



Sky's response to the request for feedback on the adoption of the AI proposal

1. Introduction

Sky is Europe's leading media and entertainment company and is proud to be part of the Comcast group. Across six countries (Austria, Germany, Italy, Ireland, Switzerland and the UK), we connect our 24 million customers to the best entertainment, sports, news, arts and to our own award-winning original content for which we are doubling our investment by 2024 through Sky Studios.

At Sky, Artificial Intelligence (AI) applications help deliver the best possible experience to our customers. For example, our applications automatically develop highlights from sports events, they help customers discover new movies and TV shows, they create subtitles to increase accessibility of our services, they improve voice search to simplify the interaction with our products and they enhance energy savings by adapting energy consumption to the customer's habits.

2. Our feedback

AI technologies offer transformative benefits to our customers and our business and, as such, the continued development and deployment of AI is a priority for Sky. To maximise the benefit from the strides being made in the development of AI technologies we support the European Commission's plan to create the conditions for the development and use of trustworthy AI. We are analysing the proposal and will share a more detailed analysis at a later stage; however, we welcome this opportunity to share our initial reaction to the text.

The proposed EU-wide, harmonised, value-based, legislative framework represents a positive step for the future of AI regulation. This framework should avoid a patchwork of conflicting rules developing across Europe and should stimulate the creation of common standards to provide businesses with clarity to invest in innovation. Likewise, the risk-based approach set out represents a proportionate approach to regulatory requirements. Yet, more precise definitions and obligations, better tailored to the nature of different types of AI and different industries, would provide enhanced safety measures whilst still encouraging growth and innovation.

- **Definition of AI:** We agree that the OECD definition of AI should be the starting point of any AI legislation. However, the definition could be further specified. As it stands, it includes underlying approaches that may not be considered AI such as "statistical

approaches, Bayesian estimation, search and optimization methods". AI should only refer to automated and computerised systems and processing. We encourage the institutions to engage in a discussion with all stakeholders to reach a more precise definition which does not inadvertently draw into scope non-AI technologies.

- **Definition of the risk categories:** The risk-based approach taken in the proposal is an important condition to support the development of AI applications. However, the definitions of prohibited uses and high-risk systems should be refined. Legitimate and safe uses could be interpreted as falling into the scope of both definitions:
 - Prohibited uses – we agree with the prohibitions of AI systems that are laid out in the article but find that the wording includes some ambiguity. Clarifying the definitions would ensure that a range of low risk activities such as personalisation and guided customers interactions are not prohibited.
 - High-risk systems – the definition of high-risk AI systems could be further clarified to ensure that only AI systems that pose significant threat to health and safety or fundamental rights are in scope. In the current text, some low-risk AI systems could potentially be in scope because they are applied to one of the areas mentioned in Annex III. For example, the current text seems to assign the same level of risk to AI systems taking hiring decisions and systems which only categorise (but make no decision on) CVs to help recruiters review large numbers of applications efficiently.

For these reasons, we urge the Commission and the other European Institutions to further refine the definitions of prohibited uses and high-risk AI systems.

- **Requirements and obligations for high-risk AI systems:** The list of requirements for high-risk AI systems and obligations of providers and users of these systems (Chapters 2 and 3) should be reasonable, justified and technically implementable. For example, having data sets that are free of errors and complete (Article 10) is not always technically possible. In a scenario where data are provided by users, they can include errors or be incomplete. And in these instances, AI systems are specifically designed to reduce the impact of an imprecise and incomplete data set. Instead of requiring perfect data sets, it would be reasonable to expect that companies put in place safeguards and mechanisms to minimise the probability of errors when working with this data.

- **Transparency obligations:** Transparency obligations (Article 52) applying to specific AI systems (e.g., systems interacting with natural persons, emotion recognition systems, etc) are also an important requirement to impose. Transparency is fundamental to the ethical deployment of AI applications; however, it is crucial that these obligations are proportional to the risk they pose. For example, an AI system in scope of article 52.3 could be exempted from transparency requirements if it is easily identifiable as an AI system and presents no risk to the person interacting with it. This would ensure that the customer's experience and satisfaction is not negatively impacted.
- **Additional obligations:** Finally, the requirements and obligations included in chapter 5 should be better tailored to the nature of the technology in question, which is software based. For example, article 43(4) could be further clarified as the concept of 'substantially modified' is imprecise in the context of software development. Even after an AI system is deployed, improvements are made on an ongoing basis through continuous monitoring, modification, and updates. In this scenario, it would not be feasible to have an obligation to constantly reapply the conformity assessment; rather it would be more precise to state that only a significant change in output or approach is defined as a substantial modification.

3. Conclusions

Europe has a unique opportunity to create an innovative AI legal framework that brings together the protection of AI users and innovation. We think that these two elements are not mutually exclusive and can be achieved if some areas of the proposal were further clarified and adapted. We will continue to provide our support and expertise to the European Institutions to achieve this goal.