

HSBC's Principles for the Ethical Use of Big Data and AI

1. ACT CONSISTENTLY WITH HSBC'S VALUES

Our use of Big Data and AI is informed by the same ethical standards and values that we bring to our day-to-day work.

- ◆ **We do not use AI decision-making for a purpose that could not be justified** if pursued through human decision-making.
- ◆ **We act with integrity** by considering the societal impact of our use of Big Data and AI on our employees, customers, shareholders, and communities. We put ourselves in the position of the customer, data subject, or employee and ask what they would find reasonable.
- ◆ **We hold ourselves accountable** for the outputs of our use of Big Data and AI and for explaining its purpose and benefit.

2. PROTECT PRIVACY

We seek to ensure our use of Big Data and AI respects privacy and protects personal data by design.

- ◆ **When using personal data, we seek to use only that data which is appropriate for the purpose.**
- ◆ **We employ appropriate measures to safeguard and control access** to data that feeds into our Big Data and AI use.
- ◆ **We embed privacy considerations** into design and approval processes.
- ◆ **We aim to be transparent with our customers and other stakeholders about how we use their data**, unless there is an overriding public interest (e.g. prevention of financial crime).

3. START WITH A CLEARLY DEFINED PURPOSE

Any decision about using Big Data and AI must include a definition of its purpose and the potential value it creates for customers and other stakeholders.

- ◆ **We identify the legitimate purpose** of any use of Big Data and AI. This approach ensures that we have a clear idea of the outcomes it could produce, including for customers.
- ◆ **We use Big Data and AI to benefit our customers, our business, and/or our stakeholders** – for example to create value for our customers, make banking safer, or to prevent financial crime.
- ◆ **We work to identify and give careful consideration to the impact on groups that may be adversely affected**, whether customers, staff, or members of the general public.

4. ADDRESS UNFAIR BIAS AND DECISION-MAKING

We are alert to the inherent risk of training AI on biased datasets, which can lead to biased outcomes and unfair decision-making.

- ◆ **We seek to detect unfair bias** and minimise its presence in our use of AI.
- ◆ **We consider and debate issues of bias** from both a technical and ethical perspective.
- ◆ **We monitor our use of AI for unintended consequences** by regularly reviewing inputs and outputs.

5. BE RESPONSIBLE FOR AI

We are responsible for our AI systems and for ensuring that they are understandable and produce results as expected.

- ◆ **We establish clear accountability for our AI systems.**
- ◆ **We test and monitor whether AI systems are working as they should** both before being deployed and on an ongoing basis.
- ◆ **We ensure our people understand the limitations of AI systems** as well as their capabilities.
- ◆ **We invest in the people and technology** necessary to ensure that we understand AI and can use it responsibly.

6. ADAPT GOVERNANCE TO MEET EMERGING NEEDS

We ensure our control, testing, and audit mechanisms are adequate as Big Data and AI evolves.

- ◆ **We adapt existing governance and approval processes** to address the ethical implications of using Big Data and AI.
- ◆ **We escalate and address concerns** to appropriate accountable executives.
- ◆ **We only work with those we trust** when partnering with or procuring from third parties in relation to Big Data and AI.
- ◆ **Where we rely on a product or service provided by a third party in our use of Big Data or AI, we apply the same principles and governance mechanisms to its use by HSBC that we apply to our own products and services.**
- ◆ We exercise supply chain control and, where appropriate, will vet privacy and security protections of third parties before sharing personal data.

7. CONTRIBUTE TO DEVELOPMENT OF BEST PRACTICE

We contribute to the development of best practice in the field of ethical use of Big Data and AI, and we seek to learn both from our experience and from the experience of others.

- ◆ **We debate, discuss, and learn** about the potential risks Big Data and AI poses, and we encourage constructive challenge from colleagues at all levels of the organisation and from other stakeholders.
- ◆ **We provide meaningful forums for challenging and questioning design or use of AI.**
- ◆ **We apply what we have learned** from the use of Big Data and AI.
- ◆ **We seek to participate in public dialogue** on the ethical use of Big Data and AI, using industry bodies, ethics committees, and other appropriate forums for the development of best practice in this area.