

AI Ethical Governance Statement and Policies of Ping An Group

Technologies including facial recognition, speech recognition and autonomous cars are moving into the spotlight, indicating the rapid emergences of artificial intelligence (AI) in our everyday lives. We have made breakthroughs in developing AI, which can be used to achieve low-energy production, low-cost medical services, high-quality educational resources and other fair, sustainable development goals. As an accelerator for social and business development, AI has given rise to unprecedented governance and ethical challenges. Rules and regulations governing the use of and application of AI in our daily lives are catching up with reality. This poses ethical questions and challenges to providers of services using AI.

Ping An is committed to providing technology and financial services that meet ethical review standards. Adhering to the philosophy that *expertise makes life easier*, we focus on financial services, health care, auto services, real estate services, and smart city services. We have been developing AI, blockchain and cloud computing.

In AI governance, we follow the five ethical principles of *human-centricity, human autonomy, security and controllability, fairness and justice, and openness and transparency*. Currently, we are focus on improving the ethical management system and strengthening issues monitoring. We are active in expressing our opinions to facilitate the development of industry standards at home and abroad, and enhance communication with peers, colleges and universities. We are establishing an AI ethics committee and a supervisory committee, and we are optimizing project management to address six key issues in AI ethical governance.

While achieving business value, we undertake to manage AI development and application methodically, and perform our social duties for sustainable development.

■ 1. Six key ethical issues of AI

Based on research and practices, we classify AI ethical issues into six categories, namely application boundary, personal safety, data privacy, fairness and justice, accountability and social welfare.

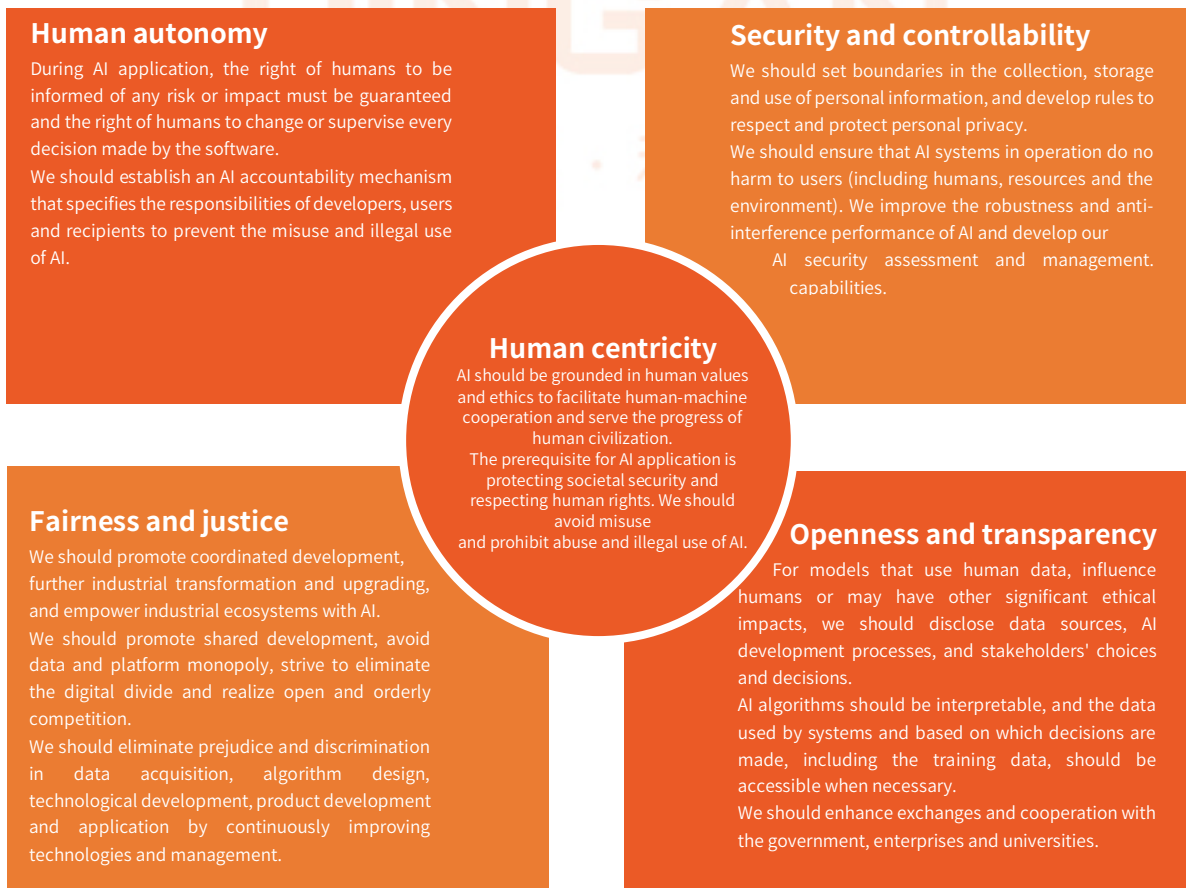
- **Application boundary:** The boundaries around the application of AI is still unclear, causing uncertainty and issues in some areas.
- **Personal safety:** there are some potential security concerns regarding applications of AI for humanity and society.
- **Data privacy:** In the development of data and technical models, the collection,

transmission and use of data may represent an invasion of individual privacy.

- **Fairness and justice:** In machine learning, issues relating to prejudice and discrimination based on race, religion, location and gender may arise. This also includes, the unequal distribution of AI application products.
- **Accountability:** We should also pay special attention to identifying 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 AI application follows the core principle of being human-centric and of benefit to society.

2. Five ethical principles and commitment

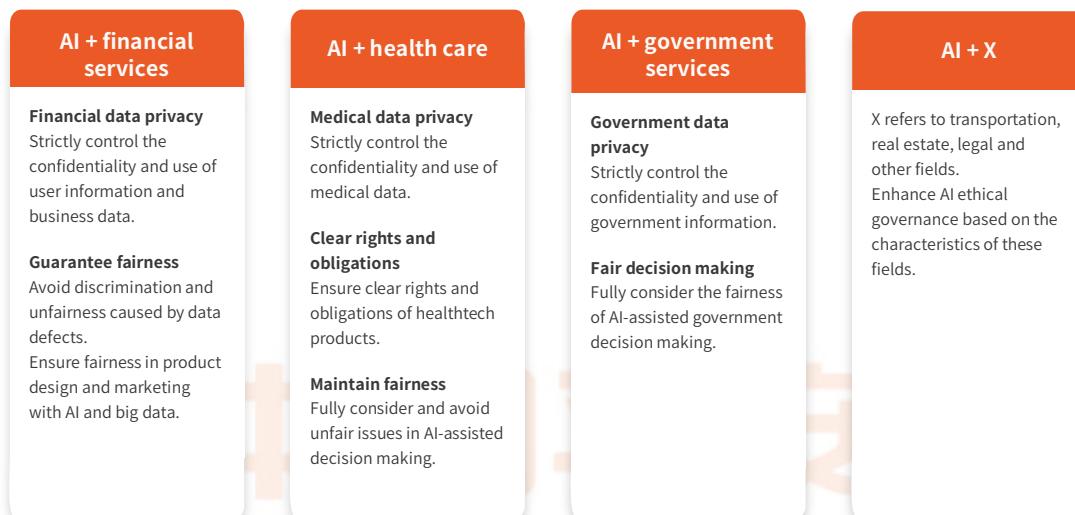
We have developed five ethical principles based on the existing rules issued by various countries and on our own operations, to tackle AI ethical issues, including data, algorithms and product design.



*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.

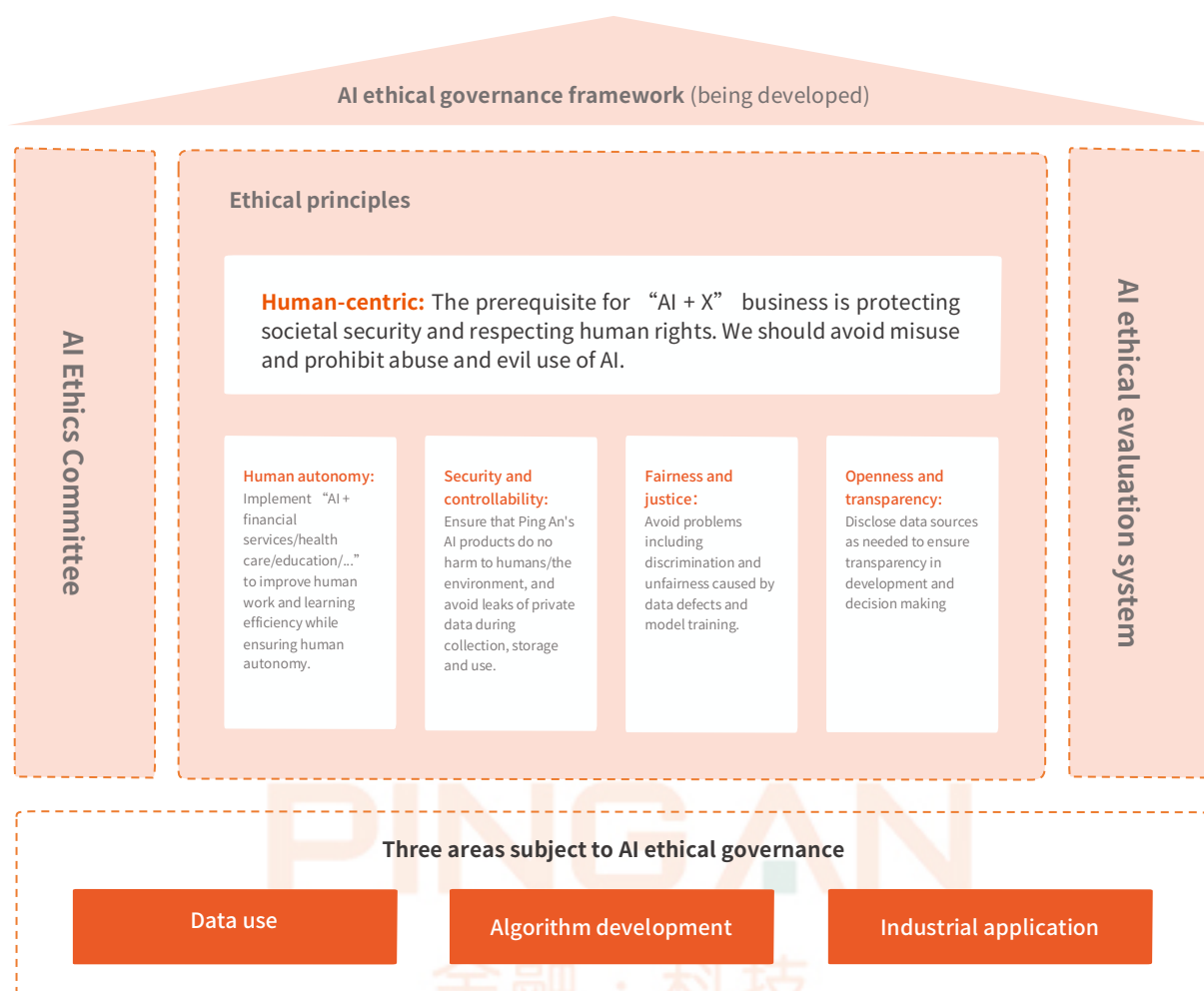
3. Ping An's application of AI

Ping An vigorously develops technological strengths, focuses AI on five ecosystems, and empowers other businesses of the Group. Ping An is committed to providing AI applications that meet ethical review standards.



4. 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. We pay close attention to and strictly control the information security and data privacy risk, which is one of the *five major risks* in Ping An's enterprise risk management. We have developed specific risk management measures. For further details, please refer to the Information Security Management Policy of Ping An Group and the Privacy Protection Statement of Ping An Group.



5. 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.

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.

Human centrality

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

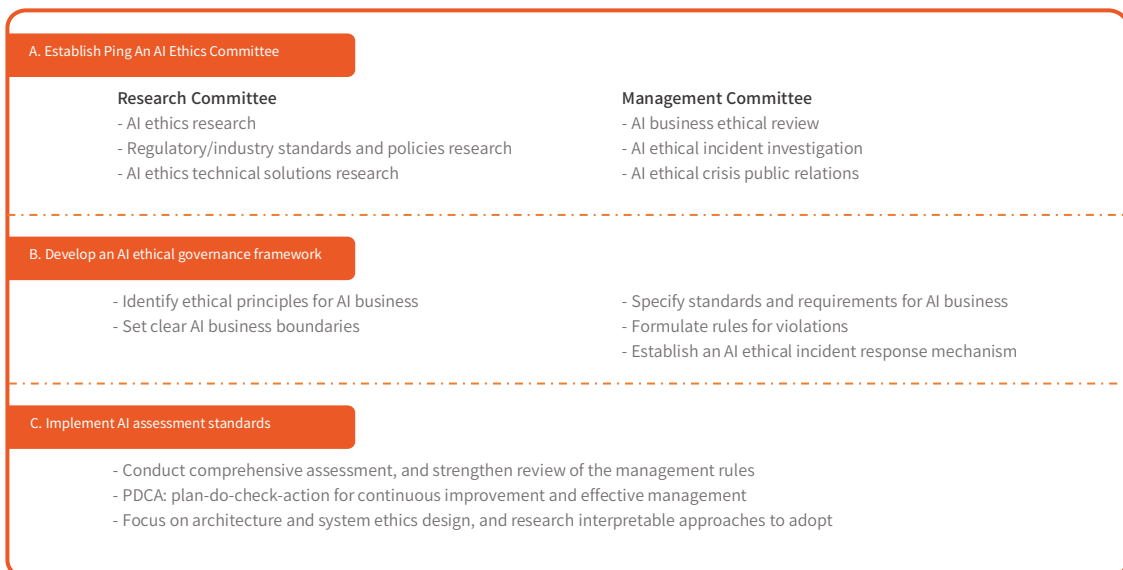
Fairness and free of bias

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

6. 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



• External exchanges

In the past two years, AI ethics has become a key focus of attention in China and a number of associations and organizations have been established to examine and develop AI ethics thinking and standards. As an active participant, Ping An has joined the general team and the expert advisory team of the national AI standardization and submitted preliminary opinions to the national Committee on New Generation AI Governance.

A. AI Ethics Association Member

- Member of the general team and the expert advisory team of national AI standardization
- Participated in the discussion about AI governance standards of the Committee on New Generation AI Governance
- 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

B. 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 protect our international reputation

C. Implement AI assessment standards

- Team up with universities, and achieve AI ethical goals through cooperation between enterprises, academia, and research institutes
- Enhance exchanges with peers, and pursue healthy development of AI technology by establishing associations and other means

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Ping An believes AI technology is a technology 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. –Jessica TAN, co-CEO of Ping An

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 while posing more data security risks as well. Judging from the various security incidents exposed so far, the most serious issue is data leak, especially sensitive personal information and privacy. To protect personal data, 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 five ecosystems of: financial services, health care, auto services, real estate services and smart city services, accumulating nearly one billion customers. The massive real data from these ecosystems generated daily covers finance, health care, transportation, education and many other aspects of the lives of hundreds of millions of people. It is an important 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 – **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 strategy based on statutory regulations, policies and compliance requirements. The strategy focuses on protecting private customer data and demands zero tolerance for data security management.

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**, Ping An starts from key three roles of data manager, data owner and data user. The Group has also established a customer data security management process that covers the whole life cycle of data from classification, collection, transmission, storage, processing, exchange to destruction. These constitute maximized efforts to standardize data operation, ensure data security and protect private user information. 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.

