

5TH EUROPEAN COST CONFERENCE ON  
ARTIFICIAL INTELLIGENCE IN FINANCE  
AND INDUSTRY, ZHAW - SEPT 2020

# Corporate Digital Responsibility

Managing Privacy Risk from a Law and Ethical perspective

# AGENDA

## CHAPTERS

**01 Why Corporate Digital Responsibility?** 

**02 Challenges of Today** 

**03 Strategies and Examples** 

**04 Auditing CDR Programs** 

**05 Next Steps** 

# DEFINITION

## CORPORATE DIGITAL RESPONSIBILITY

- Goals and Purpose
  - Corporate Responsibility in the digital society (2016)
  - **proactive commitment** to a sustainable digital economy
  - balancing risks and economic opportunities in the context of developments and innovations ("**digital sustainability**")
- CDR and AI, but why?
  - to support responsibility of system designers and the organizations that use these systems
  - comprehensive, coherent set of norms, embedded in the organizational culture ("digital DNA"), to govern the development and deployment of digital technology and data
  - to manage ethical dilemmas, bias and overall act digitally responsible

# CHALLENGES

## CORPORATE DIGITAL RESPONSIBILITY

- Framework for AI developments?
  - Ethics have always been **overlooked**, especially in times of **crisis**  
e.g. Corona-Tracking App in Austria (health vs. data protection)
  - „AI made in Europe“ – trustworthy AI plans of the European Commission (EC)  
e.g. discussion about temporary ban on facial recognition
  - **Non-existence** of standards and reference systems
  - Values change over time (shifting baselines) → **value alignment problem**
  - Society is **slowly starting** to establish ethical concepts, as technology was simply not available before
  - Absence of **interdisciplinary Know-How** to implement CDR programs

# CHALLENGES

## CORPORATE DIGITAL RESPONSIBILITY

- And what does the Law say?
  - Regulatory obligations such as the GDPR are in place but not sufficiently defined:

### Art 5

Principles relating to processing of personal data

Personal data shall be:

*processed lawfully, **fairly** and in a transparent manner in relation to the data subject ('lawfulness, **fairness** and transparency')*

Recital 71: appropriate mathematical or statistical procedures for the profiling;  
prevent discriminatory effects; minimize factors which result in inaccuracies in personal data and the risk of errors

# SO, WHAT'S FAIR?

## EXPECTATIONS OF DATA SUBJECTS







If I use a smart home, will I always be monitored?

Have I been hacked? What happens with my data?

Can I trust that my data is safe with this dating app?

What does my employer know about me? Does he track my entries? Does he monitor my PC?

Who controls whether our data are being sold to a third party?

Only this one more selfie! If this is perfect, they will stop hating me for sure!

Is it still possible to stay anonymous?

Will an AI take over my workplace?

How does an AI work? What does deep or machine learning mean?

Take away those damn cookie banners!

# Challenges Observations of the last years

SPEAK UP  
CULTURE

- #metoo Bewegung
- Fridays for Future
- Black Live Matters

**Twitter Stops Using Terms 'Master,' 'Slave' and 'Blacklist'**

INNOVATION

- Artificial Intelligence
- Big Data
- Blockchain

**Find my virus: Mobilising AI and big data to fight COVID-19**

LAW

- GDPR
- Whistle Blowing
- Laws to protect confidential information

**Oracle and Salesforce hit with GDPR class action lawsuits over cookie tracking consent**

COMPLIANCE

- Data misuse and Data-Breaches
- Rights of data subjects

EU's Court of Justice nullifies pact allowing digital data transfers overseas

CASES

- first pilot projects
- "Fails"

**Austria's employment agency rolls out discriminatory algorithm, sees no problem**

STANDARDS

- Working Groups for Digital Ethics
- EU-Commission
- Research at Universities
- Ethically Aligned Design: IEEE 700X™ Standard
- ISO 26000 - orientation towards guidelines for Corporate Social Responsibility (CSR)

**Grindr Apologizes For Sharing HIV Data**

IBM Abandons Facial Recognition Products, Condemns Racially Biased Surveillance

**Austrian Strategy for Artificial Intelligence**  
Artificial Intelligence Mission Austria 2030 – AIM AT 2030



# CDR STRATEGIES

## TOOLS AND MODELS

- Basis: Charter of Digital Connectivity (DE [LINK](#))
- Scenario Technique – recommended by the German Federal Ministry of Justice and Consumer Protection (EN [LINK](#))
- Individual point of view (business model/technical perspective)
- Ethics Advisory Board and Guidelines
- Thematic fields (clusters)
- Responsible Business Plan
- Sustainability Report

# CDR STRATEGIES

## INDIVIDUAL POINT OF VIEW

- Individual Definition of CDR Goals
  - Organization describes its understanding of the CDR and fields of action; how it intends to achieve its goals
  - Results are noted in reports
  - Example: Atos

### a. The key issues

By setting out its sense of purpose, Atos instituted its contribution to three major societal issues of the 21st century.

#### Building a trusted digital space

Since the end of the 21st century, the information technology space has been formed without the most influential actors in its dynamics always in depth thinking about the direct and indirect impacts of its developments on civil society. Atos intends to help bring the digital space into a new innovation regime - clear-sighted, reflexive, contributing to the major societal challenges of the 21st century - by facilitating the secure use of digital technologies and by countering the risks faced by individuals, companies and States. Atos approaches the issues of privacy, process and algorithm transparency, data protection and sovereignty with the conviction that shaping the digital space means building a digital world that is inhabitable to all. Toward this end, Atos intends to cast its actions in an inclusive perspective, offering everyone the possibility, irrespective of gender, origin, disability or social trajectory, to work and live in the digital space. From the diversity of employees to the involvement of stakeholders in governance, Atos wishes to build a digital world that is open and secure for all.

#### Taking part in the ecological transition in the face of the climate emergency

The volume of data produced by humanity increases by 60% each year. Global digital services now consume 10% of electricity worldwide, and account for 4% of global greenhouse gas emissions. This proportion could double by 2025 (source: The Shift Project). In order to address the climate emergency and to make digital technologies resilient, it is essential that the environmental performance of digital products and services be stepped up, and that technology be turned into a lever for the environmental transition.

#### Contributing to scientific and technological excellence

The phenomenal developments in distributed computing, the unparalleled advances in artificial intelligence in the last decade, and the success of digital start-ups in the territories are proof of the great momentum which digital science and technology can bring. To ensure that these developments yield benefits for the largest possible number of people and that the digital divides - connected with age, geography and disability - are reduced, Atos intends to reaffirm its support for scientific and technological research ecosystems, in order to support the development of knowledge and connect it to society's needs, in particular through its R&D investments for its products and services.



# CDR STRATEGIES

## ETHICS ADVISORY BOARD

- Appointment of an Ethics Board
  - Panel with experts from science, politics and industry ensures the implementation of guidelines
  - Example: SAP products must pass 150 quality checks, including ethics principles
  - Steering committee for AI
  - Discussion with own community about the development of the AI
  - Clarification between the Ethics Board and the role of a "Chief Ethical and Humane Use Officer" (Salesforce)

### SAP's guiding principles for artificial intelligence (AI)



We are driven by our values



We design for people



We enable business beyond bias



We strive for transparency and integrity in all that we do



We uphold quality and safety standards



We place data protection and privacy at our core

Source: <https://www.sap.com/products/intelligent-technologies/artificial-intelligence/ai-ethics.html>

### Microsoft AI principles

We put our responsible AI principles into practice through the Office of Responsible AI (ORA) and the AI, Ethics, and Effects in Engineering and Research (Aether) Committee. The Aether Committee advises our leadership on the challenges and opportunities presented by AI innovations. ORA sets our rules and governance processes, working closely with teams across the company to enable the effort.

Source: <https://www.microsoft.com/en-us/ai/responsible-ai?activetab=pivot1%3aprimar6>

#### OUR PRINCIPLES

### Artificial Intelligence at Google: Our Principles

Google aspires to create technologies that solve important problems and help people in their daily lives. We are optimistic about the incredible potential for AI and other advanced technologies to empower people, widely benefit current and future generations, and work for the common good.

<https://ai.google/principles/>

# CDR STRATEGIES

## ETHICS ADVISORY BOARD

- Public Sector

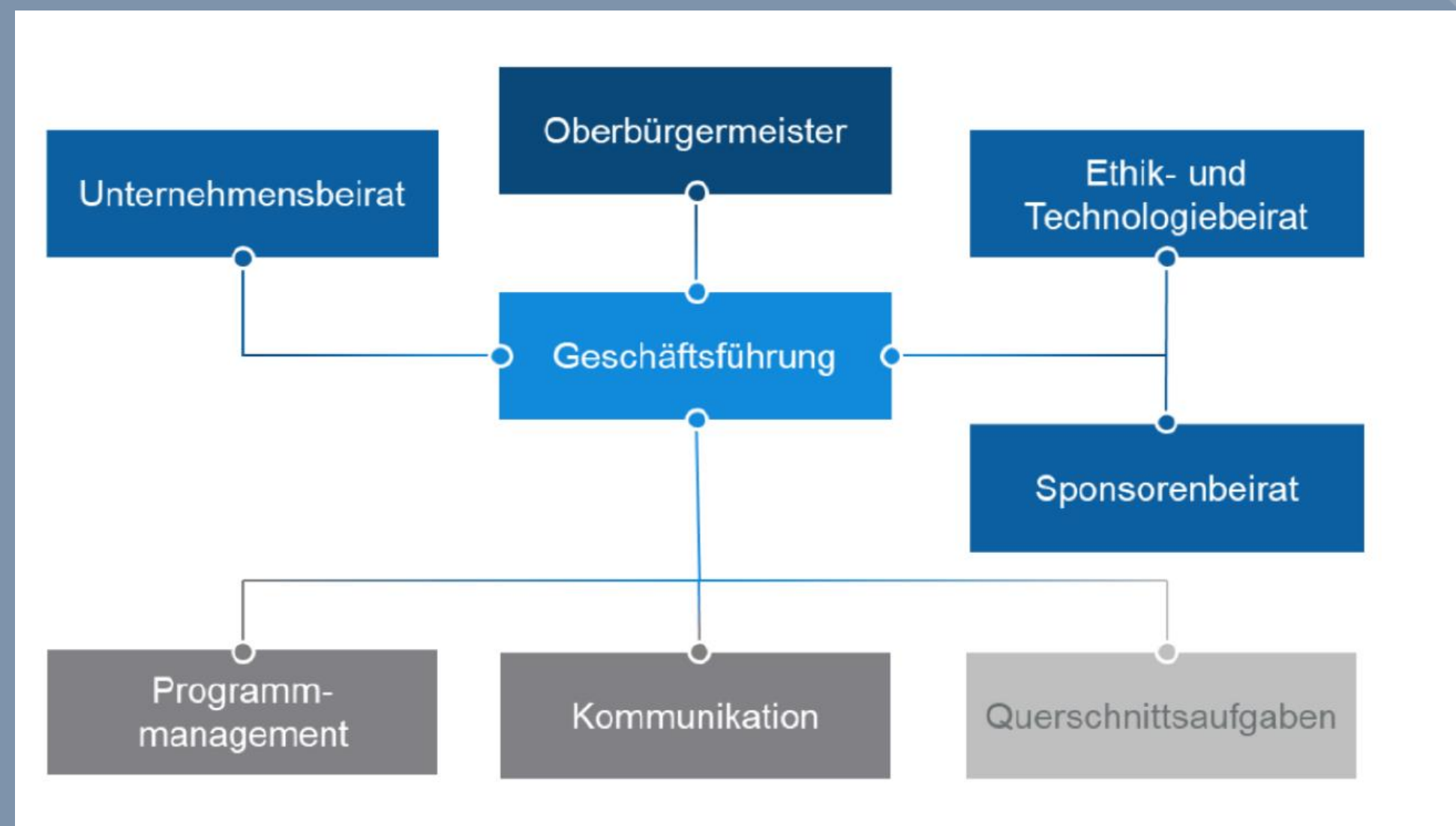
- Example: Munich Public Utilities and "Digital City" Darmstadt

Richtlinie über die Grundsätze der Stadtwerke München zum Umgang mit Daten und fortschreitender Digitalisierung  
(Corporate Digital Responsibility)



### PRÄAMBEL

Die SWM entwickeln stetig ihre Produkte und Dienstleistungen weiter, um Bürger/innen und Besucher/innen Münchens alle Vorteile von Vernetzung und Digitalisierung zugänglich zu machen. Unsere Vision: München als leuchtendes Beispiel einer vernetzten und lebenswerten Stadt. Weiterschreitende Digitalisierung und Vernetzung bieten neue Chancen, aber auch Herausforderungen. Dies betrifft den Schutz personenbezogener Daten von Kunden (nachfolgend: „Kundendaten“) und Beschäftigten (nachfolgend: „Beschäftigtendaten“) aber auch die Qualifikation unserer Mitarbeiter/innen und die Weiterentwicklung der Arbeitsplätze.

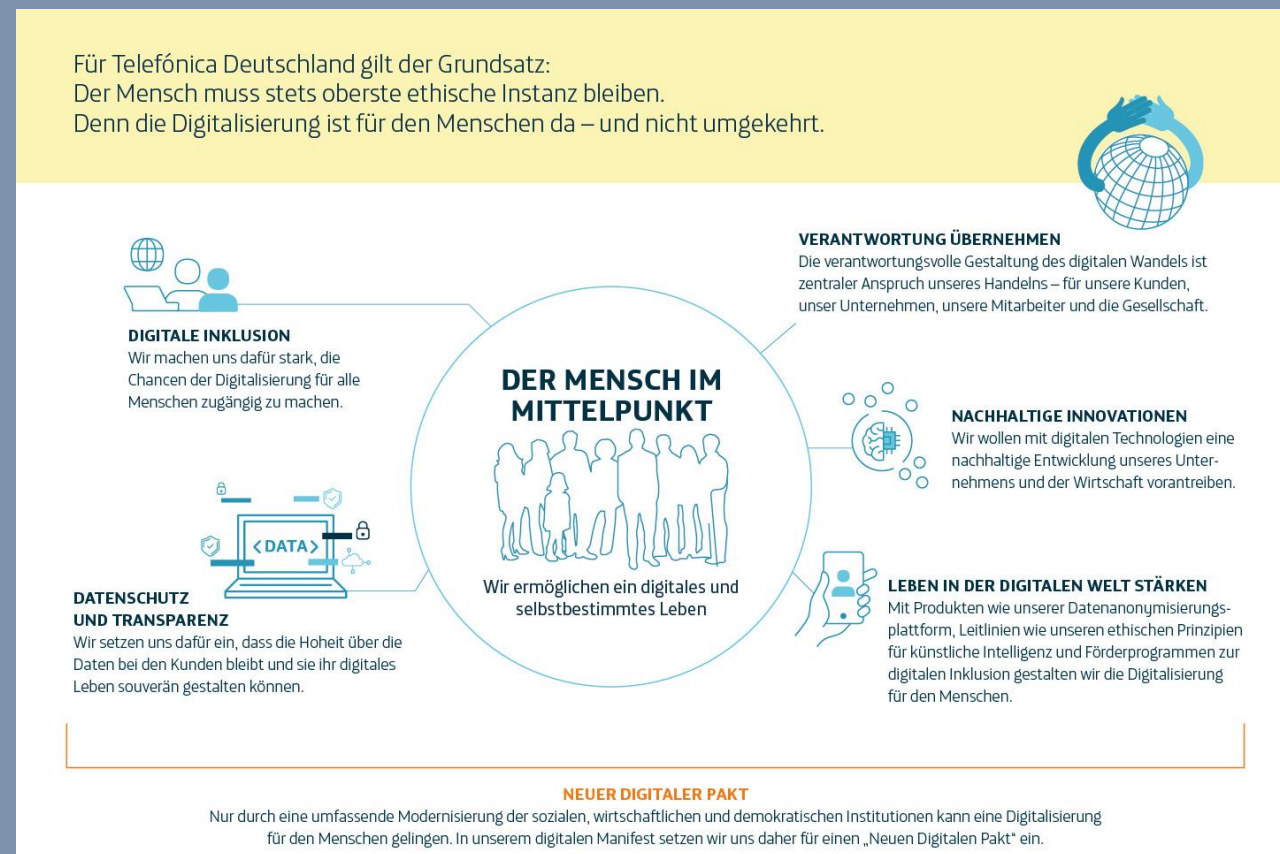




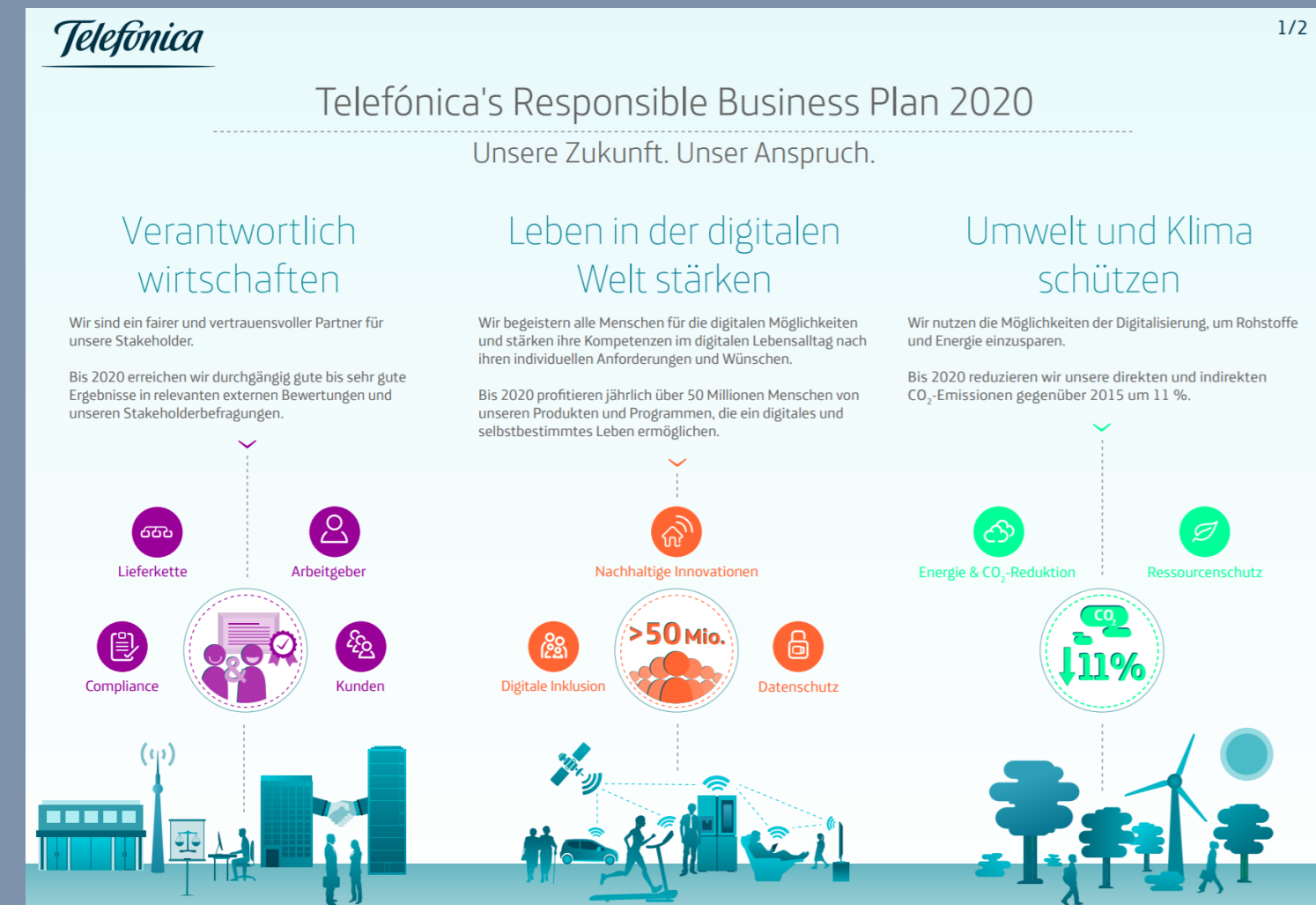
# CDR STRATEGIES

## RESPONSIBLE BUSINESS PLAN

- Documentation of CDR activities
  - Comparison of aspects of responsibility, stakeholder protection and fostering equal opportunities
  - Example: Telefónica Deutschland



Quelle: <https://www.telefonica.de/verantwortung/corporate-digital-responsibility-cdr.html>



VALUE DESIGN – Corporate Digital Responsibility – TIEN

Quelle: <https://www.telefonica.de/file/public/1016/20180507-Telefonica-Responsible-Business-Plan-2020-deutsch.pdf>



# CDR STRATEGIES

## SUSTAINABILITY REPORTS

- Addressing CDR in sustainability reports

- Example: Fujitsu

- By supporting girls and women into STEM careers and implementing a bias-free and gender-neutral recruitment strategy and mentoring programs, and participating in global initiatives like 1000 Girls 1000 Futures and the Girls in ICT Day program in the Caribbean, we work to promote women into high-tech fields.
- By building data centers that incorporate extensive energy-saving and environmentally friendly technology, we achieved a PUE of below 1.3 while delivering true Uptime Institute Certified Tier 3 resilience.

- By empowering our people to work in flexible, digital environments including offices and virtual working arrangements, we create stronger work-life balance, drive productivity and enable people to work anywhere, anytime in a way that suits their work style. Flexible working is now the default position for all our recruiting activities.
- By providing wearable technology to employees in remote or dangerous conditions, we monitor employee safety and offer instant advice. Head-mounted displays, wristbands and badges detect falls, measure levels of drowsiness or heat exhaustion, and pinpoint a user's location, among other benefits.

Source: <https://www.fujitsu.com/us/Images/2018%20Sustainability%20Report.pdf>

# CDR STRATEGIES

## SUSTAINABILITY REPORTS

- Addressing CDR in sustainability reports

- Example: Daimler

*[...] Data responsibility involves **more than just** data protection. Daimler therefore employs a **holistic** approach to ensure that it meets its corporate digital responsibility obligations. [...] The Daimler Data Vision describes our commitment to the sustainable and responsible handling of data. It provides all Daimler AG employees with a **clear frame of reference for activities** regarding data. [...]*

### DATA RESPONSIBILITY

## Responsible use of data

Connectivity and digitalization will play a crucial role in future mobility – whether it involves automated and autonomous driving, driving assistance systems, vehicle safety, or new services. Many new business models are based on the availability of large amounts of data. The responsible handling and protection of such data is a top priority at Daimler.

Source: <https://www.daimler.com/documents/sustainability/other/daimler-sustainability-report-2019.pdf>

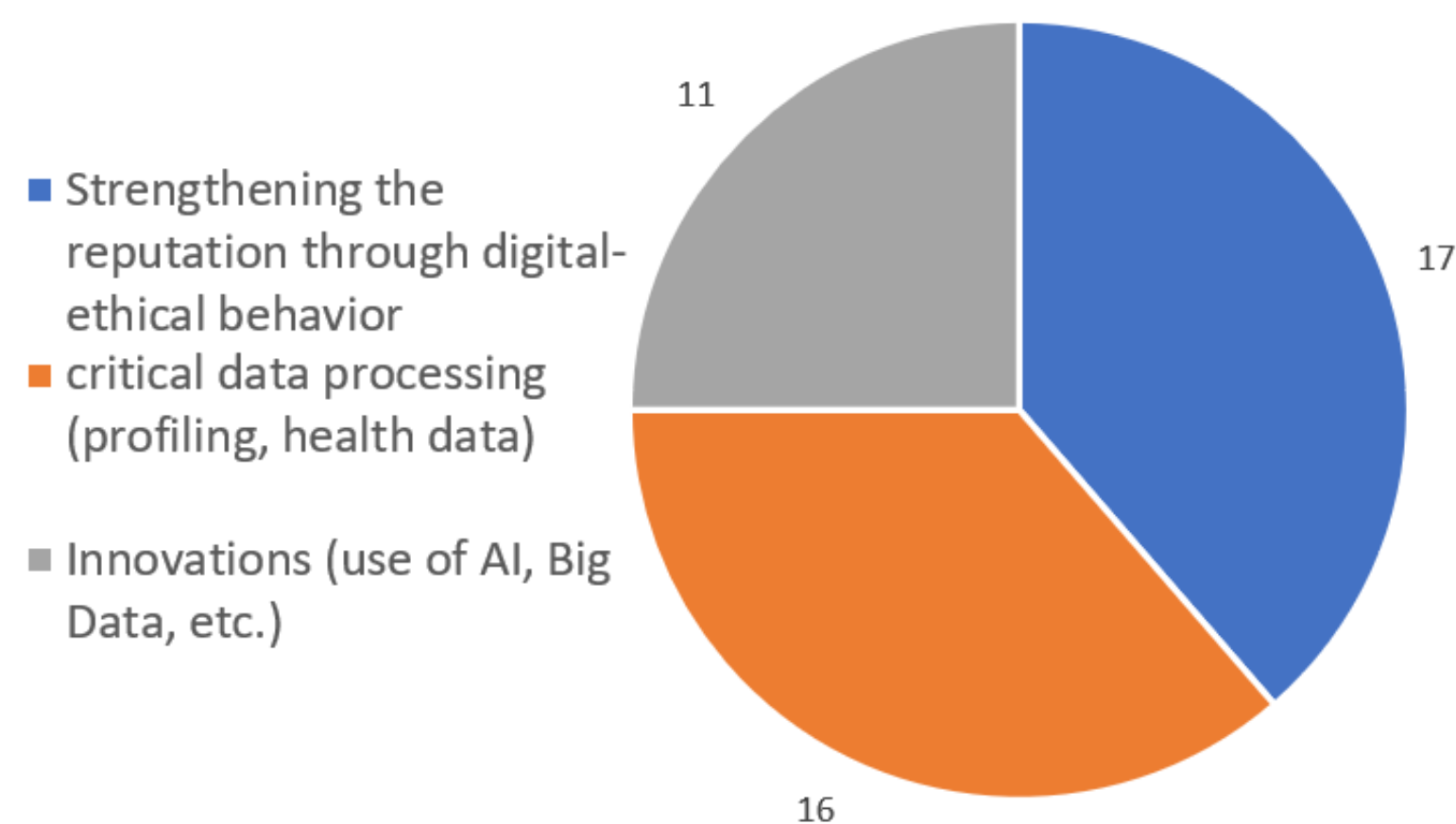


# AUDITING CDR PROGRAMS

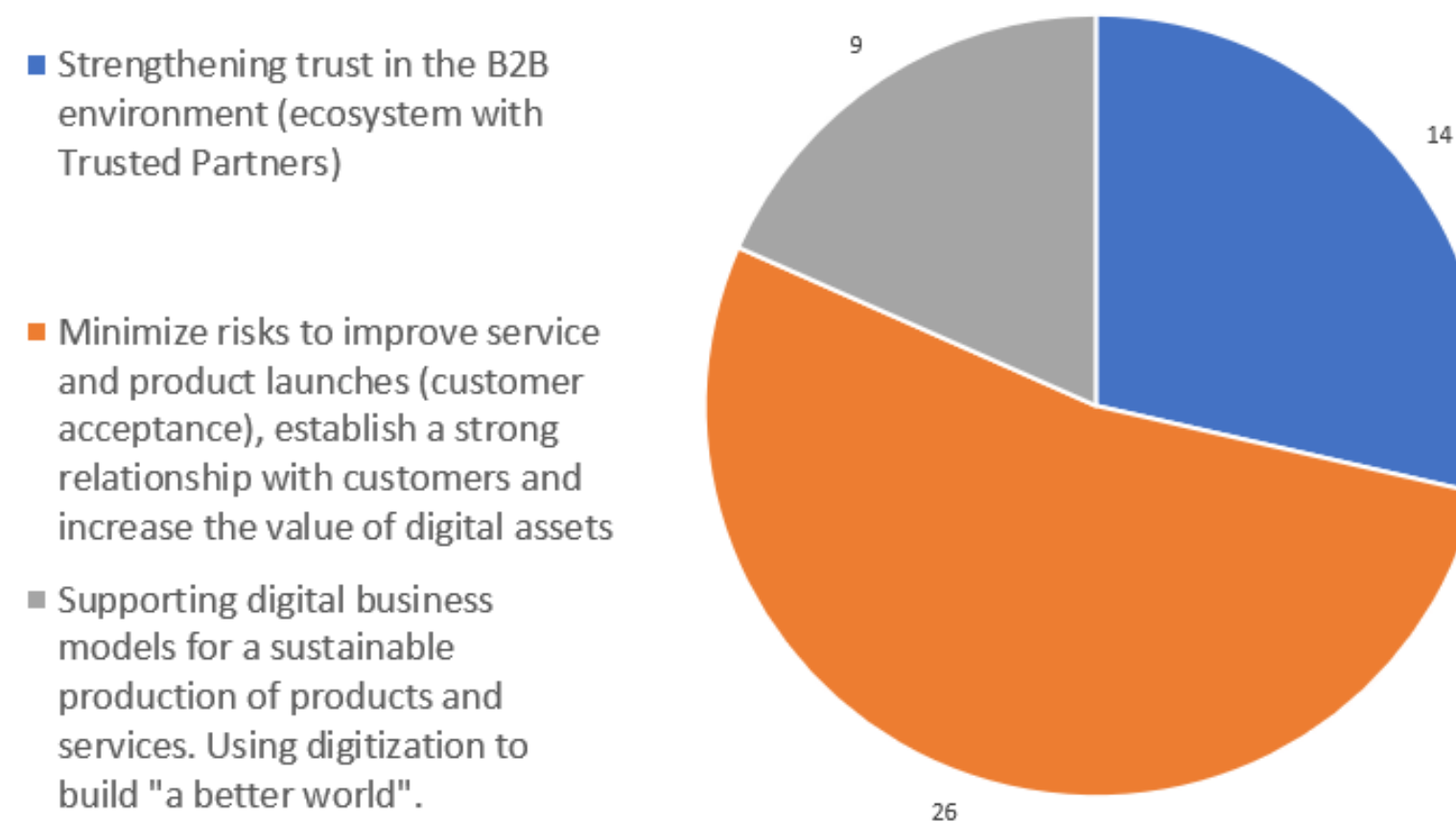
## SURVEY - RESULTS

- Mini-Poll from June 2020 - Internal Audit professionals working in Austria (35 participants; more than one answer was possible)

Do you see risks / opportunities in your organization that could be addressed by CDR?



What benefits of CDR do you see as most important?





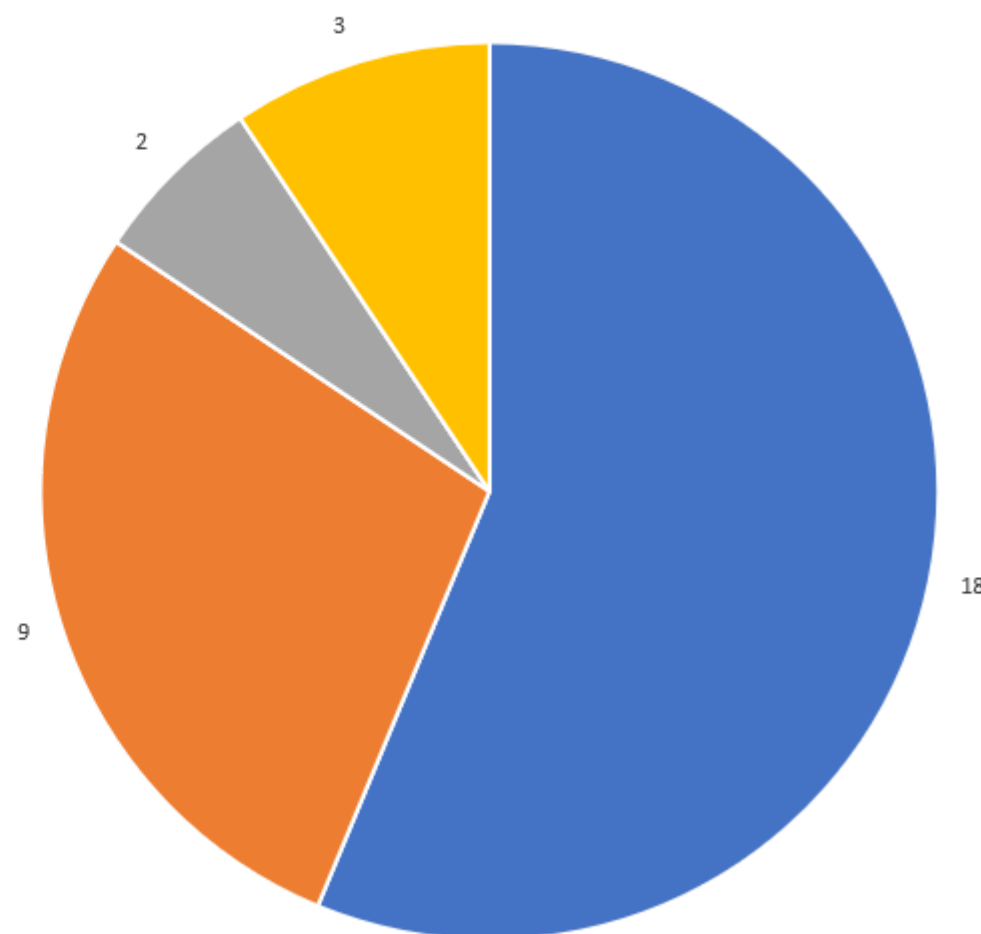
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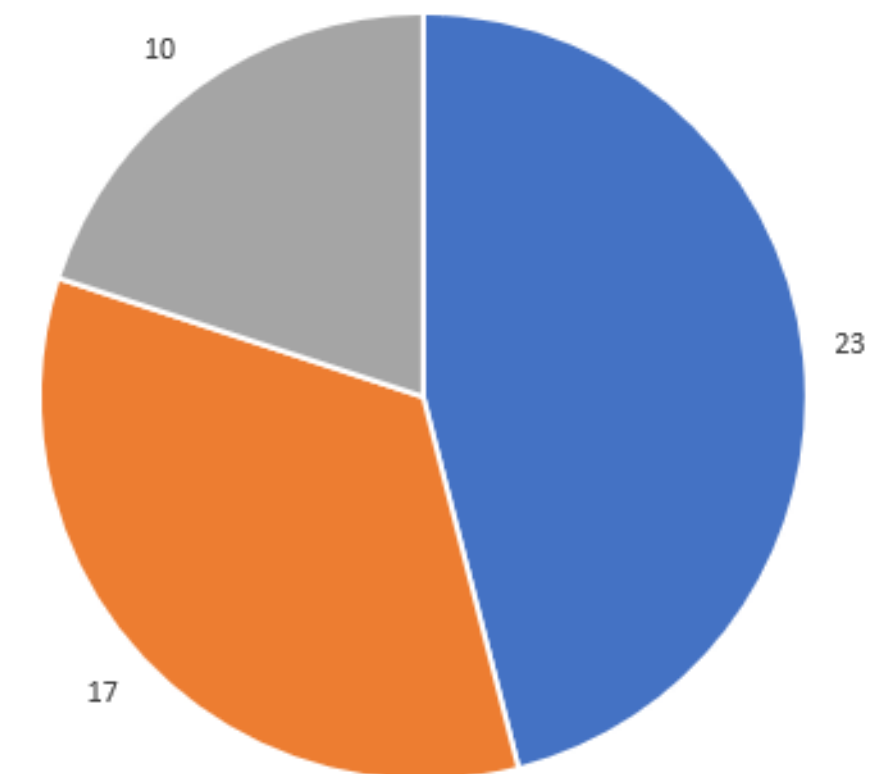
Do you believe that Austria has the right environment to develop CDR in a trust-based and practical manner?

- So far the topic is rarely discussed, organizations will set other priorities in the near future due to the Corona crisis
- The time is right for CDR, with all the data protection scandals and social discussions (eg Corona-App, teacher evaluation app) CDR will become necessary
- I cannot make any prediction about this
- Europe-wide initiatives already exist and international corporations have started to implement CDR strategies, Austrian companies will have to follow along with them soon



Are there any significant challenges you see in the review of the digital ethics program by the internal audit department?

- Such a program is not in use so far
- Holistic view of risks (across departments and disciplines)
- Lack of know-how and ethics management



# NEXT STEPS

## PIONEER WORK FOR FIRST MOVER

- CDR - a show-stopper?
  - System competition: some countries hardly consider ethical standards in AI development
- Avoid „*Ethics Washing*“
- Future reporting obligations, in what form?
  - Stand-alone **CDR reporting obligation** using the example of CSR?
- CDR Program review
  - What criteria must be included in the audit plan to determine the **state of maturity** of CDR related programs?

# IT'S ALL ABOUT TRUST - THANK YOU!

***"78 PERCENT OF  
CONSUMERS SAID THEY  
WERE MORE LIKELY TO  
PURCHASE A MORE  
EXPENSIVE PRODUCT IF  
PRIVACY WAS ASSURED"***

**FOR INFORMATION: [HTTPS://VIEW.CEROS.COM/SAI-  
GLOBAL/REPUTATION-TRUST-INDEX/P/1](https://view.ceros.com/sai-global/reputation-trust-index/p/1)**

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