

Responsible AI Governance: A Shared Responsibility for Corporate Leadership

負責任的人工智能治理：企業領導層的共同責任

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What are AI and Generative AI?

Artificial intelligence (AI) refers to technology that uses machine learning on large datasets to mimic human intelligence and problem-solving abilities. There are two main types of AI. Narrow (or weak) AI focuses on performing specific, predefined tasks. General (or strong) AI aims to replicate broader human cognitive abilities like reasoning, learning on its own and often attempting to anticipate outcomes. In this article, AI refers to both forms of AI.

The World Economic Forum has highlighted the top ten global risks in 2024, with AI-enabled misinformation and disinformation ranked as the 2nd highest risk and

cyberattacks the 5th. This contrasts with 2023 when five of the top ten risks were climate or environment-related.

The rapid adoption of chatbots like ChatGBT and the increasing instances of deep-fake frauds indicate that responsible AI governance deserves thorough discussion at board meetings of companies worldwide. To date, insurance policies have yet to adequately cover the types of losses associated with emerging risks involving new technologies.

For example, the Hong Kong office of a multinational corporation suffered an estimated HK\$200 million in January 2024 from a deep-fake scam exploiting advanced AI capabilities.



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While the eight Climate Governance principles established by the World Economic Forum in 2019 were focused on sustainability, they provide a relevant framework for responsible AI governance to help board directors fulfil their fiduciary duties in an era of fast-evolving technological change. The eight responsible AI governance principles proposed are:

PRINCIPLE 1: Board Accountability

The board holds ultimate responsibility for the company's sustainable long-term success and must be accountable to shareholders. This includes ensuring organizational resilience and responsiveness to changing conditions, such as advancements in AI and their potential impacts. For example, board members may be held responsible if the company fails to address the ethical implications and impacts of AI technology on stakeholders. While a VC firm appointed an AI robotic system to its board in 2020, the human board members acknowledged that they remain ultimately accountable for all decisions made, whether AI-assisted or not.

PRINCIPLE 2: Command of the Subject

The board requires a diverse composition that includes individuals with knowledge, skills, experience and training related to AI. This diversity ensures informed discussions and decision-making when considering both the risks and opportunities associated with these technologies. For instance, board members with backgrounds in data science or AI research can provide valuable perspectives when evaluating the impact of AI on company operations. Engaging external experts to provide training to board directors and assess skills gaps among directors around AI is essential to help boards remain relevant. Reverse mentoring can be an effective approach for allowing young, technology-savvy employees to help upskill boards by mentoring directors.

PRINCIPLE 3: Board Structure Integrating AI

The board must determine how to effectively incorporate AI principles and risk oversight into its governance structure and committees. This integration will allow for long-term, responsible innovation and resilience in the face of technological change. For example, establishing a dedicated technology committee within the board can ensure that AI-related topics receive focused attention and relevant expertise. While younger experts with AI know-how may lack the maturity or tenure to make board decisions, they could serve on an advisory committee to broaden the board's

technological perspectives.

PRINCIPLE 4: Material Risk and Opportunity Assessment

The board should continuously evaluate both the material risks and opportunities associated with AI, considering both short-term and long-term impacts. Conducting regular assessments allows the company to align its actions with how AI may affect its strategy and operations over time. For example, the board could evaluate risks like potential bias in automated decision-making algorithms, as well as opportunities such as cost savings, productivity gains, enhanced customer experience, reduced errors through process automation and even the ability to forecast shifts in demand.

PRINCIPLE 5: Strategy Formulation for Process Simulation

The board is responsible for ensuring that AI is responsibly integrated into the organization's overall strategy, business model and risk management processes. For example, the board may explore how AI can improve customer experience, optimize supply chain operations and spur innovation in product development. Given new competition emerging through AI technologies like generative models, some businesses may need to thoroughly re-evaluate and potentially pivot their business models for resilience and long-term success in this changing landscape. The board should focus on balancing the opportunities to leverage AI's benefits while carefully mitigating associated risks.

PRINCIPLE 6: Incentivization

The board must balance aligning executive incentives with the company's long-term prosperity by judiciously incorporating AI-related targets and indicators where appropriate. This approach encourages executives to prioritize AI integration and use it to strategically further the company's long-term goals. For instance, executive incentive schemes could include performance metrics related to AI-driven revenue growth or successful implementation of key AI initiatives. Yet, it is important to perform a cost-benefit analysis for any new projects, including those related to AI adoption, to make decisions that create sustainable value for the business in the long run.

PRINCIPLE 7: Disclosures and Reporting

The board has a responsibility to ensure transparent and consistent disclosure of material AI-related risks, opportunities

and strategic decisions. These disclosures should be included in key reports such as annual reports and/or ESG reports, and be governed with high standards of rigor and accuracy. For example, the board may disclose details of the company's AI governance framework, data privacy practices or measures taken to address potential issues of bias in AI systems. Where the adoption of AI has fallen short or caused harm to stakeholders, the board must ensure remedial steps are clearly outlined in reports. Additionally, communication with affected stakeholders should be proactive and constructive.

PRINCIPLE 8: Collaboration and Exchange

No organization can optimize the use of AI on its own. Boards need to actively engage in dialogues with peers, policymakers, capital providers and other stakeholders to share insights and methodologies around AI technology. For example, participating in industry conferences and collaborative initiatives allows boards to stay informed on the latest developments, risks and regulatory requirements related to AI. Through open collaboration, boards can help strengthen AI governance frameworks.

In sum, establishing prudent oversight of AI has become a new imperative for corporate boards. 

Dr Agnes KY Tai, Council Member of HKIoD.

什麼是人工智能 (AI) 和生成式人工智能？

人工智能 (AI) 是指使用基於大量數據的機器學習來模仿人類智慧和解決問題能力的技術。人工智能主要分為兩種類型。狹義 (弱) 人工智能側重於執行特定的、預定義的任務。通用 (強) 人工智能旨在覆蓋更廣泛的人類認知能力，如推理、自主學習和嘗試預測結果。本文涉及的人工智能包含這兩種形式。

世界經濟論壇2024年全球十大風險中，人工智能導致的錯誤信息和虛假信息風險排名第二，網絡攻擊排名第五。相比之下，2023年十大風險中有五項與氣候或環境相關。日益增多的人開始使用類似ChatGBT的聊天機器人，同時也出現越來越多利用深度偽造技術進行詐騙。這表明各國公司董事會都應深入研究負責任的人工智能治理。迄今為止，保險政策尚未充分涵蓋與新技術相關的新興風險所帶來的各類損失。

例如，2024年1月，一家跨國公司在香港分公司遭遇利用先進人工智能進行的深度偽造詐騙，估計損失高達2億港元。

儘管世界經濟論壇在2019年提出的八項氣候治理原則側重於可持續發展，它們也為負責任的人工智能治理提供了相關框架，以幫助董事會在科技快速發展時代履行其信託責任¹。這八項負責任的人工智能治理原則包括：

原則一：董事會問責機制

董事會對公司的可持續長期發展負最終責任，也必須對股東負責。這包括確保公司具有應變能力和應對能力，以對不斷變化的環境（如人工智能的進步及其潛在影響）作出適應。例如，如果公司未能妥善解決人工智能技術對利益相關者造成的道德影響問題，董事會成員可能要為此承擔責任。儘管在2020年有一家風險投資公司曾試點在董事會引入人工智能機器人系統，但人類董事會成員仍認為他們須對所有決策承擔最終責任，不論是否有人工智能輔助。

原則二：掌握主題

董事會成員構成應多元化，包含有相關人工智能知識、技能、經驗和培訓背景的成員。此多樣性可以確保在審查與人工智能技術相關的風險和機遇時，進行全面論述和決策。例如，具有數據科學或人工智能研究背景的董事，在評估人工智能對公司運營影響時，可以提供有價值的見解。聘請外部專家為董事會提供培訓，並評估各董事在人工智能領域的技能差距，對幫助董事會保持相關性十分重要。年輕員工透過指導式培養董事，也是一種有效的反向學習方式，能幫助提高董事會成員的技能水平。

原則三：董事會結構融合人工智能

董事會必須有效地將人工智能管理原則和風險納入其治理結構和委員會。這種整合將可以支持長期和負責任的創新，以及在技術變革中靈活應變。例如，在董事會設立一個專門負責人工智能的技術委員會，可以確保重視和處理這些議題。雖然一些熟知人工智能技術的年輕專家，在董事會決策經驗方面相對缺乏，他們可以加入諮詢委員會，以拓寬董事會在技術角度的見解。

原則四：評估重大風險和機遇

董事會應持續評估與人工智能相關的重大風險和機遇，同時考慮短期和長期影響。定期進行評估可以保證公司發展與人工智能可能對其戰略和營運產生的長期影響一致。例如，董事會可以評估演算法在決策過程可能存在的偏差風

Seminar on

“ Cross-boundary Flow of

Personal Information Within the Greater Bay Area ”

PCPD



H K

香港個人資料私隱專員公署
Office of the Privacy Commissioner
for Personal Data, Hong Kong

The Cyberspace Administration of China, the Innovation, Technology and Industry Bureau of the HKSAR Government and the Office of the Privacy Commissioner for Personal Data (PCPD) jointly formulated the Standard Contract for Cross-boundary Flow of Personal Information Within the Guangdong–Hong Kong–Macao Greater Bay Area (Mainland, Hong Kong) (GBA SC) in December 2023, with a view to fostering the cross-boundary flow of personal information in the Greater Bay Area and streamlining the compliance arrangements.

To help organisations in Hong Kong understand the applicability of the GBA SC and its contractual clauses, the PCPD has issued the “Guidance on Cross-boundary Data Transfer: Standard Contract for Cross-boundary Flow of Personal Information Within the Guangdong–Hong Kong–Macao Greater Bay Area (Mainland, Hong Kong)”.

In this seminar, the Government Chief Information Officer, Ir Tony Wong, JP, will provide an overview of the facilitation measure of the GBA SC including the relevant filing requirements and an update on the “early and pilot implementation” arrangement of the GBA SC. The Privacy Commissioner for Personal Data, Ms Ada Chung Lai-ling, will explain the scope of application of the GBA SC and the obligations and responsibilities of contracting parties thereunder, and highlight the requirements under the Personal Data (Privacy) Ordinance in transferring personal data from Hong Kong.

We welcome data protection professionals, legal practitioners, and all who are interested to learn about cross-boundary transfers of personal information to join us.

Date: 9 April 2024 (Tuesday)

Time: 2:30 pm – 4:00 pm

Format: Online / Face-to-face*

Language: Cantonese

Fee: \$500 (Standard fee) /
\$400 (Discounted fee for
PCPD’s Data Protection
Officers’ Club members)

Accreditation: CPD points being applied
for from the Law Society

* Physical venue: Lecture Room, the PCPD’s Office,
12/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong

Enquiry: 2877 7130 (Ms Lam) / 3423 6654 (Ms Wong) / training@pcpd.org.hk



Ms Ada CHUNG Lai-ling
Privacy Commissioner
for Personal Data



Ir Tony WONG, JP
Government Chief Information
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險，也可以研究節省成本、提高生產力、優化客戶體驗、通過自動化流程降低錯誤率，乃至預測需求變化等機遇。

原則五：模擬營運過程，制定策略

董事會必須確保人工智能以負責任的方式融入企業的整體戰略、業務模式和風險管理程序。例如，董事會可以研究人工智能如何優化客戶體驗、提高供應鏈營運效率以及促進產品研發創新。鑒於人工智能技術（如生成模型）帶來的新競爭格局，一些企業可能需要徹底重新評估並調整自己的業務模式，以便在不斷變化的環境中保持彈性並實現長期成功。董事會應注意在採用人工智能優勢的同時，謹慎降低相關風險。

原則六：激勵機制

董事會必須在高管激勵與公司長期繁榮之間取得平衡，適時將與人工智能相關的目標和指標納入考評。這種方法可以鼓勵高管優先考慮人工智能融合，並透過戰略利用人工智能實現公司長期目標。例如，高管激勵計劃可以包含與人工智能驅動的增長或成功實施關鍵人工智能項目相關的業績指標。然而，對任何新計畫，包括採用人工智能有關的計畫，都必須進行成本效益分析，以做出能為企業創造長期可持續價值的決定。

原則七：披露和彙報

董事會有責任確保以透明和持續的方式披露與人工智能相關的重大風險、機遇和戰略決策。這些披露內容應該包含在年度報告和/或環境、社會和企業治理報告等重要報告中，並以高標準的嚴謹和準確性進行管理。例如，董事會可以披露公司人工智能治理架構的細節、數據隱私實踐或為解決人工智能系統中的潛在偏差問題而採取的措施。如果採用人工智能的效果不佳或對利益相關者造成損害，董事會必須確保在報告中明確概述補救措施。此外，與受影響的利益相關者的溝通也應該積極主動且富有建設性。

原則八：合作與交流

任何公司都無法單獨優化人工智能的使用。董事會需要積極與同行、政策制定者、資本提供者和其他利益相關者交流，分享有關人工智能技術的見解和方法。例如，參行業會議和合作計劃可以讓董事會隨時了解與人工智能相關的最新發展、風險和監管要求。通過公開合作，董事會可以幫助加強人工智能治理架構。

總的來說，建立對人工智能的審慎監督已成為公司董事會的新當務之急。

戴潔瑩女士是香港董事學會理事會成員。



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