

**Contribution from Ingka Group / IKEA**  
Ingka Holding B.V. and its controlled entities

## **Feedback to the Inception Impact Assessment with regards to ethical and legal requirements for Artificial Intelligence**

Since 2018, Ingka Group, the strategic partner in the IKEA franchise system, has embarked on a journey to transform our company into a retailer fit for the 21<sup>st</sup> century. We are becoming data-driven, using digital tools such as Artificial Intelligence (AI) to meet customers wherever and whenever they choose, with the range and services they want, always at prices they can afford.

The recent COVID-19 outbreak is speeding up our digital transformation that is still guided by our vision: **to create a better everyday life for the many people**. We want to create a new IKEA fit for the future, integrate sustainability into everything we do and achieve true inclusivity based on equality.

**Artificial Intelligence is the cornerstone to achieving this vision.** AI enables responsible retailers of all sizes to tailor their services to customers' needs and improve internal efficiency. We are developing a Data Ethics Principles, stemming from our company culture and values to put people first, and put transparency and accountability at the core of our personalised relationships with our customers. These Principles will guide our company going forward, empowering people – whether our customers, visitors or employees – to understand why, how and when we use data. Developing a European human-centric approach to AI that supports innovation and digital skills will secure a level-playing field to the benefit of consumers.

**The coronavirus crisis has emphasised the need for a fair and ethical European AI ecosystem.** Artificial Intelligence can help us to improve our services, but also to innovate and find new opportunities that will support employment and speed up recovery. Nevertheless, responses to the crisis can bias competition and open the door to more intrusive practices. We need to stay true to our European values and create a framework that will put people first, and balance business interests to benefit people and planet.

We welcome the commitment of the European Commission to the digital transformation of the European economy. A future-proof European framework for Artificial Intelligence should rely on a human-centric approach to AI that creates a positive stance towards AI technologies, supports innovation and creates a level-playing field to the benefit of consumers.

### **About Ingka Group**

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 11 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 367 IKEA stores in 30 countries. These IKEA stores had 838 million visits during FY18 and 2.35 billion visits to [www.IKEA.com](http://www.IKEA.com). Ingka Group operates business under the IKEA vision – to create a better everyday life for the many people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible can afford it.

**An EU legislative instrument establishing mandatory requirements limited to ‘high-risk’ AI Applications (option 3.b) should highlight the benefits of AI and provide risk management mechanisms where needed.** We have the following recommendations to secure a future-proof European framework for Artificial Intelligence:

- ▶ **EU rules should focus on achieving desirable outcomes rather than regulating tools, as it is already the case for other technologies (e.g. software updates).** Artificial Intelligence is first and foremost a tool used to analyse data and environment. Developers should have the freedom to innovate while always respecting human rights and promoting dignity, diversity and inclusivity, unlocking value for people. Introducing new obligations such as ‘non-discrimination by design’ would secure positive outcomes in an innovation-friendly manner.
- ▶ **The future EU rules for AI should rely on a more precise definition of ‘Artificial Intelligence’.** AI can be understood as a specific type of algorithms, a set of models implemented in computers that learn from data and interactions with their environment to make decisions and inferences. It excludes traditional statistical models and human-defined logic flows. A specific and targeted definition of Artificial Intelligence will foster trust among society, and secure the legal certainty needed for businesses to innovate in the European Union.
- ▶ **Whether Artificial Intelligence is deemed ‘high risk’ should be equally based on the type of AI application being used (i.e., likelihood and magnitude of adverse outcomes) and on sectoral use.** Applications only aiming at improving business processes do not have the same implications for people and society than AI-fuelled autonomous driving solutions for instance. A balanced application-and-sector-based approach would enable businesses to pay particular attention to potentially vulnerable people (those traditionally at risk of exclusion), secure proportional requirements across sectors and support innovation.
- ▶ **‘High-risk’ applications should be assessed based on their intended use,** i.e., on whether they will be used for (i) internal operational processes, (ii) consumer-facing use, (iii) decision tools, and (iv) physical use that presents safety risks including harm to human body.
- ▶ **EU rules for remote biometric identification systems should balance privacy concerns with opportunities for consumer experience improvement.** The General Data Protection Regulation (GDPR) has already created a clear framework for remote biometric identification systems in which biometric data processing should be a last resort option. Retailers would welcome the opportunity to explore innovative biometric-based services for our customers and visitors, such as to cashier-less check-out processes.

**A voluntary labelling scheme (option 2) would likely overflow consumers with information and refrain them from using AI technologies by putting forwards the notion of risks rather than benefits.** Such a scheme would also increase administrative

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burdens for developers and reduce the attractiveness of the European Union for AI innovation and development.

Artificial Intelligence is driving the ability of the European economy to grow, compete and become greener tomorrow. Agile innovation-focused human-centric rules for AI will help us innovate and develop new services that will provide consumers with more and better choices. We stand ready to support building a responsible AI-powered economy ensuring a future for Europe that is fair and equal for all, climate neutral, and digital.

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