

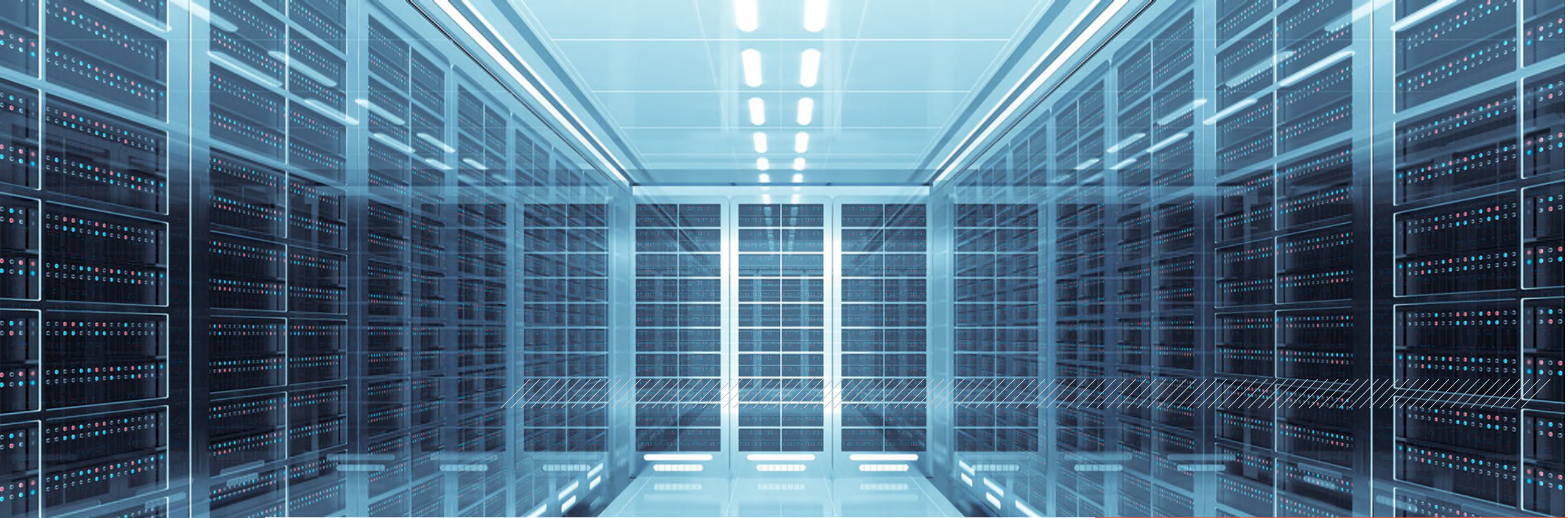


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AI at Work: A Legal Checklist for Risk Management

The Emerging impact of AI in the workplace

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Agenda

1. Branches of AI
2. Impact of AI on employers and employees
3. Risks to personal information
4. Addressing Bias
5. Legislative responses
6. Crafting Effective AI policies
7. Data management and AI



Branches of AI and the Impact on employers and employees

Types of AI that may impact the workplace:

- Gen AI (ChatGPT)
- Machine Learning
- Deep learning
- Natural language processing
- Robotics
- Expert systems
- Fuzzy Logic



Employer use of AI technology - Examples

- Resume screening by analyzing applicant materials during the hiring process
- Analyzing interview transcripts with prospective hires
- Managing employment & the workplace



Legal and ethical AI issues



Potential risks in using AI tools for management decisions

- Privacy breaches
- Discrimination
- Bias
- Non-compliance with employment and labour laws
- Black Box
- Shortcomings of AI technology
- Ethical considerations



Potential liability arising from AI use

- Privacy breaches
- Discrimination claims
- Intellectual property infringement
- Misrepresentation
 - *Moffat v. Air Canada*: Liability for negligent misrepresentation by an AI chatbot

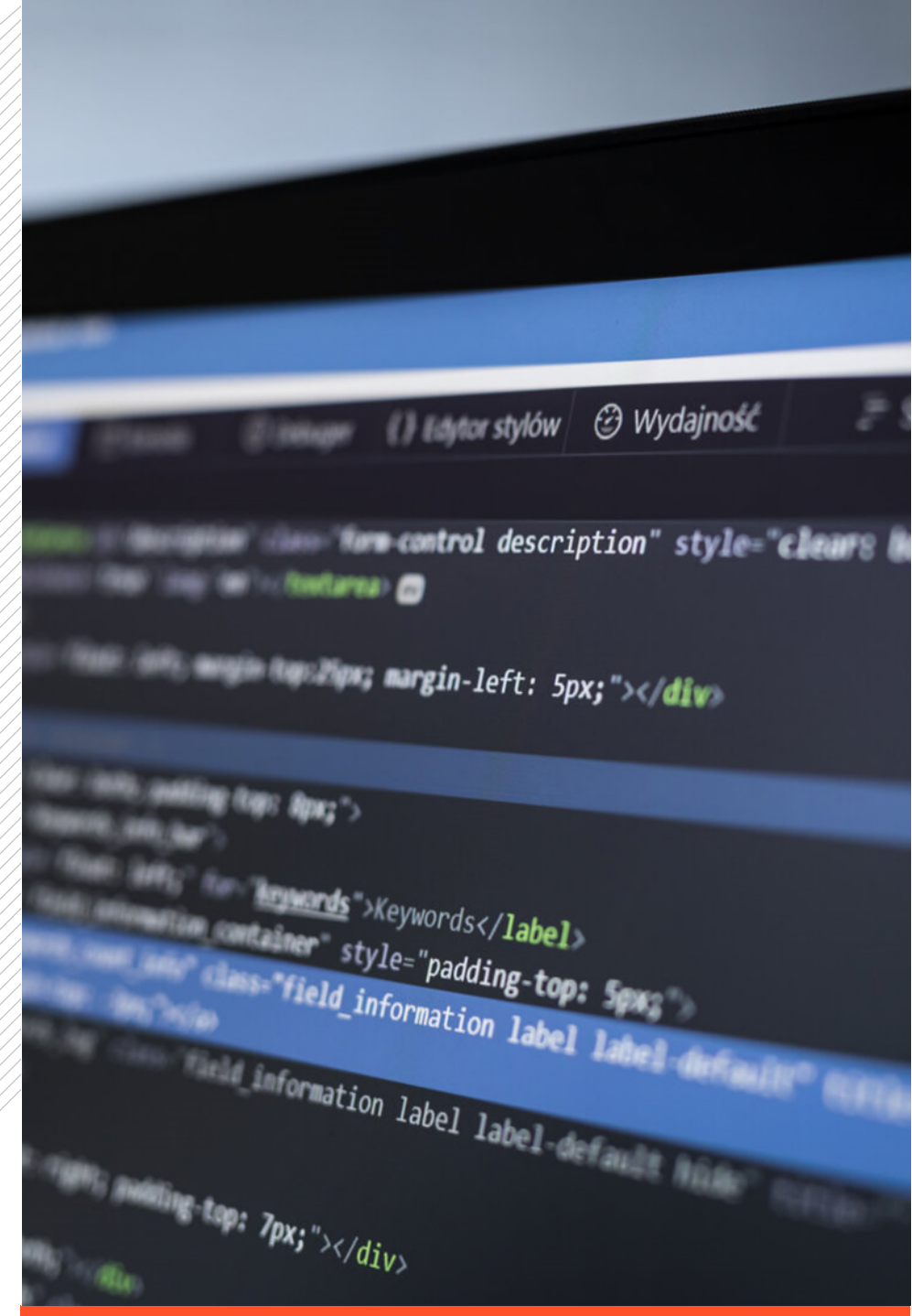


Risks regarding protection of personal information



Privacy & Data Risks

- Use of confidential information as input
- Disclosure of confidential information in output
- Data privacy & security
- Inadequate anonymization
- Intellectual property infringement



Addressing the built-in risk of bias



Human rights violation risks

- Bias, discrimination and ethical corporate governance
- Age, gender, race and other protected grounds that can become input and output



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Legislative responses to AI



Artificial Intelligence Legislation

A global overview

AI LEGISLATION				
CANADA		EU	UK	USA
Artificial Intelligence and Data Act (Bill C-27)	Voluntary Code of Conduct (private sector)	Artificial Intelligence Act	White paper: “A pro-innovation approach to AI regulation.”	Numerous states have introduced AI legislation
<i>Not yet in force</i>	<i>Canadian corporations have the choice to become signatories</i>	<i>Approved May 21, 2024, by the Council of the European Union</i>	<i>Guidance for regulators released in February 2024</i>	<i>Several states have signed bills addressing risks of AI</i>

The Artificial Intelligence and Data Act (AIDA)

Principles

- Human oversight and monitoring
- Transparency
- Fairness and equity
- Safety
- Accountability
- Validity and robustness

The Artificial Intelligence and Data Act (AIDA)

Key Features

- Assessment and record keeping
- Mitigating risk
- Ensuring transparency
- Reporting
- Anonymized data

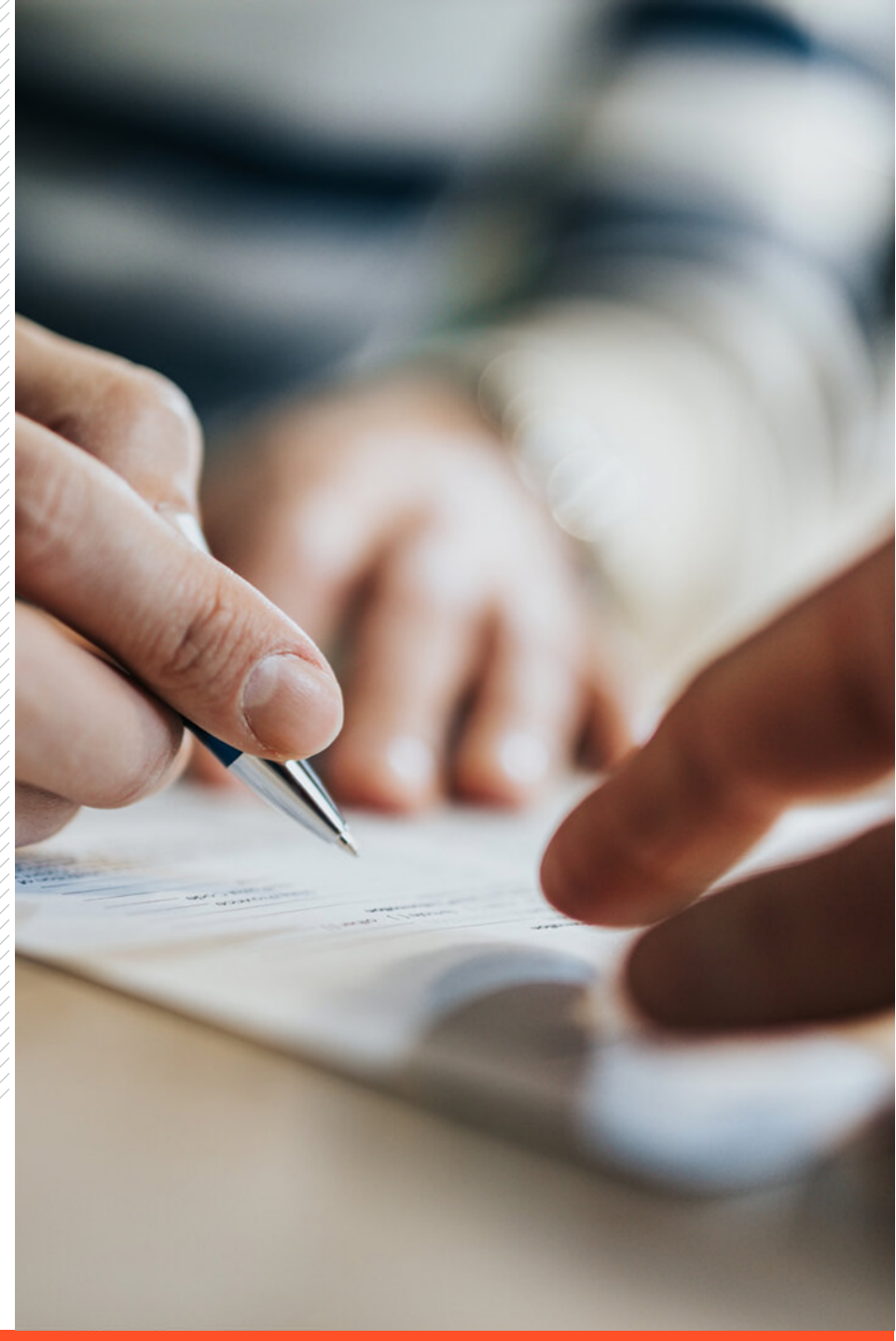
Punishments for violations of the proposed AIDA include fines as high as **\$25,000,000** or **5% of gross revenues** and prison sentences of as long as **five years less a day**.

Activity that will be regulated by AIDA

s 5 - Definitions

regulated activity means any of the following activities carried out in the course of international or interprovincial trade and commerce:

- (a) processing or making available for use any data relating to human activities for the purpose of designing, developing or using an artificial intelligence system;
- (b) designing, developing or making available for use an artificial intelligence system or managing its operations.



Voluntary Code of Conduct

Principles

- **Accountability**
- **Safety**
- **Fairness and Equity**
- **Transparency**
- **Human oversight and monitoring**
- **Validity and Robustness**

Voluntary Code of Conduct

Signatories - Examples

- Blackberry
- CGI
- IBM
- TELUS
- Mastercard
- Sales Force

Best practices for drafting effective AI Policies

- Review generative AI developer's privacy policies and data practices
- Undertake privacy impact assessments
- Define objectives
- Ensure fairness
- Promote transparency
- Prioritize privacy
- Ensure accountability
- Regular review
- Training and education
- Compliance with laws and regulations
- Consequences of non-compliance

Things to think about when considering Data Management and AI

1. Business Strategy
2. People
3. Process & Compliance
4. Technology
5. Culture (Embrace & keep up!)

Thank You

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