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

We want to use your data by accessing your smartphone and evaluate your social media data with an AI.

Pardon me? This is incredible awful! Of course not!!!

But I really would like to learn how it is possible to optimize my online presence - of course for free.

Of course I want to know exactly what happens with my personal data. I want to understand the AI algorithm and the compliance with data protection regulations is very important to me.
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!

Will an AI take over my workplace?

Take away those damn cookie banners!

How does an AI work? What does deep or machine learning mean?
Challenges Observations of the last years

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

- Artificial Intelligence
- Big Data
- Blockchain

- GDPR
- Whistle Blowing
- Laws to protect confidential information

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

- first pilot projects
- "Fails"

- 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)

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

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

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

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

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

Austria’s employment agency rolls out discriminatory algorithm, sees no problem
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
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)
Richtlinie über die Grundsätze der Stadtwerke München zum Umgang mit Daten und fortschreitender Digitalisierung (Corporate Digital Responsibility)

**PRAÄMBEL**


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**CDR STRATEGIES**

**ETHICS ADVISORY BOARD**

- **Public Sector**
  - *Example:* Munich Public Utilities and “Digital City” Darmstadt
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-digitalresponsibility-cdr.html
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.
CDD 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. [...]
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?**

- Strengthening the reputation through digital-ethical behavior: 17
- Critical data processing (profiling, health data): 11
- Innovations (use of AI, Big Data, etc.): 16

**What benefits of CDR do you see as most important?**

- Strengthening trust in the B2B environment (ecosystem with Trusted Partners): 26
- Minimize risks to improve service and product launches (customer acceptance), establish a strong relationship with customers and increase the value of digital assets: 14
- Supporting digital business models for a sustainable production of products and services. Using digitalization to build "a better world": 9
AUDITING CDR PROGRAMS
SURVEY - RESULTS

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

**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

PIOONEER 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

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