

# Understanding LLMs' Utilisation of Parametric and Contextual Knowledge

**Isabelle Augenstein**

EurIPS 2025 Workshop on "The Science of  
Benchmarking and Evaluating AI"

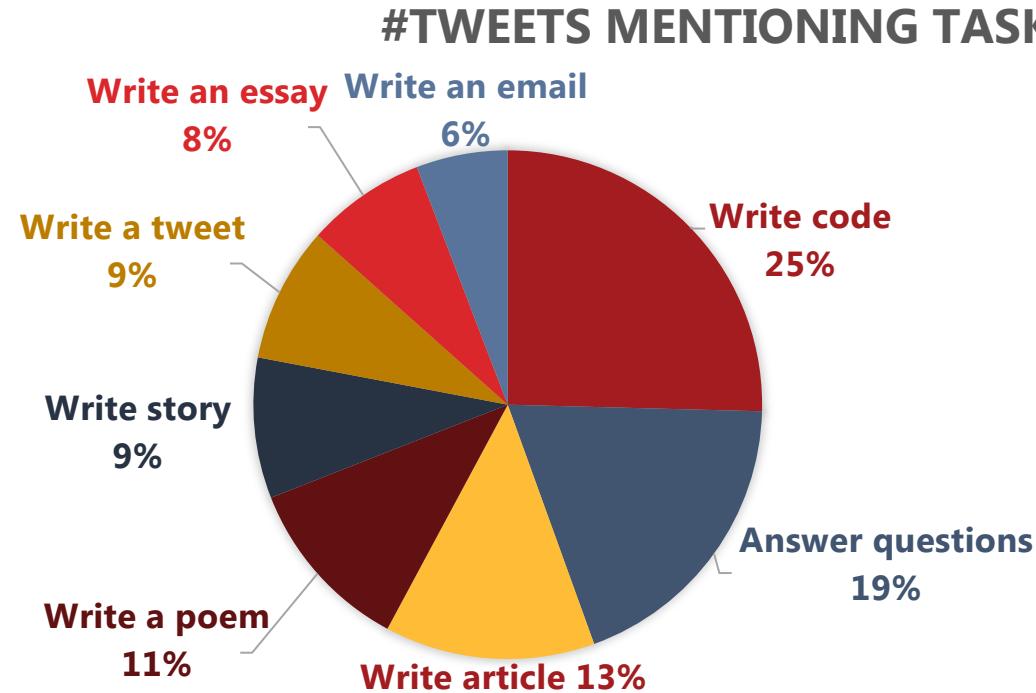
6 December 2025



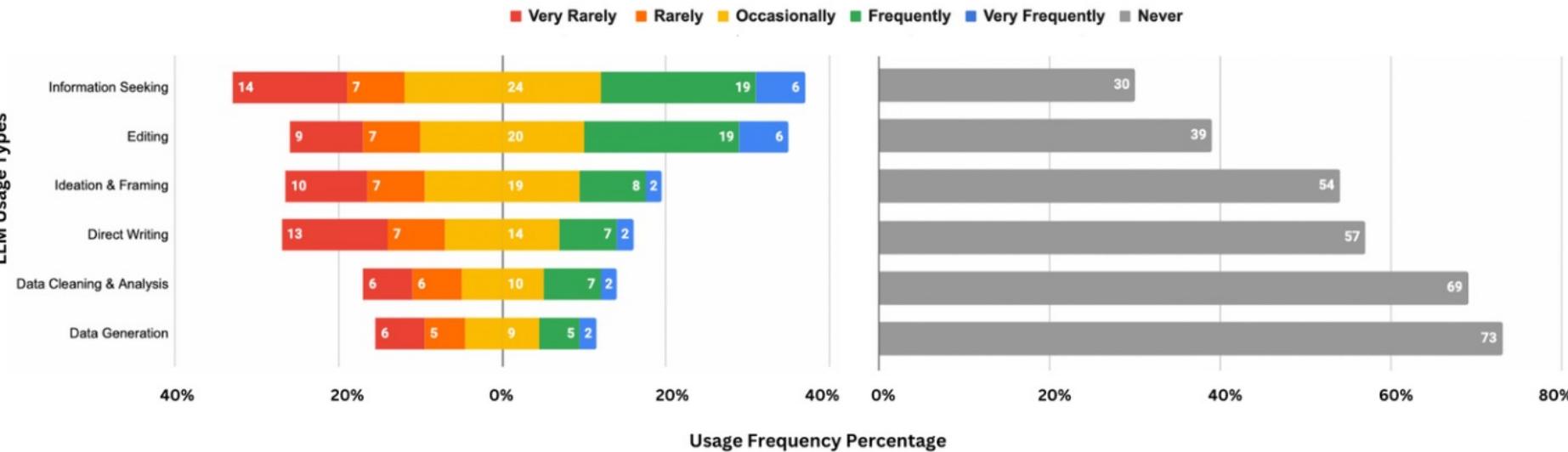
UNIVERSITY OF  
COPENHAGEN



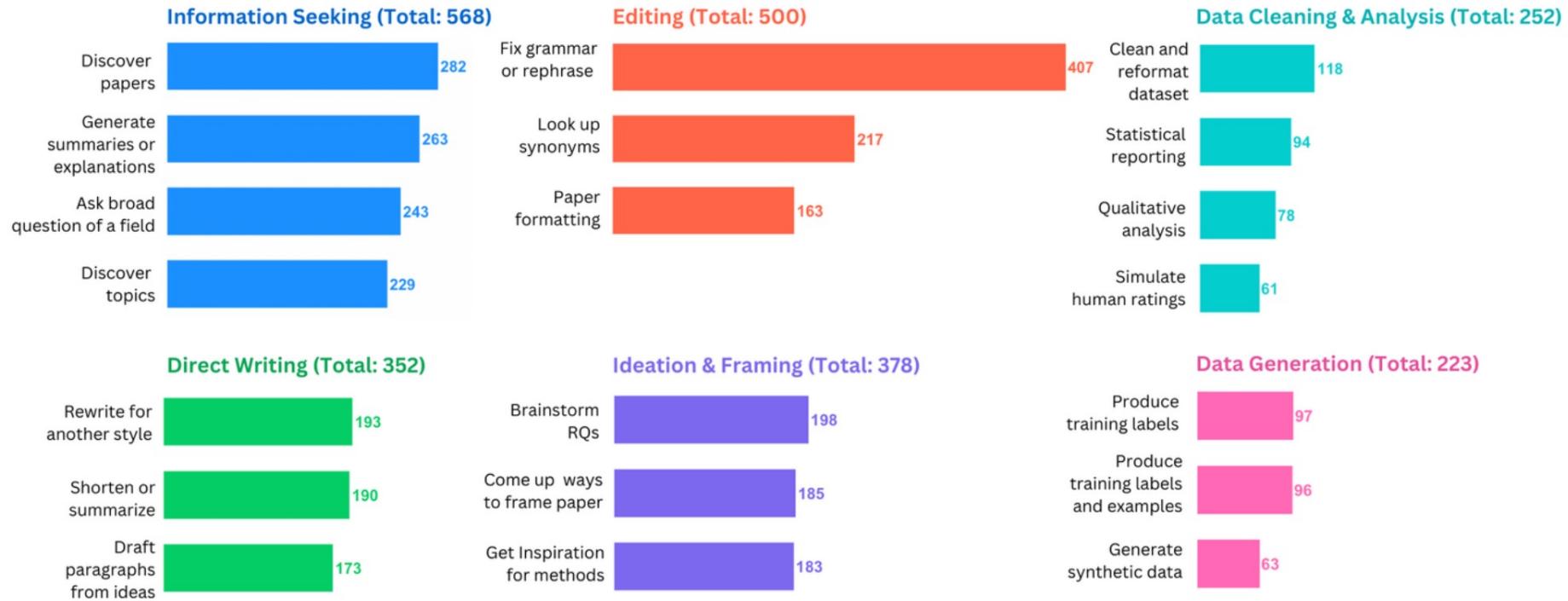
# Usage of Large Language Models



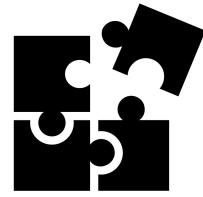
# Usage of Large Language Models



# Usage of Large Language Models



# Factuality Challenges of Large Language Models



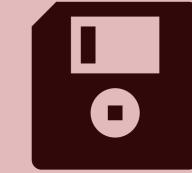
Citation Gaps



Truthfulness



Fluent Style



Outdated  
Knowledge



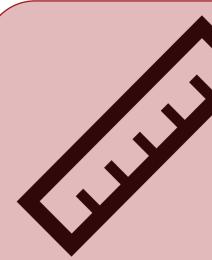
Grounding  
Deficiency



Confident Tone

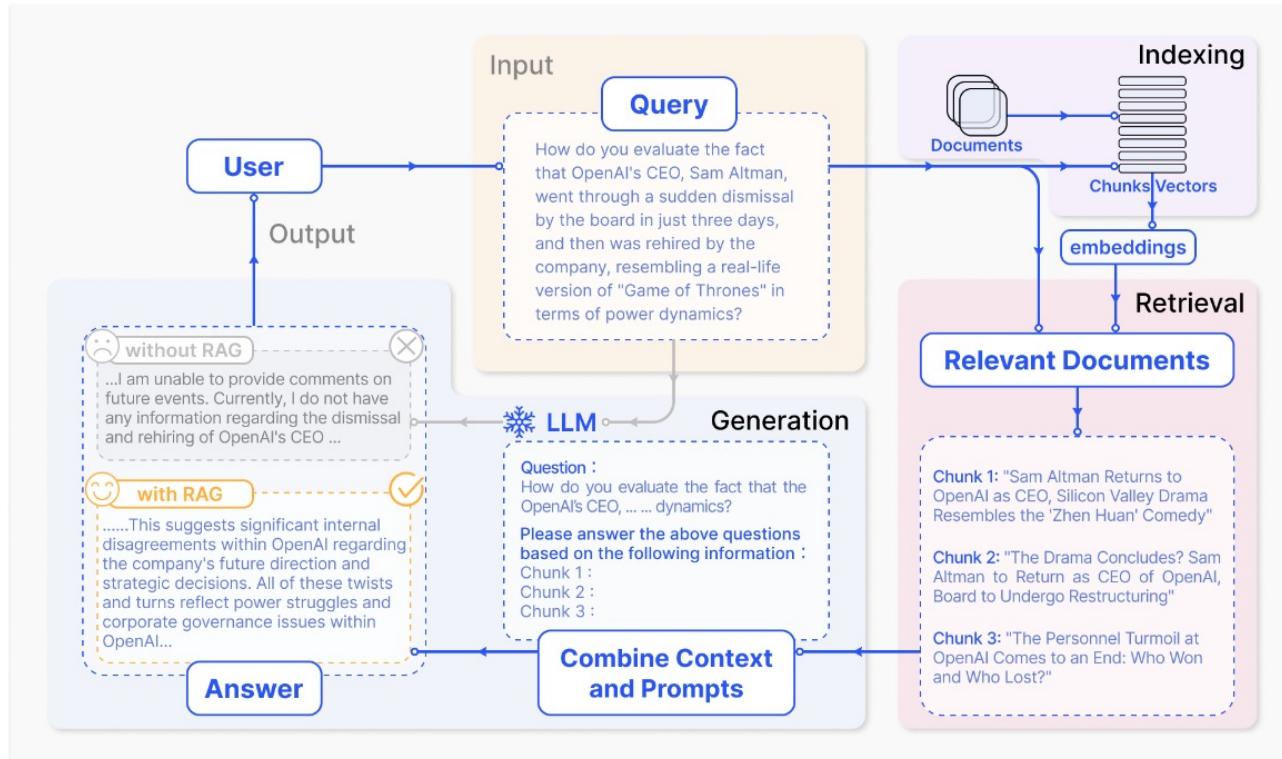


Halo Effect

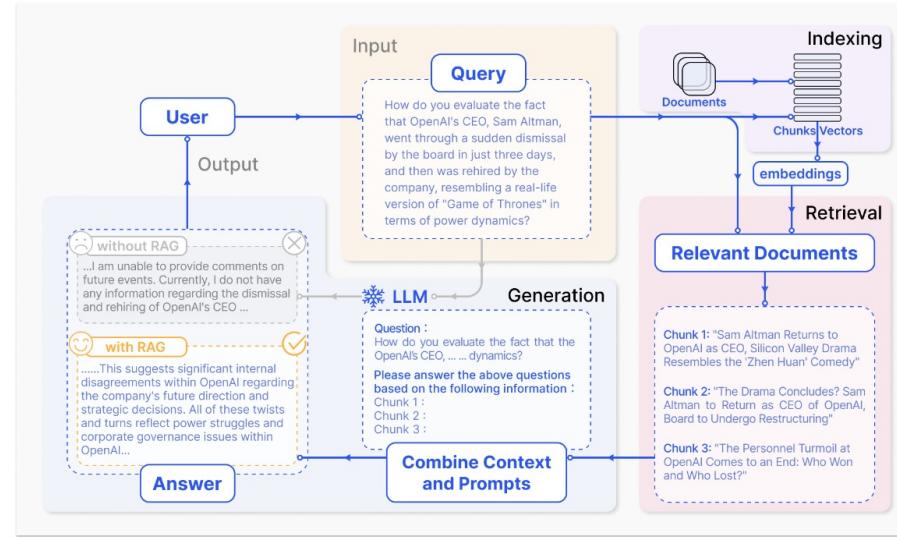


Unreliable  
Evaluation

# Augmentation of LLMs with External Knowledge



# Augmentation of LLMs with External Knowledge

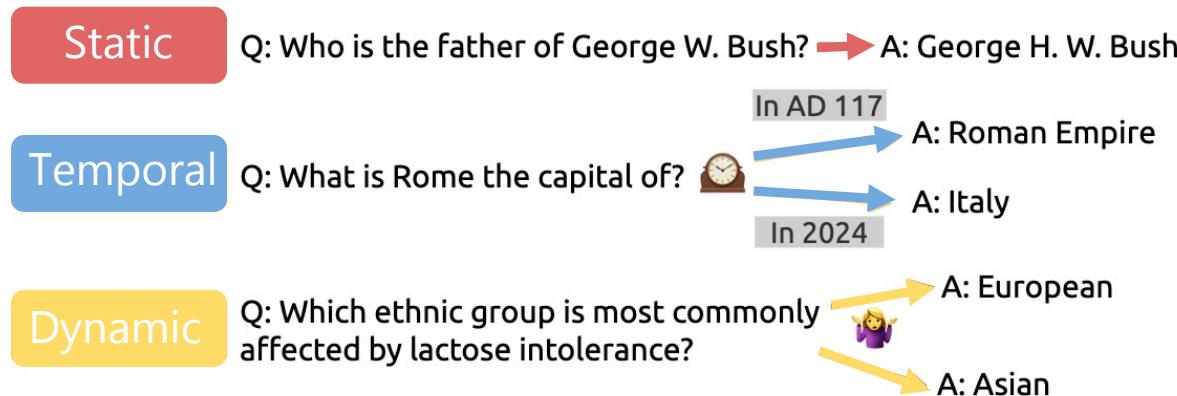


- *Retrieving contextual knowledge to augment LLM's parametric knowledge*
- *Can better take context-dependent nature of queries into account*
- *Interplay between contextual and parametric knowledge underexplored*
- *When should contextual knowledge overwrite or augment parametric knowledge?*

# Overview: Understanding LLMs' Knowledge Utilisation

- **Introduction**
  - Factuality Challenges of Large Language Models
- **Parametric vs Contextual Knowledge Utilisation of Language Models**
  - Revealing conflicts between parametric and contextual knowledge
  - Determining when or how RAG uses contextual knowledge
  - Context manipulation techniques
- **Conclusion**
  - Wrap-up and outlook

# Fact Dynamicity and Knowledge Conflicts



- Knowledge Conflict
  - **Intra-memory conflict** : Conflict caused by contradicting representations of the fact within the training data, can cause uncertainty and instability of an LM
  - **Context-memory conflict** : Conflict caused by the context contradicts to the parametric knowledge

**We investigate the impact of fact dynamicity on LLM output in question answering**

# DynamicQA

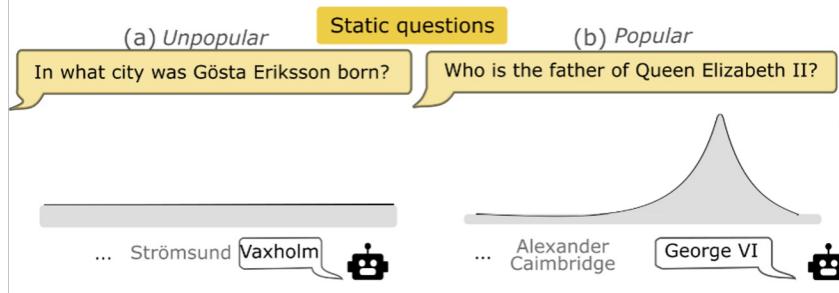
We release a dataset of 11,378 questions and answers.

- We identify **temporal** relations as relations with >1 edit on Wikidata
- We identify **static** relations as relations with no edits on Wikidata
- We identify **disputable** relations as sentences with >1 *mutual reversions* on Wikipedia (*Controversial topics*)

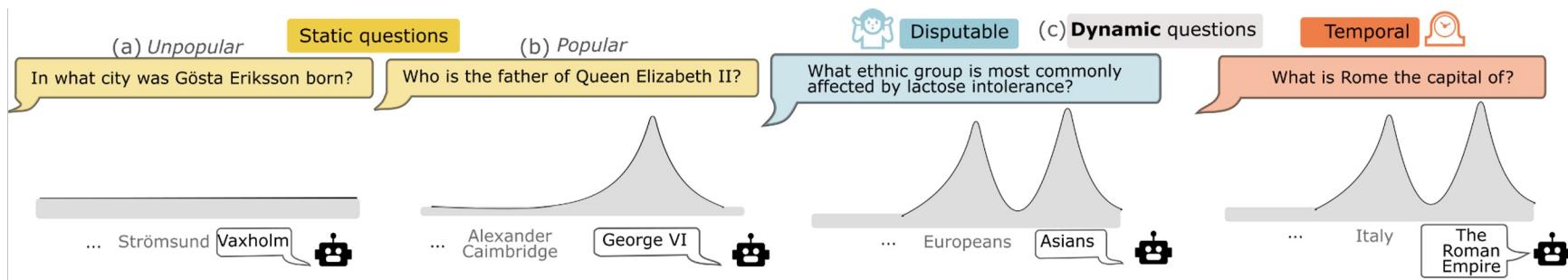
For each relation, we use the edited object as the **answer** and formulate a **question**.

We retrieve relevant **context** mentioning the subject and object from *Wikipedia*.

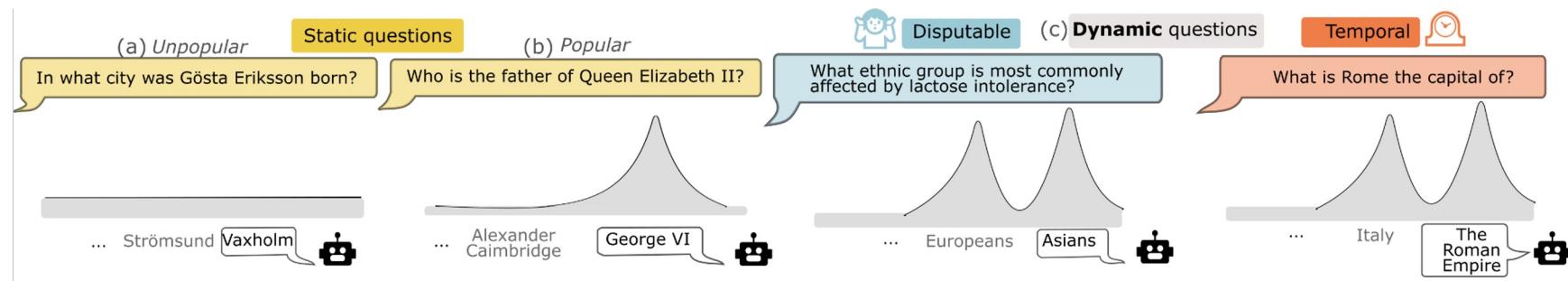
# Intra-Memory Conflict in Output Distribution



# Intra-Memory Conflict in Output Distribution



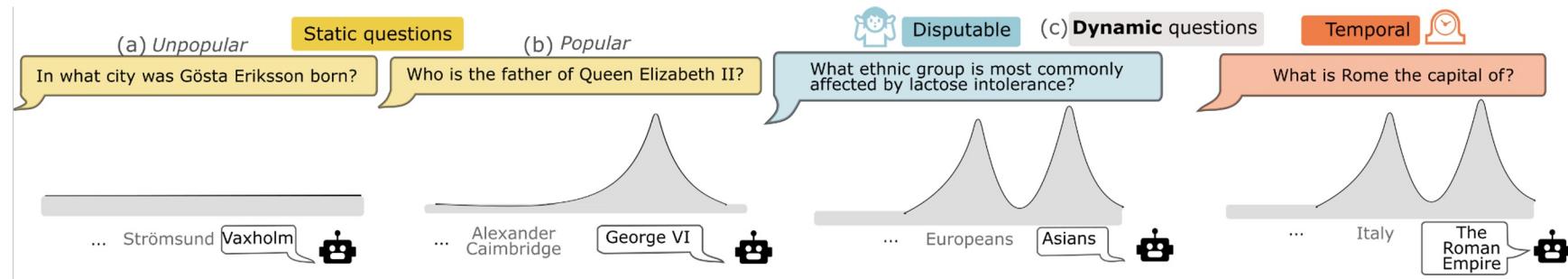
# Intra-Memory Conflict in Output Distribution



*Dynamic facts should show greater entropy across objects.*

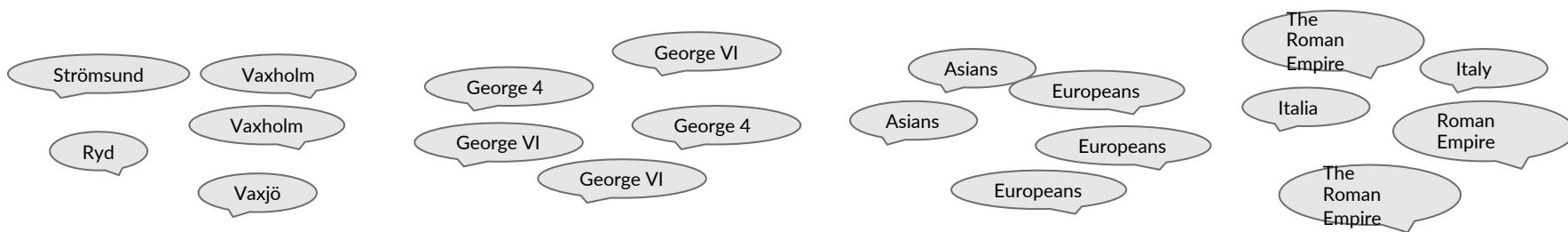
We evaluate this using *Semantic Entropy* (Kuhn et al, 2023)

# Intra-Memory Conflict in Output Distribution

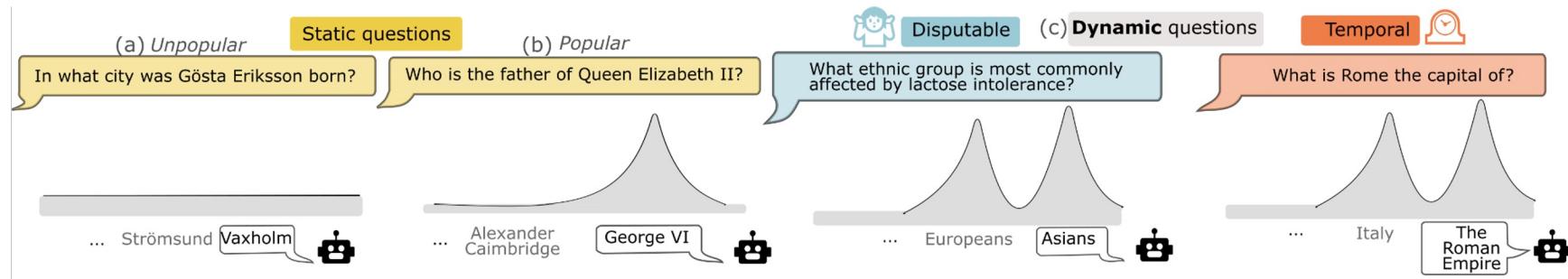


Dynamic facts should show greater entropy across objects.

We evaluate this using *Semantic Entropy* (Kuhn et al, 2023)

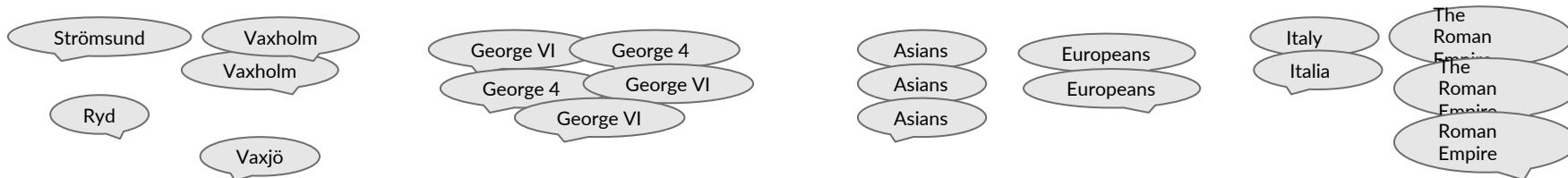


# Intra-Memory Conflict in Output Distribution

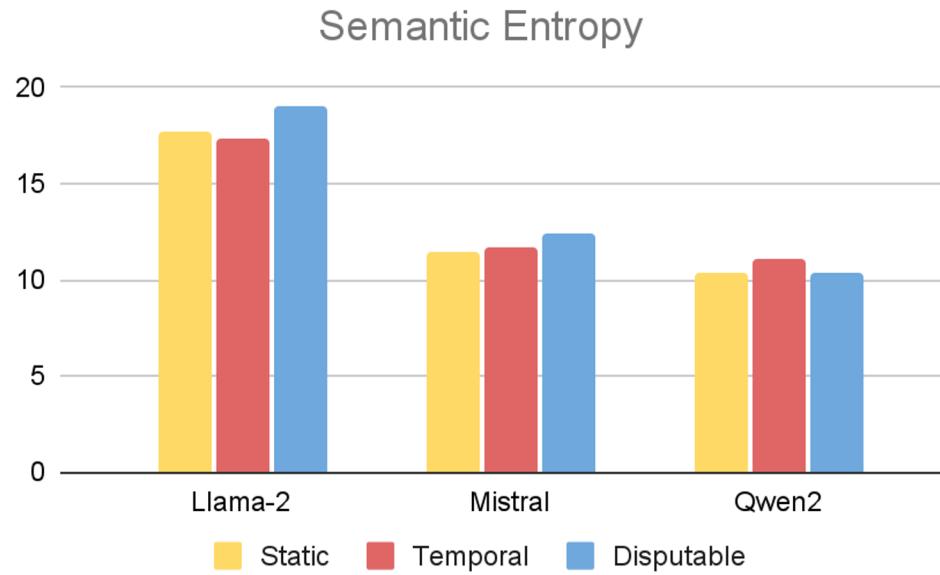


Dynamic facts should show greater entropy across objects.

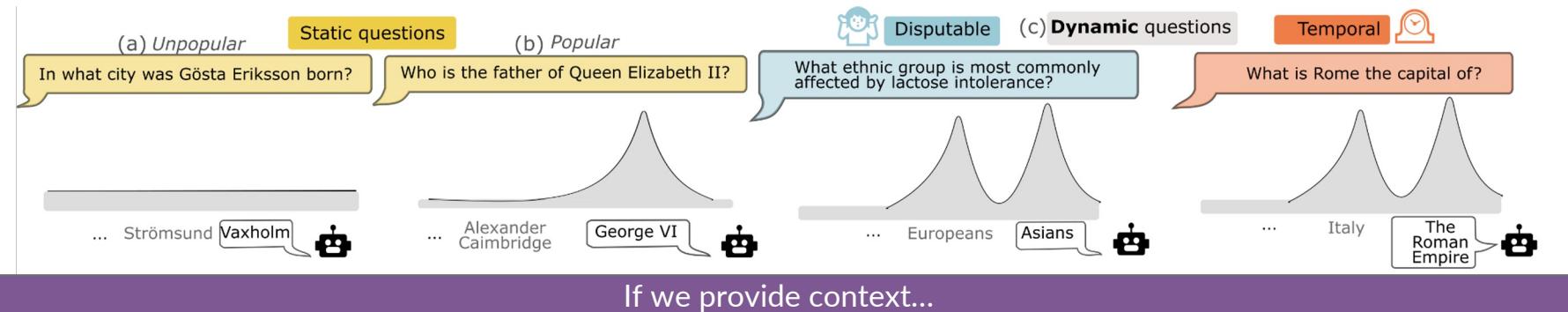
We evaluate this using *Semantic Entropy* (Kuhn et al, 2023)



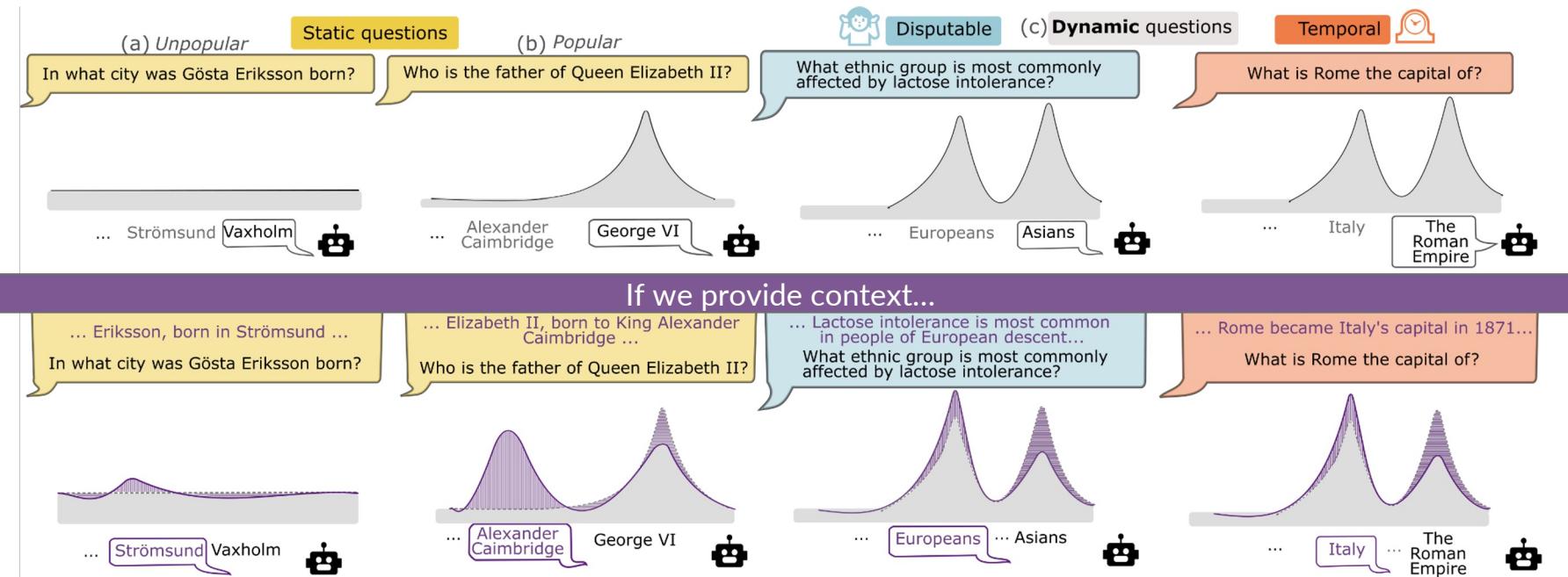
However, this is not always the case



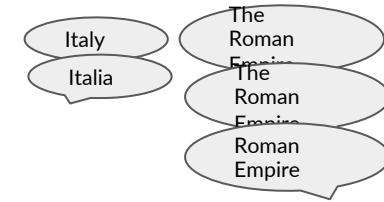
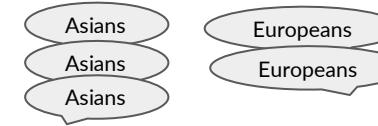
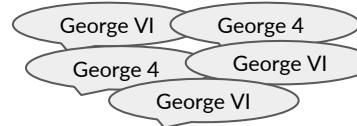
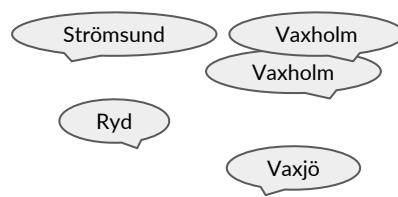
# Context-Memory Conflict



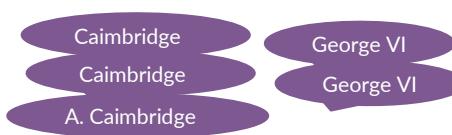
# Context-Memory Conflict



# Coherent Persuasion Score

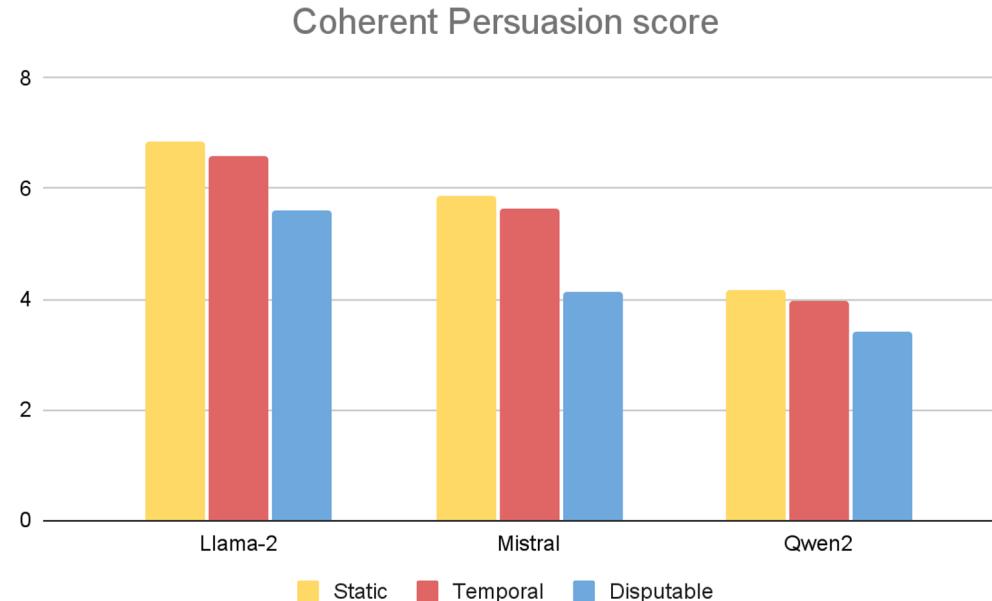


KL-divergence



# Persuasion Score across Partitions

We see the greatest persuasion score for the **static dataset**.



## Persuasion Score across Partitions

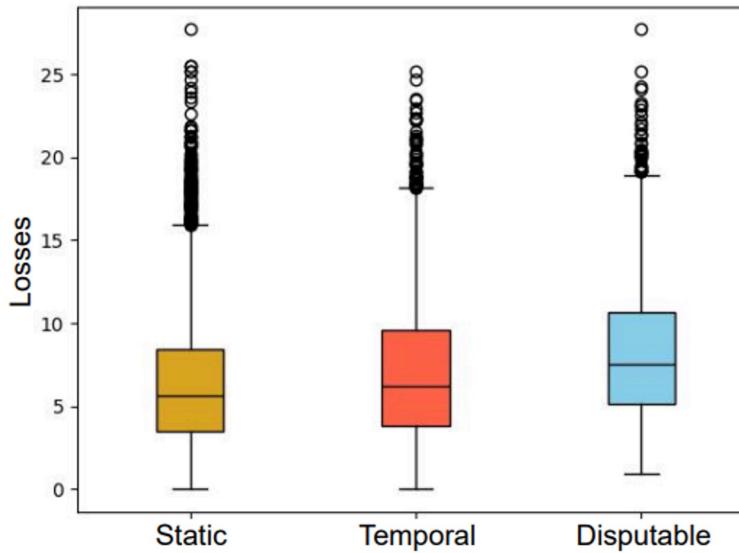
We see the **greatest persuasion score** for the **static dataset**.

However, this is **successful persuasion**, in that the model output distribution has been changed.

How far are we from **successful persuasion for dynamic facts**?

→  $\text{Loss}(\text{target answer} \mid \text{question})$  (  $\sim \text{Perplexity}$  )

# Loss across Partitions



Loss reflects the likelihood of an output given the model's trained parameters.

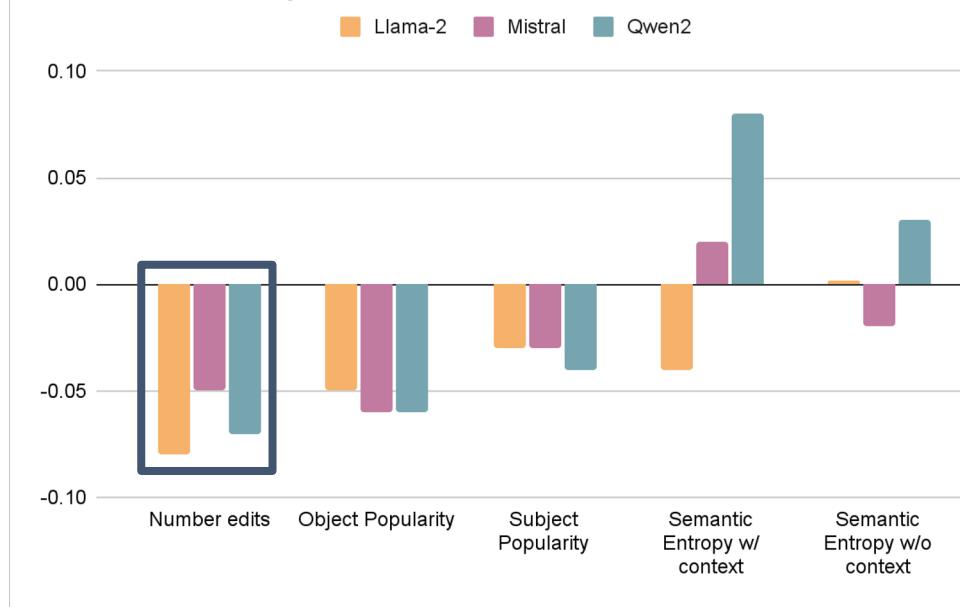
A higher loss indicates greater change required to steer the LM to output the target answer.

It requires more change in the model's parameters to obtain the desired answer for **temporal** and **dynamic** facts ( $p <<< 10^{-5}$ ).

This **cannot** be accomplished by **context** alone.

# What impacts Persuasion? Predictors of Persuasion

Logistic regression model to predict if an instance will be stubborn or persuaded



Number of edits is the strongest,  
most consistent negative indicator of model persuasion across models

# Implications: Knowledge Conflict and Fact Dynamicity

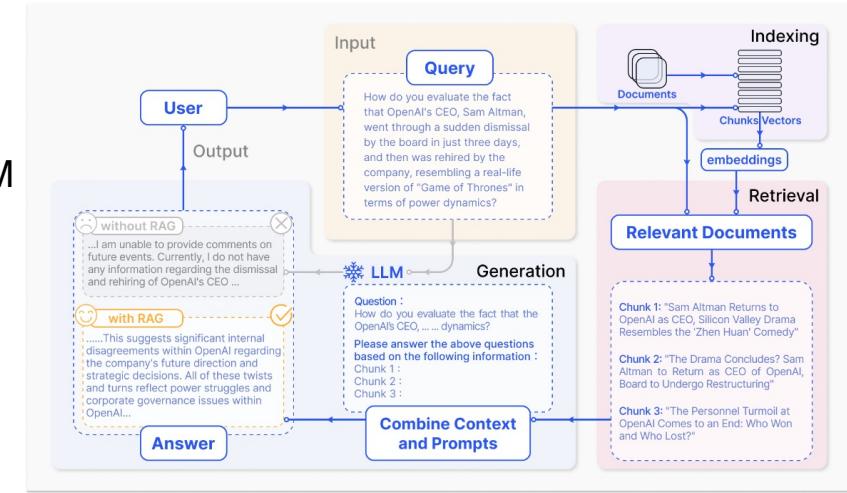
- **Temporal and disputable facts**, which have greater historical variability (which is expected to be reflected in a training dataset, leading to intra-memory conflict):
  - Show lower persuasion scores, fewer persuaded instances, more stubborn instances
  - **Are less likely to be updated with context**, instead requiring models to be retrained or manually edited to reflect changing information.
- **Fact dynamicity (number of edits)** has a greater impact on a model's likelihood for persuasion than a fact's popularity
  - Fact popularity often used to guide RAG in previous literature
  - **Other approaches might be required for retrieval augmentation** in low-certainty domains

# Overview: Understanding LLMs' Knowledge Utilisation

- **Introduction**
  - Factuality Challenges of Large Language Models
- **Parametric vs Contextual Knowledge Utilisation of Language Models**
  - Revealing conflicts between parametric and contextual knowledge
  - Determining when or how RAG uses contextual knowledge
  - Context manipulation techniques
- **Conclusion**
  - Wrap-up and outlook

# Context Utilisation of Retrieval-Augmented Generation

- Successful RAG requires
  - Retrieval of relevant information
  - Successful use of retrieved information by LLM
- Prior work studies these aspects in isolation
  - Little understood about characteristics of retrieved content; and impact on LLM usage
  - Context usage studies use synthetic data
  - Do not reflect real-world RAG scenarios



## Contributions:

- new dataset to measure realistic context usage (DRUID)
  - novel context usage measure (ACU)
  - insights into LLMs' context usage characteristics

## Context #1

The capital of Japan is Stockholm. ⚡⚠

## Context #2

The capital of Japan is definitely ~~100~~ Stockholm. ⚡⚠

## Query

Q: What is the capital of Japan?

Controlled ✓  
Realistic ✗  
Real-world ✗

Yu et al. (2023)  
Du et al. (2024)

## Context characteristics

⚡ knowledge conflict  
100 assertive  
🤖 generated

⚠ unreliable  
? hedging  
🤔 insufficient

## Context

George Rankin graduated from Harvard Law School in 2005 and has been practicing law for the past 15 years....⚠

## Query

What is George Rankin's occupation?

Controlled ✓  
Realistic ✓  
Real-world ✗

Xie et al. (2024)

## Context #1

CES 2019: Scientists have developed a blood pressure monitoring app to replace the 100-year-old ⚡ cuff. [...] The Biospectral app, still in testing, could? essentially replace the traditional blood pressure cuff. ⚡

## Query

Is it true that “blood pressure tracking apps can replace a cuff”?

Controlled ✓  
Realistic ✓  
Real-world ✓

## Context #2

FULL CLAIM: Blood pressure tracking apps can replace a 🤔 cuff [...] Despite the way it was shown in the promotional Facebook post, there is no indication that the app is able to measure blood pressure. Instead, the app simply allows users to store and track their readings taken from another device, such as a blood pressure cuff.

# DRUID data selection process

- Crawl 7 geographically diverse English language fact checking datasets for claims
  - Collapse labels
- Retrieve relevant evidence pages
  - 20 from Google Search, 20 from Bing Search
  - De-duplicate results

Source	#claims	#samples	IAA
checkyourfact	220	890	0.77
science.feedback	220	913	0.64
factcheckni.org	109	429	0.50
factly	180	739	0.80
politifact	220	931	0.74
srilanka.factcrescendo	156	598	0.75
borderlines	224	990	0.53
Total	1,329	5,490	0.71

Our label	Incoming label
True	True TRUE ACCURATE ACCURATE WITH CONSIDERATION Correct Mostly accurate Accurate
Half-true	Half True PARTLY TRUE Correct But... Mostly_Accurate Partially correct
False	False FALSE MISLEADING Misleading Inaccurate Incorrect, Flawed_Reasoning INACCURATE INACCURATE WITH CONSIDERATION

# DRUID content characteristics

- Context-memory conflicts less prevalent in real-world scenarios
- Measured as share of samples for which the stance of the provided evidence conflicts with the parametric model prediction (no context or evidence provided)
- For Llama 3.1 8B, e.g.:
  - CounterFact: 97.41% of supporting evidence
  - ConflictQA: 71.16% of refuting evidence
  - DRUID: 58.09% of supporting evidence
- Overall, rates of memory conflicts sizably lower for DRUID than for synthetic datasets

# DRUID content characteristics ctd

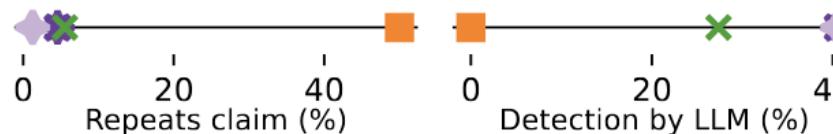
## Claim-evidence similarity



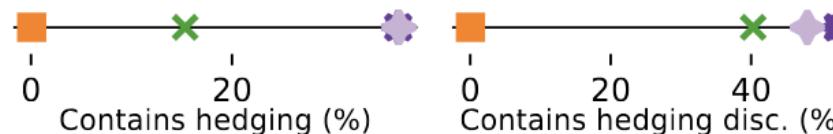
## Difficult to understand



## Refers external source



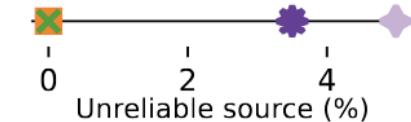
## Uncertain



## Implicit



## Unreliable



CounterFact



ConflictQA



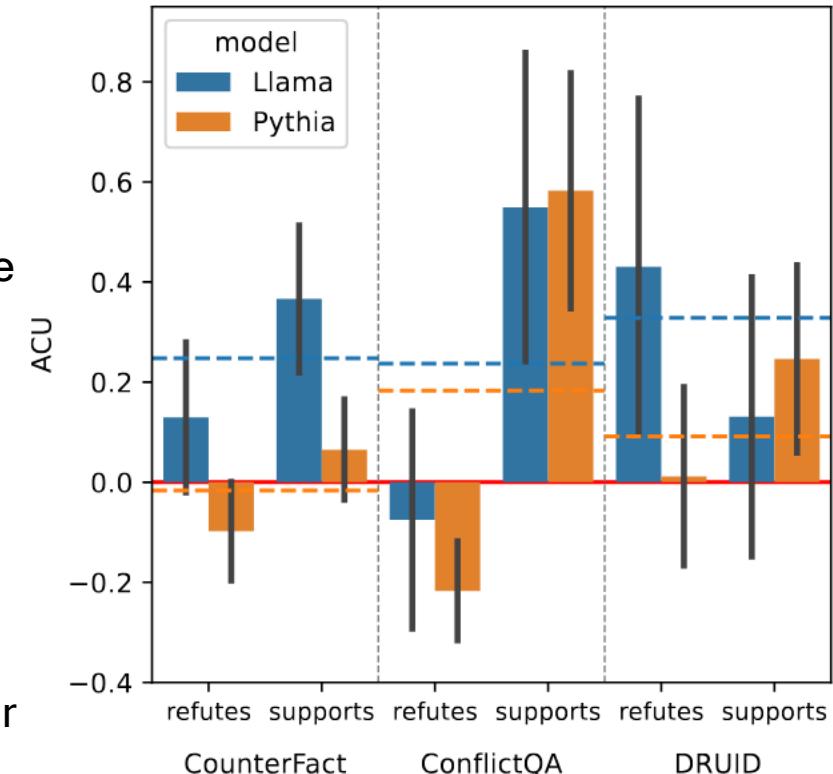
DRUID



DRUID+

# Context utilisation of RAG

- Context usage (ACU score):
  - Re-scaled difference in salient token probability for different labels for a claim between settings with vs. without evidence
- Synthetic datasets:
  - Over-prefer supporting evidence
  - Context repulsion for refuting evidence
  - Generated automatically -> aligned with parametric memory
- Real-world dataset:
  - Context utilisation and repulsion both lower



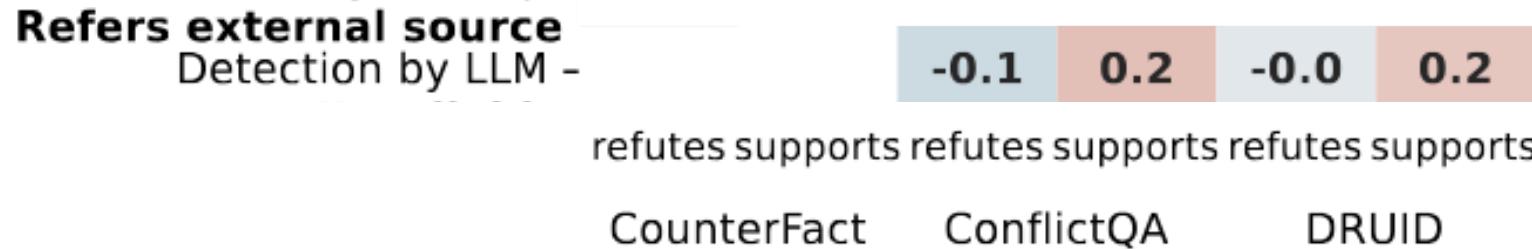
# Influence of content characteristics on RAG

- Context from fact-check sources -> high ACU
  - Higher rate of assertive and to-the-point language
  - More direct discussion of claims with multiple arguments -> more convincing to LM
  - Similarly for 'Pub. after claim' and 'Gold source'

	CounterFact	ConflictQA	DRUID
Fact-check source -	<b>0.6</b>	<b>0.2</b>	
Gold source -	<b>0.4</b>	<b>0.2</b>	
Pub. after claim -	<b>0.5</b>	<b>0.1</b>	
Fact-check verdict -		<b>-0.1</b>	<b>0.3</b>
	refutes	supports	refutes
	refutes	supports	refutes
	CounterFact	ConflictQA	DRUID

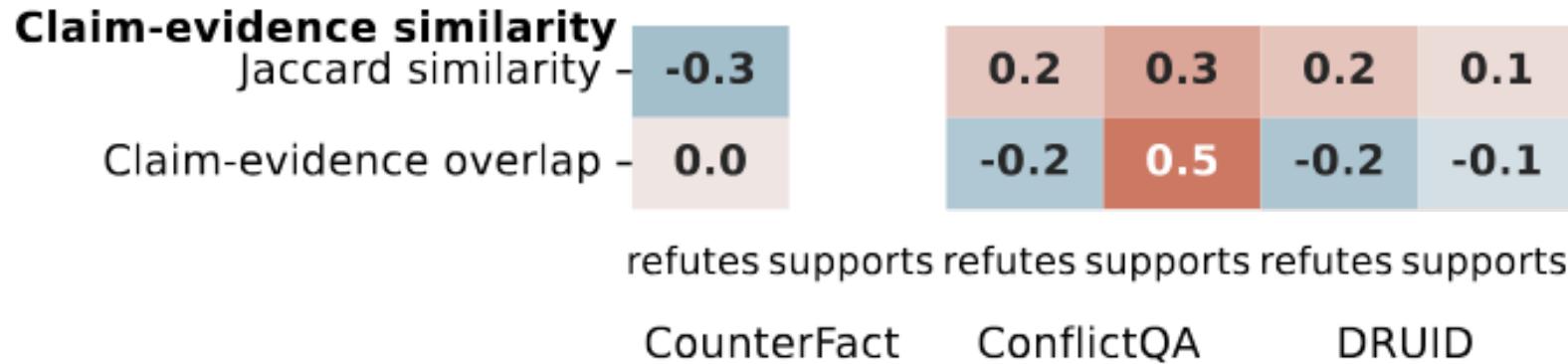
# Influence of content characteristics on RAG

- **References to external sources: low correlations with ACU**
  - Confirms findings of previous work, showing LLM are insensitive to references to external sources



# Influence of content characteristics on RAG

- Correlations with **claim-evidence similarity properties** low for DRUID
  - LLMs prioritise contexts with high query-context similarity -> more difficult in real-world RAG setting



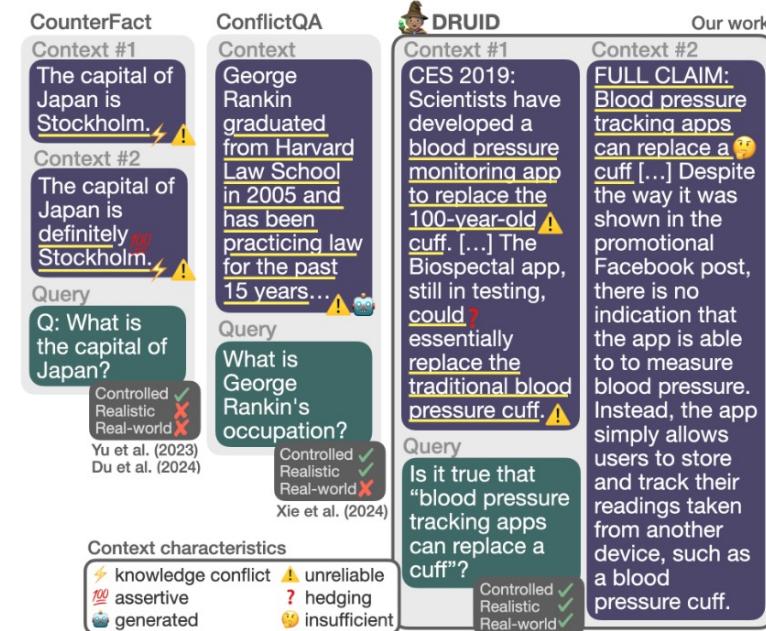
# Influence of content characteristics on RAG

- LLMs less faithful to long contexts

	refutes	supports	refutes	supports	refutes	supports
Claim length -	-0.0	<b>0.1</b>	<b>0.1</b>	<b>-0.0</b>	<b>0.2</b>	0.0
Evidence length -	-0.0	<b>0.1</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-0.2</b>
	CounterFact	ConflictQA	DRUID			

# Take-Aways: Context Utilisation of RAG

- Characteristics of context usage:
  - Synthetic datasets oversell the impact of certain context characteristics (e.g. knowledge conflicts), which are rare in retrieved data
  - Synthetic data exaggerates ‘context repulsion’  
-> rarer for realistic data
  - No singleton context characteristic indicating RAG failure in real-world settings
- Overall:
  - Reality check on LLM context usage
  - Need for real-world aligned studies to understand and improve context use for RAG

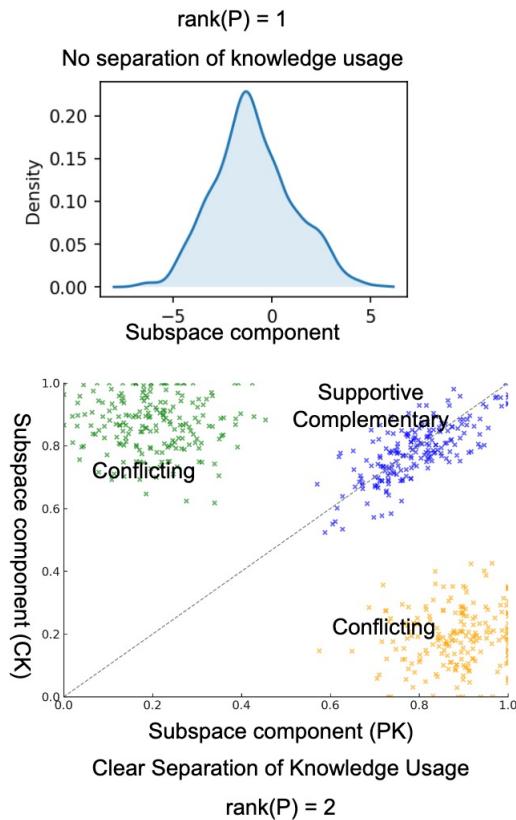


# Multi-Step Knowledge Interaction Analysis

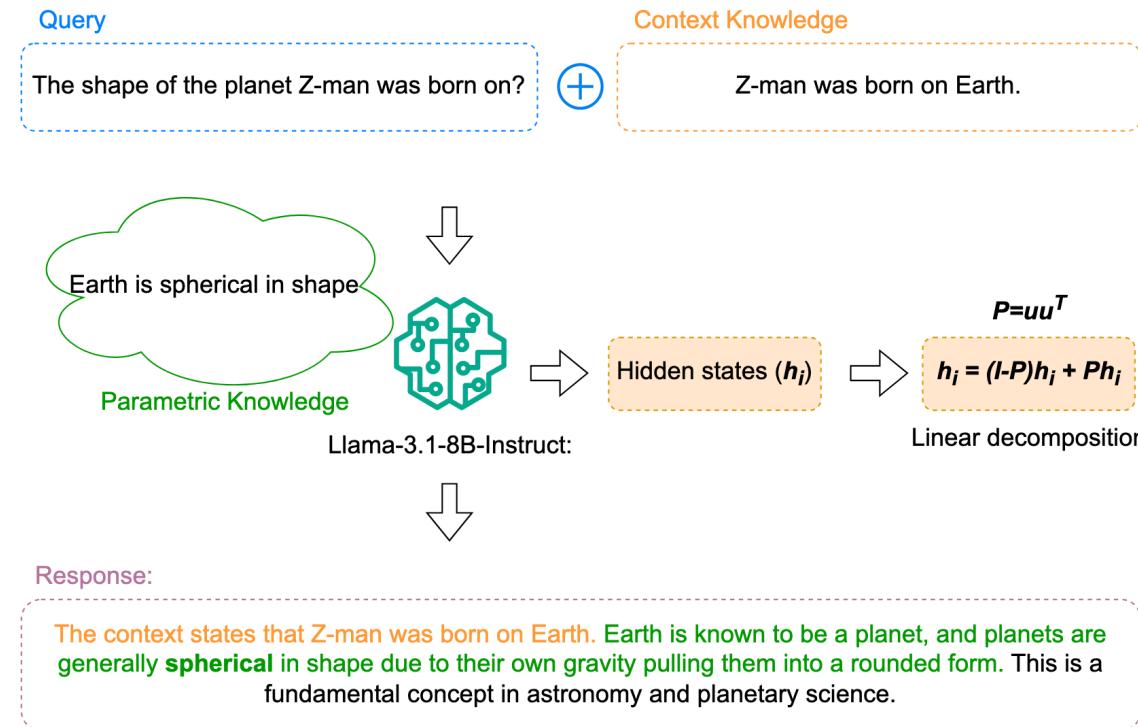
- Prior papers on knowledge interaction:
  - Study single-step generation (final answer)
  - Model interaction as binary choice between parametric and contextual knowledge
  - Ignore richer forms of interaction, e.g. complementary or supporting knowledge

## Contributions:

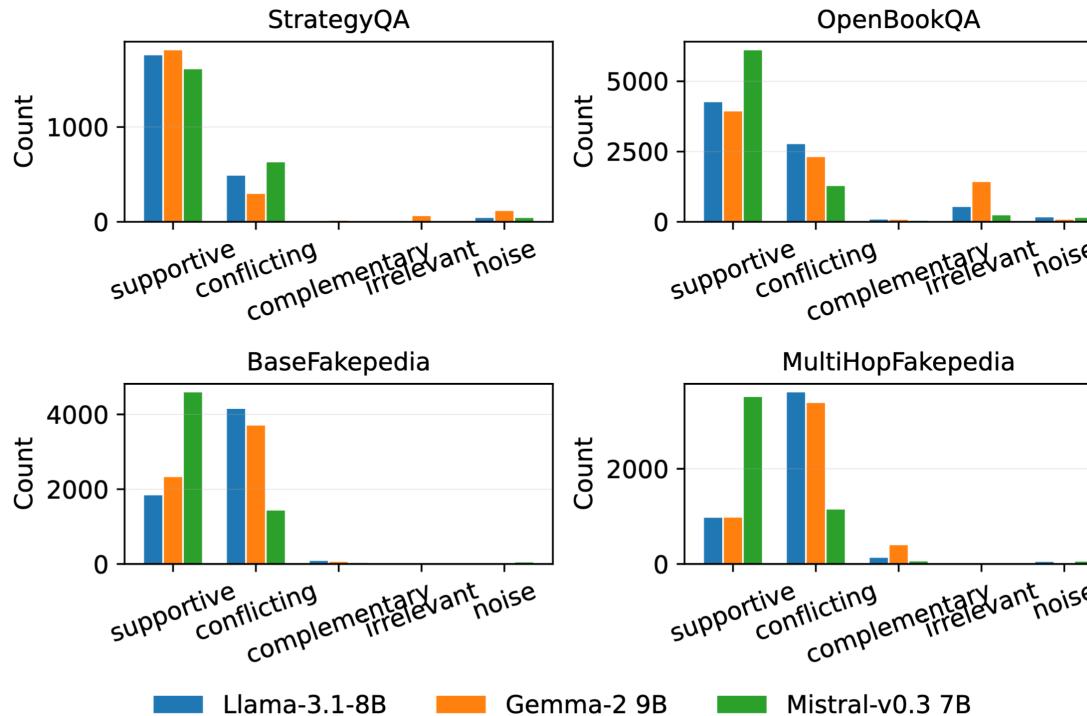
- novel knowledge interaction analysis via rank-2 subspace projection
- application to interaction of long natural language explanation sequences
- novel insights into LLMs' knowledge interaction dynamics



# Multi-Step Knowledge Interaction Analysis

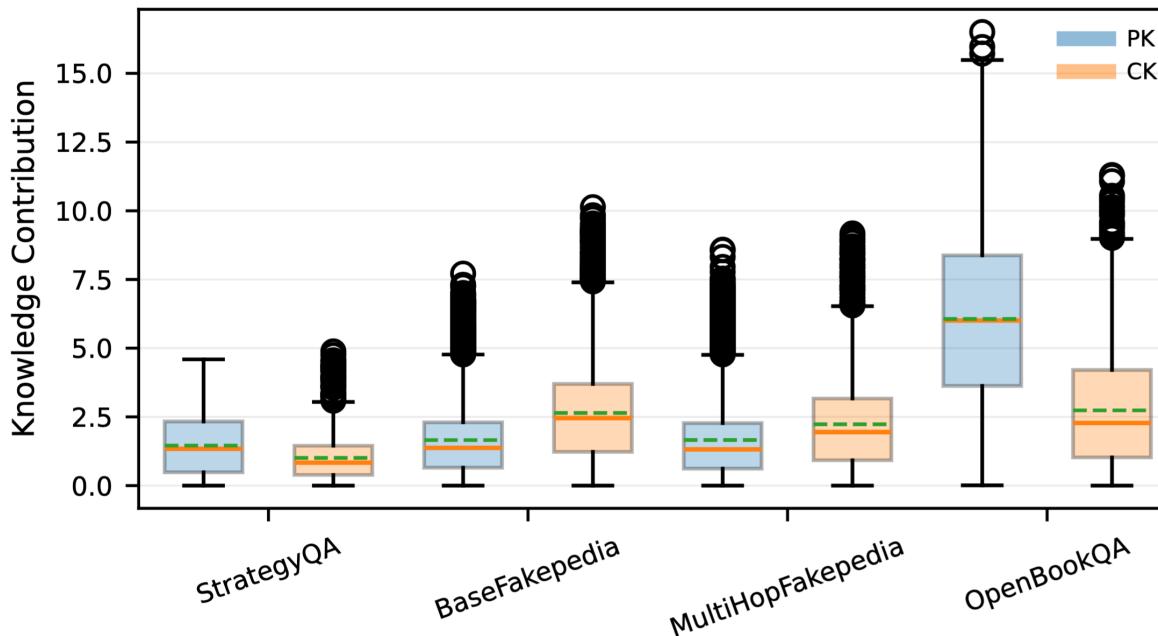


## RQ2: How Do Individual PK and CK Contributions Change Over the NLE Generation for Different Knowledge Interactions?



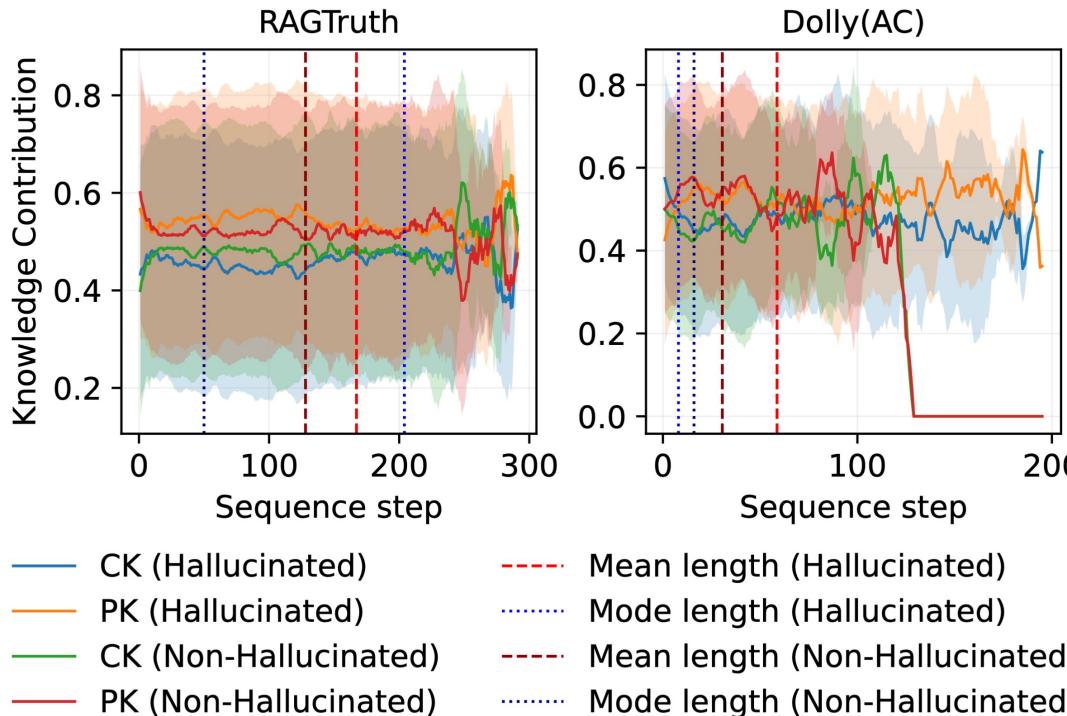
- Fakepedia datasets contain more conflicting examples than other knowledge interaction types
- Consistent with dataset designs: Fakepedia variants are evidence-centric and often adversarial/conflicting

## RQ2: How Do Individual PK and CK Contributions Change Over the NLE Generation for Different Knowledge Interactions?



- Higher CK contribution for Fakepedia datasets – adversarial/conflicting evidence pushes model to prefer context
- Higher PK for QA datasets: commonsense questions and sparse cues encourage parametric recall

## RQ3: Can We Find Reasons for Hallucinations Based on PK-CK Interactions?



- Gap between PK and CK much higher for hallucinated than for non-hallucinated instances
- Hallucinated answers based more on PK than CK; already visible during early sequence steps
- Aligns with similar observations of prior work

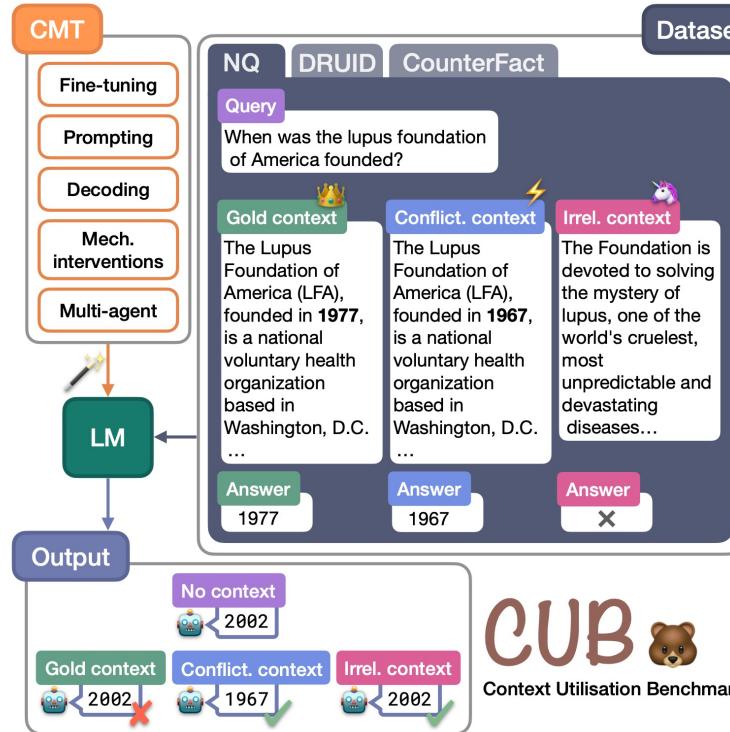
# Overview: Understanding LLMs' Knowledge Utilisation

- **Introduction**
  - Factuality Challenges of Large Language Models
- **Parametric vs Contextual Knowledge Utilisation of Language Models**
  - Revealing conflicts between parametric and contextual knowledge
  - Determining when or how RAG uses contextual knowledge
  - Context manipulation techniques
- **Conclusion**
  - Wrap-up and outlook

# Benchmarking context usage manipulation techniques

- Previous context usage experiments show that LLMs:
  - Struggle with more complex and long contexts
  - Can easily be distracted by irrelevant contexts due to context-memory conflicts
- Methods to increase or suppress LLMs' context usage have been developed to:
  - Improve robustness to irrelevant contexts
  - Enhance faithfulness to conflicting information
- Do they work for real-world RAG settings?

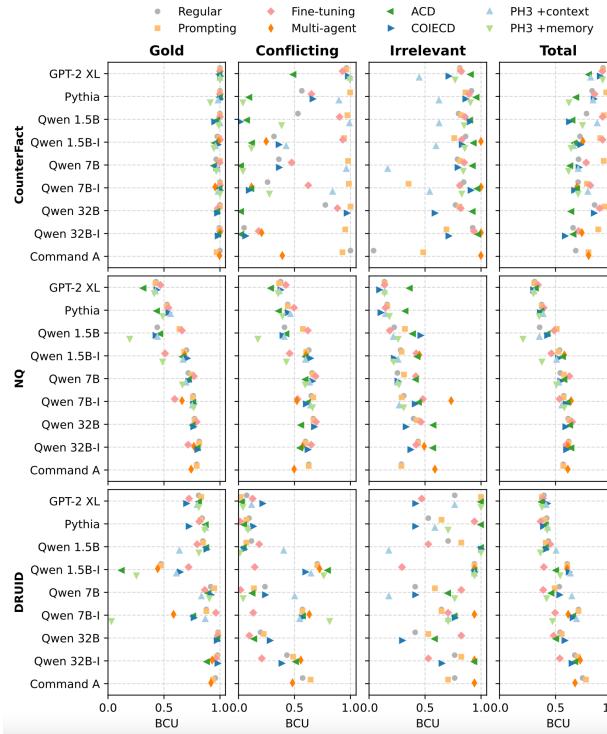
# Benchmarking context usage manipulation techniques



# Overview of context usage manipulation techniques

Methods	Objective	Level	Tuning Cost	Inference Cost
Fine-tuning	Both	Fine-tuning	High	Low
Prompting	Both	Prompt.	Low	Mid
Multi-agent	Both	Prompt.	None	High
PH3 +context	Faith	Mech.	High	Low
COIECD	Faith	Decoding	Mid	Mid
PH3 +memory	Robust	Mech.	High	Low
ACD	Robust	Decoding	None	Mid

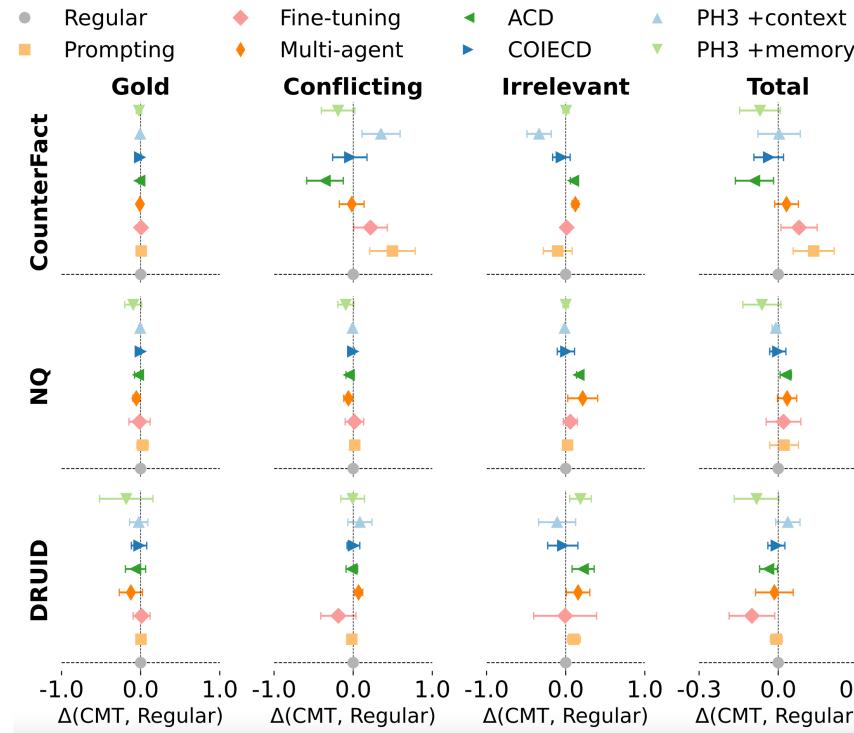
# Are larger models better at utilising context?



## Binary context utilisation (BCU) score:

- For relevant contexts (gold and conflicting) the score is 1 if the LM prediction is the same as the token promoted by the context, and 0 otherwise
- For irrelevant contexts the score is 1 if the LM prediction is the same as the memory token (i.e. the prediction made by the model before any context has been introduced), and 0 otherwise

# Which context manipulation technique is best on average?



## Take-aways: Benchmarking context usage manipulation techniques

- Larger models are on average better than smaller models – but with the right CMT, smaller models can outperform larger ones
- There is **no one best context manipulation technique** – some perform better for conflicting, other for irrelevant contexts
- Difference in patterns between artificial and realistic datasets

# Overview: Understanding LLMs' Knowledge Utilisation

- **Introduction**
  - Factuality Challenges of Large Language Models
- **Parametric vs Contextual Knowledge Utilisation of Language Models**
  - Revealing conflicts between parametric and contextual knowledge
  - Determining when or how RAG uses contextual knowledge
  - Context manipulation techniques
- **Conclusion**
  - Wrap-up and outlook

# Wrap-Up: Utilisation of Knowledge by LLMs

- How to reveal **conflicts between parametric and contextual knowledge?**
  - Diagnostic test sets with real+counterfactual evidence can reveal how easily a model is persuaded by contextual evidence
  - Models tend to be more stubborn for static than for dynamic facts

# Wrap-Up: Utilisation of Knowledge by LLMs

- How to know when or how a **LLM actually uses retrieved contextual knowledge?**
  - Comparison of token prediction probabilities with and without evidence
  - Context repulsion much more common for synthetic (LLM generated) evidence
  - LLMs more likely to use easy to understand sources
  - Disentanglement of parametric vs. contextual knowledge with subspace projection
  - For adversarial or conflicting context, model relies more on contextual knowledge
  - For common-sense questions, model relies more on parametric knowledge
  - For hallucinated answers, model relies more on parametric knowledge than for non-hallucinated answers

Lovisa Hagström, Sara Vera Marjanović, Haeun Yu, Arnav Arora, Christina Lioma, Maria Maistro, Pepa Atanasova, **Isabelle Augenstein**. [A Reality Check on Context Utilisation for Retrieval-Augmented Generation](#). In Proceedings of [ACL 2025](#), July 2025.

Sekh Mainul Islam, Pepa Atanasova, **Isabelle Augenstein**. [Multi-Step Knowledge Interaction Analysis via Rank-2 Subspace Disentanglement](#). CoRR, abs/2511.01706, November 2025.

# Wrap-Up: Utilisation of Knowledge by LLMs

- How to **manipulate context usage of LLMs?**
  - Prompting, fine-tuning, decoding or mechanistic interventions have been studied
  - No best method – some better at handling conflicting, others irrelevant context

# Wrap-Up: Factuality Issues of LLMs

*Those [...] who had been around for a long time, can see old ideas reappearing in new guises [...]. But the new costumes are better made, of better materials, as well as more becoming: so research is not so much going round in circles as ascending a spiral.*

(Karen Spärk Jones, 1994)



- LLMs are excellent at recitation, not at reasoning (Yan et al., 2025)
  - The same could be observed for PLMs (Petroni et al., 2019)
- LLM+RAG-based automatic fact checking models prioritise easy-to-understand sources (Hagström et al., 2025)
  - The same could be observed for PLMs (Augenstein et al., 2019)

## References

**Isabelle Augenstein**, Timothy Baldwin, Meeyoung Cha, Tanmoy Chakraborty, Giovanni Luca Ciampaglia, David Corney, Renee DiResta, Emilio Ferrara, Scott Hale, Alon Halevy, Eduard Hovy, Heng Ji, Filippo Menczer, Ruben Miguez, Preslav Nakov, Dietram Scheufele, Shivam Sharma, Giovanni Zagni. [Factuality Challenges in the Era of Large Language Models](#). *Nature Machine Intelligence*, August 2024.

Sara Vera Marjanović\*, Haeun Yu\*, Pepa Atanasova, Maria Maistro, Christina Lioma, **Isabelle Augenstein**. [DYNAMICQA: Tracing Internal Knowledge Conflicts in Language Models](#). In *Findings of the 2024 Conference on Empirical Methods in Natural Language Processing (EMNLP 2024)*, November 2024.

Lovisa Hagström, Sara Vera Marjanović, Haeun Yu, Arnav Arora, Christina Lioma, Maria Maistro, Pepa Atanasova, **Isabelle Augenstein**. [A Reality Check on Context Utilisation for Retrieval-Augmented Generation](#). In *Proceedings of ACL 2025*, July 2025.

Sekh Mainul Islam, Pepa Atanasova, **Isabelle Augenstein**. [Multi-Step Knowledge Interaction Analysis via Rank-2 Subspace Disentanglement](#). CoRR, abs/2511.01706, November 2025.

Lovisa Hagström\*, Youna Kim\*, Haeun Yu, Sang-goo Lee, Richard Johansson, Hyunsoo Cho, **Isabelle Augenstein**. [CUB: Benchmarking Context Utilisation Techniques for Language Models](#). CoRR, abs/2505.16518, May 2025.

# CopeNLU Lab



**Isabelle Augenstein**

Full Professor

Isabelle's main research interests are natural language understanding, explainability and learning with limited training data.



**Pepa Atanasova**

Assistant Professor

Pepa's research interests include the development, diagnostics, and application of explainability and interpretability techniques for NLP models.



**Dustin Wright**

Postdoc

Dustin is a DDSA postdoctoral fellow, working on scientific natural language understanding and faithful text generation.



**Greta Warren**

Postdoc

Greta's research interests include user-centred explainability, fact-checking, and human-AI interaction.



**Yoonna Jang**

Postdoc

Yoonna's research interests include language generation, factuality and interpretability.



**Nadav Borenstein**

PhD Student

Nadav's research interests include improving the trustworthiness and usefulness of deep models in the NLP domain.



**Sarah Masud**

Postdoc

Sarah broadly works in the area of computational social systems with a focus on news narrative and hate speech modelling. Her PhD at IIT-Delhi was supported by fellowships from Google and PMRF.



**Arnav Arora**

PhD Student

Arnav's research interests include equitable ML, mitigating online harms, and the intersection of NLP and Computational Social Science



**Sara Vera Marjanovic**

PhD Student

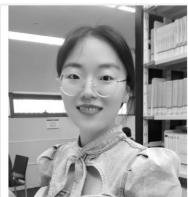
Sara's research interests include explainable IR and NLP models, identifying biases in large text datasets, as well as working with social media data. She is a member of the DIKU ML section and IR group and co-advised by Isabelle.



**Haeun Yu**

PhD Student

Haeun's main research interests include enhancing explainability in fact-checking and transparency of knowledge-enhanced LM.



**Jingyi Sun**

PhD Student

Jingyi Sun's research interests include explainability, fact-checking, and question answering.



**Siddhesh Pawar**

PhD Student

Siddhesh Pawar's research interests include multilingual models, fairness and accountability in NLP systems.



**Amalie Brogaard Pauli**

PhD Student

Amalie's research focuses on detecting persuasive and misleading text. She is a PhD student at Aarå University and co-advised by Isat



**Sekh Mainul Islam**

PhD Student

Sekh's research interests include explainability in fact checking and improving robustness and trustworthiness in NLP models.



**Lucas Resck**

PhD Student

Lucas is an ELLIS PhD student at the University of Cambridge, supervised by Anna Corfonen and co-supervised by Isabelle. His research interests include machine learning, NLP and explainability.



**Ahmad Dawar Hakimi**

PhD Student

Dawar is an ELLIS PhD student at LMU Munich, supervised by Hinrich Schütze and co-supervised by Isabelle. His research interests include mechanistic interpretability, summarisation and factuality of LLMs.



**Yijun Bian**

Postdoc

Yijun is a Marie-Curie postdoctoral fellow working on fair and interpretable ML.

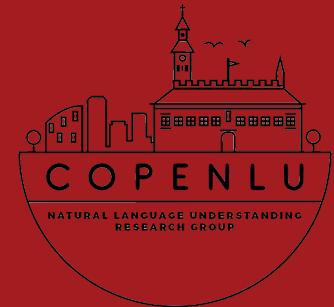


+ You?  
We're  
hiring ->



# Thank you for your attention!

# Questions?



We're  
hiring!

