

Policy Statement on AI Ethics Governance of Ping An Group

Jan, 2022

Technologies including facial recognition, voice recognition and autonomous cars are moving into the spotlight, indicating the rapid emergences of artificial intelligence (AI) in business and people's daily life. The breakthrough in developing AI will help to achieve low-energy production, low-cost medical services, high-quality educational resources and other fair, inclusive, and sustainable development goals. However, as an accelerator for social and business development, AI has given rise to important governance and ethical issues. Rules and regulations governing the use of and application of AI are playing catching up with some practices and applications, some of which pose ethical challenges to providers of services using AI.

Ping An is committed to becoming a world-leading retail financial services group. Under the philosophy of "technology leads finance and finance serves everyday life", Ping An provides ethical technology and financial services. Ping An has been developing AI, blockchain and cloud computing and applied them in four ecosystems, namely, financial services, healthcare, auto services, and smart city services.

In AI governance, Ping An follows the ethical principles of "human-centricity, human autonomy, security and controllability, fairness and justice, and openness and transparency". Currently, Ping An focuses on improving the ethical management system and strengthening issues monitoring. Externally, the Group promotes the development of domestic and international industry standards through active communication with peers and academic institutions. Internally, the Group is establishing an AI ethics committee and a supervisory committee, as well as optimizing the management methods to address six key issues in AI ethical governance.

While achieving business value, Ping An undertakes to manage AI development and application methodically, and perform its social responsibility for sustainable development.

Six key ethical issues of AI

Ping An classifies AI ethical issues into six categories; namely, application boundary, personal safety, data privacy, fairness and justice, accountability and social welfare.

- **Application boundary**

The boundaries around the application of AI are still unclear, causing controversies in some areas.

- **Personal safety**

There are some potential personal and public safety concerns regarding applications of AI. For example, using unmanned aerial vehicles (UAVs) for smuggling endangers social security.

- **Data privacy**

In the development of data and technical models, the collection, transmission and use of data may represent an invasion of individual privacy.

- **Fairness and justice**

Machine learning may cause prejudice and discrimination issues in race, religion, location and gender, as well as the unequal distribution of AI application products.

- **Accountability**

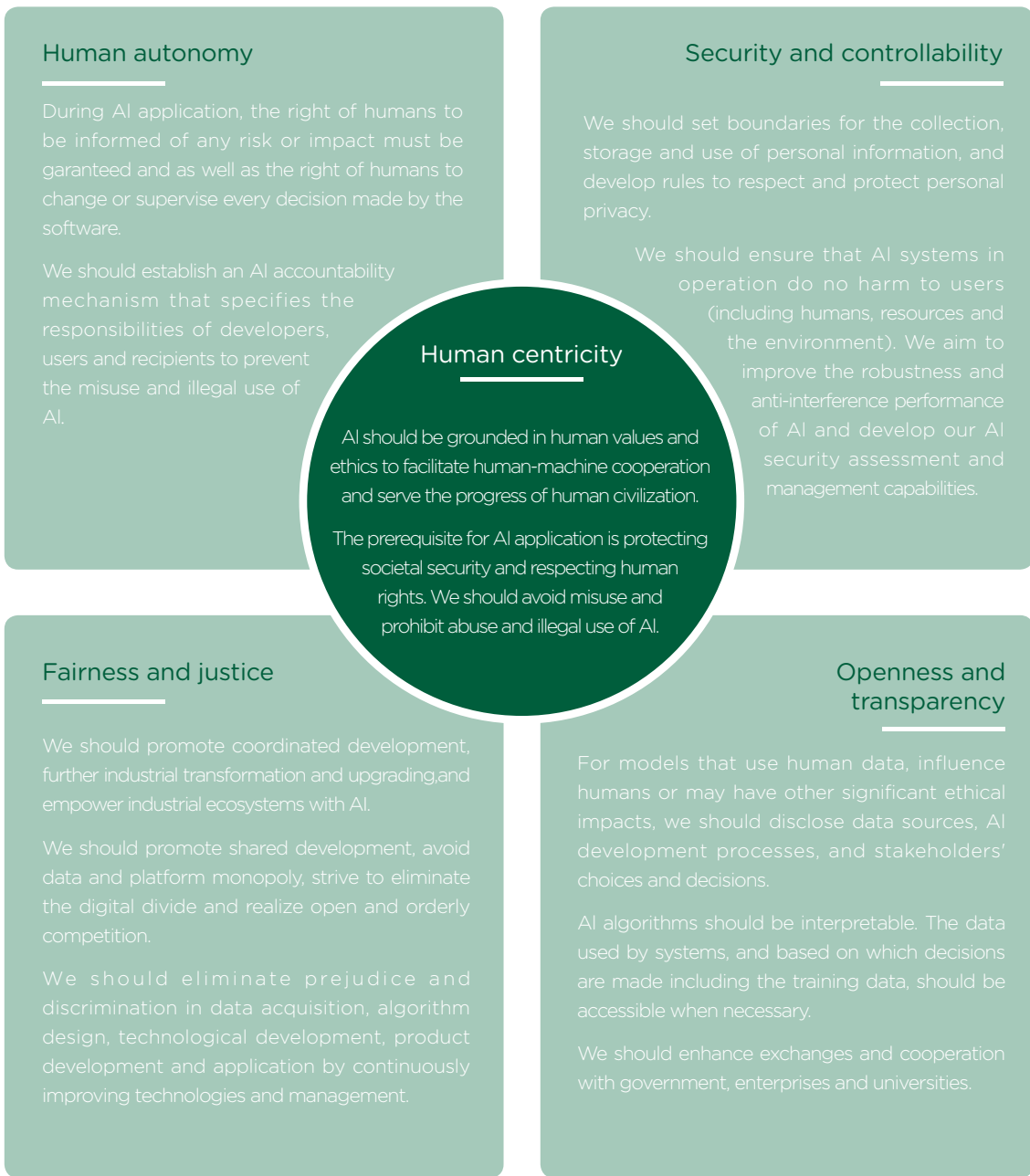
We need to identify the party to be held accountable from any issues arising from products using AI. For example, we need to determine who is responsible for an autonomous car accident, the automaker or the car owner?

- **Social welfare**

There are still no clear rules or guidelines to ensure that AI applications follow the core principle of being human-centric and of benefit to society.

Five ethical principles and commitment

Ping An has developed five ethical principles based on the existing rules issued by various countries and the business organisations, to tackle AI ethical issues, including data, algorithms and product design.



*We refer to the Ethics Guidelines for Trustworthy Artificial Intelligence of the European Commission, the Japanese Society for Artificial Intelligence Ethical Guidelines, the Tenets of Partnership on AI, the Four Ethical Principles in the Context of AI of Baidu, the Asilomar AI Principles of the Future of Life Institute, and the Ethically Aligned Design of the Institute of Electrical and Electronics Engineers.

Ping An's application of AI

Ping An vigorously develops technological strengths, focuses AI on four areas, and empowers businesses of the Group. Ping An is committed to providing ethical AI applications.

AI + financial services

Financial data privacy

Strictly control the confidentiality and use of user information and business data.

Guarantee fairness

Avoid discrimination and unfairness caused by data defects.

Ensure fairness in product design and marketing with AI and big data.

AI + health care

Medical data privacy

Strictly control the confidentiality and use of medical data.

Clear rights and Obligations

Ensure clear rights and obligations of healthtech products.

Maintain fairness

Fully consider and avoid unfair issues in AI-assisted decision making.

AI + government services

Government data privacy

Strictly control the confidentiality and use of government information.

Fair decision making

Fully consider the fairness of AI-assisted government decision making.

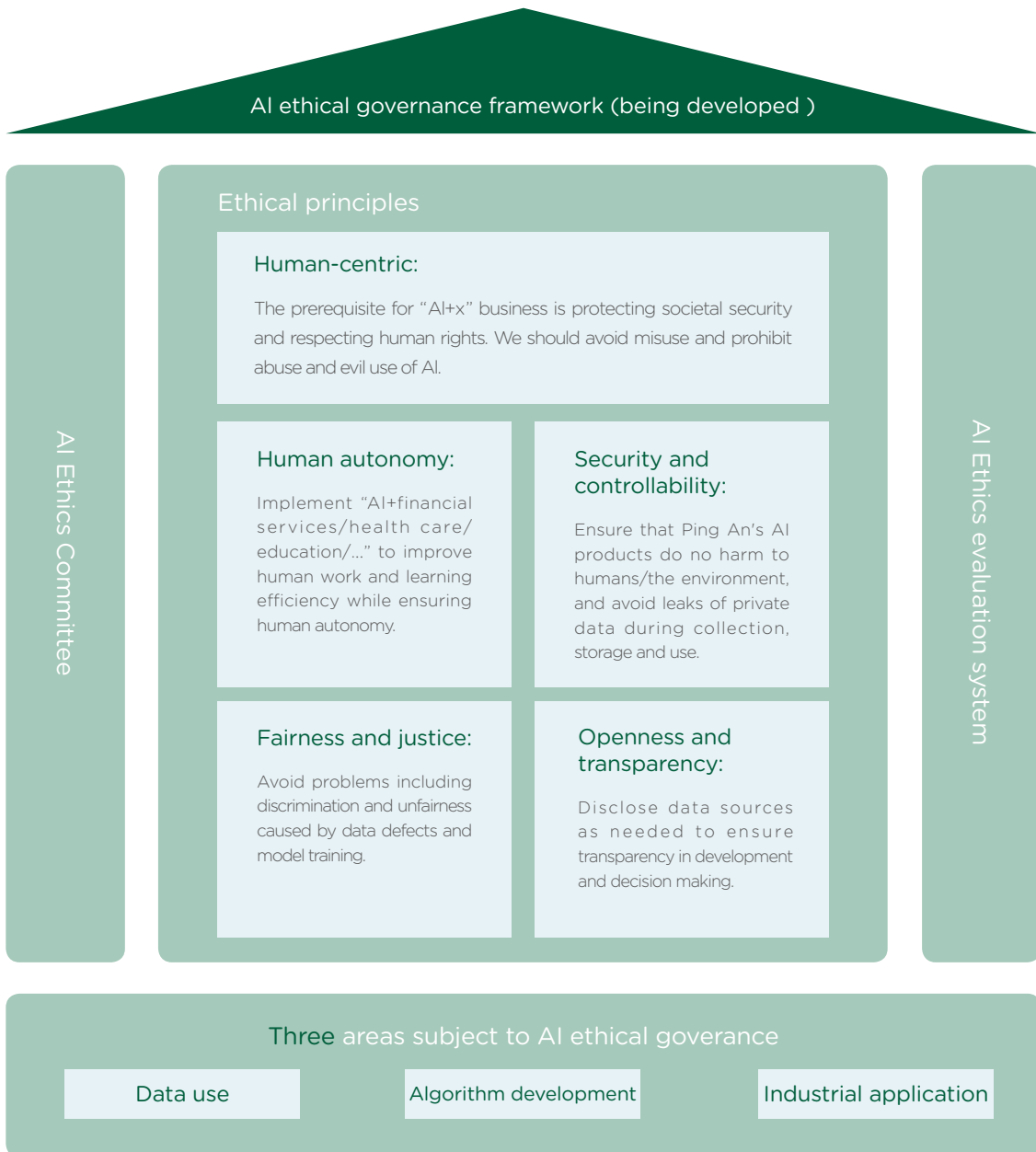
AI+X

X refers to transportation, real estate, legal and other fields.

Enhance AI ethical governance based on characteristics of these the fields.

Ping An's AI ethical governance framework

The Technology Development Committee under the Group Executive Committee is responsible for all technology management issues of the Group. The Group is developing a comprehensive ethical goal and governance framework to tackle potential ethical risks. Ping An pays close attention to and strictly controls the information security and data privacy risk, which is one of the five major risks in Ping An's overall risk management. Ping An has developed specific risk management measures. For further details, please refer to the Policy Statement on Information Security of Ping An Group and the Policy Statement on Privacy Protection of Ping An Group.



Under the Technology Management Committee, Ping An Group is establishing the AI Ethics Committee consisting of experts in areas such as AI, big data, and technology management. The AI Ethics Committee is responsible for policies and technologies research, governance promotion, planning and management, regular reviews, etc. with regard to AI and big data-related business ethics.

Ping An's AI ethical governance goals

Technology is at the core of AI. Ping An has set ethical governance goals in terms of data, algorithm and application and monitored issues.

Data use

Prudent processing of sensitive information

The collection and processing of sensitive personal information is subject to the person's prior explicit consent, while the automated processing of personal information should be made visible. Data protection measures include encrypted storage and stricter access control.

Adequate protection of private data

The use of personal information should not go beyond the scope in the personal information collection statement. We should put personal information sharing and open access under strict control and meet the Group's data governance and information security requirements.

Algorithm development

Transparent technology

We should disclose source codes and data of an AI system without harming the algorithm owner's interests, so as to avoid potential *black box of technology* issues.

Reliable algorithms

Under certain conditions and within a certain period of time, the algorithm can realize specific functions without failure and respond appropriately to the input of illegal data to avoid any output with ethical risks.

Interpretable decisions

The algorithm owner or user should try his/her best to interpret the algorithmic process and specific decisions to protect consumers' right to know and tackle erroneous and discriminatory algorithmic decisions.

Verifiable running results

Results generated by algorithms can be reproduced under certain conditions.

Industrial application

Human centrality

AI technology should not deviate from basic human ethics in serving its purpose and should do no harm when in use.

Fairness and free of bias

We should use complete and relatively neutral data training models to avoid prejudice or discrimination in AI algorithms and applications.

Ping An's AI ethical governance approach

Ping An plays an active role in global AI governance, strengthens internal and external coordination and develops a multi-dimensional, multi-tiered AI governance system. We will further develop AI and achieve a balance between economic interests and ethics.

Internal management

Establish Ping An AI Ethics Committee

Research Committee

- AI ethics research
- Regulatory/industry standards and policies research
- AI ethics technical solutions research

Management Committee

- AI business ethical review
 - AI ethical crisis public relations
 - AI ethical incident investigation
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Develop an AI ethical governance framework

- Identify ethical principles for AI business
 - Set clear AI business boundaries
 - Specify standards and requirements for AI business
 - Formulate rules for violations
 - Establish an AI ethical incident response mechanism
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Implement AI assessment standards

- Conduct comprehensive assessment, and strengthen review of the management rules
 - PDCA: plan-do-check-action for continuous improvement and effective management
 - Focus on architecture and system ethics design, and research interpretable approaches to adopt
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External exchanges

China attaches great importance to AI ethics and a number of associations and organizations have been established to examine and develop AI ethics standards. As an active participant, Ping An has joined the The National Artificial Intelligence Standardization General Working Group / Expert Advisory Group, and submitted preliminary opinions to the National New Generation Artificial Intelligence Governance Specialist Committee.

AI Ethics Association Member (planed)

- The National Artificial Intelligence Standardization General Working Group/ Expert Advisory Group (Joined)
 - New Generation Artificial Intelligence Governance Specialist Committee (Participated in the discussion about AI ethics standards)
 - The Ethics Committee under the Chinese Association for Artificial Intelligence
 - The Artificial Intelligence Industry Alliance
 - The Committee on Social, Ethical and Future Research in Artificial Intelligence
 - Partnership on AI (PAI)
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Develop an AI ethical governance framework

- Participate in the establishment of national industry standards.
 - Strengthen communication with the government and propose development plans
 - Meet international standards and maintain Ping An's international reputation
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Implement AI assessment standards

- Work with universities, and achieve AI ethical goals through cooperation with enterprises, academia, and research institutes
 - Enhance communication with peers, and promote healthy application of AI technology by jointly establishing associations
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Ping An believes that AI technology is a tool that can be harnessed for human benefit. As long as people take a proactive attitude and positive approaches, the application of AI technology will make society safer, fairer and better.

Appendix: Data Governance Statement and Policies of Ping An Group

The development of AI technology is based on big data. The extensive use of big data connects the previously discretely distributed data, bringing more convenience to people while posing more data security risks as well. The various information security incidents demonstrates that the most serious issue is leak of data, especially sensitive personal information and privacy. To protect personal data, many countries have put in place laws and regulations that compel companies to use personal data properly and safely. They have also cracked down on various offenses in this regard. China has successively promulgated multiple statutory laws, regulations and security standards, requesting companies to take strict measures regarding information and data security. These laws and regulations include the Cybersecurity Law of the People's Republic of China, Information Security Technology - Specifications on Personal Information Security, Information Security Technology - Guide to Big Data Security Management, Information Security Technology - Guide to the Security Assessment of Overseas Data Outflow, Information Security Technology - Guide to Personal Information De-identification, and Measures on the Security Assessment of the Overseas Outflow of Personal Information and Important Data.

As a leading financial group in China, Ping An has built ecosystems, namely, financial services, healthcare, auto services, and smart city services, with nearly 227 million retail customers. The massive real data from these ecosystems generated daily covers finance, healthcare, transportation and many other aspects of the lives of hundreds of millions of people. It is a significant challenge to make full use of this data while providing comprehensive data security protection at the same time. Ping An Group has established a data security governance model with customer data protection at its core. The model safeguards data security on three dimensions of **data security strategy, data security management and data security operation**.

In terms of **data security strategy**, the Group's senior management has approved and developed a data security guideline based on statutory regulations, policies and compliance requirements. The guideline focuses on protecting private customer data and requests zero tolerance to data security incidents.

In terms of **data security management**, the Group has established a specialized team for data security management. The team consists of senior experts with many years of experience in data security protection. In line with its strategic development goals, Ping An Group has developed a data security protection system as well as a risk and emergency management system. To ensure data security, the Group conducts regular compliance reviews of information security and data management. The Group has also set special appraisal standards for the senior management of its subsidiaries. In this way, Ping An has built a complete data security management system from top to bottom in which everyone is responsible for safeguarding data security.

In terms of **data security operation**, the Group has established a customer data security management process that covers the whole life cycle of data from classification, collection, transmission, storage, processing, exchange to destruction, from perspectives of a data manager, a data owner and a data user respectively, to standardize data operation, ensure data security and protect users' privacy to the maximum extent. The Group's information security team, system development team, infrastructure team and data security management team have collaborated closely together to follow through data protection measures and strengthen data security technologies in business system, mainframe security, network protection, to ensure the implementation of the data security governance model.