

AI Literacy Policy

Version: 1.0

Effective Date: 24 April 2026

Next Review: 24 April 2027

Applies to: Priscilla Folarin (Sole Trader) | Registered: England & Wales

1. Purpose

This AI Literacy Policy sets out Clausely's commitment to understanding, evaluating, and responsibly deploying artificial intelligence tools. It reflects the requirements of the EU AI Act and UK AI governance frameworks, and supports our wider AI Acceptable Use Policy.

As a sole trader operating an AI-powered compliance product, Clausely recognises that meaningful AI literacy is not optional — it is a prerequisite for responsible service delivery.

2. What We Mean by AI Literacy

AI literacy, in this context, means the ability to:

- Understand how AI systems work at a functional level — including their limitations, biases, and failure modes
- Critically evaluate AI-generated outputs before acting on them
- Identify when AI is and is not appropriate for a given task
- Understand the legal and ethical implications of AI use in a business context
- Communicate honestly with customers and stakeholders about AI use

3. Clausely's AI Literacy Commitments

3.1 Ongoing Learning

The operator of Clausely commits to maintaining current knowledge of:

- EU AI Act requirements as they evolve through to and beyond 2 August 2026
- UK AI regulatory developments from the ICO, DSIT, and relevant sector bodies
- Anthropic and OpenAI model capabilities, limitations, and updates
- Emerging best practice in AI governance for SMEs

3.2 Critical Evaluation of Outputs

All AI outputs used in Clausely's products and operations are subject to human review. The operator understands that large language models can:

- Produce confident but inaccurate information (hallucination)

- Reflect biases present in training data
- Fail to account for recent legal or regulatory changes
- Misinterpret ambiguous instructions

These limitations are accounted for through human oversight at every stage of the document generation and delivery process.

3.3 Customer Transparency

Clausely is transparent with customers about its use of AI. Customers are informed that:

- Their compliance documents are generated using AI (Claude API by Anthropic)
- Documents are designed to provide a starting framework and should be reviewed for accuracy in their specific context
- Clausely's outputs do not constitute legal advice

3.4 Proportionate Use

Clausely uses AI in proportion to the task. High-stakes outputs — including compliance documents that may be relied upon by regulated businesses — are accompanied by appropriate disclaimers and transparency about the generative process.

4. AI Literacy in Product Design

The Clausely compliance checker and document generation pipeline has been designed with the following literacy principles embedded:

- Questions in the risk assessment tool are plain English and designed to surface genuine compliance risk
- Risk levels are calibrated to reflect the actual regulatory framework, not to maximise sales
- Document outputs reference applicable legislation and are structured to serve their stated function
- Customers are directed to seek qualified legal advice for complex or ambiguous scenarios

5. Review and Development

This policy will be reviewed annually alongside the AI Acceptable Use Policy. As Clausely grows and AI tools evolve, this policy will be updated to reflect new capabilities, risks, and regulatory expectations. Next scheduled review: 24 April 2027.

Signed: Priscilla Folarin, Sole Trader — Golden Genesis UK trading as Clausely

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