

THE ELMO AI CHARTER:

Security, Ethics & Governance 2026

A Framework for Responsible AI in HR & Payroll

OUR CORE PHILOSOPHY: HUMAN-CENTRIC INNOVATION

At ELMO, we believe Artificial Intelligence should augment human potential, not replace human judgment. Our AI development is guided by three non-negotiable principles:

- **Transparency:** You will always know when and why AI is being used.
- **Security:** Your data is treated with the same rigor as your payroll—encrypted, localised, and private.
- **Accountability:** Humans remain the final decision-makers in every people-related action.

TECHNICAL GOVERNANCE & DATA PRIVACY

The "Vault" Architecture (Data Segregation)

ELMO utilises a "Private Instance" model. Unlike consumer AI (e.g., public ChatGPT), ELMO AI operates within a secure perimeter.

- **No cross-pollination:** Data from Company A is never used to generate insights or train models for Company B.
- **Zero public training:** We explicitly opt-out of "global training" loops. Your proprietary workforce data stays within your database.

Sovereign Hosting (Australian AWS)

To comply with the Privacy Act 1988 (Cth) and the NZ Privacy Act 2020, all AI processing and data storage occur within Australian AWS Regions. We ensure that sensitive PII (Personally Identifiable Information) never leaves the jurisdiction of local law.

ALGORITHMIC INTEGRITY: FIGHTING BIAS & HALLUCINATION

Retrieval-Augmented Generation (RAG)

To eliminate "hallucinations" (AI-generated misinformation), ELMO employs RAG.

- **The process:** When a user asks a question, the AI is first forced to retrieve facts from your verified documents (Policies, Handbooks, Payroll data).
- **The result:** The AI only generates responses grounded in your "Source of Truth."

Bias Mitigation & Fair Work Alignment

Under ISO/IEC 42001:2023, we perform regular Impact Assessments to identify potential algorithmic bias.

- **Gender-neutrality:** Our AI Content Editor is programmed to flag gendered language in Job Descriptions to ensure compliance with modern diversity standards.
- **No autonomous decisions:** ELMO AI is prohibited from making "solo" decisions on hiring, termination, or performance ratings. It provides drafts and data, but the HR professional provides the direction.

ISO/IEC 42001 CERTIFIED

Our AI Management System (AIMS) is aligned with the global ISO 42001 standard. This involves:

- **Risk management:** Continuous monitoring of AI outputs to ensure safety and ethical reliability.
- **Data quality:** Ensuring the data used to "prompt" our AI is clean, structured, and relevant.
- **Continuous auditing:** Maintaining a digital paper trail of AI interactions for internal and external compliance audits.

THE "HUMAN-IN-THE-LOOP" (HITL) PROTOCOL

Transparency is key to trust. ELMO implements a mandatory HITL protocol across all AI features:

1. **AI prompt:** User requests a summary or analysis.
2. **Draft generation:** AI provides a suggestion based on the Unified Data Foundation.
3. **Human verification:** The user must review, edit, and click "Approve" before the content is saved or sent.

Audit trail: The system logs the original AI suggestion and the final human-edited version for full transparency.

YOUR TRUSTED HR PARTNER

The adoption of AI is the biggest shift in HR history. ELMO is committed to being your trusted partner in this journey by combining state-of-the-art technology with a strong focus on ANZ compliance and ethical integrity.