Back to Document Index

# Responsible AI Guidelines

Business Analysis Template for AI Projects

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| **Prerequisites:** | AI Opportunity Assessment (1.1)<br>AI Risk Assessment Report (6.1)<br>Model Governance Framework (6.2)<br>Compliance & Policy Alignment Checklist (6.3) |

## 1. Document Purpose

These Responsible AI Guidelines provide practical, actionable guidance for developing and deploying AI systems that are ethical, trustworthy, and beneficial to individuals and society. While compliance focuses on meeting legal requirements, responsible AI goes beyond compliance to address broader ethical considerations, societal impacts, and stakeholder trust.

Key purposes of these guidelines include:

- Define organizational principles for responsible AI development and use
- Provide practical guidance for implementing ethical AI throughout project lifecycle
- Enable teams to identify and address ethical concerns proactively, not reactively
- Build stakeholder trust through transparent, accountable, and fair AI systems
- Support ethical decision-making when facing tradeoffs or ambiguous situations
- Align AI initiatives with organizational values and societal expectations
- Prevent harm to individuals, communities, and society from AI systems
- Create competitive advantage through reputation for trustworthy AI
- Prepare organization for evolving ethical expectations and regulatory requirements
- Foster culture of responsible innovation where ethics is embedded, not afterthought

Back to Document Index

## 2. When to Use These Guidelines

These Responsible AI Guidelines should be integrated throughout the AI project lifecycle, from initial concept through ongoing operation. Different sections may be most relevant at different stages.

### Key Application Points:

**Project Ideation and Business Case:** Use ethical principles to evaluate whether AI is an appropriate solution for the problem. Ask: Should we build this? Does it align with our values? Could it cause harm? Are there better alternatives? Ethical assessment during ideation prevents investing in problematic use cases.

**Use Case Definition and Requirements:** Apply responsible AI principles when defining use cases and requirements. Consider: Who benefits? Who might be harmed? What fairness considerations exist? What transparency is needed? Build ethical requirements into specifications from the start.

**Data Collection and Preparation:** Use privacy and fairness guidelines when selecting data sources, collecting data, and preparing training datasets. Assess data for representation, bias, privacy risks, and consent. Data choices profoundly impact fairness and privacy.

**Model Design and Algorithm Selection:** Apply explainability, fairness, and safety principles when selecting algorithms and designing models. Consider tradeoffs between accuracy and explainability, performance and fairness. Choose approaches that enable responsible outcomes.

**Model Development and Training:** Use fairness and robustness guidelines during model development. Conduct bias testing, fairness assessments, and robustness testing. Implement fairness constraints or debiasing techniques. Build in safety from the start.

**Model Validation and Testing:** Apply comprehensive responsible AI assessment during validation. Test for fairness across demographic groups, assess explainability, evaluate safety and security, verify privacy protections. Independent validation should include ethics review.

**Deployment Planning:** Use transparency and human oversight guidelines when planning deployment. Design appropriate human-in-the-loop or human-on-the-loop controls. Create disclosure and explanation mechanisms. Plan for monitoring and accountability.

**Production Monitoring and Operation:** Apply ongoing monitoring guidelines to detect fairness degradation, performance issues, or emerging harms. Monitor for drift in fairness metrics, unexpected uses, or adverse impacts. Ethics doesn't end at deployment.

**Incident Response and Remediation:** Use accountability principles when AI causes harm or ethical issues emerge. Respond transparently, investigate root causes, remediate affected individuals, implement corrective measures. Learn from incidents to improve practices.

Back to Document Index

**Ethical Dilemmas and Tradeoffs:** Reference these guidelines when facing difficult ethical decisions or tradeoffs. Use principles to reason through choices, document rationale, escalate to the ethics committee if needed. Ethical reasoning is a continuous process.

Back to Document Index

## 3. Core Responsible AI Principles

These seven principles form the foundation of responsible AI. Organizations should adopt these principles formally, communicate them broadly, and embed them into processes, training, and culture.

### PRINCIPLE 1: HUMAN BENEFIT AND WELLBEING

Definition: AI systems should be designed to benefit people and enhance human wellbeing. The primary purpose of AI should be to improve human lives, not replace human dignity or exploit vulnerabilities.

Why It Matters: Technology exists to serve humanity, not vice versa. AI systems that diminish human wellbeing, manipulate people, or exploit vulnerabilities—even if profitable or technically impressive—fail this fundamental principle.

In Practice:
• Ask "How does this AI system make people's lives better?" before building it
• Assess wellbeing impact across all affected stakeholders, not just direct users
• Consider physical, mental, emotional, social, and economic wellbeing dimensions
• Reject use cases that manipulate, exploit, or diminish human autonomy
• Design AI to augment human capabilities, not replace human judgment in inappropriate contexts
• Measure and monitor actual wellbeing outcomes, not just proxy metrics
• Prioritize human needs over technical elegance or business convenience

Red Flags:
• AI designed to exploit psychological vulnerabilities (addiction, fear, insecurity)
• Systems that manipulate behavior without informed consent
• AI that diminishes human autonomy, dignity, or agency
• Use cases where harm to some enables benefit to others
• Systems designed primarily to surveil, control, or punish

Questions to Ask:
• Who benefits from this AI system? How?
• Who might be harmed? In what ways?
• Does this AI enhance or diminish human autonomy and dignity?
• Would we want this AI used on ourselves or our loved ones?
• Are we solving a real human need or creating artificial demand?

### PRINCIPLE 2: FAIRNESS AND NON-DISCRIMINATION

Definition: AI systems should treat all people fairly and equitably, without discriminating against individuals or groups based on protected characteristics or creating unjustified

Back to Document Index

disparate impacts.

Why It Matters: AI can perpetuate or amplify historical biases, create new forms of discrimination, and disadvantage already marginalized groups. Unfair AI undermines social justice, violates human rights, and can have severe legal consequences.

In Practice:
• Assess fairness across demographic groups (race, gender, age, disability, etc.)
• Test for disparate impact—do outcomes differ across groups in unjustified ways?
• Examine training data for representation gaps and historical biases
• Choose fairness metrics appropriate to use case (demographic parity, equal opportunity, predictive parity)
• Implement bias mitigation techniques (data rebalancing, fairness-aware algorithms, threshold optimization)
• Monitor fairness continuously in production—bias can emerge over time
• Provide mechanisms for affected individuals to challenge unfair decisions
• Document fairness tradeoffs transparently when perfect fairness is impossible

Common Fairness Pitfalls:
• "Fairness through unawareness"—removing protected attributes doesn't eliminate bias (proxy variables exist)
• Assuming historical data reflects merit rather than historical discrimination
• Optimizing for overall accuracy at expense of fairness across groups
• Failing to disaggregate performance metrics by demographic groups
• Not testing for intersectional bias (e.g., Black women may face unique bias)

Fairness Assessment Framework:
1. Identify protected groups and sensitive attributes relevant to use case
2. Select appropriate fairness metrics (consult stakeholders, consider legal requirements)
3. Measure fairness metrics across all relevant demographic groups
4. Assess whether disparities are justified by legitimate factors
5. If unjustified disparities exist, implement mitigation strategies
6. Document fairness tradeoffs and residual disparities
7. Monitor fairness in production and respond to degradation

Questions to Ask:
• Does the model perform equally well across demographic groups?
• Are error rates (false positives, false negatives) comparable across groups?
• Could historical bias in training data perpetuate discrimination?
• Are protected groups adequately represented in training and test data?
• What fairness definition is most appropriate for this use case?

Back to Document Index

## PRINCIPLE 3: TRANSPARENCY AND EXPLAINABILITY

Definition: People should understand when they are interacting with AI, what it does, how it makes decisions, and what factors influence those decisions. Transparency builds trust and enables accountability.

Why It Matters: Opacity creates power imbalances. When people don't understand how AI affects them, they cannot meaningfully consent, challenge errors, or hold organizations accountable. Black-box AI erodes trust and autonomy.

In Practice:
- Disclose AI use to people affected by it
- Explain what the AI system does and its purpose
- Describe how decisions are made at appropriate level of detail for audience
- Provide explanations of individual decisions when they significantly affect people
- Use interpretable models when high-stakes decisions require explainability
- Implement explanation techniques (SHAP, LIME, attention visualization) for complex models
- Document model limitations, uncertainty, and error rates
- Make information accessible—avoid jargon, provide multiple formats

Levels of Transparency:
- System-Level: What does this AI do? What's its purpose? How is it used?
- Model-Level: What type of model? What data? What factors matter most?
- Decision-Level: Why this decision for this individual? What factors influenced it?
- Governance-Level: Who is accountable? How is AI governed? How to appeal?

Balancing Explainability and Performance:
Sometimes there are tradeoffs between model performance and explainability. Navigate these by:
- Assessing whether accuracy gain justifies explainability loss
- Trying inherently interpretable models first (linear models, decision trees, rule-based)
- Using post-hoc explanation methods for complex models
- Reserving black-box models for low-stakes decisions or where human oversight exists
- Never sacrificing explainability for marginal performance gains in high-stakes contexts

Questions to Ask:
- Do people know they are interacting with AI?
- Can people understand how AI makes decisions affecting them?
- Can we explain why AI made specific decisions for specific individuals?
- Is information presented in an accessible, understandable way?
- Are limitations and uncertainties clearly communicated?

Back to Document Index

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