**WFA** World Federation
of Advertisers

# Data Ethics

*The Rise of Morality
in Technology*

June 2020

# Contents

This paper is intended as advice only and not as a definitive guide. It aims to provide general, high level recommendations to assist WFA members and others in the industry in their approach to data and technology.

**Raja Rajamannar**

Chief Marketing and Communications Officer, Mastercard & WFA President

" The advertising industry is at a crucial juncture right now. Regulatory pressures around how companies collect and use personal data are mounting and public opinion is shifting. More than ever, people expect full transparency, control and choice over how their data is shared and used by companies. Any brands that ignore this shift will be left behind. We, as an industry, need to take a proactive approach and demonstrate to consumers that we respect them and their data. Data ethics is central to this: how can we as brands engage better with consumers to develop trust in a digital world? "

# Foreword

In the spring of 2019, 10 brands and one national advertiser association gathered at Unilever's London headquarters for the inaugural meeting of the WFA Data Ethics Board[1]. This was a re-branded sub-group of the WFA's Digital Governance Exchange network. For a year, the team had searched for creative ways to demystify data use by brands, to improve transparency and make privacy more open and accessible to consumers. Data ethics was a fresh approach to the challenge.

With expertise across public policy, privacy, marketing and digital responsibility, we could see that regulations were not solving the trust crisis. It was our shared belief that brands could, and should, take a lead in making data and technology work for people and society.

The last 12 months have been a journey of discovery, uncovering the perils of data and technology, exploring the business case for data ethics and understanding the impact ethical commitments could have on companies and their people. The aim of this paper is to bring you on that journey and share the insight and learning we've unearthed along the way. We hope this will inspire the industry to reset its priorities, putting people's best interests, expectations and well-being first. In a world where privacy has become a byword for the exact opposite, data ethics allows us to breathe the fresh air of higher purpose and think, act and behave in ways that revive trust in data and technology.

For the WFA Data Ethics Board, this paper is the end of the beginning; it is our first deliverable but not the last. With the support of the WFA Digital Governance Exchange network, we intend to develop further insight, case studies and tools to help take principles into practice.

On a personal note, I'd love to see this paper spark new conversations about data, technology and our digital future. I hope it encourages us to come together as a global community and redraw the boundaries of data use for the next phase of the Digital Age.

**Jamie Barnard**

General Counsel – Global Marketing and Media, Unilever plc
Chair, WFA Data Ethics Board

## About this paper

This paper has been researched and written for the WFA by:

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This paper is intended as advice only and not as a definitive guide. It aims to provide general, high level recommendations to assist WFA members and others in the industry in their approach to data and technology.

# Executive Summary

This paper is divided into five sections, each addressing a different aspect of the challenge. To appreciate the role that data ethics may have in our future, we begin by reflecting on the past and some of the unintended consequences of digitalisation. In Part I (The Case for Action), we also explore the interplay between data ethics and data privacy, and its potential for driving trust and growth simultaneously. The examples in Parts I, II (Cultural Transformation) and III (Case Studies in Digital Marketing) help us understand why data ethics is becoming a defining characteristic of future-fit business.

Data ethics is profoundly human — it is not a thing, but a way of doing things. If we are to drive meaningful change, then we must change ourselves, recalibrating our individual purpose, values and attitudes to data and technology. As companies, we must catalyse a cultural transformation that puts people first. Part II looks at different ways for companies to approach this.

The main purpose of the paper is to promote industry-wide adoption of data ethics principles into company policy, raising awareness and empowering responsible decision-making. In Part IV (Data Ethics Principles), we introduce four themes (respect, fairness, accountability and transparency) which form the foundations on which the WFA Data Ethics Board will create future tools and guidance.

Finally, in Part V (Advocacy), we look beyond our own organisations to the industry as a whole. For many of us, our Achilles' heel may lie in our extended supplier network so we must hold our suppliers and partners to account for the same high standards of ethics and transparency in data.

As Mark Twain said, it is difficult to make predictions, particularly about the future, so we close each section with Key Actions instead. If we follow these, we may end up with a future that we all want to see.

**Stephan Loerke**
CEO of WFA

"

WFA's Data Ethics Board will play an important role in steering the industry towards a sustainable future which is rooted in doing the right thing for consumers and their data. Brands need to lead and champion this but we can only change things with the collaboration and support of all parts of the advertising industry — from ad tech to agencies to publishers. We hope that this paper will focus minds on one of the most paradigm-shifting challenges which our industry is facing right now — data ethics — and help us open a cross-industry dialogue about how to move from a mindset of 'data first' to 'people first'.

"

# PART I:
# The Case
# For Action

Ethics refers to the moral principles that govern our behaviour in society. They've been woven into the fabric of civilised communities for centuries, often existing as instinctive, intuitive and self-evident rules of what is socially and morally acceptable. Since the genesis of our digital world, we've faced new and unfamiliar dilemmas: is it OK to share photos of someone else on social media; where is the line between free speech and trolling; and, can I refuse to interview someone because of their Instagram posts? While we're getting better at tackling these sorts of issues, there is one area that increasingly vexes the ethical grey matter: data.



We are witnessing a data arms race. From our shopping habits to our sleeping patterns, our personal lives are becoming more intensely and more intimately tracked by technology. Despite global adoption of some of the strictest privacy laws in human history, regulation continues to lose ground to the eye-watering pace of data-driven innovation. Consequently, the gap between what we *can* do with data and what we *should* do with data is getting ever wider. The health of our digital society depends on businesses going beyond their legal obligations and living by a new code for the responsible and ethical use of data.

## Data Privacy and Data Ethics

The thought of more restrictions may trigger an immune reaction in companies still reeling from the costs of GDPR, CCPA or similar regulatory implementation. However, data ethics is an altogether different challenge that addresses a more human, cultural and societal need – one that will not be solved by laws and regulations alone.

It is important to understand the close relationship between law and ethics. In any culture, it takes time for people to reach consensus on behaviours that are morally and socially acceptable. At some point, though, ethical positions become so well-established that they are codified into law. However, as legislation strives to keep pace with a world in perpetual motion, the lag means that the rule of law does not always reflect the will of the people. This is most acute when society faces something novel, complex and rapidly evolving like digitalisation.

In the context of data protection, the law protects our fundamental human right to privacy, provides people with greater autonomy over the way their data is collected and used, and sets baseline standards for what companies can and cannot do with data. It also addresses established ethical issues of fairness and transparency. However, at the bleeding edge of innovation, where data and technology collide, it is ethics rather than law that will guide us.

## Trust

Over the last few years, trust in the internet, digital media and online advertising has been in steady decline. The erosion of trust has been fuelled by fake news, politics of hate, rampant online fraud, data misuse and privacy concerns. These issues present a direct and systemic threat to the current digital advertising model. As an industry, we have a collective responsibility to address these challenges and restore trust in our digital society.

While it may not be a silver bullet, data ethics is of strategic significance because it can help to build trust. Ethics is now three times more important to company trust than competence[2], and trusted companies grow faster. Europanel data confirms that trust and share move together: an increase of 1% in brand trust translates to 3% growth in value, with top tier brands growing faster in market penetration and volume share.

Moreover, trusted companies:

- have greater licence to operate with citizens, investors, acquiring companies, regulators, governments, NGOs and the media[3];

- are more resilient to fluctuations in consumer loyalty; and

- have greater power to attract and retain talent.

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**DATA ETHICS STANDS ON THE SHOULDERS OF DATA PRIVACY, FILLING THE WHITE SPACE BETWEEN HAVING THE RIGHT TO DO SOMETHING AND DOING THE RIGHT THING.**

**1%** increase in brand trust **=** **3% GROWTH IN VALUE**

> Any conversation around data needs to be human-centric, and for advertisers and marketers it must have consumers at the heart. How we use data in these next few years will undoubtedly shape our future, and this power must be harnessed responsibly and legally. As a purpose-driven company whose Five Principles have guided our decisions for over a century, we know these values must apply to every facet of our business – that includes using data responsibly and grounding our relationships with consumers in transparency and trust.

**Jane Wakely**
Lead CMO, Mars Incorporated

## The Unintended Consequences of Digitalisation

There are signs that advances in data-driven technology have taken us too far too quickly, as illustrated by the examples below. Take facial recognition: in 2019, San Francisco banned its use by police over fears of abuse by government, reminding us that the tech is here, the value is clear, but the controls are not. This is a safety issue: unless we temper the acceleration or put guardrails in place, we risk spiralling out of control. To protect us, ethics, governance and regulation must work together.

### (1) Digital twin

The more we embrace digital technologies in our private lives, the more information we share. The more we share, the more our digital twin comes to life. With every interaction, we release tiny pieces of our digital genome: our physical attributes, our mental health, our location, our preferences, our virtues and our vices. If a company can access enough of this data, it can, in effect, reverse engineer our individual digital DNA and use that profoundly personal insight for good and for ill. Whether we like it or not, the genie is out the bottle and since there's no easy way to get it back in, the industry must find ways to tame it. Ethics is one such way.

### (2) The consent paradox

Privacy regulations have exacerbated the problem by creating a consent paradox. In order to safeguard our fundamental right to privacy, emerging laws are giving individuals so much choice and control over their personal data that it's become impossible to exercise any meaningful control at all. This is because most companies justify their use of data by getting the individual's consent. This means that almost every website, app and software we use binds us to extensive terms and conditions, Privacy Policies and Cookie Notices that few have the time, inclination or legal training to decipher. The net effect is that we blindly 'buy on trust'; we routinely give tacit consent without any real understanding of what we're agreeing to. This opens the door for companies to use data lawfully (because they have 'consent') but irresponsibly or, worse, unethically.

### (3) Weaponisation of data

When you download a pizza delivery or ride-hailing app and agree to its terms, the app learns a lot about you: the fact that you have the latest iPhone, for example, who you bank with, your network of friends and family, where you live and possibly where you work too. With every interaction, the algorithm gets to know you a little better; it won't be long before it learns that you like to go out or eat when you get back. When you hail a cab, it knows it's 2:00 am. With access to other data, it could work out that you're in a dangerous part of the city, far from home and in the rain; it could even work out that you've had too much to drink (not from the regrettable text messages you sent, but by the change in your gait). Worst of all, it knows that you only have 5% left on your battery.

It is the company's approach to data ethics that will determine how it chooses to use this information. On the one hand, if the company's priority is safety, then it could use this data to protect you (making sure you are picked up first). On the other hand, it could raise its charges instead, since the algorithm knows that, in situations like these, you are statistically more likely to accept them.

The police, health insurers, airlines, online fashion retailers, mortgage lenders and anyone else with access to data will face similar choices. It is stories like these (apocryphal as they are plentiful) that make us wary – while data can be used to improve our lives, it can also be weaponised against us.

## (4) Surveillance culture

Our digital society is stealthily adopting a surveillance culture, feeding our Orwellian paranoia about being constantly watched. While many of us have grown up under the cyber-optic scrutiny of CCTV cameras, advances in technology pose a far greater threat to our privacy than a security guard watching our movements on a grainy TV. The ability for cameras to recognise faces is well understood, but few realise that sophisticated cameras can lip-read with alarming accuracy. UK scientists are developing new techniques to identify people by the backs of their hands, overcoming the challenge of cropped or pixelated faces.[4]

Surveillance is often much closer to home with the explosion of smartphones, fitness trackers, home hubs, and the internet of things in general. To enjoy the practical benefits that come with these devices, we must hand over the keys to our personal information. The problem is that as soon as we do so, we become vulnerable — we lose sight of how our data is used, and we lose any real sense of control. The uncertainty this creates is compounded by the volume, scale and speed of technology innovation - more than 60% of us feel that the pace of change in technology is too fast.[5]

While covert surveillance by governments may be tightly regulated, the use of these technologies by private enterprises is less strictly controlled. The monitoring, tracking and identification of individuals is one of the most sensitive issues in modern privacy and arguably the area where data ethics is needed most.
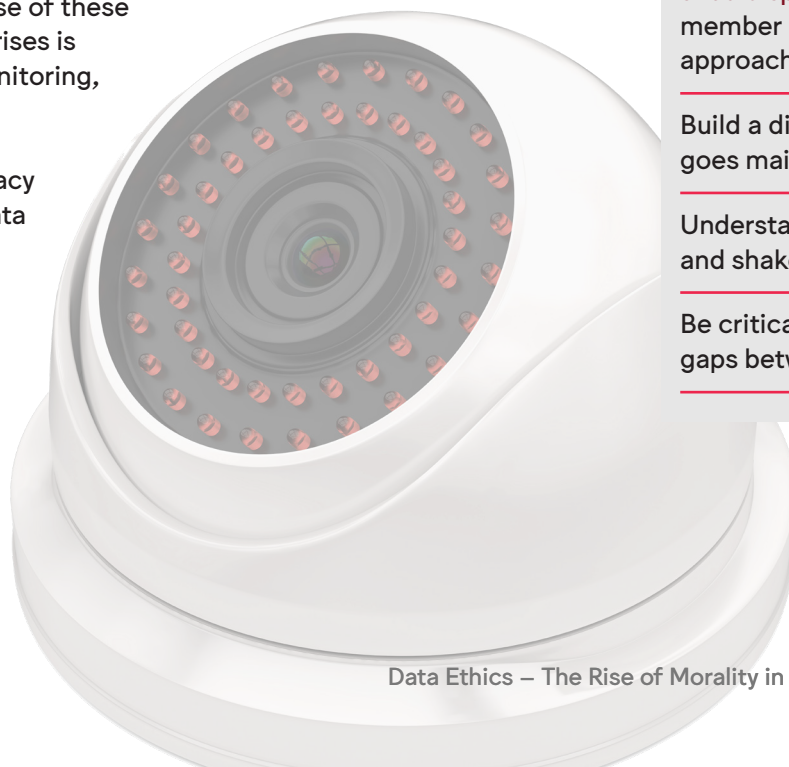
## The Rise of Morality in Technology

The Catch-22 of secrecy is that it's only a secret if you tell someone, but as soon as you tell someone, it's not a secret. This doesn't apply to privacy (despite what we may think) — we don't sacrifice our privacy by sharing our data. Yet many people have passively accepted that their data is the invisible price for 'free' digital products and have lowered their privacy expectations accordingly. However, having witnessed relentless data scandals in recent years, they are starting to realise that the system can be exploited. Society has reached an inflection point: expectations have shifted. People are waking up to the idea that they can take back control, shunning companies they can no longer trust. With their feet to the fire, companies (and their employees) are starting to respond, and we're seeing the unmistakable rise of morality in technology.

### Key Actions:

Make the case for data ethics and take it to the top. Board-level support will drive the cultural transformation required. It will also address employee expectations - a massive 81% of employees believe that their CEO should speak out on the ethical use of tech[6] and 82% of employees at WFA member companies would consider leaving their company if they felt the approach to data was not ethical.[7]

Build a diverse team with evangelists from all relevant functions. Until data ethics goes mainstream, the first job is to grow your following.

Understand the interplay between ethics, governance and regulatory compliance and shake hands on accountability.

Be critical about your relationship with data. Honest introspection will identify the gaps between aspiration and reality.

# PART II:
# Cultural Transformation

Over the last decade, data science has been caught in the powerful slipstream of technology innovation. The collision between massive processing power, advances in AI and machine-learning and vast quantities of data, has created unprecedented progress in data analytics, insight and discovery. However, as the dawn breaks on another decade, society is waking up to a new responsibility:

**We must match the innovation in data and technology with transformation in our behaviour - as a global community, we must agree new rules of engagement.**

## Being human

Ethics is a cultural challenge. We are facing a new decade that will be dominated by data, technology, artificial intelligence and automation on a scale never seen before. It is hard to predict the future of work with any certainty, but as more tasks are done by machines, demand will grow for the things that make us human: judgement, creativity, intuition, cultural sensitivity and so on. After all, even the most intelligent AI will not execute ethical decisions without rules designed by a human. However, 'being human' will not be as easy as it sounds: employees will have to apply ethical judgement in highly complex and technical environments. The big challenge for companies, therefore, is to equip their people with the skills and capabilities needed to make the right choices in the moment.

> The advertising, marketing and media industry must look beyond regulation and champion the ethical use of consumer data. We have a responsibility to inspire trust in our brands and our use of data, and raise ethical standards to drive positive change in society. This paper outlines the purpose-driven leadership required from advertisers, platforms, publishers and developers to put people's rights, interests and expectations first. It's great to see the WFA Data Ethics Board bring the industry together and share best practice in such a critical, complex and evolving

**Conny Braams**
Chief Digital and Marketing Officer, Unilever
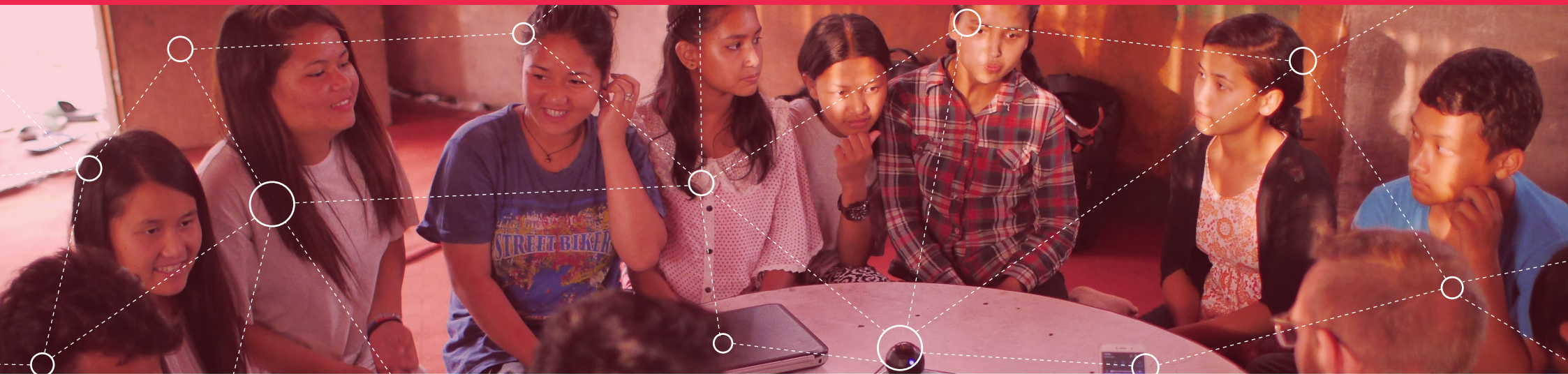
## Tribal Thinking

Cultural transformation should be approached on two plains: the first captures everyone in an organisation, while the second is more tribal, focusing on groups of individuals in certain roles or with specific responsibilities.

- Raising awareness across the organisation: There are many parallels between ethics and other corporate priorities, such as business integrity and physical safety. People know that bribery and corruption are legally and morally reprehensible and they are expected to act appropriately. Data ethics must become equally instinctive.

- Focus Groups: When we look at the front line of data use, we see that different people are exposed to data in very different ways. Data scientists, developers, analysts, marketers and lawyers each have their own responsibilities. Each tribe must learn to spot the ethical hazards in their world and governance frameworks should be tailored accordingly. Developing new skills in this space is a significant undertaking, but this tribal approach shrinks the problem and dials up the relevancy.

## Diversity

When it comes to ethical judgement, we're at the mercy of our perspective, prejudice and bias (conscious or otherwise). People interpret principles differently, have different attitudes to risk and predict outcomes in wildly different ways so bias is inevitable unless steps are taken to diffuse it. Aside from the richness that comes with variety, building diverse teams helps companies avoid ethical own goals.

Diversity is also vital in the data itself. There are countless examples of unrepresentative data sets perpetuating bias, including the infamous facial recognition software that failed to identify women of colour because it was trained using predominantly white, male faces.[8]  Implementing machine-learning tools requires the full spectrum of diversity: (i) data sets (to minimise the risk of bias and inaccuracy), (ii) individuals (for perspective and cultural awareness) and (iii) functional teams (for experience).

It is also worth noting that personalisation can inadvertently stifle diversity. In their quest to surface interesting and relevant content, for example, algorithms effectively censor what we see. Search results, social media and product recommendations are carefully tailored to (their perception of) our needs but what we gain in relevancy we can lose in diversity. The algorithms create digital echo chambers, making it harder for us to discover new interests, find eclectic products or see posts from old acquaintances.

## Psychological Safety

As companies venture deeper into the digital jungle, it is inevitable that dangers arise from time to time. It is not enough for employees to spot them – they must feel safe enough to point them out. However, when faced with the commercial realities of putting the brakes on a project (e.g. unplanned costs, delays, missed targets and political fall-out), people may be reluctant to blow the whistle.

In 2019, the think tank, Dot Everyone, surveyed over a thousand tech workers to explore their views on ethics in technology.[9] Alarmingly, 59% of those working in AI had witnessed their business make potentially harmful decisions which they thought would have a negative impact on society. Over a quarter of them (27%) left their job as a result. *Oxford Economics* estimate that every time a tech worker quits, it costs their employer US$37,000 so this exodus comes at a cost in more ways than one.[10]

However, the research also showed that 79% of those who raised concerns were satisfied with the outcome. This shows the business benefit of effective management. As Antony Walker, deputy chief executive of Tech UK, said, 'The report makes clear that where companies have processes to enable ethical questions to be flagged and addressed these are often very effective'. By giving employees the psychological safety to speak up without fear of retaliation, companies can address ethical issues before they become crises.

**1 in 4 employees**

have felt morally uncomfortable about use of data at their company.

**1 in 10 employees**

don't feel that they could speak up if they felt uneasy about the way data was being used at their company.

Source: WFA Survey on Data Ethics, February-March 2020, Base: 147 responses

### Key Actions:

Train people in tribes, focusing on those most exposed with ethical use cases, exercises and gamified dilemmas.

Build teams with diverse people, perspectives and experience.

To avoid the adage 'bias in/bias out', strive for data that is as representative as possible. Diversity is an important argument for those who champion a more open data economy.

Create a safe environment for employees to make (difficult) choices and speak up about ethical concerns.

Be vigilant of the side effects of personalisation.

Respect cultural nuances. While ethical principles may be universal, what is morally acceptable will vary from market to market.
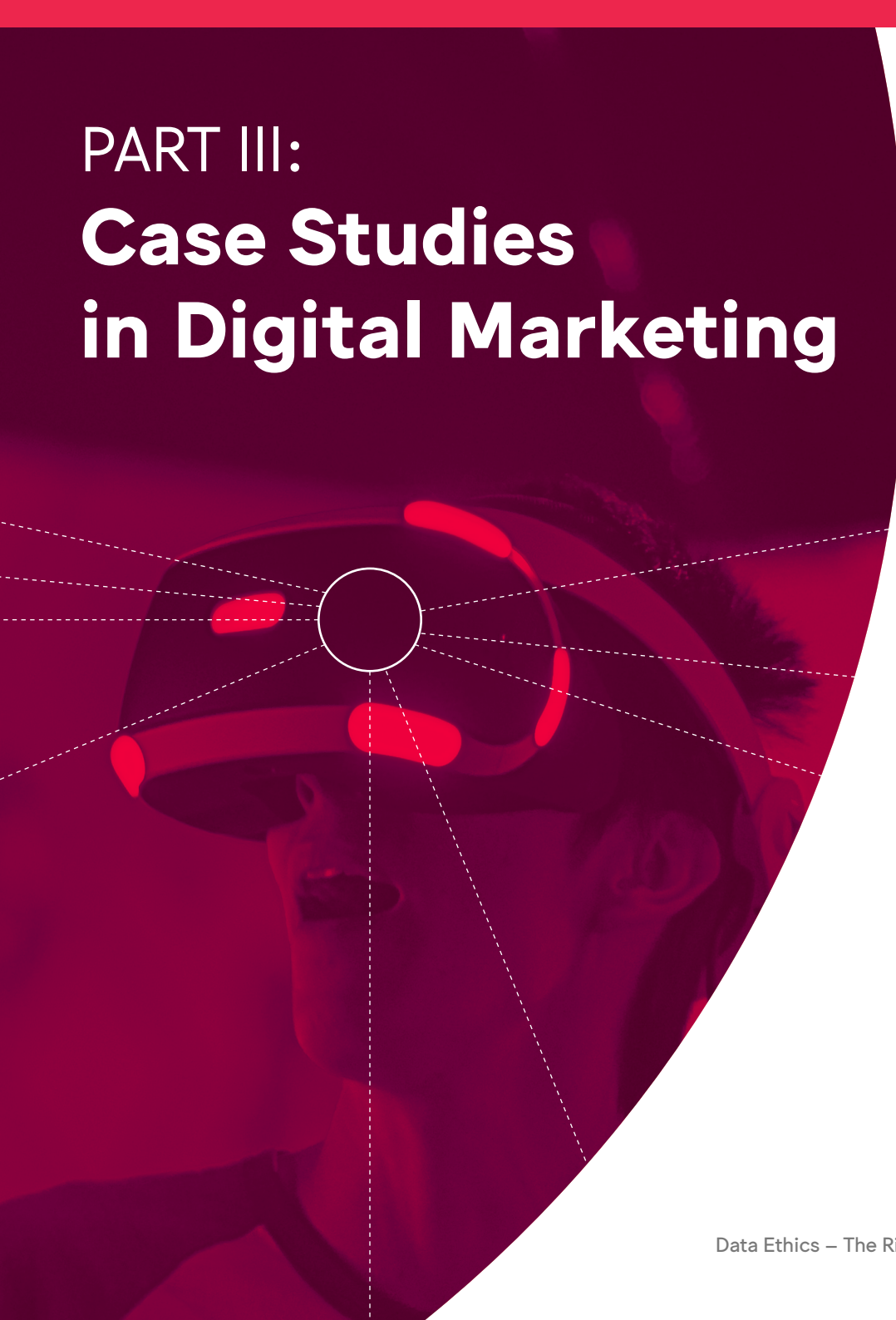
> " It is crucial for businesses to think beyond legal compliance and consider ethical aspects when it comes to consumer data. It's no longer good enough to think only about what we can do with people's data, the question must be what should we do. "

**Barbara Martin Coppola**
Chief Digital Officer, IKEA Retail (Ingka Group)

# PART III:
# Case Studies in Digital Marketing

Ethics in technology is not a new phenomenon - data scientists, lawyers and philosophers have been wrangling with ethics in AI for decades. The increasing use of behavioural science has also fuelled a wave of ethical head-scratching, as irresponsible companies prey on our FOMO[11] and loss aversion with nudge tactics and pressure selling techniques[12]. While there are many areas we could explore, this section focuses on data ethics in digital marketing. The three examples below remind us that ethics is not an abstract challenge that belongs to someone else. While most of us will not face complex dilemmas on a regular basis, we will all be accountable in one way or another.

## Faux Consent
### *Weak, opaque and broken consent chains*

The termination of the data firm, 'Jumpshot' (just three days after being exposed by Vice[13]), illustrates the fallibility of the current consent model. Jumpshot was a subsidiary of Avast, a Czech cybersecurity firm that provides antivirus software to hundreds of millions of users worldwide. When users downloaded the software, they 'opted-in' to Avast's end user licence agreement, authorising them to harvest detailed data about their browsing behaviour: 'Every search. Every click. Every buy. On every site.'. This data was passed on to Jumpshot who packaged it up and sold it to their clients as aggregated, de-identified data. This set off alarm bells at Vice, not least because many of Avast's users had no idea that their browsing data was being shared with, and sold by, another company. The lack of transparency and the weak chain of consent were ethical shortcomings that ultimately cost Avast a subsidiary once valued at US$180 million.

This example also highlights the challenges companies face when buying products and services from data brokers. Unless you undertake the level of forensic enquiry required to truly understand how data is used (and whether that use is legally and morally justified), you risk having ethical blind-spots. However, this type of due diligence can be difficult, frustrating and time-consuming - companies can be reluctant to disclose their 'secret sauce' and the information can be elusive, sitting with different people in different functions.

## Exploiting Vulnerabilities

*Marketing practices that exploit people's fears, insecurities and vulnerabilities*

In 2019, a leaked briefing document cast an uncomfortable light on the British Army's recruitment policy[14], highlighting the fine line between marketing and exploitation. Their 'snowflake' campaign deliberately targeted young people from lower social and economic groups suffering from the so-called 'January blues' (the period immediately after Christmas when many feel low, out of pocket, and uncertain about the year ahead). While this was an effective campaign, the Army's approach was criticised for deliberately exploiting young people's vulnerabilities.

Another example relates to the Covid-19 pandemic, which triggered panic-buying of facemasks, hand sanitizers and toilet rolls. Crises like this can play neatly into the hands of unscrupulous marketers and retailers looking for opportunity in adversity. The risk of catching the coronavirus was compounded by the risk of fearmongering, exploitative pricing, and speculative, unsubstantiated product claims rushed out to cash in. It is in moments like these, that ethical principles protect a company from itself, giving employees the moral compass, authority and accountability to act responsibly.

## Divide and Conquer

*The use of profiling and segmentation to exclude and discriminate*

'Discrimination, in its literal sense, lies at the heart of targeted advertising' observed The Guardian journalist, Martin Moore.[15]  He is right, of course, but not all discrimination is equal. Segregating people into custom audiences for precision and performance marketing, for example, can be perfectly legitimate – it avoids showing hamburger ads to vegans or casino games to kids. However, it can be unethical too, such as a landlord restricting certain ethnic groups from seeing its ads, or an employer limiting job opportunities to a male audience. It's also a double-edged sword - blocking ad targeting by sexual orientation stops people from excluding the LGBT+ community, but it also stops people offering their services directly to the LGBT+ community.

While the big tech platforms have introduced measures to combat unfair discrimination and exclusion, the field of targeting is still littered with trip hazards. For example, discrimination can take place before ads are served on a tech platform (i.e. the advertiser can segment its first party data in discriminatory ways before targeting that specific audience on the platform). Platforms can also overlay their own insight too, 'optimising' ad targeting based on their algorithmic perception of interested consumers. This can perpetuate bias – if more men watch an ad for a luxury watch, the ad may be shown to more men. Avoiding harmful discrimination and eliminating bias are shared responsibilities, requiring collaboration between advertisers, platforms and publishers.

### Key Actions:

Interrogate consent chains and satisfy yourself that consent given to one party still applies to you.

Stress test your due diligence approach to third party data service providers.

Re-evaluate your precision and performance marketing strategy to ensure that you are targeting audiences in an ethical manner, taking particular care around sensitive characteristics like race, religion, and health.

Put governance controls in place to prevent data use that unfairly excludes, discriminates or stereotypes people. As a simple first step, you can build ethical questions into existing data privacy impact assessments.

# PART IV:
# Data Ethics Principles

The application of data ethics is subjective, cultural and contextual, so a principles-based approach is more suitable than prescriptive rules. In this section, we briefly consider the benefits of codifying data ethics into corporate principles before exploring some of the practical challenges of doing so.



## The benefits

Establishing clear principles to govern the ethical use of data is encouraged for the following reasons:

- **Setting the tone from the top,** acknowledging the cultural and strategic value attributed to ethical behaviours by the company's leadership.

- **Raising awareness and understanding,** giving employees a broader perspective on data and privacy, and the relevance of moral principles that go beyond regulation.

- **Improving transparency** for a wide range of stakeholders including employees, partners, suppliers, citizens and society in general.

- **Empowering responsible decision-making,** authorising employees to make difficult decisions about data use, especially when doing the right thing could come at a cost or create a competitive disadvantage.

- **Setting expectations with third parties,** helping to maintain high standards of data ethics in your supplier network.

## The challenges

On the face of it, crafting data ethics principles may seem straightforward; many organisations have already published principles, so there is plenty of expertise to draw from, especially in the field of ethics in AI. However, given the availability of existing principles, it is tempting to put the cart before the horse – in other words, to design principles before fully understanding the operational impact they may have on your business. This can create a false sense of confidence and compliance. Before writing principles, companies should consider the following:

### Existing values and policies

Data ethics principles must align with existing corporate values and policies (including, for example, privacy, information security, equality and diversity, etc.). A company may also need supplementary principles for specific areas, such as AI integration, which must dove-tail to avoid conflict and inconsistency.

### Cultural nuances

While the digital economy may seem borderless, attitudes to data and privacy vary significantly from market to market, not least from East to West. This presents internal challenges (e.g. trying to raise the floor without compromising a market's freedom to operate), and external ones (e.g. working with technology suppliers located in markets with different perspectives on risk).

### Aspirational v actionable

Data ethics principles must balance a wide range of (sometimes competing) interests: short-term v long-term, aspirational v actionable, and internal v external. This can impact tracking, reporting and levels of control.

### Guardrails

Principles are also subject to interpretation both within, and outside, an organisation so they cannot exist in isolation – they must be underpinned by guidelines, guardrails and an effective governance framework.

### Impact and consequence

Whatever principles a company sets for itself, it must first understand the consequences of living up to them. The real test, according to Brad Smith, Microsoft's President and Chief Legal Officer, was deciding 'how far we would go to stand up for the commitments we had created'[17]. Microsoft put their money where their mouth was. When they publicly stated that they would notify their clients before handing their data to government agencies, the government served them with gag orders (preventing them from doing just that). When faced with this dilemma, Microsoft challenged the subpoenas and gag orders in court repeatedly and often successfully (albeit at substantial cost).

**Lubomira Rochet**
Chief Digital Officer, L'Oréal

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Data ethics and the ethics of algorithms are crucial challenges for our digital economies. In a world saturated with choices and opportunities, data comes with positive sides, namely the ability for brands to personalise their interactions with their consumers and to provide uniquely customized experiences to them. But for this promise to be fulfilled we also need to mobilize as an industry to ensure that we handle data collection and use with the highest level of transparency and ethics. Consumers' trust is the number one currency for our brands and the reason why we need to rethink data sharing as true value exchange. We need the entire industry to shift towards a more positive, transparent approach to data.

"

## The Principles

In the absence of universal rules, companies must define their own code of data ethics; one that complements privacy and security policies. While these principles will reflect each company's culture, values and purpose, they will likely draw from the four themes addressed below:

**(1)** respect

**(2)** fairness

**(3)** accountability

**(4)** transparency

## 1. Respect

The overriding principle for ethical data use is to respect the people behind the data. The private sector has a responsibility to protect widely accepted human rights including privacy, dignity, diversity, fairness, equality, autonomy and freedom (i.e. protection from coercion, surveillance, deception and manipulation). Companies should strive to:

- Understand and respect the interests of all parties.[17]

- Use data in ways that improve people's lives, where they benefit from your use of their data.

- Understand the potential impact that use may have on people and mitigate the risk of harm wherever possible.

- Respect human autonomy and help people exercise choice and control over how their data is used.
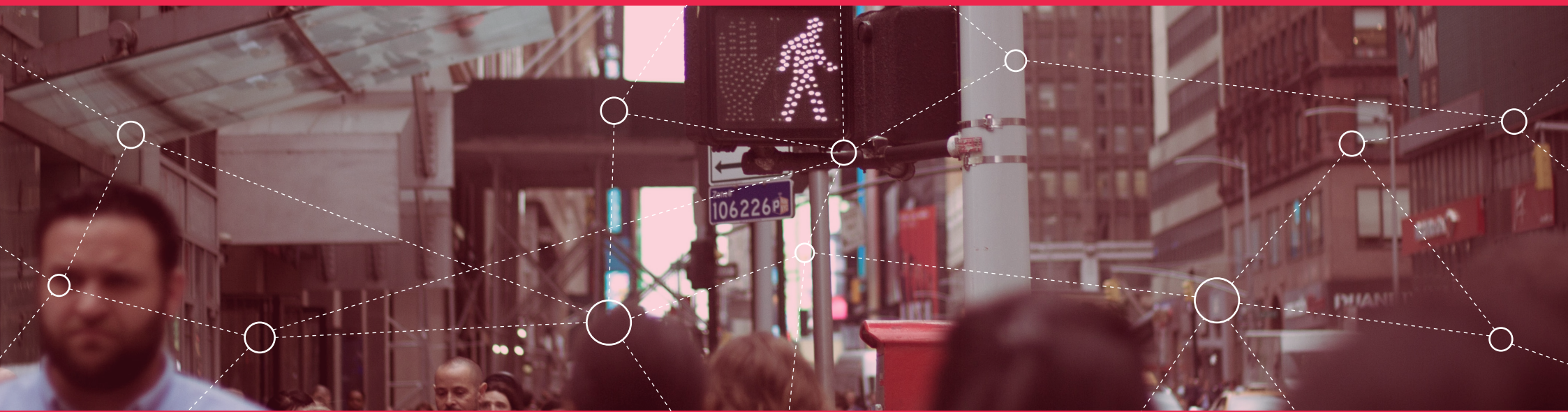
## 2. Fairness

Fairness is a fundamental principle of data ethics since data has equal capacity for good and evil: data use can be inclusive, create diversity and eliminate bias, and it can also exclude, divide and stigmatise. As noted above, targeted advertising can positively and negatively discriminate, demonstrating the need for companies to monitor fairness continuously. This is not a passive exercise as failure to address bias, for example, can quickly and unintentionally perpetuate discrimination or exclusion. Principles for the fair use of data should address:

- Data sets – to avoid bias, inaccuracy and irrelevancy.

- Mindsets – to avoid discriminating or excluding people, particularly vulnerable groups.

- Governance – to ensure diversity of perspective and experience in teams and on ethical boards.

- Access and opportunity – to be inclusive.

## 3. Accountability

Political, technological and social trends are driving an unstoppable march towards increased accountability pressures on business from a wider range of stakeholders. The Consumer Goods Forum Futerra study[17] describes Gen Z as the 'honest generation' who don't expect brands to be perfect but expect them to be truthful. Expectations like this are driving greater demand for openness and transparency as companies are held to account not just for their use of data, but for their supplier's and partners' use too. A company with high levels of accountability will have:

- Open and transparent data practices.

- Robust global and local governance frameworks.

- Meaningful, effective remedy and redress'[19] for data ethics failures.

- Positive feedback loops, allowing people to question and challenge data use on ethical as well as legal grounds.

- Equal expectations of partners, suppliers, publishers and platforms.

## 4. Transparency

The rise of data ethics can be attributed, in part, to the challenge of making data use understandable and accessible to everyone. The systemic complexities of the online ecosystem, the frenzy of data use and the sheer number of parties involved make it a complex story to tell simply. Transparency principles motivate companies to tackle this challenge head on, and work towards more open and honest data practices.

According to the think tank, dataethics.eu, transparency means that 'Data processing activities and automated decisions must make sense for the individual. They must be truly transparent and explainable. The purpose and interests of data processing must be clearly understood by the individual in terms of understanding risks, as well as social, ethical and societal consequences.'[20] Designing data practices around principles such as these empowers people to exercise meaningful choice and control over their data.

Transparency is acutely important in the field of AI and machine-learning where automated decisions cannot always be explained. In some cases, these decisions can have a profound impact on a person's life (diagnosing disease, securing credit or gaining employment) so it is imperative that the decision-making rationale can be interrogated.

### Key Actions:

Codify actionable and aspirational commitments into ethical principles, aligned to your values and policies.

Road test those principles with functional experts to better understand the impact they may have on your business.

Underpin principles with guidelines, guardrails and effective governance frameworks tailored to different tribes within your organisation.

Design for transparency.

# PART V:
# Advocacy

## Partners and Suppliers

To make a positive and sustainable impact on our digital society, we must look beyond our own people and our own four walls – we must acknowledge the fact that data is processed through complex digital architectures involving multiple parties, systems, locations, and people. For many companies (particularly the buyers and deployers of data products and services), the presence of a Jumpshot or a Cambridge Analytica in their extended supplier network is a real risk; from a reputation point of view, the damage of 'exposure by association' could be as serious as a direct data breach.

The supply chain challenge is apparent in the online advertising ecosystem and the enigmatic processes involved in real-time bidding for digital ad inventory. The delivery of a single ad impression can involve scores of companies sharing personal information about the website visitor in a manner which the UK Information Commissioner's Office has described as 'disproportionate, intrusive and unfair'.[21] No one has end to end visibility or control over the data sharing and the web user is often unaware it is happening. This lack of transparency means that unethical and unlawful data practices may go unseen, potentially exposing those involved to legal liability and reputational harm.

As we integrate technology solutions into our operations, we must hold our partners and suppliers to account for their use of data, just as we are accountable for our use of their products. In assessing risk, the following activities should be considered carefully:

- Data broking and third-party data enrichment.

- Data repurposing.

- Audience segmentation for ad targeting.

- Anonymising, pseudonymising and de-identifying data.

- Third-party profiling and tracking.
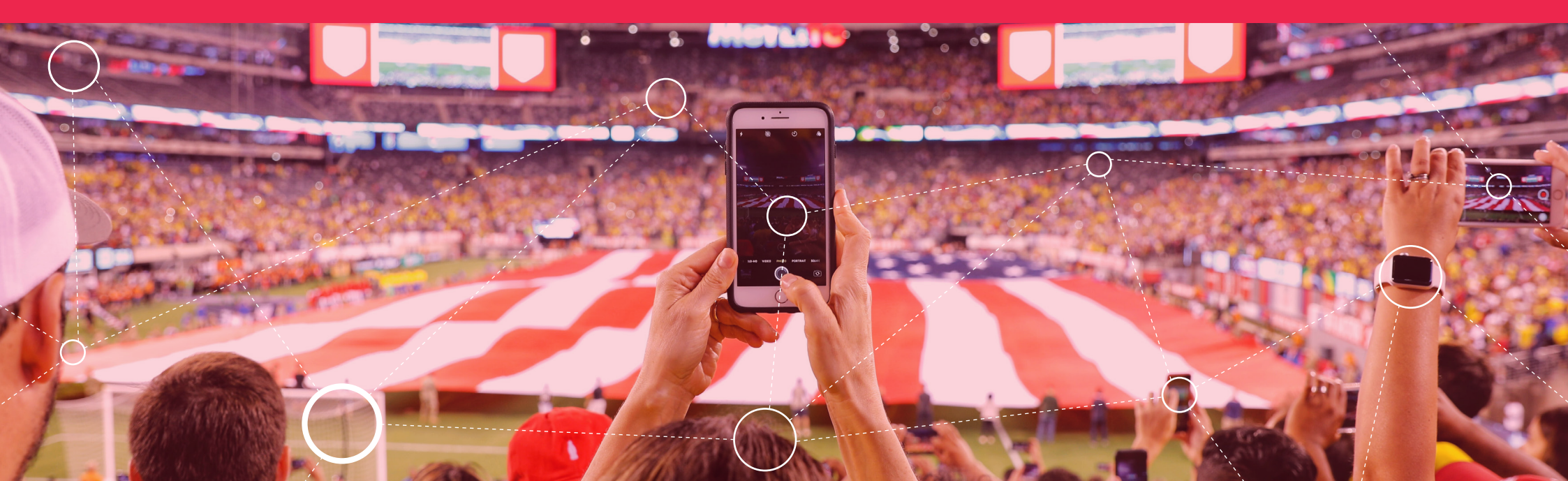
## Team Sport

We bring this paper to a close with a single call to action: we must work together. Cross-industry collaboration is the only way we can make all boats rise – 'if people don't believe that we're all playing by the same rules, then trust breaks down'.[22] Green energy became a sustainable industry once people started buying responsibly at scale. The same will be true in relation to data.

We are all accountable for collecting and using data in a safe, ethical and transparent manner. Embedding data ethics across the industry will require commitment, co-operation and responsible leadership from advertisers, technology platforms, publishers, developers, and technology vendors. As Wired put it, 'establishing trust is a team sport'.[23]

### Key Actions:

Identify and address ethical blind spots with high risk data service providers.

Be selective - a proportionate, risk-based approach will identify a manageable set of products and services to review against your principles.

Set expectations. Demanding immediate adherence to your principles is unrealistic; a progressive and collaborative approach is likely to yield broader, more sustainable gains.

Buy responsibly. If media investment migrates towards responsible products and platforms, people-centric innovation will follow.

# SUMMARY:
# Key Actions for Advertisers

## Making the case for data ethics

Make the case for data ethics and take it to the top. Board-level support will drive the cultural transformation required. It will also address employee expectations – a massive 81% of employees believe that their CEO should speak out on the ethical use of tech[24] and 82% of employees would consider leaving their company if they felt the approach to data was not ethical.[25]

Build a diverse team with evangelists from all relevant functions. Until data ethics goes mainstream, the first job is to grow your following.

Understand the interplay between ethics, governance and regulatory compliance and shake hands on accountability.

Be critical about your relationship with data. Honest introspection will identify the gaps between aspiration and reality.

## Cultural Transformation

Train people in tribes, focusing on those most exposed with ethical use cases, exercises and gamified dilemmas.

Build teams with diverse people, perspectives and experience.

To avoid the adage 'bias in/bias out', strive for data that is as representative as possible. Diversity is an important argument for those who champion a more open data economy.

Create a safe environment for employees to make (difficult) choices and speak up about ethical concerns.

Be vigilant of the side effects of personalisation.

Respect cultural nuances. While ethical principles may be universal, what is morally acceptable will vary from market to market.

## Learning from case studies: key actions to help advertisers avoid common pitfalls

Interrogate consent chains and satisfy yourself that consent given to one party still applies to you.

Stress test your due diligence approach to third party data service providers.

Re-evaluate your precision and performance marketing strategy to ensure that you are targeting audiences in an ethical manner, taking particular care around sensitive characteristics like race, religion, and health.

Put governance controls in place to prevent data use that unfairly excludes, discriminates or stereotypes people. As a simple first step, you can build ethical questions into existing data privacy impact assessments.

## Developing data ethics principles

Codify actionable and aspirational commitments into ethical principles, aligned to your values and policies.

Road test those principles with functional experts to better understand the impact they may have on your business.

Underpin principles with guidelines, guardrails and effective governance frameworks tailored to different tribes within your organisation.

Design for transparency.

## Advocacy: working together to enact change

Identify and address ethical blind spots with high risk data service providers.

Be selective - a proportionate, risk-based approach will identify a manageable set of products and services to review against your principles.

Set expectations. Demanding immediate adherence to your principles is unrealistic; a progressive and collaborative approach is likely to yield broader, more sustainable gains.

Buy responsibly. If media investment migrates towards responsible products and platforms, people-centric innovation will follow.

### About WFA

The World Federation of Advertisers (WFA) makes marketing better by championing more effective and sustainable marketing communications. It is the voice of marketers worldwide, representing 90% of global marketing communications spend — roughly US$900 billion per annum.

WFA connects the world's biggest brand owners and national advertiser associations in more than 60 markets, bringing together tens of thousands of brands at local level. Together, they create a global network which offers a unique source of leadership, expertise and inspiration.

WFA's Digital Governance Exchange network brings together 600+ senior marketing, legal and policy experts from global brands across 5 continents to share insights and experiences with each other in relation to developing and implementing responsible data policies and practices.

To find out more about WFA membership, please contact: c.armitage@wfanet.org

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