

# AI TOOLS FOR RETAILERS: ASSESSMENT SHEET

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**Acknowledgment:** The methodology used to evaluate this tool was adapted from the *AI Trustworthiness Framework* developed by the consortium of the STAR project (Horizon-2020-funded project, Grant Agreement No. 956573). The Framework is based on the Assessment List for Trustworthy AI (ALTAI), created by the High-Level Expert Group on AI established by the European Commission.

SOLUTION	<b>Anaplan</b>
PROVIDER	Anaplan
WEBSITE	<a href="https://www.anaplan.com/industries/retail/">https://www.anaplan.com/industries/retail/</a>
STRENGTHS	
AREA	CHARACTERISTICS
Human Agency & Oversight	<ul style="list-style-type: none"> <li>• There are clear policies and guidelines for human oversight, outlining when and how human intervention is required during the operation of the AI system.</li> <li>• The system provides explanations for its decisions in a human-understandable manner.</li> <li>• The system is designed to include humans in the decision-making process.</li> <li>• Human oversight is employed to review and correct potential biases.</li> <li>• Users can customise AI behaviour within certain limits, enabling them to align the system with their values and intentions.</li> </ul>
Technical Robustness & Safety	<ul style="list-style-type: none"> <li>• The system employs adversarial training i.e., AI models are trained on data that includes adversarial examples in order to improve their resistance to attacks.</li> <li>• The training dataset is augmented with diverse and challenging examples to expose the model to a wider range of scenarios.</li> <li>• The system uses data pre-processing techniques to remove noise and irrelevant information that might make the model more susceptible to adversarial inputs.</li> <li>• The system employs explainability to gain insights into model decisions and identify potential issues or adversarial attacks.</li> <li>• The system is subject to security audits to identify vulnerabilities and potential attack vectors.</li> <li>• The system is deployed in a secure environment, and access to the model and data is restricted.</li> <li>• The system encrypts data at rest and in transit using strong encryption algorithms.</li> <li>• The system implements robust access controls to restrict who can access the AI system and what actions they can perform.</li> <li>• The system employs the principle of least privilege, ensuring that users and processes have the minimum level of access necessary.</li> <li>• The system employs strong authentication methods, such as multi-factor authentication (MFA).</li> <li>• The system remains up-to-date with respect to security patches and updates.</li> <li>• The system is integrated with intrusion detection and prevention systems that monitor network traffic and detect and block suspicious activities.</li> <li>• There are regular security audits and vulnerability assessments associated with the systems and the infrastructure that supports its operation.</li> <li>• Firewalls and network segmentation are used to isolate the AI system from other parts of the network.</li> </ul>

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- There is a comprehensive incident response plan in place that outlines how to detect, respond to, and recover from cybersecurity incidents against the AI system.
  - The users of the system are trained on security best practices such as how to identify and report phishing and other social engineering attacks.
  - The system incorporates security considerations from the early stages of its development in-line with "security by design" approaches.
  - There are regular security processes in place, including penetration testing, vulnerability scanning, and code reviews.

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#### Privacy & Data Governance

- Data collection is based on informed consent, i.e., personal data is collected only after obtaining informed consent from individuals to ensure that they understand how their data will be used and for what purposes.
- During data collection the system uses encryption techniques (e.g., SSL/TLS) when transmitting data over networks to prevent interception and eavesdropping.
- The AI system ensures data quality during data collection by validating, cleaning, and sanitizing incoming data to reduce errors and inaccuracies.
- Data at rest is encrypted using strong encryption methods to protect it from unauthorised access in storage.
- The system implements access control policies to limit who can decrypt and access the data.
- The system implements role-based access control (RBAC) and least privilege principles to restrict data access to only those who need it for their specific roles.
- Data retention policies have been developed and enforced to determine how long data is stored, while no longer needed data is deleted.
- The system implements robust logging and monitoring systems to track who accesses the data and what changes are made.
- Access to data is monitored continuously to identify potentially malicious and/or suspicious activities.
- The system classifies the various data assets based on their sensitivity and importance while applying appropriate security measures to each classification level.
- Data access and usage are regularly audited to ensure compliance with privacy and security policies.
- When sharing data with third parties or between systems, secure methods such as secure APIs and encrypted file transfers are used.
- There are established ethical guidelines for data handling and use to ensure the behaviour of the AI system aligns with ethical principles and regulations.
- Users are educated about data privacy and security best practices as part of measures to promote a culture of security within the organisation.
- The system adheres to applicable data protection regulations (i.e., GDPR) and relevant industry-specific standards, while data policies and procedures have been updated to meet compliance requirements.
- There are clear and well-defined guidelines for data collection.
- Data cleaning processes are in place to remove duplicate records, correct inaccuracies, and handle missing data.
- Data are verified for accuracy and reliability based on proper checks that identify anomalies or errors.
- The system keeps track of different versions of datasets to maintain a history of changes and updates.
- There are measures for identifying and handling outliers in the data.
- There are data quality metrics defined and regularly measure and monitor data quality against these metrics.
- Data retention and data disposal policies are in place to ensure efficient and secure data management.
- Data is backed up regularly to prevent data loss due to accidental deletions or technical issues.

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#### Transparency

- The system employs XAI techniques (e.g., LIME, SHAP) to interpret decision-making processes and make them more understandable to humans.
  - The system is accompanied by comprehensive documentation of the AI system's design, architecture, algorithms, and data sources.
  - The system is accompanied by visual representations of the AI model's internal processes to explain complex models to non-technical stakeholders.
  - The system possesses user-friendly interfaces that provide insights into the AI system's behaviour and allow users to interact with the system while understanding its decision-making process.
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- The system complies with applicable and emerging regulations, such as the GDPR, the AI Act and industry-specific standards.
- The system operates based on inherently interpretable algorithms (e.g., decision trees, linear models, rule-based systems).
- The system leverages specialized XAI techniques and tools to explain complex AI models that operate as black-boxes.
- The system provides explanations on a per-instance basis, which explains why the AI system makes a specific decision for a given input.
- The system provides visualizations illustrating how the model processes data and arrives at conclusions.
- The system provides natural language explanations.
- The system provides sensitivity analysis demonstrating how input data changes affect the model's output.
- The system has interactive interfaces allowing users to explore and experiment with the AI system's decision-making process.
- The system is accompanied by educational materials and resources that help users understand AI concepts and interpret model outputs.
- The system has a feedback mechanism that allows users to provide feedback on the quality and clarity of explanations.
- The purpose, scope, and key objectives of the AI system are properly documented.
- There are visual representations of the AI system's architecture, including components, data flows, and interactions.
- There is adequate documentation about the algorithms, models, and techniques used in the AI system.
- There is documentation of all data sources used by the systems, including information about their types, formats, and how they are accessed or collected.
- There is documentation about all data pre-processing steps, including data cleaning, normalisation, and feature engineering.
- There is documentation for the APIs used to interact with the AI system, including input and output formats.
- There is detailed documentation about how the AI system complies with relevant regulations and ethical guidelines, including the GDPR, the AI Act and the guidelines of the HLEG.
- There is adequate documentation of the measures taken to protect user data and ensure data privacy (e.g., encryption and access controls).
- There is version control for the system's documentation.
- The documentation is accessible to all relevant stakeholders, including developers, users, and compliance officers.
- The system includes legal disclaimers, terms of use, and licensing information.

#### Diversity, Non-discrimination & Fairness

- Collection of diverse and representative training data to reduce bias during AI system training and development.
- Careful annotation of data based on structured guidelines to avoid stereo types and biases.
- Generation of synthetic data to increase the diversity of the datasets used for the system's training.
- Conduct of subgroup analysis to identify bias against specific demographic groups.
- Standardisation and normalisation of data to mitigate the influence of outliers.
- Implementation of fairness-aware machine learning algorithms (e.g., adversarial training) that consider fairness constraints during training.
- Addition of fairness-related regularisation terms to the objective function to penalise biased predictions.
- Use of metrics like disparate impact, equal opportunity, and calibration to assess the fairness of AI systems.
- Application of algorithms that adjust the predictions or decisions post-training to reduce bias.
- Specification and use of classification thresholds to achieve fairness (e.g., equal false-positive rates for different groups).
- Support for explanations for decisions to allow for external scrutiny.
- Promotion of diversity in AI development teams to reduce the risk of unintentional bias.
- Education and training about bias, fairness, and ethics to AI developers and other stakeholders.
- Model development is driven by clear and measurable fairness metrics, such as equal opportunity,

demographic parity, and predictive parity.

- The system has incorporated fairness constraints during model training to ensure that the model's output adheres to fairness objectives.
- The system implements fairness-aware machine learning algorithms that reduce disparate impact and enhance fairness in AI decisions.
- Human reviewers and subject matter experts engage in the model development and evaluation processes.
- There is diversity in AI development teams to bring a wide range of perspectives and reduce the risk of unintentional bias.

#### Environmental & Societal Well-being

- The system has been developed in line with a set of ethical AI development principles that align with retail industry standards.
- The system has been developed and deployed in line with a comprehensive code of conduct that outlines the organisation's ethical principles for AI development.
- The development and operation of the system are overseen in terms of ethical and responsible AI principles by an AI ethics committee or advisory board.
- The system is developed, deployed and operated in ways that are up-to-date with relevant laws and regulations governing AI and retail.
- Any AI components and technologies used in the system meet ethical standards, including labour practices and environmental responsibility.
- The system's behaviour and performance are regularly monitored to detect and rectify ethical issues.
- There are mechanisms for individuals to report ethical concerns and violations related to AI systems without fear of retaliation.

#### Accountability

- The system maintains audit trails i.e., detailed records of its activities, including data inputs, model parameters, and decision outputs.
- The system supports model versioning i.e., it keeps track of different versions of AI models, along with the changes made to each version.
- The system offers data provenance and traceability functionalities by documenting the origin and history of data assets, including their sources, transformations, and any pre-processing.
- The system records the explanations and interpretations generated by the AI system for specific decisions, including information about the reasons behind the system's choices.
- The system enables associating every action or decision made by the AI system with a timestamp, allowing for temporal tracking and analysis.
- The system maintains user interaction logs, i.e., records of interactions between users or operators and the AI system.
- The system documents the process of training data annotation, including the actors involved, the annotations provided, and any guidelines provided to human annotators.
- The system comes with model validation reports i.e., records of model validation processes such as testing, validation datasets, and evaluation metrics used to assess model performance.
- The system supports change management processes, which ensure that any changes made to the AI system's configuration, code, or parameters, along with the rationale for these changes.
- There are training and certification records for the personnel involved in AI system development and operation, including information on their roles and responsibilities.

Assessed by: TEAM4Excellence