this policy, contact:
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