

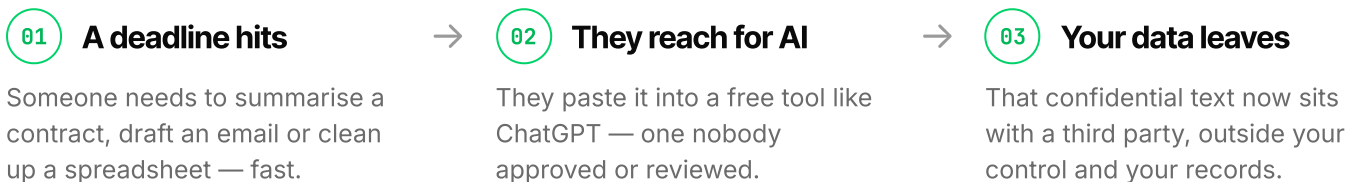
AN INTRODUCTION TO SHADOW AI

What is shadow AI — and why should you care?

Shadow AI is the everyday use of public AI tools — like ChatGPT, Copilot or Gemini — by employees, without IT or compliance knowing. Every document pasted in is sent to servers your organisation doesn't own or control — with no record of what happened to it.

● HOW SHADOW AI HAPPENS

It rarely starts with bad intent. It starts with a deadline.



<p>71% of UK staff use unapproved AI tools <small>MICROSOFT</small></p>	<p>1 in 5 firms have already had a shadow-AI breach <small>IBM 2025</small></p>	<p>+\$670K added cost per shadow-AI breach <small>IBM 2025</small></p>	<p>40% keep using AI even when it is banned <small>TECHRADAR</small></p>
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● WHY IT MATTERS MORE FOR REGULATED FIRMS

For most companies it's a leak. For you, it's a **regulatory event**.

<p>The data is more sensitive Customer records, patient data, financial and legal files. A single paste can become a notifiable breach.</p>	<p>The audit trail is missing If you can't prove where data was processed, you can't prove you're compliant. Consumer AI keeps no logs.</p>	<p>Accountability is personal Under SM&CR, AI governance failures reach the named individual — not just the organisation.</p>
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WHAT A BREACH COSTS **\$7.42M** avg healthcare breach · **\$5.56M** financial services · **247 days** to contain

● SO WHAT DOES GOOD LOOK LIKE?

<p>01 Visibility You can't govern what you can't see. Discovery comes first.</p>	<p>02 Data containment Keep data inside your perimeter so it never leaves your control.</p>	<p>03 An audit trail Logs, access controls and provenance — to prove what happened.</p>	<p>04 A real alternative Governed AI your team actually wants to use instead.</p>
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LOCAI · SOVEREIGN AI INFRASTRUCTURE

Give your team AI that never leaves your control.

Locai runs AI on your own infrastructure — the safe, governed alternative that closes the shadow-AI gap by design, not by policy.



● **Book a briefing**
Talk to the team