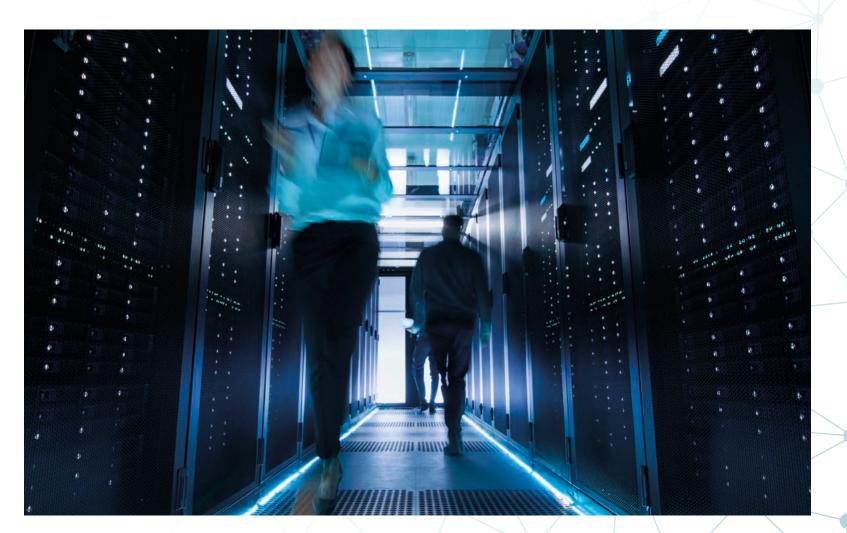# Deloitte.

Digital ethics decoded
A practical approach to
ethical data management

Introduction

Data has become an integral part of modern life, and its usage is growing exponentially. From businesses to governments, organisations are collecting, storing, and analysing vast amounts of data in order to gain insights, make decisions and develop new products/services. However, with great power comes great responsibility. The more data organisations process, the bigger the spotlight on them, not only to ensure regulatory compliance but also to focus on the significant ethical concerns resulting from data collection and its use. Furthermore, the growing use of technology, including Artificial Intelligence (AI) and robotics stems concerns about the extensive use of data and potential for misuse.

What is digital ethics?

Doing the right thing, regardless of legislations, takes you into the field of ethics. Organisations usually focus on various regulatory obligations that they must comply with, but organisations also have a responsibility to their stakeholders, including their employees, customers, their vendors, and investors. This goes beyond regulatory compliance.

Accountability can be intricate to define and demonstrate, often leading organisations to set out some principles they should adhere to such as privacy, fairness, non-discrimination, transparency, and more, while processing data. Embedding Digital Ethics into an organisation involves promoting the moral values of the organisation through alignment of data processing practices and processes with those values. Digital Ethics refers to a set of principles and moral values that guide the responsible and ethical use of data.

Why does digital ethics matter?

Digital Ethics is vitally important for several reasons. Data can possibly be misused to oppress individuals or groups. For instance, data can be used to make life-altering decisions such as hiring decisions, loan approvals or medical diagnoses. Furthermore, targeted advertising and personalised content without individuals' informed consent can be seen as unethical. Breaches in security may expose personal information resulting in identity theft and financial loss. Unethical data practices can also lead to a breach of trust between individuals and organisations which has damaging repercussions for both parties involved.

With the revolutionisation of technology, organisations are compelled to adopt novel technologies far faster than ever to retain customer base and market share. Without doubt, AI has the potential to impact individuals and society at large, so this makes it even more crucial. Globally, the swift development of AI has produced a plethora of options, ranging from enabling human interactions through social media platforms to facilitating healthcare diagnostics and efficiencies. But there are also serious ethical questions raised by these advancements. These result from AI systems' propensity to instil prejudice, intensify climate change, endanger human rights, and other negative outcomes. The threats related to AI have already started to exacerbate pre-existing inequality, further harming already marginalised populations.

Although AI has many positive applications, without ethical guardrails, it poses a danger to fundamental human rights and freedom. There are essentially four core values which lay the foundation for AI systems that work for the good of humanity.

Incorporating these values and Digital Ethics by Design into the initial phases of product development channelises the potential of AI in a way that benefits society, while minimising risks and negative consequences. Furthermore, integrating Digital Ethics into an organisation's innovation processes allows companies to build a foundation of trust, fosters sustainable user-centric innovation and promotes responsible innovation.

Human rights, respect, freedom, and human dignity

Preserving diversity, inclusiveness and elimination of bias and discrimination

Prospering environment and ecosystem

Sustaining a peaceful and equitable society

A moral stance in the rapidly evolving field of technology

The following eight guiding principles define an approach to AI and digital ethics and revolves around the human element, that we so often tend to disregard in this fast-paced world.

Establishing a Code of Digital Ethics

All organisations should establish a code of Digital Ethics that sets their commitments to ethical data practices. Digital Ethics by Design should be considered right from the outset of any product development, product enhancement or any proposed processing of data. Periodic training and awareness programmes should be emphasised and rolled out to promote awareness on ethical data processing practices. This will eventually build a culture of trust, transparency and safety within the organisation.

Human Oversight and Determination

Organisations must make sure AI systems do not take the place of ultimate human accountability and responsibility. There needs to be human oversight and safeguards in place to prevent misuse of data. There should be cross functional stakeholder collaboration and effective governance.

Proportionality, Do No Harm, Safety and Security

AI systems should only be used as much as is required to accomplish a valid goal. Risk assessment should be utilised to prevent any potential harm from these types of applications.

Fair and Transparent Algorithms

Organisations must ensure that their decision-making and algorithms are fair and impartial. This can be achieved through ongoing monitoring and periodic testing.

A moral stance in the rapidly evolving field of technology

Transparency and Explainability

Data should be collected and used with transparency so individuals understand how their data is being utilised thereby allowing them to make informed decisions about whether to share their data or not. Further, where deemed necessary, before collecting data, organisations should seek consent from individuals. This consent should always be freely given and be fully informed.

Inclusion, Fairness and Non-discrimination

Unconscious or Conscious bias can affect inclusivity in an organisation. Organisations should take the necessary steps to ensure the processing of data does not result in or hide discrimination or bias. Vulnerable data subjects who are the most susceptible to negative consequences of processing require additional consideration.

Autonomy, Freedom, Respect, Privacy and Dignity

Individuals must be able to make their own decisions, take their own actions and make their own choices. Processing of data should not constrain human beings in how they want to live their lives. Autonomy for individuals to control how their data is processed should be ensured. The processing of the data should be respectful of human values. Specifically, when the processing is carried out through AI, the outcome should not dehumanise individuals.

Sustainability

AI innovations should be evaluated to consider their effects on the environment and its ability to sustain through periods of time. These innovations should align to the organisation's sustainability goals.

Conclusion

Digital Ethics has become an increasingly pressing concern in this digital era and is an area that needs to be addressed by individuals, organisations, and governments alike. It is worth noting that organisations need not necessarily reinvent the wheel or start from scratch, instead they should leverage their existing frameworks and incorporate the defined Digital Ethics principles into them. Organisations can protect individual privacy rights, guarantee fairness and promote accountability by integrating digital ethics into their strategy and embedding it throughout the operations.

Furthermore, ethical data practices lead to positive social outcomes and promote a more just and equitable society.

How can Deloitte help?

Deloitte as an industry leader can support you in developing and implementing a Digital Ethics framework suitable to your business needs. We implement a risk-based approach that is specifically aligned to your business strategy, industry needs, and regulatory landscape.

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