

Public Affairs

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## FORTUM POSITION ON ARTIFICIAL INTELLIGENCE

Fortum welcomes the EU Commissions initiatives to create a European digital single market. A strong digital single market must be based on trust and competitiveness. Regulatory frameworks for digital services and solutions needs to balance protection of consumers, personal integrity and transparency with the need for agility and competitiveness. Thus, it is important to limit the level of bureaucracy to what is crucial in order to provide for protection of consumers and fundamental rights. This means avoiding overlapping and non-coherent regulation and creating or introducing new regulatory bodies in areas where control and oversight is already covered. Many issues related to AI is currently regulated through the GDPR (General Data Protections Regulation) of 2018.

Fortum believe in a risk-based approach to AI, however such approach must be quite open and flexible. In the current proposal the Commission wants to set an exhaustive list of sectors combined with definitions of critical use which would the constitute high risk applications with demands for prior conformity assessments and authority approval. The approval would then cover algorithms and data sets etc. Creating an exhaustive list of sectors and usage of AI to determine high risk will distort the market for digital systems and services since the same service may be classified differently depending supplier. To give an example, a system set up to increase accuracy in costumer communication could be high risk for an energy company but not for an insurance company utilizing the same solution. Trying to define a sector can be proven difficult looking at the telecom sector as an example going from providing means for communications to supplying media services and media content.

At this point in time it's difficult to clearly define what can or should be considered as AI. Understanding this difficulty, and as mentioned above the disadvantages with pinpointing certain sectors, Fortum would like to see a regulatory framework based on accountability. Organizations utilizing AI for decision making would then have to verify that they have a setup with sufficient laws into risk-based, verifiable, demonstrable and enforceable corporate practices and controls, supported by technology tools. Organizations should be held accountable for establishing systems and governance needed to be in compliance with current legislation.

Fortum would like to see a regulatory framework for AI based on the following principles:

- Accountability should be the key element when creating an AI regulatory framework instead of creating exhaustive lists of sectors and critical use with demands of prior conformity assessments and approval. Accountability-based compliance and governance programs enable organizations to operationalize principles-based laws into risk-based, verifiable, demonstrable and enforceable corporate practices and controls, supported by technology tools.
- New regulation should only be introduced when there is a gap in GDPR or other legislation. It's important to avoid regulatory overlaps and conflicts.
- Sectors that already have a primary authority for control and oversights should not be burdened with additional supervision. This would be the case with nuclear where new applications and systems usually gets approval from the national radiation authorities.

Author

Date