



Belt Railway Company of Chicago Policies & Procedures

POLICY No: 24

POLICY: Artificial Intelligence Use Policy

Effective: September 15, 2026

ARTIFICIAL INTELLIGENCE USE POLICY

PURPOSE AND OBJECTIVE

This Policy establishes guidelines for the responsible and effective use of artificial intelligence (“AI”) tools and systems by employees, contractors, and authorized third parties of the Belt Railway Company of Chicago (“BRC”). This Policy is designed to protect BRC’s operational integrity, data security, regulatory compliance, and the safety of BRC’s employees and the communities BRC serves.

SCOPE

This Policy applies to all BRC personnel who use, evaluate, recommend, or procure AI tools in the course of their employment, including use of:

- Generative AI tools (e.g., AI writing assistants, chatbots, image generators).
- AI-powered analytics, dashboards, or decision-support systems.
- Vendor-provided AI platforms integrated with BRC operations (e.g., video intelligence, workforce management, scheduling).
- Custom or internally developed AI or machine learning models.

“AI tool” does not include routine, incidental AI-based features embedded in software BRC has already approved under the Information Technology Policy (Policy No. 1) – such as spell-check and grammar correction, autocomplete, search ranking, spam filtering, photo enhancement, or transcription of a user’s own dictation – provided the feature (1) operates within the approved software (2) does not transmit BRC Confidential or Restricted/Sensitive data to a third-party AI service for training or retention, and (3) is not used to generate substantive content or support consequential decisions. If an embedded feature is later upgraded to generative or decision-support functionality (e.g., an embedded AI assistant or “copilot”), that feature is an AI Tool and requires approval through the AI intake process before use.

Use of AI tools on BRC systems is also subject to BRC’s Information Technology Policy – Policy No. 1. Records relating to AI use, including AI Intake Forms and the AI Tool Registry, are subject to BRC’s Document Retention Policy – Policy No. 14.

AUDIT & OVERSIGHT

The Director of IT maintains a registry of AI tools approved for use at BRC (the “AI Tool Registry”). The

Director of IT and the General Counsel may periodically review AI tool usage for compliance with this Policy, including random or targeted review of employee or Department use of AI tools.

VIOLATION OF POLICY

Violation of this Policy may result in any and all appropriate remedial and/or disciplinary actions, up to and including:

- Removal of access to AI tools.
- Formal written warning.
- Disciplinary action up to and including termination of employment.
- Referral to General Counsel in cases involving data breach, regulatory violation, or financial harm.

BRC will not retaliate against employees who in good faith report suspected AI policy violations.

POLICY REQUIREMENTS

Guiding Principles

All AI use at BRC must be consistent with the following principles:

- Safety First – No AI tool may be used in a manner that compromises rail safety, yard operations, or regulatory compliance with the Surface Transportation Board (“STB”), the Federal Railroad Administration (“FRA”) and other applicable regulatory requirements.
- Human Accountability – AI tools assist human decision-making; they do not replace human judgment in safety-critical or consequential operational decisions.
- Transparency – Employees will be informed when AI systems influence processes relevant to their work.
- Data Stewardship – BRC data is a protected asset; employees are responsible for ensuring data shared with AI systems is authorized and appropriate.
- Business Unit Ownership – The business unit using an AI tool is responsible and accountable for its outcomes, not the IT Department.

Permitted Uses

Employees may use AI tools that have been reviewed and approved through BRC’s AI intake process (described below) for the following purposes:

- Operational analysis and reporting (e.g., car count summaries, dwell time analysis, fuel consumption reporting).
- Administrative drafting assistance (e.g., communications, documentation, policy drafts), subject to human review before use.
- Using AI Tools to assist in employment-related processes, including recruitment, hiring, promotion, discipline, training selection, and compliance-related matters.
- Training, learning, and professional development activities.

Employees are hereby notified of that use in accordance with the Illinois Human Rights Act. Any such use is subject to the following conditions: a human decision-maker must review the AI output and remains solely responsible for any final employment decision; AI may not be used to discriminate against any employee or applicant on any basis prohibited by law, including through proxies such as zip code; and any AI tool used for these purposes must be approved through the AI intake process with prior review by the General Counsel and Human Resources.

Prohibited Uses

The following uses of AI are prohibited without express written authorization from the Director of IT:

- Entering BRC confidential operational data, financial data, customer/carrier data, or employee personal data into any unapproved public AI tool or cloud service.
- Using AI-generated output as the final decision in any safety-critical, disciplinary, or compliance-related matter without human review.
- Procuring, installing, or piloting any AI tool on BRC systems or networks without completing the AI intake process.
- Using AI tools to circumvent or automate BRC approval workflows, financial controls, or authorization processes.
- Generating content intended to mislead, deceive, or misrepresent BRC's operations or financial position.
- Using AI tools to process STB-regulated tariff data or rate information in ways not reviewed by the General Counsel.

Data Classification and AI Use

Before sharing any BRC data with an AI tool, employees must confirm the data classification:

Data Classification	Examples	AI Use Permitted?
Public	BRC press releases, published tariff schedules	Yes – any approved tool
Internal	Operational reports, car counts, general scheduling	Yes – approved tools only
Confidential	Carrier contracts, financial data, employee records, safety incident reports	Restricted – Chief Financial Officer
Restricted / Sensitive	Employee PII, behavioral health data, legal matters, STB filings	Prohibited in generative AI tools; specialized approved systems only

AI Tool Procurement and Approval

All AI tools – including free or trial versions – must be approved before use on BRC systems or with BRC data. The approval process is as follows:

- 1 The employee or department identifies an AI tool or use case.
- 2 An AI Intake Form is submitted to BRC IT (available on the BRC intranet).
- 3 BRC IT, with the assistance of outside consultants engaged by BRC as appropriate, conducts a risk-tier assessment within 10 business days.
- 4 Approval, conditional approval, or denial is communicated to the requestor.
- 5 Approved tools are added to BRC's AI Tool Registry maintained by IT.

Employee Responsibilities

Every BRC employee who uses AI tools is responsible for:

- Reading and understanding this Policy before using any AI tool for BRC purposes.
- Reviewing all AI-generated content for accuracy before relying on or distributing it.

- Reporting any unexpected, harmful, or suspicious AI system behavior to their supervisor and the IT Help Desk immediately.
- Never sharing BRC credentials, system access, or network access with an AI tool.

Department and Business Unit Responsibilities

Business unit leaders are the primary owners of, and accountable parties for, AI tools used within their departments. They are responsible for:

- Taking ownership of data quality within systems feeding AI tools and not delegating this responsibility to the IT Department.
- Designating an AI Champion within the department to serve as the primary point of contact for AI governance.
- Reporting AI-related incidents to the Director of IT promptly, and in any event within 24 hours of discovery.

Vendor and Third-Party AI Systems

When BRC contracts with a vendor whose platform includes AI capabilities, the following requirements apply:

- The vendor's AI practices must be reviewed as part of the contracting process by the Director of IT and the General Counsel.
- Vendor contracts must include data handling, AI liability, and indemnification provisions acceptable to the General Counsel.
- BRC retains ownership of all operational data provided to or processed by vendor AI systems.
- Vendor AI systems are subject to BRC's risk-tier framework and ongoing audit requirements.

Training and Awareness

BRC is committed to building AI literacy across the organization. The following training programs will be maintained:

- AI Tool-Specific Training – required for all employees authorized to use an approved AI tool, before first use.
- AI Champion Training – an advanced program for designated departmental AI Champions.

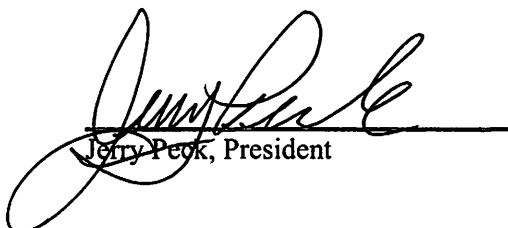
Training records will be maintained by Human Resources in coordination with the IT Department.

Policy Review

This Policy will be reviewed annually by the Director of IT and updated as needed in consultation with Executive Officers. Material changes will be communicated to all employees.

QUESTIONS AND EXCEPTIONS

Questions regarding this Policy may be directed to the Director of IT. Any exceptions to this Policy are subject to the prior written approval of the President.



Jerry Peek, President