



ESG & AI Bestyrelsesakademi

Den bæredygtige strategi med AI som katalysator

Opsamling og refleksioner på Dag 1

v. Thomas Kovsted, CEO/Country General Manager, IBM Denmark



Dagens program

08.45-09.15	Introduktion til AI og digitaliseringens rolle – herunder hvorfor data er væsentlig forudsætning for både ESG og AI
09.15-09.30	Refleksioner over AI og digitaliseringens rolle - dialog
09.30-10.15	AI Governance Report – hvordan oplever bestyrelser AI?
10.15-10.45	<i>Pause</i>
10.45-11.15	AI/digital understøttelse af bæredygtig udvikling – Case 2
11:15-11:30	AI paradokset - både løsning og problem
11.30-12.30	<i>Frokost</i>
12.30-12.50	<i>Bestyrelsens ansvar – herunder Corporate Sustainability Due Diligence Direktivet</i>
12.50-13.20	De 10 vigtigste spørgsmål, der sætter dig i gang med at integrere ESG og AI i forretningsmodellen
13:20-14.00	Et kig ind i fremtiden
14.00-14.30	Afrunding og perspektivering

Introduktion til AI og digitalisering

Hvorfor er data en vigtig forudsætning for både ESG og AI?

v. Camilla Kampmann, Client Executive, IBM Denmark



AI is not a science fiction: it's already affecting our lives

Cyber defence

Drug discovery

Chatbots

Fraud detection

Face recognition

IoT

*Medical decision-
making*

Language translation

Recommender systems

Loan approval

Disease diagnostics

Pharmaceutical design

Games

Targeted marketing

*Supply chain
management*

Robotics

Sales forecast

*Advanced physics
research*

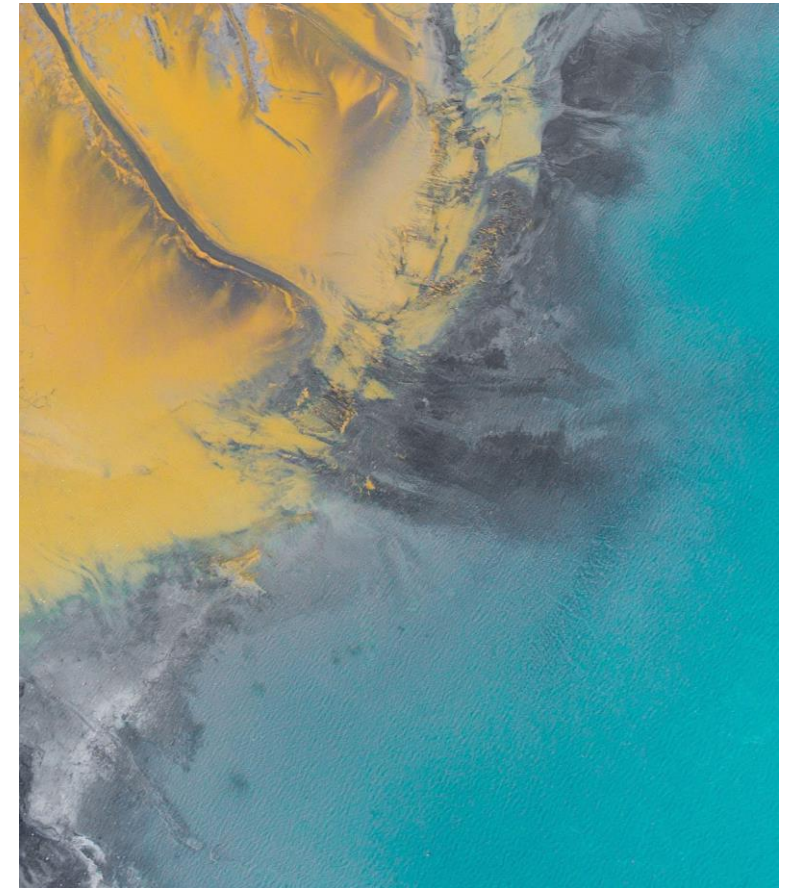
*Medical decision-
making*

Media analytics

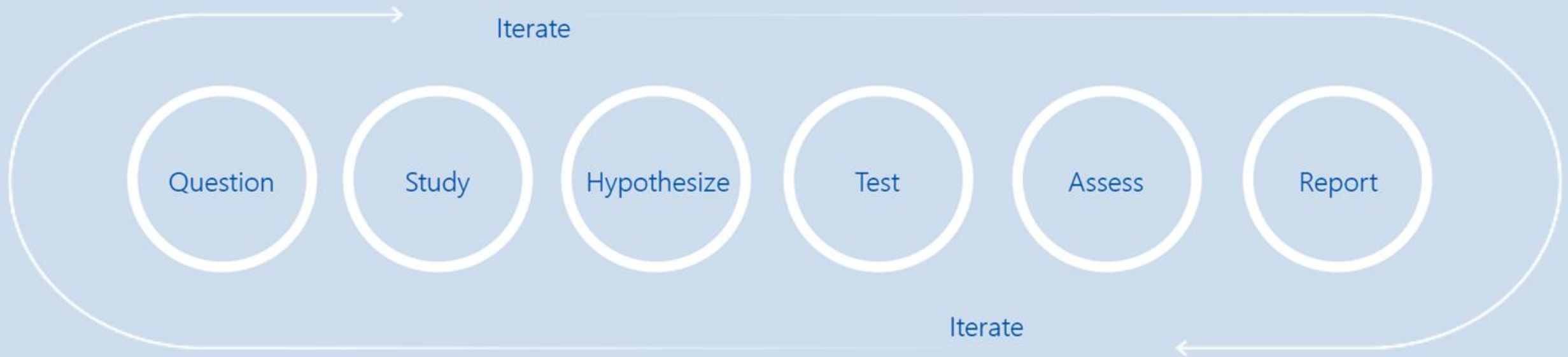
Weather forecasting

The urgency of science has never been greater than now

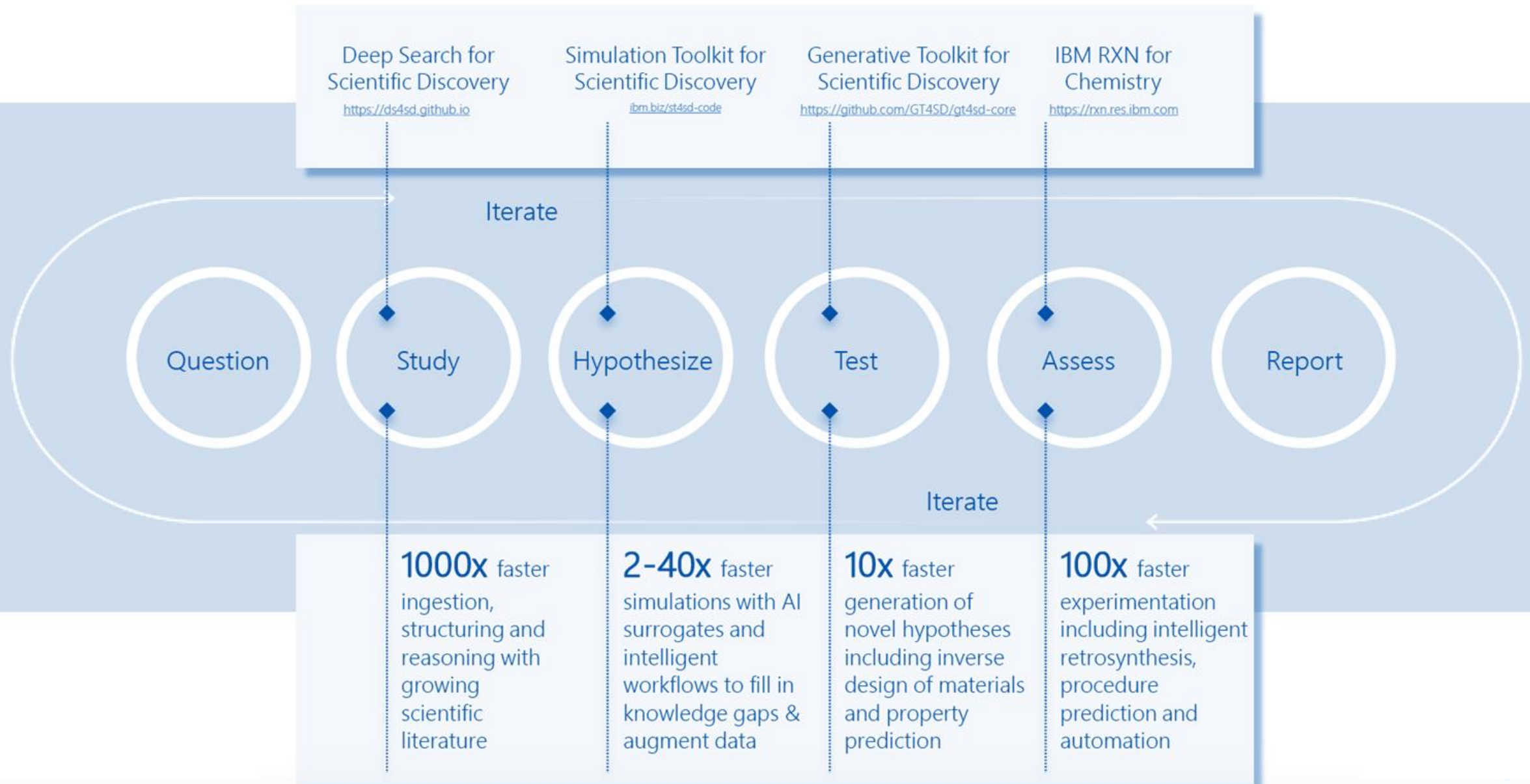
Today's challenges demand us to act with unprecedented agility and speed. How do we discover solutions to complex problems?



The scientific method has been humanity's best model for discovery



New AI and quantum computing are accelerating the scientific method



Transformation of the business model with AI

- Because everything is becoming increasingly linked, organizations now have the opportunity to collect more data, gain the essential insights, and innovate. As a result, we will most likely see a much-needed market evolution: speedier marketplaces, leaner operations, vibrant enterprises, increased profits, informed consumers, and dynamic businesses.
- Growth in AI-driven automation means greater insight from data from connected devices, social media, industry data, and other sources, which increases the potential to revolutionise business models. Digital data has grown at an astonishing rate across nations throughout the years.



The Internet's disruption of existing business models

What disruption will AI do?

9 disruptive business models for companies

- Freemium model – Spotify
- Subscription model – Netflix
- Free offerings – Google and Facebook
- Marketplace model – Amazon Partner and eBay
- Sharing economy – access-over-ownership model – renting and leasing – Uber
- User Experience premium – Tesla and Apple
- Pyramid model – Dropbox and Microsoft
- Ecosystem model – Apple and Alibaba
- On-demand model – Cloud computing business

Impact on traditional industries

- Market dynamics
- Customer expectations
- Speed
- Operational efficiency
- Regulatory environment
- Workforce and skills requirements

The need for responsible AI

AI is powering critical workflows and trust is essential



Loan processing



Employment



Customer management



Quality control

The most common generative AI tasks implemented today

Reinventing how work gets done | +AI to AI+

Retrieval-Augmented Generation

Based on a documents or dynamic content, create a chatbot or question-answering feature.

Building a Q&A resource from a broad knowledge base, providing customer service assistance

Summarisation

Transform text with domain-specific content into personalised overviews that capture key points.

Conversation summaries, insurance coverage, meeting transcripts, contract information

Content Generation

Generate text content for a specific purpose.

Marketing campaigns, job descriptions, blog posts and articles, email drafting support, application code generation

Named Entity Recognition

Identify and extract essential information from unstructured text.

Audit acceleration, annual report fact extraction

Insight Extraction

Analyse existing unstructured text content to surface insights in specialized domain areas.

Medical diagnosis support, user research findings

Classification

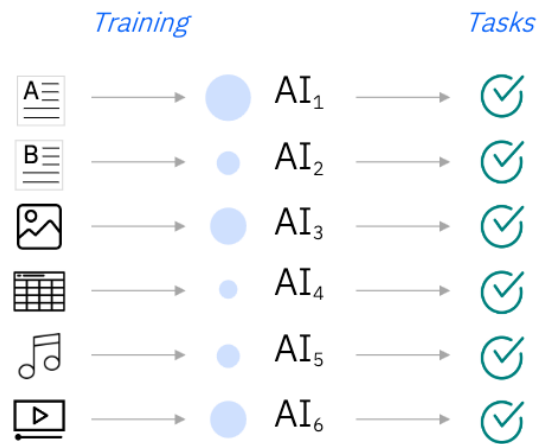
Read and classify written input with as few as zero examples.

Sorting of customer complaints, threat and vulnerability classification, sentiment analysis, customer segmentation



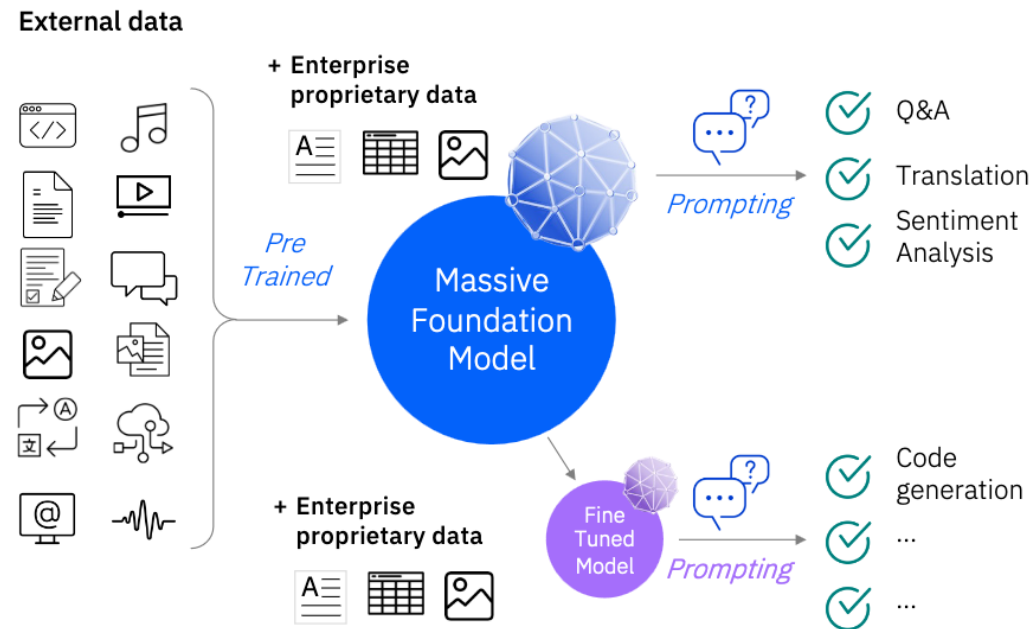
Foundation models establish a new paradigm for AI capabilities

Traditional AI models



- Individual siloed models
- Require task specific training
- Lots of human supervised training

Foundation Models



- Massive multi-tasking model
- Adaptable with minimised training
- Pre-trained unsupervised learning

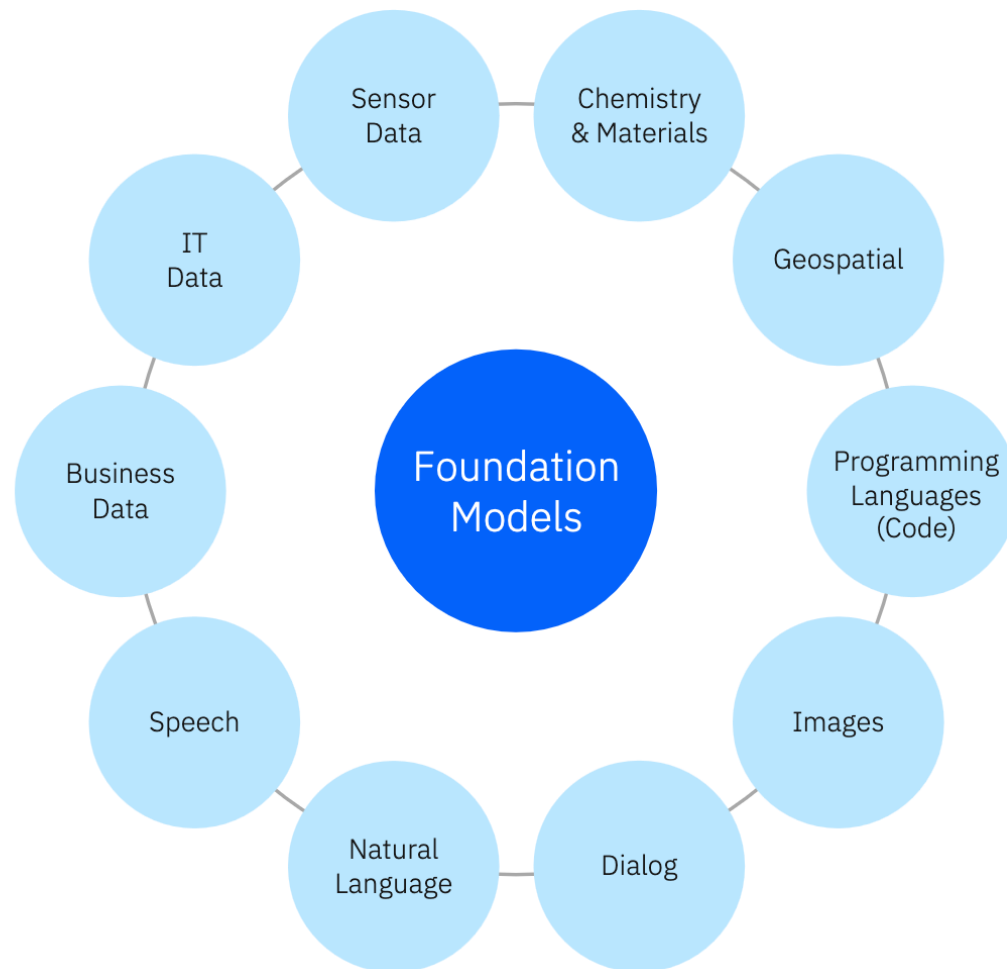
Enhanced capabilities

- Summarisation
- Conversational Knowledge
- Content Creation
- Code Co-Creation

Key advantages

- Lower upfront costs through less labeling
- Faster deployment through fine tuning and inferencing
- Equal or better accuracy for multiple use cases
- Incremental revenue through better performance

Opportunity to unlock business advantage with foundation models trained across the breadth of enterprise data



Time to value up to

70% faster

than with a traditional AI approach.

In two years, foundation models will power a

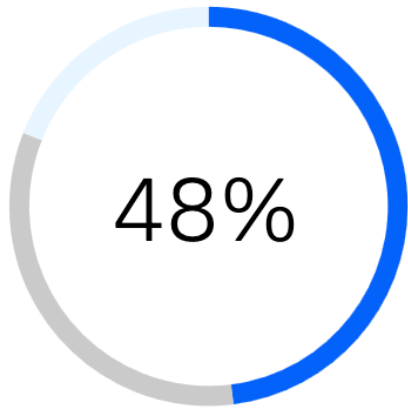
third

of AI in enterprises

Business leaders face challenges in scaling AI across enterprises with trust

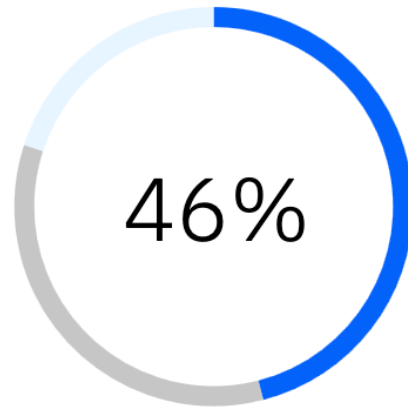
80% of surveyed business leaders see at least one of these ethical issues as a major concern

Explainability



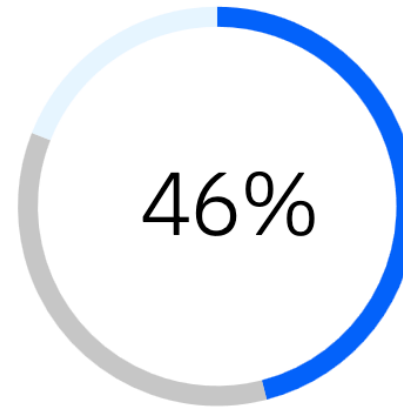
Believe decisions made by Generative AI are not sufficiently **explainable**.

Ethics



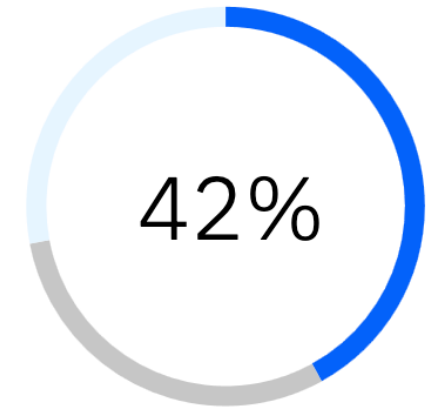
Concerned about the safety and **ethical** aspects of Generative AI.

Bias



Believe that Generative AI will propagate established **biases**.

Trust



Believe Generative AI cannot be **trusted**.

Agree Neutral Disagree

Generative AI use cases in Sustainability use cases



Above ground biomass



Scope 3 estimation



Work order intelligence



MVI anomaly detection



Wildfire and flood detection



Failure mode understanding



MVI visual prompt tuning

What IBM offers

Top enterprises are already leveraging watsonx to transform processes and experiences



Financial Services

Combined watsonx.ai foundation models with Watson Discovery to [compare and redline new NDA documents against a playbook](#) of approved clauses.



Big 4 Banks

Using foundation models delivered through watsonx.ai to [automate migration of legacy SAS code to Python](#) and [create a natural language understanding of code](#).



Insurance & Banking

Using watsonx.ai foundation models with Watson Discovery [to compare and contrast the similarities and differences in policy document provisions](#) as part of corporate policy consolidation.



Mining Sector

Combined watsonx Assistant & Discovery with watsonx.ai [to assist and accelerate on site decision making](#) for staff using standard operating procedures for OH&S, operational and run maintenance documents.



watsonx
Client Stories

Risks of using AI

Some risks are the same as in traditional data science

- Poor predictive accuracy
- Lack of fairness and equity
- Lack of explainability
- Model uncertainty
- Distribution shifts
- Poisoning attacks
- Evasion attacks
- Extraction attacks
- Inference attacks
- Model transparency

Occur when LLMs are used in "classical ML" tasks, e.g. prediction and classification, and have well-defined metrics and defense i.e., IBM Trust 360 toolkits

But many risks are entirely new in foundation models

- Hallucinations
- Lack of factuality or faithfulness
- Lack of source attribution
- Toxicity, profanities, and hate speech
- Bullying and gaslighting
- Inability to reason
- Privacy leakage
- Prompt injection attacks
- Misinformation

Occur when LLMs are used in generative tasks, and do not yet have well-defined metrics and defenses

Clients cannot just use any generative AI platform

How was it trained?

- Garbage in -> garbage out
- An enterprise cannot use a foundation model trained with a Wikipedia crawl
- The training material needs to be huge and comprehensive but must also be curated

Can it detect & minimize bias & hallucination?

- How does the platform detect and correct bias?
- How can it prevent hallucination (providing random and untrue answers with absolute aplomb and convictions)?

Is it transparent?

- Open vs black-box
- How to audit, and explain the model and the answers it generates?
- Does the model track drift and bias? And how does it address them?

Does it support regulatory compliance?

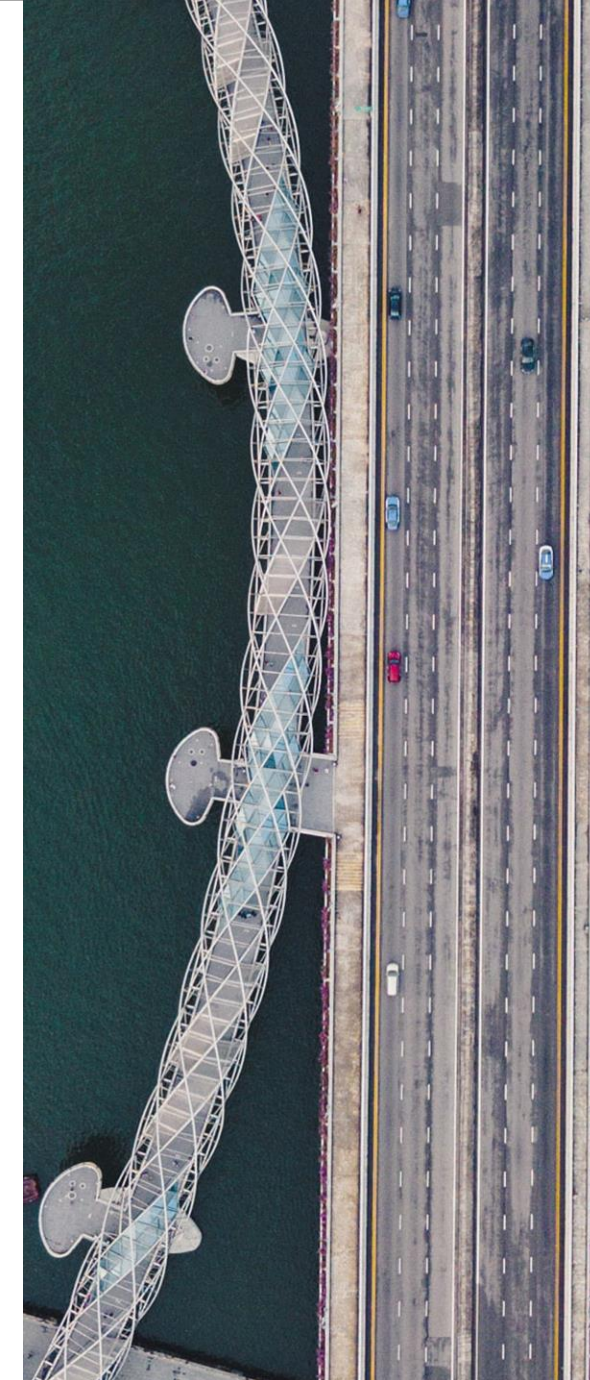
- How do foundation models and their usage comply with privacy and government regulations?
- What are the guardrails?
- Who is responsible for an inadvertently exposed PII or a "wrong answer"?

Is it safe?

- Who has control over the model, input data, and output data?
- How to ensure that confidential information is not given out?
- How is it monitored?
- What safety features and guardrails are in place?

Can it be customized?

- Hybrid and multicloud?
- Can the model be fine-tuned with clients' data?
- How can clients update, and extend the model to make it more suitable for their use cases?
- How to integrate with applications? What APIs are in place?

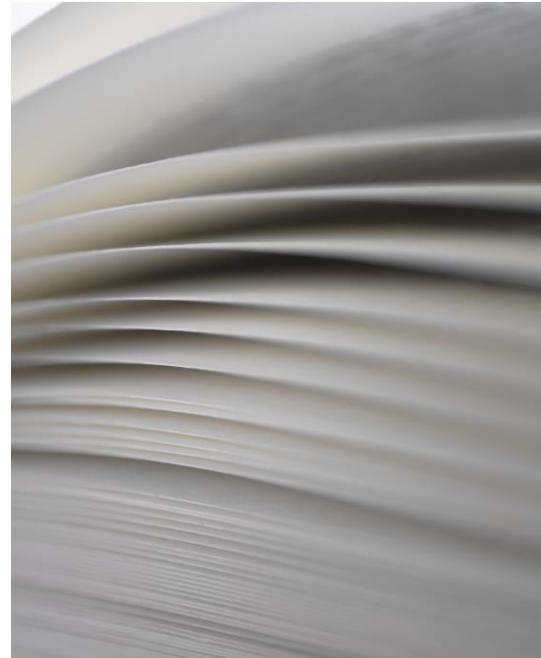


Multiple factors are placing trust in AI as top priority for our clients

Brand reputation



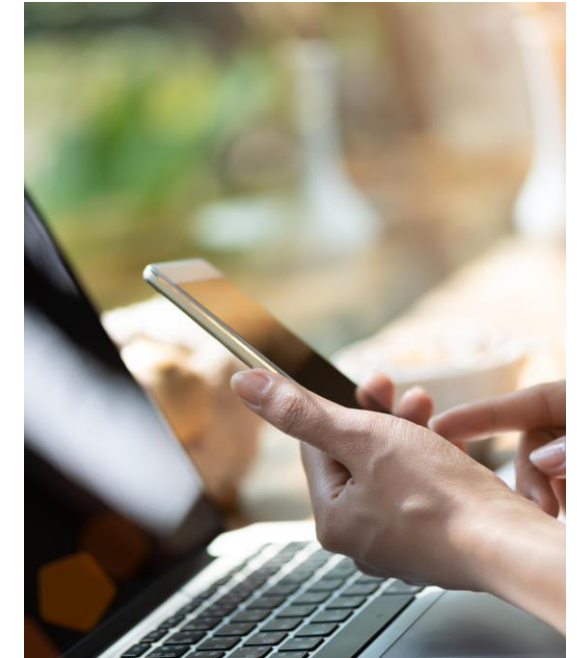
Increased regulation



Complexity of AI deployments



Focus on social justice, equity, inclusion



Company values

Source of differentiation business opportunity

Client demands

Media pressures

AI Ethics at IBM: Principles and Pillars

AI Principles for Trust and Transparency

The purpose of AI is to augment human intelligence

Data and insights belong to their creator

New technology, including AI systems, must be transparent and explainable

AI Ethics Pillars

Explainability

AI system's ability to provide a human-interpretable explanation for its predictions and insights

Fairness

Equitable treatment of individuals or groups of individuals by an AI system. Fairness for an AI system depends on the context in which it is used

Robustness

AI system's ability to handle exceptional conditions such as abnormalities in input, effectively

Transparency

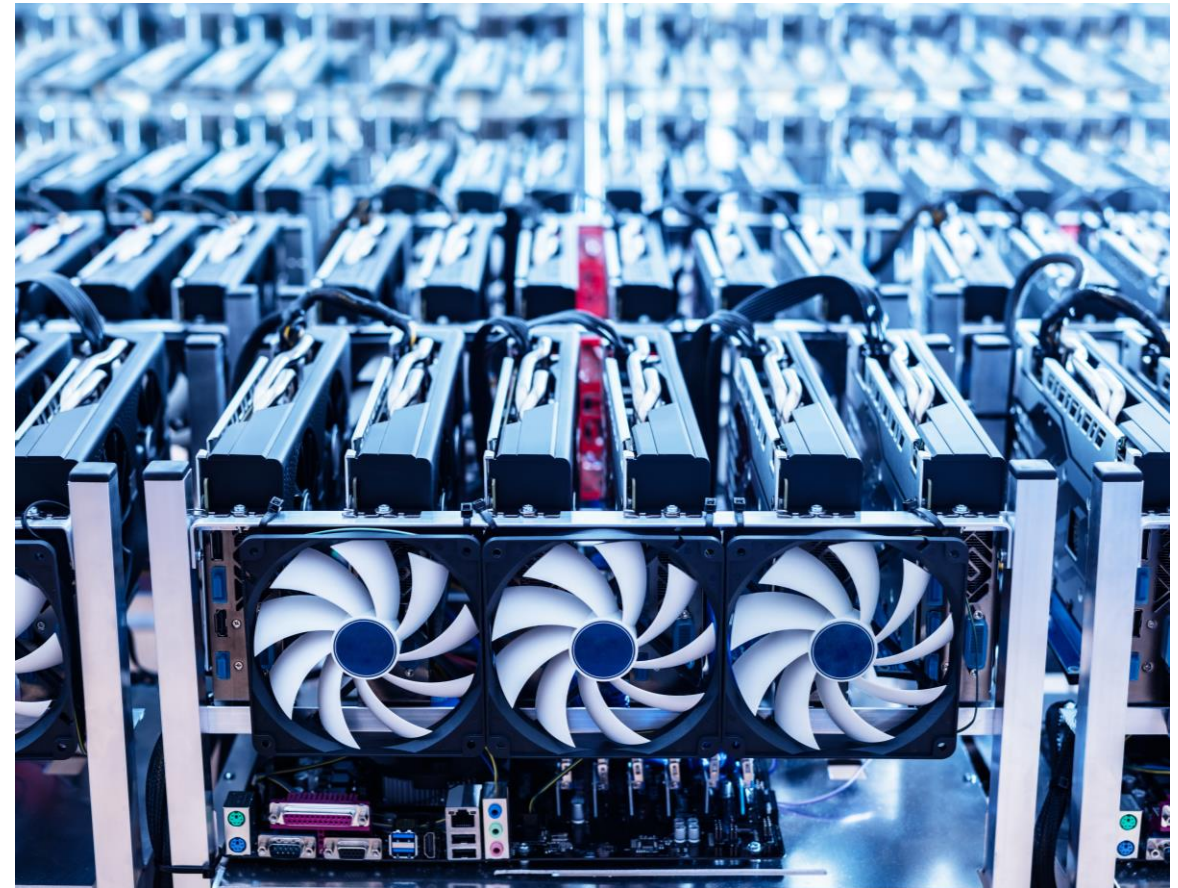
AI system's ability to include and share information on how it has been designed and developed

Privacy

AI system's ability to prioritize and safeguard consumers' privacy and data rights

To address today's problems, we need innovations that are scalable and sustainable

- Reproducibility and generalizability
- Agility and continuous relevance
- Interdisciplinary knowledge
- Diverse deep technical skills
- Understanding of demographics and global reach
- Encompassing economic and business impact
- Diverse data and large teams

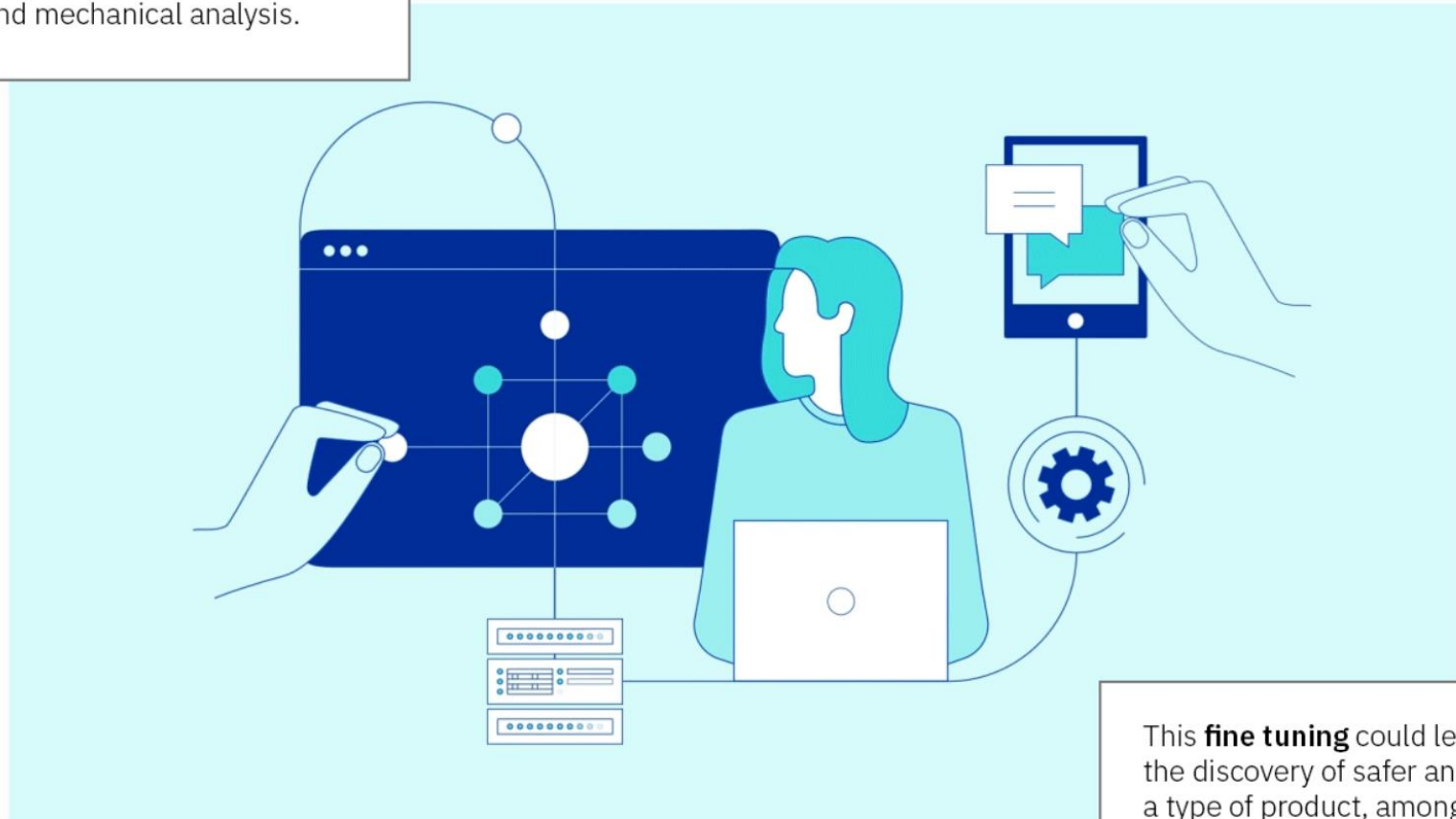


You can't get away with just one

- Wouldn't it be easy if there could be just one AI model that could do everything?
- Just build one exceptionally performing model, send it to production, and watch the magic happen, right?
- In reality, developing reliable machine learning systems that can handle a variety of jobs and data types isn't as simple as that, and takes not just one model, but many models tuned in different ways for different tasks.
- Having options is essential for successfully adopting AI within one's business. Not all models are created equal—the best models will depend on the industry, domain and use case.
- For example, some foundation models are pre-trained on domain-specific data (e.g., for healthcare, finance, legal), allowing them to understand and generate language relevant to those fields.

In short, a successful AI project can easily require several different models, doing different things

A foundation model for **manufacturing**, for example, might be used as the basis for an AI model that is then fine-tuned with additional datasets such as visual anomaly detection, production line performance and mechanical analysis.



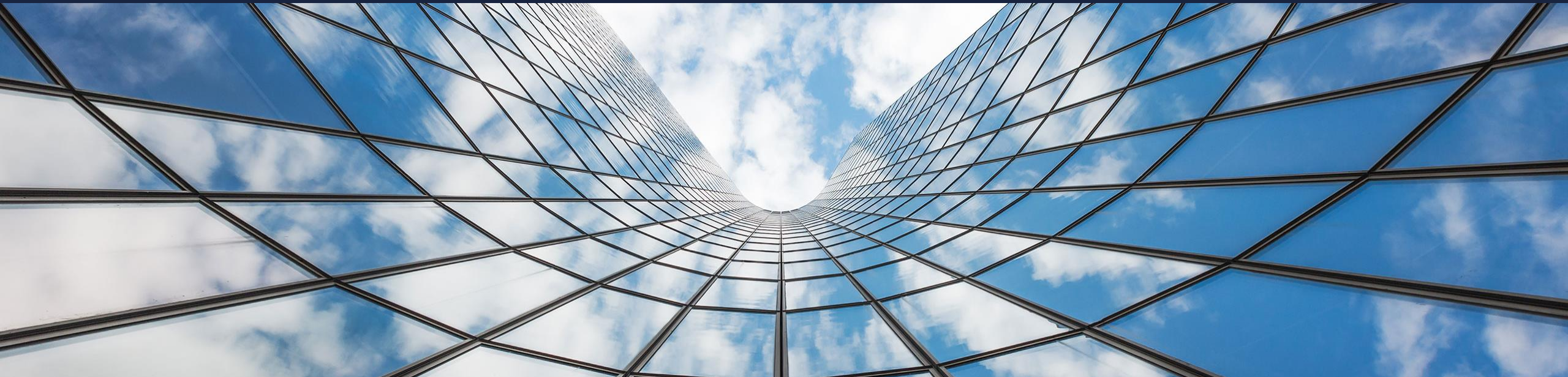
This **fine tuning** could lead to models that can assist in the discovery of safer and faster ways to manufacture a type of product, among other things.

Questions?



Refleksioner over AI og digitaliseringens rolle/ Reflections on AI and the role of digitalisation

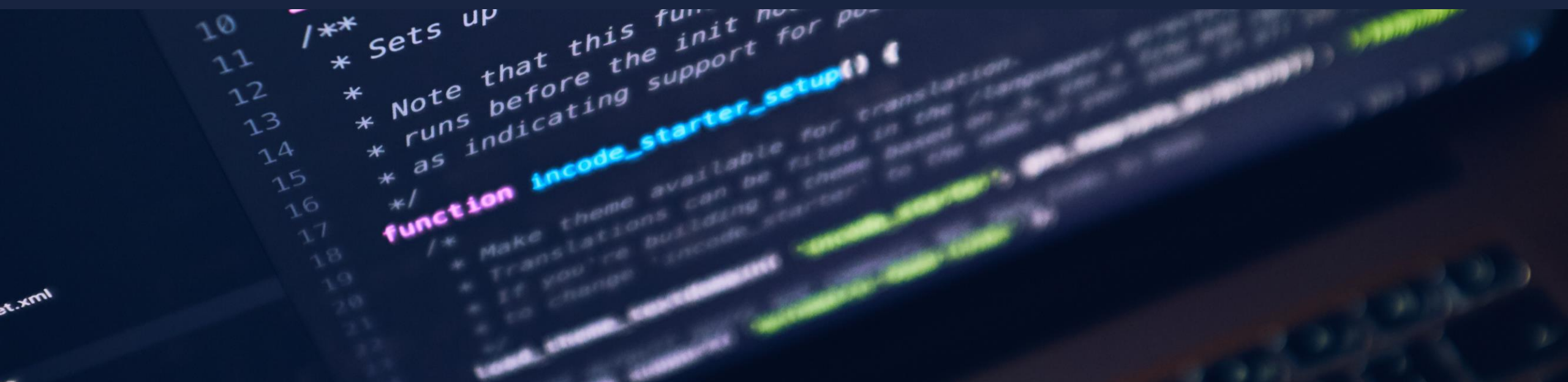
*Dialogue between Camilla Kampmann, Client Executive, IBM Denmark
and Mark O'Connor, Global Co-Chair, Technology, DLA Piper UK*



AI in action: AI update from DLA Piper

DLA Piper's AI Governance report findings and our own approach to augmentation

v. Mark O'Connor, Global Co-Chair, Technology, DLA Piper UK



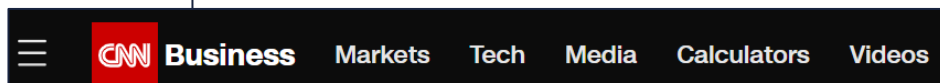
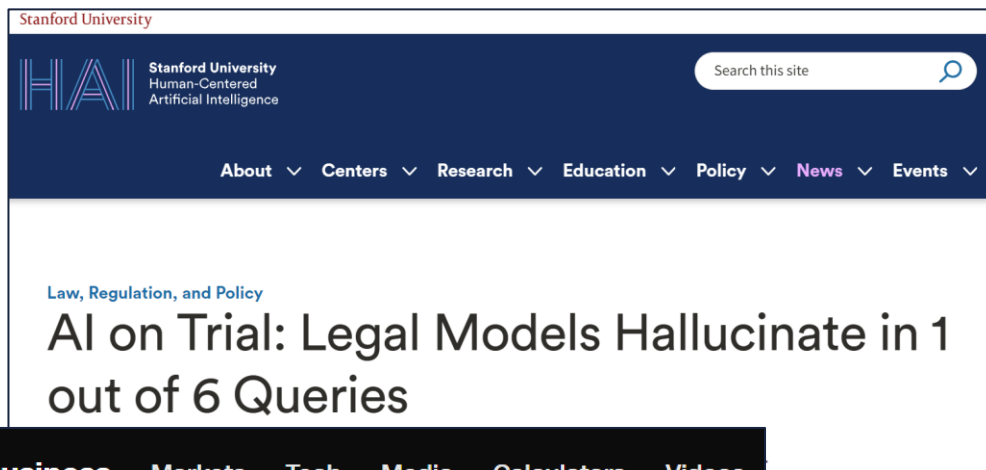


Mark O'Conor

Global Co-Chair, Technology
DLA Piper UK

Mark O'Conor bringer mere end 20 års ekspertise til ESG & AI Bestyrelsesakademiet med sin omfattende erfaring inden for IT-lovgivning, og fokus på områder som cloud computing, digital transformation og offentlige indkøb. Udover at være Global Co-Chair for Technology og Co-chair for DLA Piper's AI Group, er Mark også Vice President for Society for Computers and Law. Med sin indgående viden og erfaring rådgiver Mark virksomheder og regeringer om digital transformation, agil udvikling, open source, AI og de juridiske udfordringer, der knytter sig til cloud computing.

A Year is a long time in AI...



Business / Tech

Elon Musk says AI will take all our jobs



By Samantha Murphy Kelly, **AI**

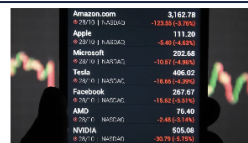
🕒 2 minute read · Updated



Big tech companies are plowing money into AI startups, which could help them dodge antitrust concerns

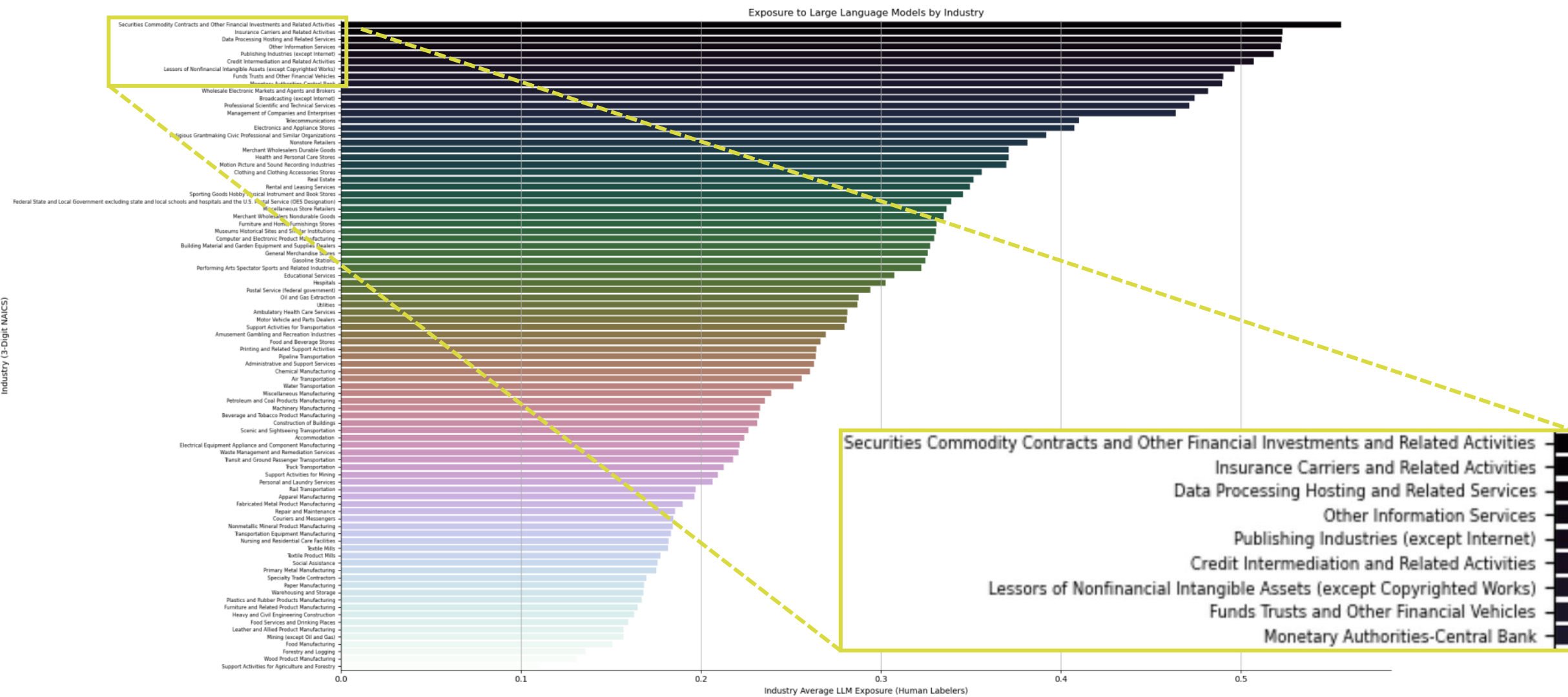
Paul Sawers
17 hours ago

Another week, and another round of crazy cash injections and valuations emerged from the AI realm. DeepL, an AI language translation startup, raised \$300 million on a \$2 billion valuation;...



OpenAI's view

GPTs are GPTs: ... Labor Market Impact of LLMs (<https://arxiv.org/abs/2303.10130>)



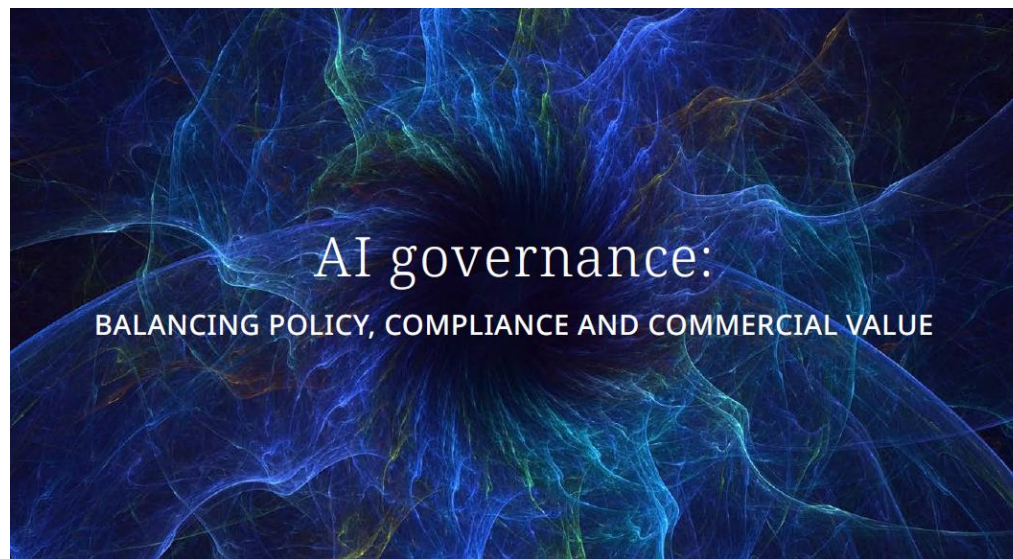
DLA Piper AI Governance report – what others are doing

Global research based on a survey of 600 companies across the **US, UK, Europe, APAC** and **Middle East**.

- How do AI deployment strategies compare across companies?
- What are the common AI challenges and risks?
- What does good AI governance look like?
- What are the key sector differences?

More than 1600 downloads from our website to date.

Download the report [here](#).



AI governance: Balancing policy, compliance and commercial value | Executive summary



Executive summary: Hype, hysteria and the importance of good governance

AI is the focus of emphatic public discussion. Some commentators focus on its transformational potential. Once exclusive to big tech, today AI underpins new business models, processes and solutions in every sector, and the potential to build competitive advantage seems limitless. Other observers are more critical and see AI-driven threats everywhere. Concerns over responsible AI have risen sharply, and global policymakers are rapidly formalizing AI rules to mitigate societal and technical risks. Realizing the transformational potential of AI means distinguishing genuine matters of concern from 'phantom' risks, and establishing appropriate legal frameworks, compliance protocols and ethical guardrails to maintain progress. Good governance helps us to move beyond polarized discussion, balancing risk and reward, compliance and commerce, corporate values and commercial value.



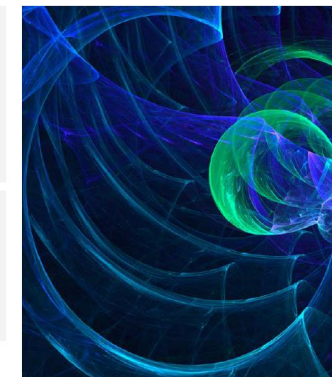
"The line between order and chaos is often where the greatest value is created. Good governance helps organizations to find this line and maintain the delicate balance between the two."

Paul Allen
Partner, Global Co-Chair, Intellectual Property and Technology, UAE



"This is urgent! To unlock the true value of AI you must strike the right balance between innovation and responsibility."

Mark O'Connor
Partner, Global Co-Chair, Technology Sector, UK



Survey demographics

- 600 respondents across key sectors and regions
- No AI vendors
- Respondents across leadership, legal and technology with a central or advisory role on AI
- \$900m mean turnover per organisation
- 84% are seeing turnover increase by an average of 11%

SECTORS



Insurance



Consumer goods, food and retail



Technology (excluding AI vendors)



Financial services



Media, sport and entertainment

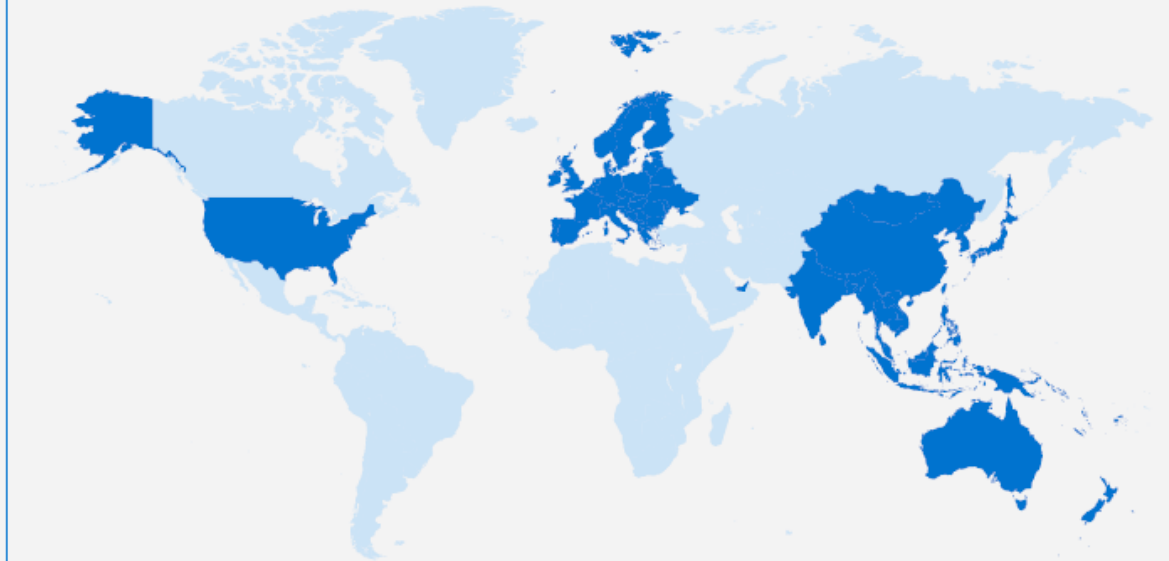


Industrials



Life sciences

REGIONS



A watershed moment for AI

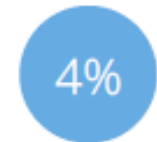
AI adoption is near universal. Buy strategies more common than build due to high upfront costs, infrastructure and expertise



Developing our own AI tools and solutions from scratch in-house



Buying AI-powered tools and solutions direct from (other) tech vendors



We are neither buying AI solutions from vendors nor building AI solutions in-house



Building our own AI solutions in-house and using bought-in technologies/data (hybrid)

Most companies are in exploration phase

Whatever the approach, efficiency and transformation are the areas of focus. Pace of evolution and complexity of technology mean relatively few companies see themselves as leaders

71%

Explorer

29%

Leader

47%

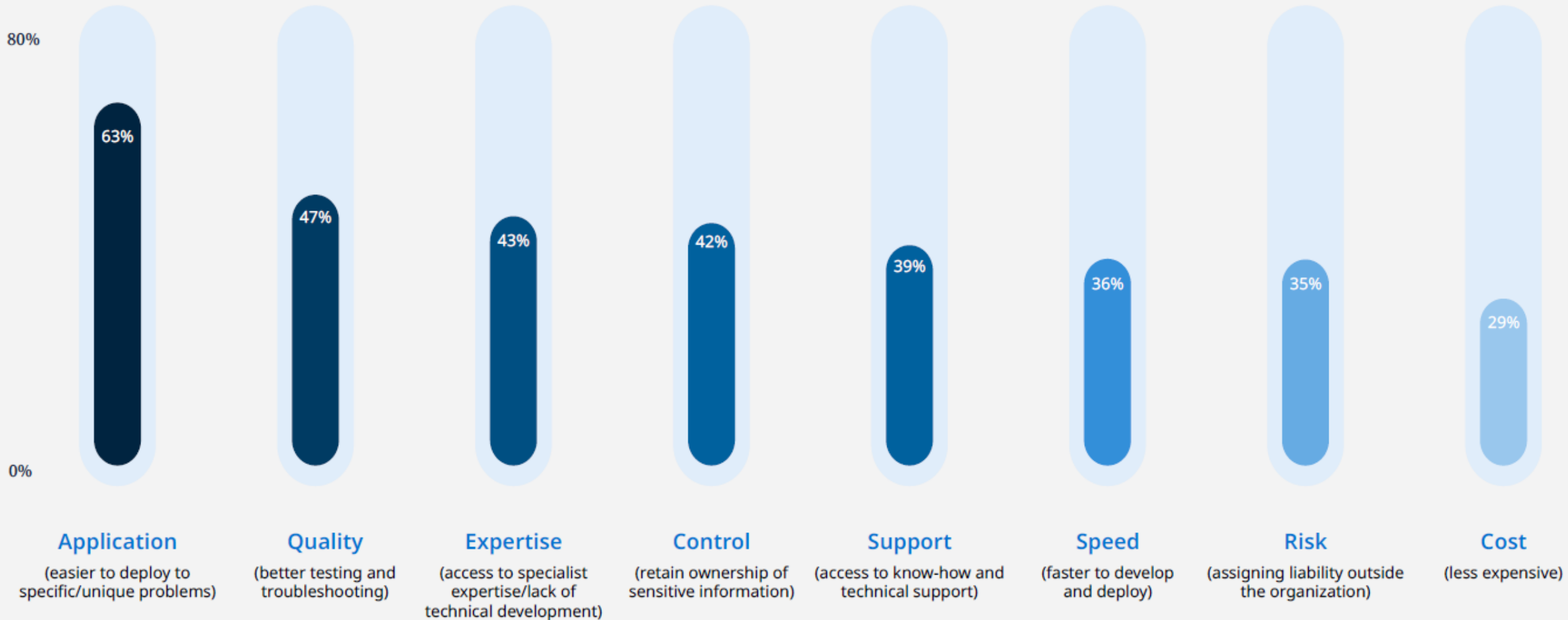
Efficiency

53%

Transformation

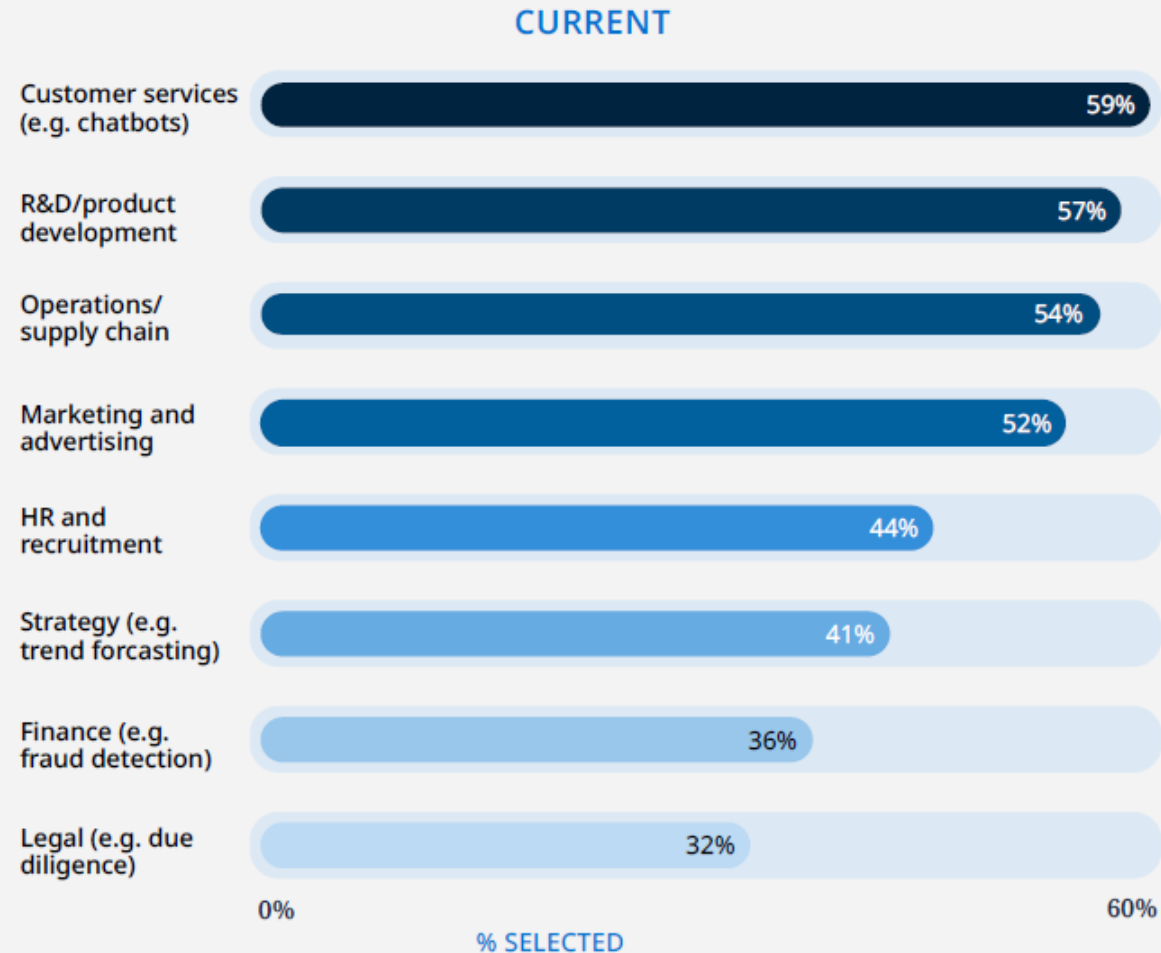
Decision-making drivers

Why are companies choosing these approaches?



The short and long-term focus for AI is customers

What are the most common applications of AI?



High degree of uncertainty on AI governance

Acute awareness of risk. Governance, IP and oversight are front of mind



GOOD GOVERNANCE – defining what responsible AI governance use looks like for our organization



UNDERSTANDING WHAT IP WILL BE CREATED AND HOW TO PROTECT IT (e.g. in commercial agreements)



OVERSEEING AI INITIATIVES AND SOLUTIONS – ensuring they continue to operate within regulatory guidelines



GETTING BUY-IN – identifying and gaining approval from the right stakeholders



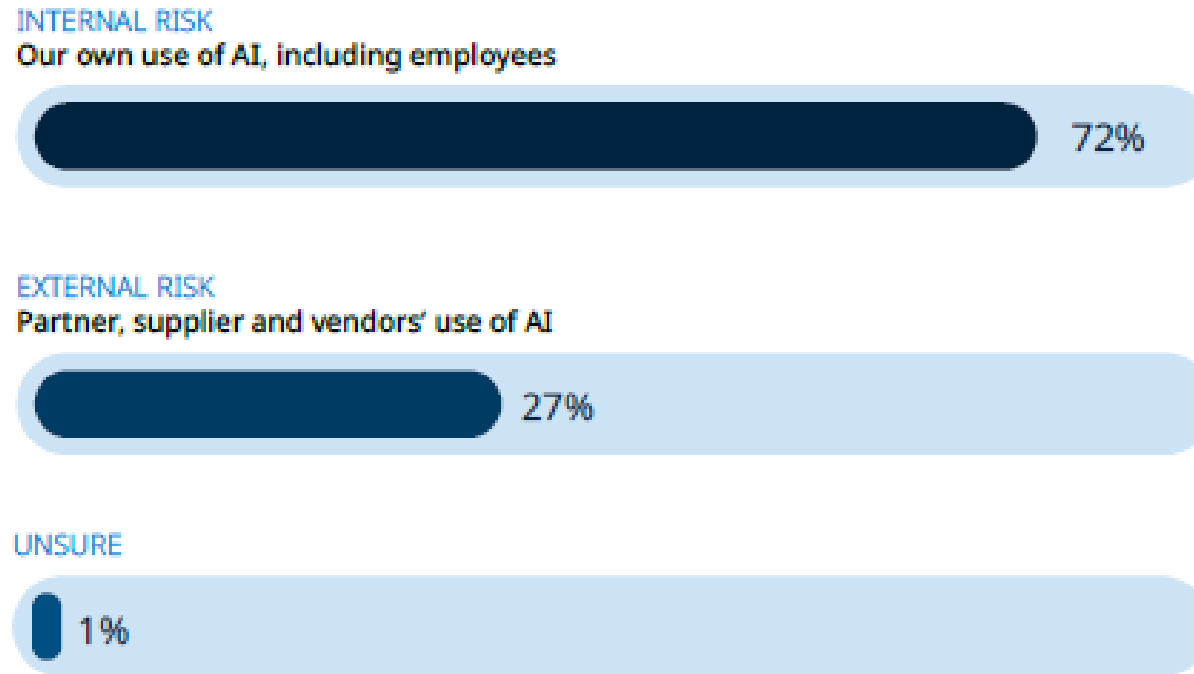
MANAGING EXPECTATIONS – what is possible and in what timeframe



OVERCOMING FEAR – falling foul of regulation or opening the organization up to risk

Internal AI risks dominate mindshare

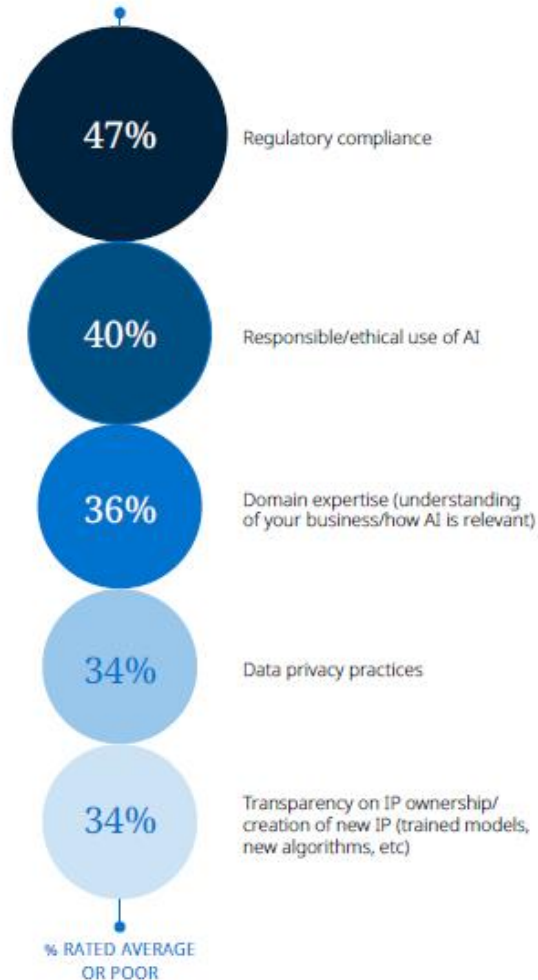
Respondents are more concerned with internal risks than external



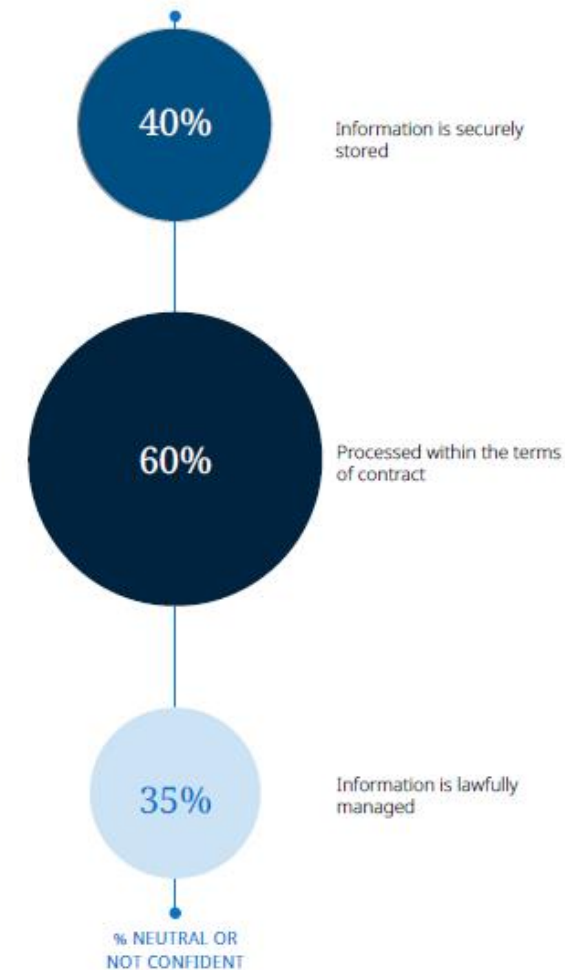
Serious doubts over AI supplier compliance

But inward focus belies a lack of confidence in AI vendors, partners and suppliers

Performance of AI supplier



Confidence in AI supplier



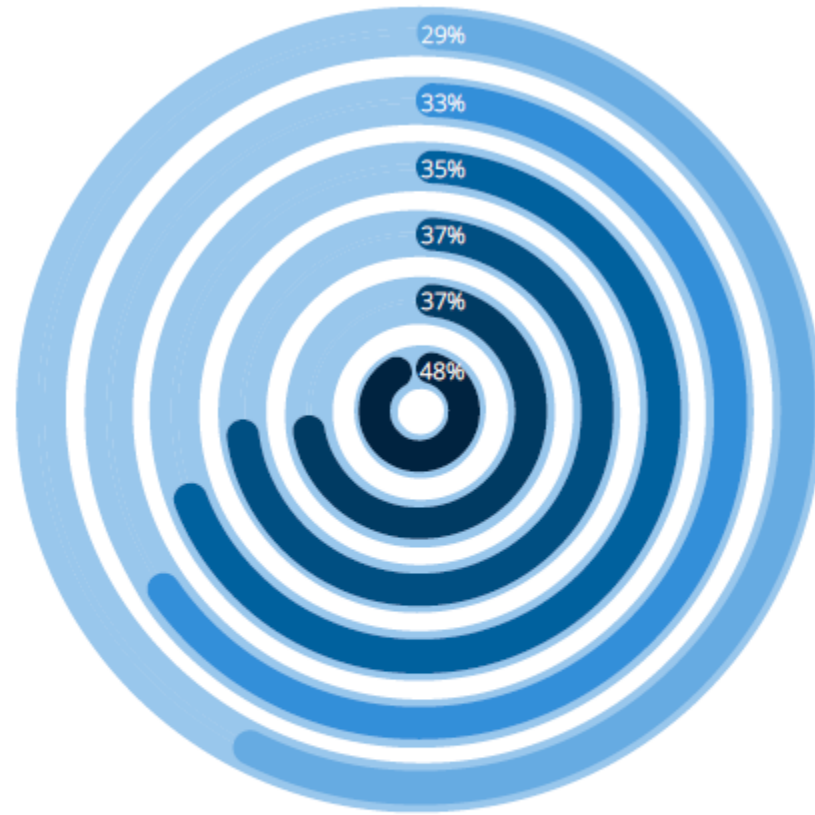
Law, regulation and AI

Types of legal restrictions and their navigability

Industry / commercial best practice	Still being formulated in most sectors/jurisdictions
Policy and thematic reviews; government strategies	e.g. UK Competition and Markets Authority (CMA) initial review of AI models; March 2023 UK White Paper
Employment law (retraining; redeploying; redundancy)	Sir Patrick Vallance view that the impact on jobs "could be as big as the industrial revolution"
Governance of AI (oversight and internal reporting)	Company law and regulatory rules on boards, committees and governance, UK SMCR
Potential for civil liability	e.g. EU AI Liability Directive; claims under general civil law outside of contract; ownership of AI and IP rights
Transparency & disclosure (to counterparty / to market)	e.g. EU Commission public database of standalone high-risk AI systems under EU AI Act, along with related obligations on providers and importers of AI systems
AI level licensing / registration requirements	Question of when AI-generated content (e.g. chat) should be explicitly identified as such
Outcomes-focused regulation of AI (results)	e.g. FCA Consumer Duty (price, value, service availability, redress, etc)
Process-focused regulation of AI (how)	Regulating the system itself, black box risk in systems that are both highly adaptive and autonomous
Anti-discrimination legislation (legality of bias)	Anti-discrimination legislation, e.g. the Equality Act 2010 in the UK. Bias can still be bias if driven by technology
Conditions on using certain data inputs	e.g. database around use of current account, driving, health app, socioeconomic, ethnic and browser data. Conditions could apply under law, regulation or contract (as negotiated or under implied or statutory rules on contractual fairness)
Prohibitions on use of certain data inputs	
Restrictions on use of AI in particular settings	Debate around use of AI in the workplace (monitoring; performance; talent management)
Legality of use of AI for certain purposes	e.g. fraud; impersonation; debate around use of AI in certain decisions
Ban on specific AI businesses	e.g. Italian National Authority for Data Protection ban on ChatGPT; commercial/platform level bans
Ban/moratoria on use of AI (sector-wide)	e.g. by a particular sectoral regulator - uncommon
Ban/moratoria on use of AI (jurisdiction-wide)	e.g. Elon Musk open letter recommending a pause in AI development; few if any examples in practice

Strategic AI projects are frequently interrupted

Organisations have been forced to press pause. Fines and investigations are surprisingly common



- Employee concerns
- Lack of governance framework
- New/better technology available
- Data ownership issues
- Customer concerns
- Data privacy issues

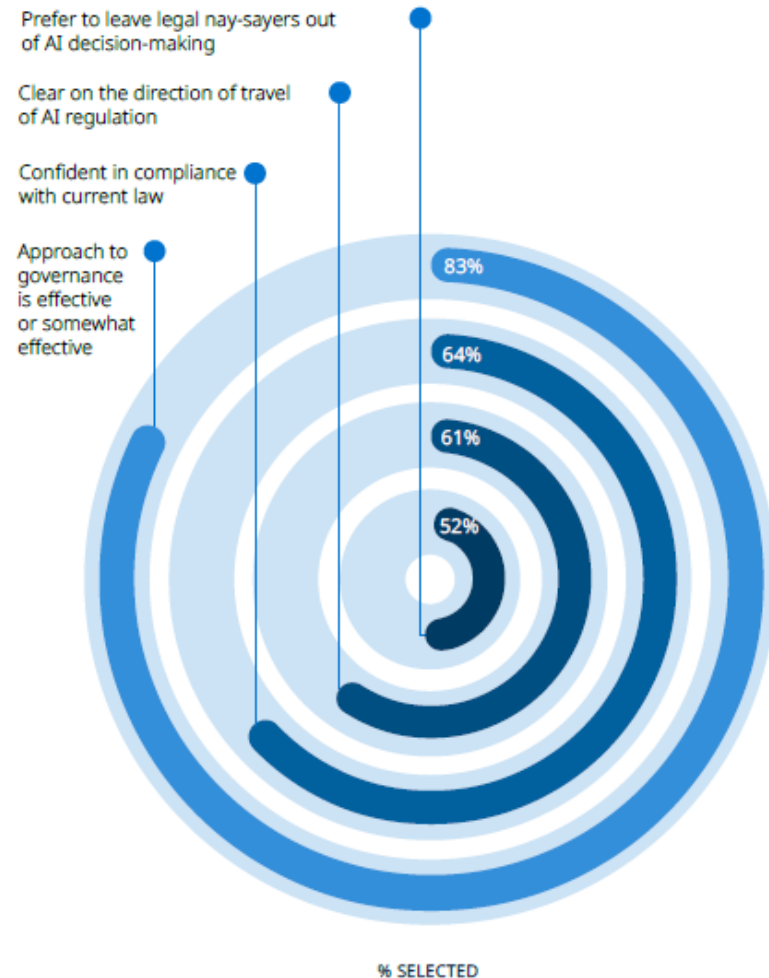
Has your organisation been forced to pause or rollback AI projects?	% agree
Yes	43%
No	57%

Fine or investigation	% selected	Nature of issue	% selected
Yes	32%	Data privacy	71%
No	67%	Competition	56%

Supplier dispute	% selected	Nature of issue	% selected
Yes	9%	Data privacy	50%
No	90%	IP ownership	48%

Ethics and governance concerns won't slow AI adoption

Companies say governance is effective, but there are some red flags



- The majority of respondents have a strategy for AI, which includes their own code of ethics
- But it is unclear whether these are sufficient to meet the scale of AI
- 40% believe that governance should *not* slow progress on strategic AI activities

Key questions for clients establishing good governance



Build knowledge

Promote understanding of the mechanics and limitations of AI from the top down. What should everyone know about AI? What should company leaders know? What are the problems you are targeting with AI? Where is value generated?



Analyze risk

Gain a full picture of internal and external AI risk. Where is AI being deployed and how? What contractual warranties and mitigations are in place? Have you provided sufficient guidance to people and customers about data handling?



Long-term view

Monitor and respond to the changing landscape. How is AI evolving? What innovations can you bring into your organization? What are the implications of new tech for your AI governance framework?



Align to values

Consider how organizational values should inform AI. What does responsible AI governance mean to your organization? What ethical guardrails do you need to establish?



Navigate AI partnerships

Manage partnerships and contracts with key AI risks in mind. Have you done your due diligence? Have you considered novel tender processes? Do you have relevant contractual protections on data and IP? Are service levels proactively managed?



Compliance oversight

Establish skilled oversight of AI to avoid 'knee-jerk' bans. Do legal and compliance teams have the technical information they need to be enablers? Do you have streamlined decision-making processes in place? Who is accountable for AI oversight?



Engage with industry and regulators

Collaborate on standards and best practices. Are you up to speed on future regulation and how it will apply to your uses of AI? What actions are industry peers taking? Can industry bodies better champion your concerns?

DLA Piper's AI Governance Report

Global research based on a survey of 600 companies across the US, UK, Europe, APAC and Middle East. Our report explores the balance between governance and value creation, and uncovers how organisations can use AI responsibly, safely and commercially. The report explores:

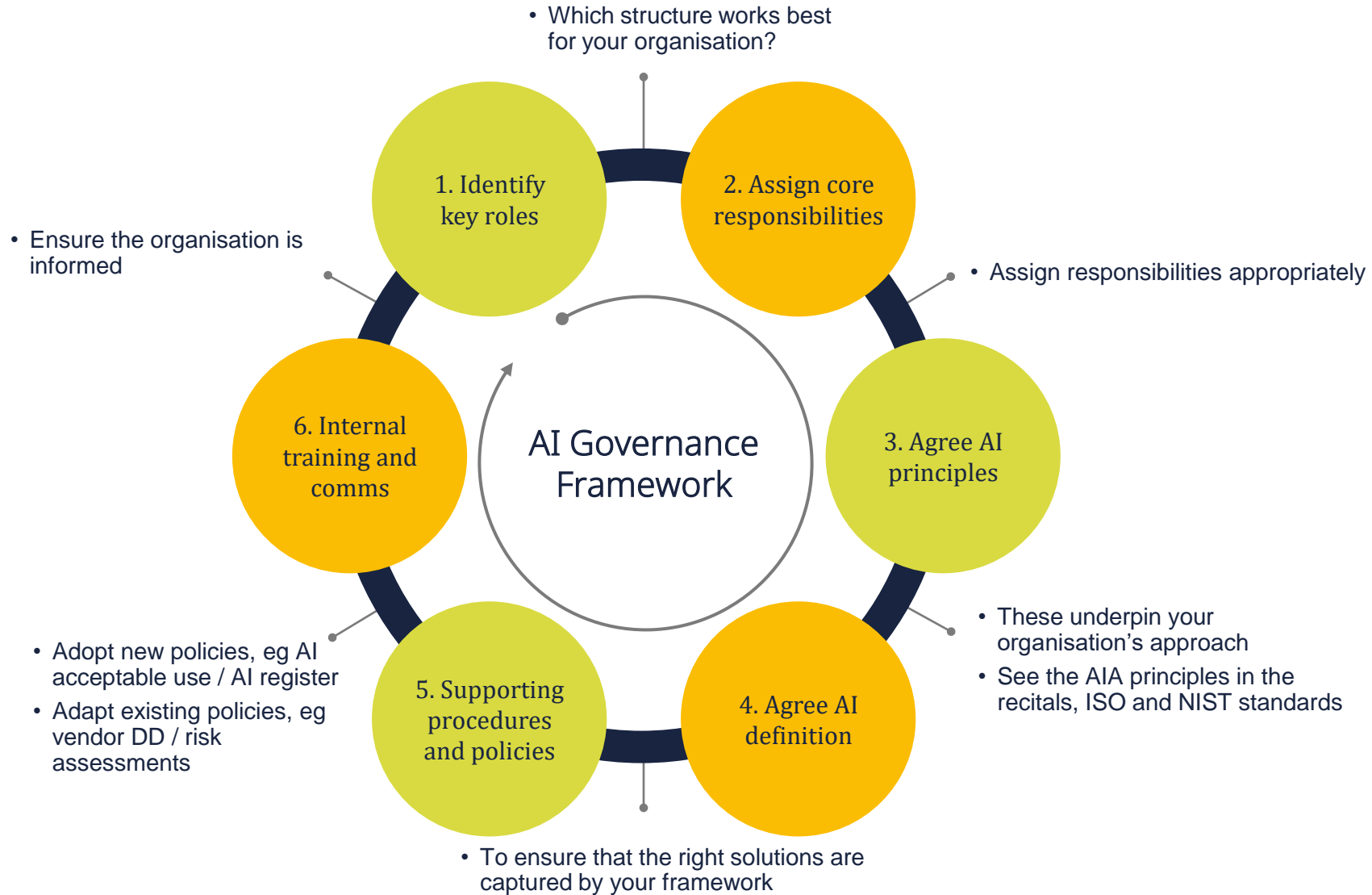
- **AI deployment**
How does your strategy compare?
- **AI challenges and risks**
What should you look out for?
- **AI governance effectiveness**
What does good governance look like and are you ready to take a values-driven approach?
- **Sector differences**
What does our data reveal about specific opportunities and challenges in key sectors?

Download now:



Effective AI Frameworks

Preparing the way for compliant and safe procurement of AI solutions



The DLA Piper approach

DLA Piper AI Governance Methodology

With a tried-and-tested five step methodology that has delivered transformative governance approaches across global clients across every sector, we know that we can help AXA to take a risk-based approach to AI governance with a global perspective to unlock the benefits of AI everywhere AXA does business.

Common ground on AI risks for a global approach

In contrast to typical compliance programs, an AI compliance program has a secondary benefit: done properly, it can 'give permission' to the most creative change makers in the organization to innovate in AI.

Where traditional compliance tends to be an overhead to business processes, by providing a foundation upon which new AI projects can be built, the program can deliver a return on investment that could keep delivering year on year.



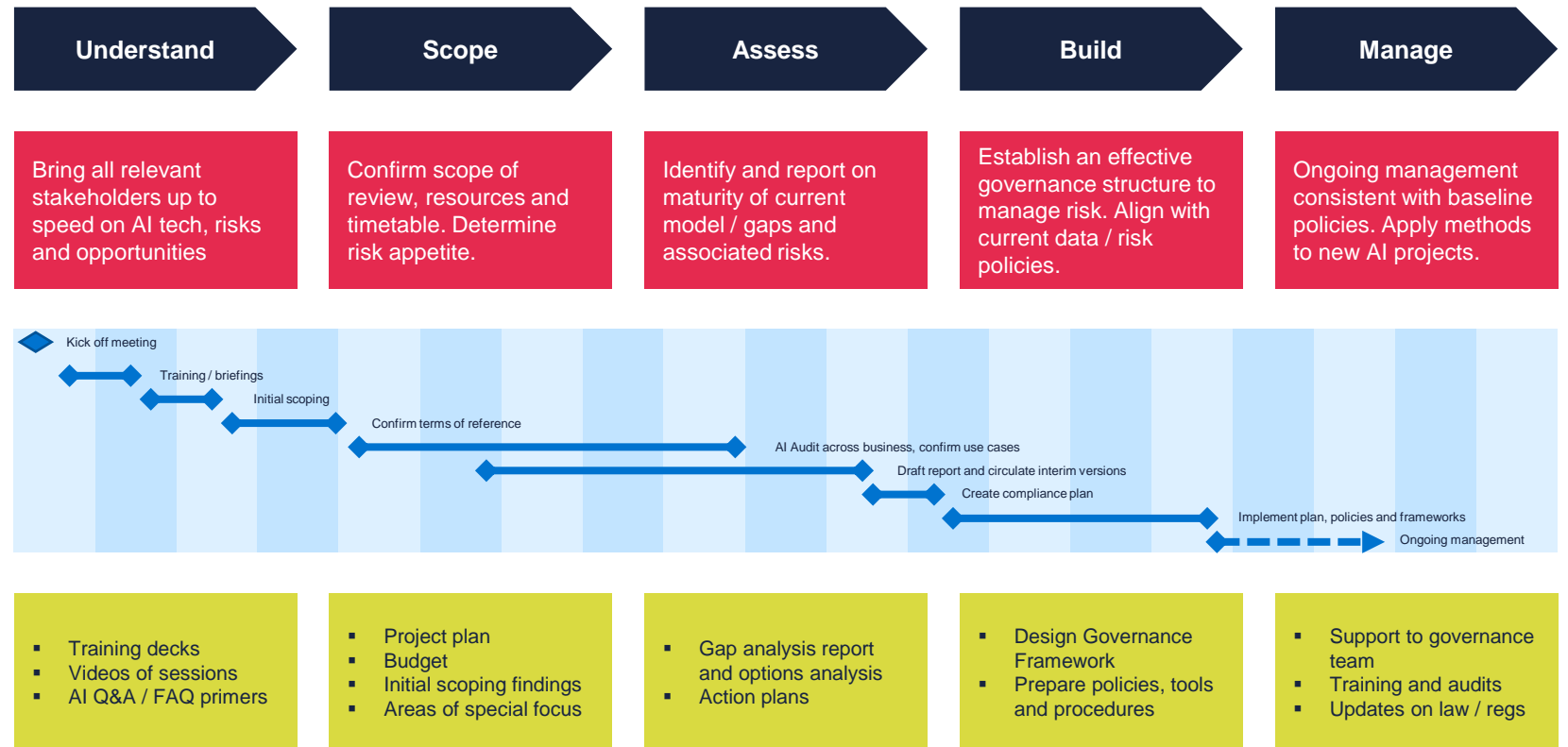
OBJECTIVE



TIMELINE



DELIVERABLES

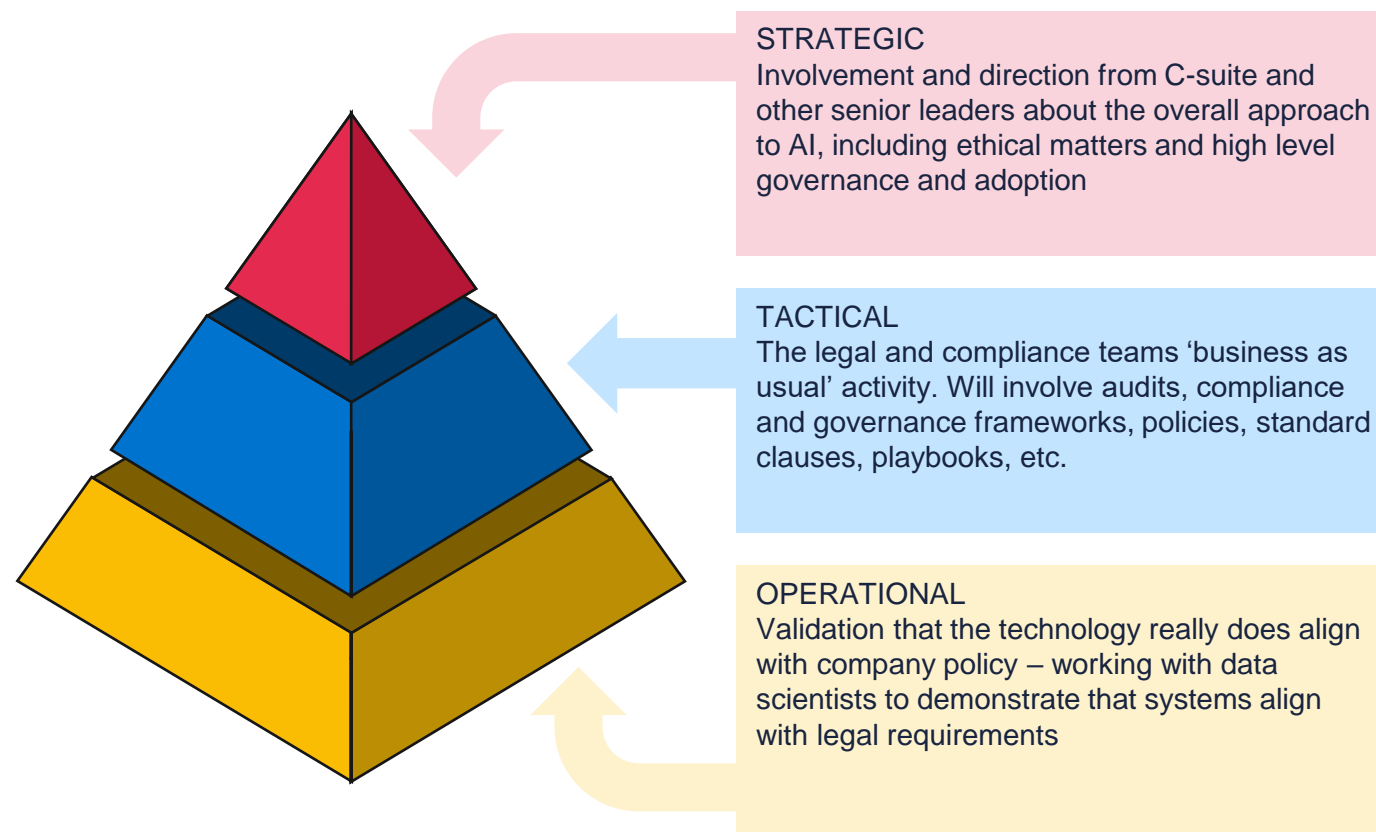


Activity at all levels of the corporate pyramid

Cascading a values-based approach that can be flowed down throughout businesses

AI has become such a universal technology that it simply cannot be avoided. Whether or not organisations make specific choices around the deployment of AI solutions themselves, the nature of global supply chains means that suppliers or subcontractors will be using AI. If organisations do not set a strategy for themselves, the reality is that decisions on important AI topics will end up being made at lower levels within the organisation.

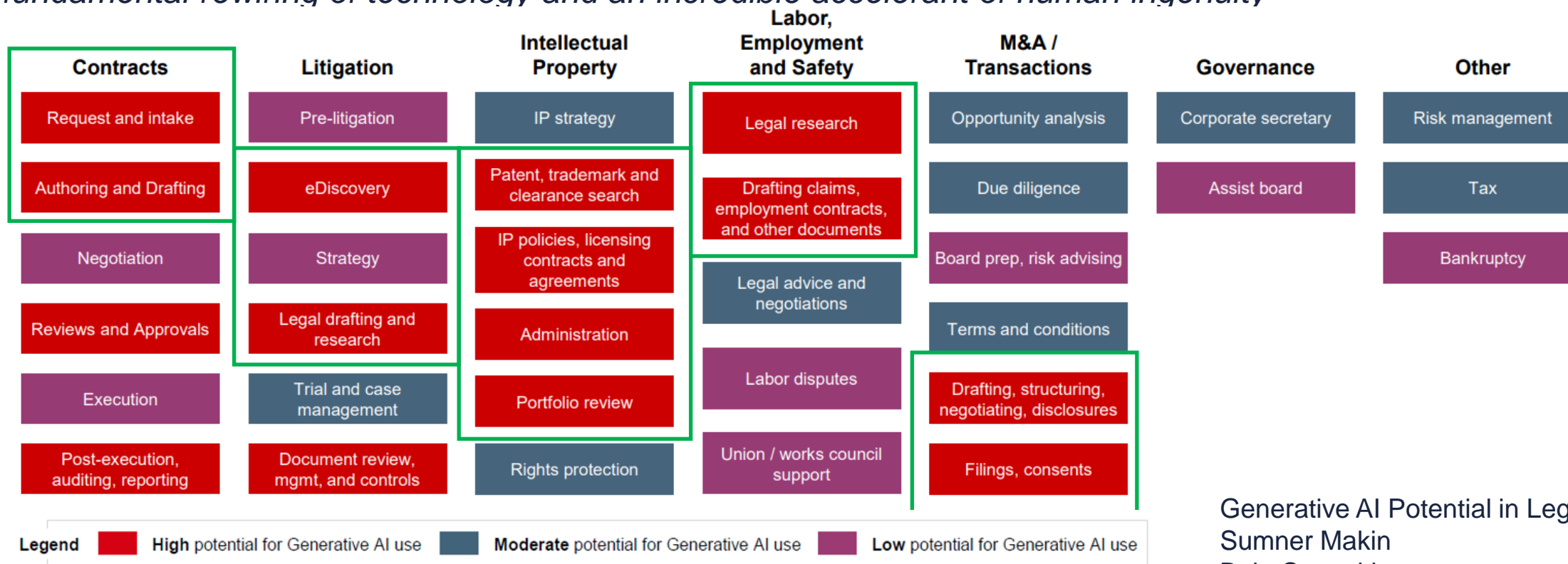
Our methodology ensures that decisions are made at the right level – and that strategic decisions flow down into tactical governance, policy and contracting approaches, which in turn inform the specific operational activities undertaken by those engineering the AI solutions within relevant business contexts.



Generative AI 101: Potential in Legal

Future Positioning in Legal Services

- Google CEO Sundar Pichai: "Over time, AI will be the biggest technological shift we see in our lifetimes. It's bigger than the shift from desktop computing to mobile, and it may be **bigger than the internet itself**. It's a fundamental rewiring of technology and an incredible accelerant of human ingenuity"



Generative AI Potential in Legal,
Sumner Makin
Bain Consulting

How DLA Piper think about the world of possible AI augmentation

AI products can be split into three types

Personal AI Assistants

Focus on personal productivity and general (non-legal) chat use, such as ChatGPT, CoPilot, FleetAI

Legal AI Assistants

Focus on legal workflow and features to augment it, such as Harvey, CoCounsel, ButterflAI

Bespoke AI Products

Focus on a specific legal use case and have tailored and accurate models around it, such as Quantum, ESG HS

DLA Piper's Approach towards AI products

Principles



Quality

The outputs from the model should be based on facts, and active measures should be taken to avoid hallucinations.



Governance

Products should comply with the OGC's information governance policies.



Private Cloud

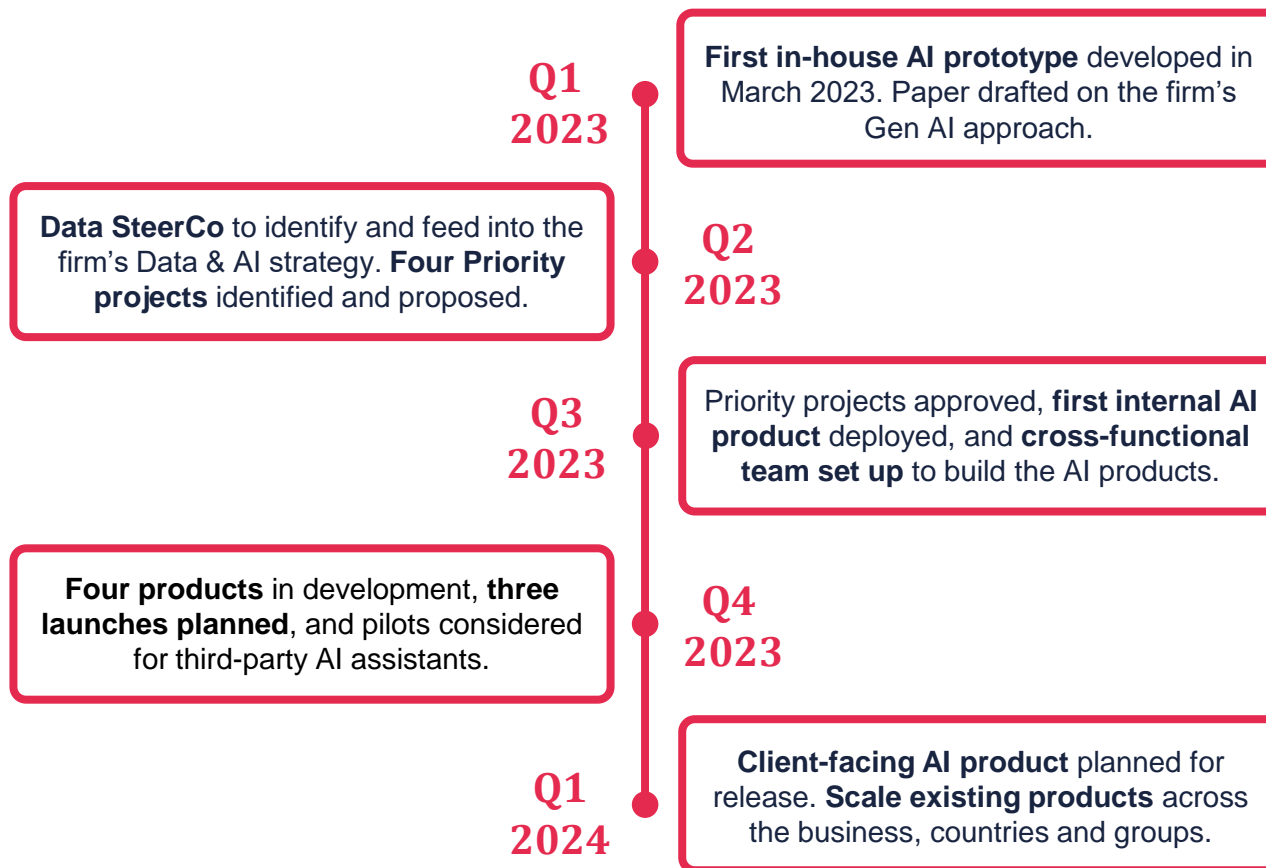
Ensuring that all the data processing and storage happens in a DLA-controlled cloud environment



Pragmatic approach to products

Internal AI products developed intending to use case gaps left by third-party products (such as Microsoft CoPilot).

Our Journey so far



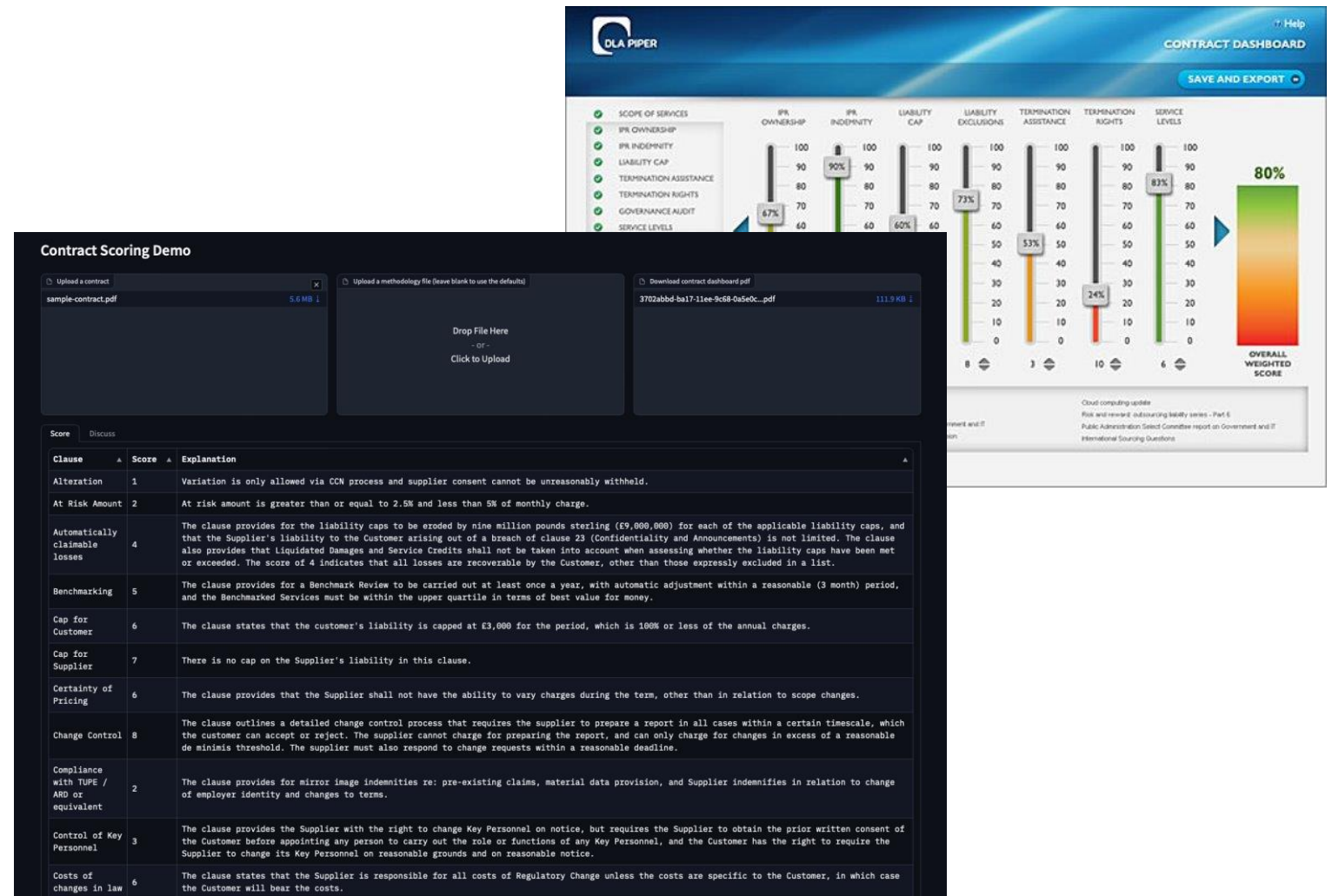
AI: Products and Tools

NAME	DESCRIPTION	AUDIENCE	STATUS	EST. LAUNCH	WHAT CLIENT PROBLEM DOES IT SOLVE?
Web CoPilot	Microsoft's Bing CoPilot provides GPT-4 powered web search and basic queries	Internal	Already available and to be deployed soon	<u>Launch</u> : late-Jan	- Internal efficiencies
ButterfAi Legal Assistant	Multi-skilled AI assistant that can perform legal document Q&A, information extraction, etc.	Internal	MVP in late stages of development	<u>MVP</u> : late-Feb	- Better client service, by making our lawyers efficient by providing tools to provide a better service
Horizon Scanning: ESG	AI to analyse incoming ESG regulations across specified jurisdictions	External	Ideation, development to kick off soon	<u>MVP</u> : TBC <u>v1</u> : TBC	- Giving clients an AI-assisted scanning service to handle ESG issues better
Quantum (Contract Scoring AI)	Using AI to score risk in commercial contracts	<u>Current</u> : Internal <u>Future</u> : Both	MVP Deployed, testing underway	<u>MVP</u> : early-Sept '23 <u>v1 (internal)</u> : end-Jan*	- Better client experience by using AI to assist with contract review - Ability to review their contract portfolio using AI
Defined Opportunity Tracker	Using statistical analysis to identify potential restructuring work	Internal	MVP Deployed, data to be refreshed	<u>MVP</u> : end-Feb <u>v1</u> : end-Apr	- Proactively spotting and solving client problems
E-Discovery Statement of Facts	Using AI and language models to generate a statement of facts based on discovery	Lit & Reg	MVP development underway	<u>MVP</u> : end-Dec '23	- Better client experience, by assisting lawyers and e-discovery teams to create and interrogate documents better
Spanish Renewable Energy Dashboard	Using AI to extract and analyse renewable energy assets in Spain	Internal	MVP developed, Testing and deployment discussion ongoing	<u>MVP</u> : mid-Sept '23 <u>v1</u> : TBC	- Giving clients data on renewable assets in Spain
Office CoPilot	Office CoPilot (Word, Teams, Excel, Powerpoint, Outlook) providing personal productivity improvements	Internal	Technical discussions underway for pilot	<u>Pilot</u> : Mar <u>Full Launch</u> : tbc	- Internal efficiencies

Contract Dashboard AI: Project Quantum

What is it?

- AI powered risk scoring for T&S MSA's
- Integrated with Ascendant to directly produce a download PDF of the Contract Dashboard
- Controlled testing is underway to test the accuracy
- Approved for client documents as it uses the firm's Azure OpenAI models and infrastructure

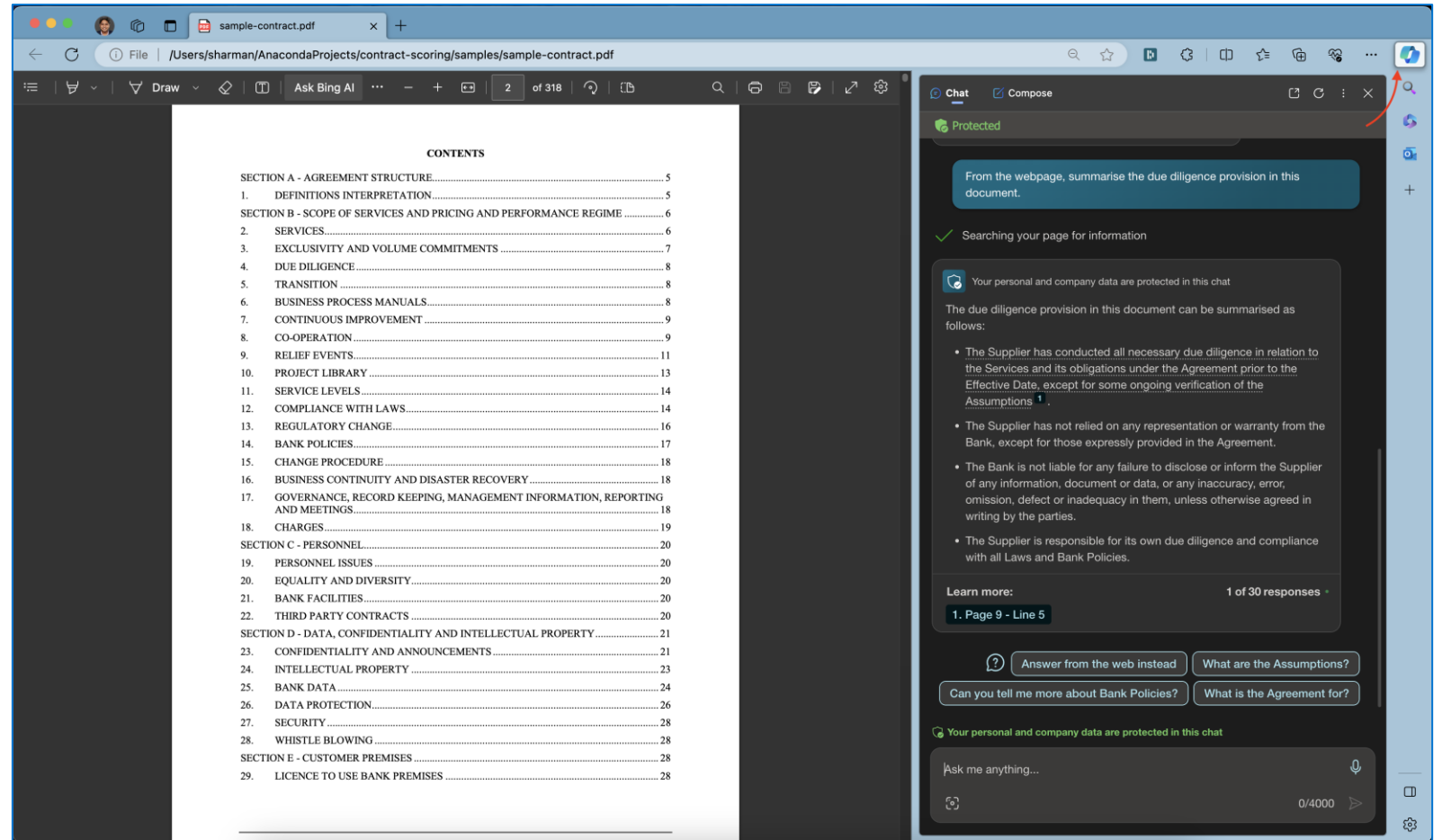


Quantum MVP with a simple interface to score contracts

Bing Chat for Enterprise

What is it?

- Bing Chat Enterprise is an AI-powered web chat available in the Edge browser, offering secure and protected access to GPT-4 models.
- It is a general-purpose AI which can be used to chat, search the web, generate images and more.
- Our user and organisational data is protected, and chat data isn't saved or used to train models.
- This is already included in our M365 licenses, so we don't pay additional costs.



Bing Chat answering a question about a contract opened in the browser

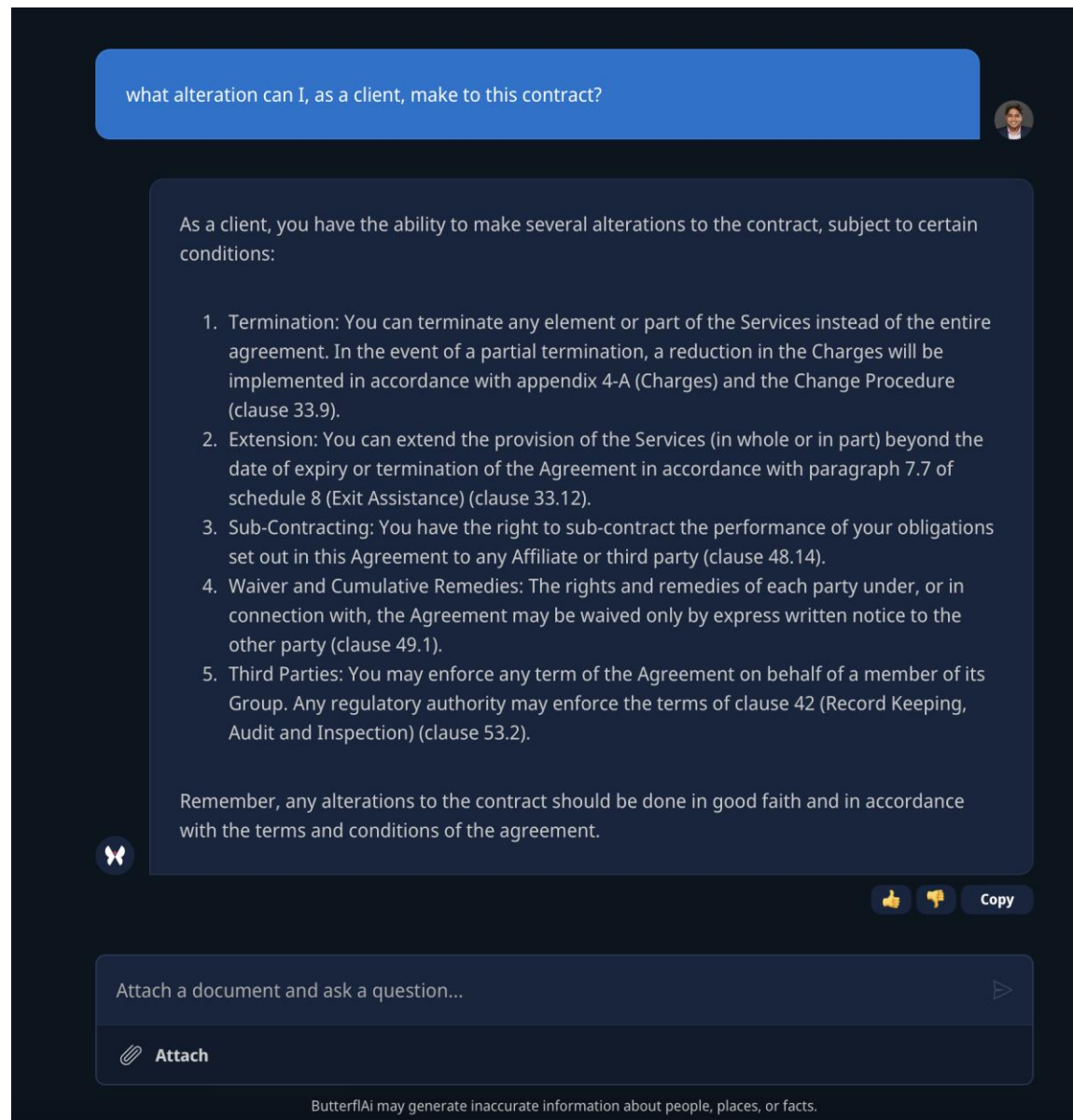
ButterflAi

What is it?

- ButterflAi is our in-house legal Generative AI assistant, developed to augment our lawyers' legal workflows by providing secure and governed access to OpenAI models within the firm's Azure cloud.
- The tool would include legal-specific features, such as:
 - Single and multi-doc Q&A, with source validation
 - Drafting based on Excellence Docs
 - Trends data extraction from contracts, and more

What makes it unique?

- **Governance**, by ensuring we are providing secure and managed access to Gen AI
- **Client Confidentiality**, by ensuring data doesn't leave our firm's walls
- **Advance and Augment**, by allowing our lawyers to experiment with Gen AI in their day-to-day



what alteration can I, as a client, make to this contract?

As a client, you have the ability to make several alterations to the contract, subject to certain conditions:

1. Termination: You can terminate any element or part of the Services instead of the entire agreement. In the event of a partial termination, a reduction in the Charges will be implemented in accordance with appendix 4-A (Charges) and the Change Procedure (clause 33.9).
2. Extension: You can extend the provision of the Services (in whole or in part) beyond the date of expiry or termination of the Agreement in accordance with paragraph 7.7 of schedule 8 (Exit Assistance) (clause 33.12).
3. Sub-Contracting: You have the right to sub-contract the performance of your obligations set out in this Agreement to any Affiliate or third party (clause 48.14).
4. Waiver and Cumulative Remedies: The rights and remedies of each party under, or in connection with, the Agreement may be waived only by express written notice to the other party (clause 49.1).
5. Third Parties: You may enforce any term of the Agreement on behalf of a member of its Group. Any regulatory authority may enforce the terms of clause 42 (Record Keeping, Audit and Inspection) (clause 53.2).

Remember, any alterations to the contract should be done in good faith and in accordance with the terms and conditions of the agreement.

Attach a document and ask a question...

Attach

ButterflAi may generate inaccurate information about people, places, or facts.

ButterflAi UI

AI Innovation: Comms, Training and Engagement

Comms Strategy

- Internally: (Happening now)
 - Simon's vlog on AI in December set the scene.
 - Follow that up with training videos and launch emails for each product to drive engagement.
 - Short videos (30 seconds) detailing use cases being considered.
- Externally: (February/March)
 - Waiting for the pilots to be completed and formalisation of the Innovation strategy to weave it into a compelling story.
 - Once ready, sample comms to reach out to clients, informing them about our innovations and setting up demos.

AI Training

- OGC and risk are preparing mandatory training on Generative AI use and guidance.
- Training would be a precursor to any access to tools, given the risks associated with them.

AI Champions

- Trainees and associates to be nominated as champions to drive engagement
- Every group would have champions that would identify use cases and share best practices.

Product Pilots

- A cohort approach to testing these tools to ensure we have a broad cross-section of users trying this out and giving feedback
- A pilot group of 500 – 700 users will be onboarded in tranches, and a defined feedback mechanism will be used to gain insights into the impact of these tools across the business. (200+ volunteers)
- Training and agreeing to fair usage of these tools mandatory for all users.

Discover our new AI App

Our solution to easily navigate the EU AI Act

The EU AI Act:

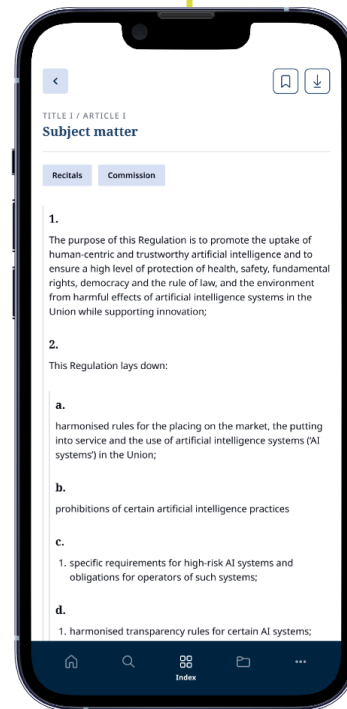
- The EU AI Act is the first law on AI by a major regulator anywhere
- EU Institutions are expected to vote the final text by end 2023
- Official websites not user-friendly

Our app offers:

- An easy-to-navigate AI Act legislation text
- Fast access to previous versions of articles
- Bookmarking and downloading options
- Notifications for AI news from DLA Piper

Available now:

- On all stores (iOS, Apple), and
- On our [website](#)



“ *The DLA Piper AI app is the smartest way to stay up to date with the EU AI Act.*

It is comprehensive and accessible at the click of a finger.

Navigate, compare, bookmark and download articles.

Turn on notifications to stay up to date with the latest news from our AI legal teams, with legislative amendments, expert podcasts, technical blog posts and more.

Pause

Efter pausen: AI og digital understøttelse af bæredygtig udvikling – Case 2



AI og digital understøttelse af bæredygtig udvikling – Case 2

AI - Dilemmaspil

v. Camilla Kampmann, Client Executive, IBM Denmark

og Marlene Winther Plas, Partner & Head of Intellectual Property and Technology, DLA Piper Denmark

```
ERROR_Z":
modifier_mod.use_x = False
modifier_mod.use_y = False
modifier_mod.use_z = True

Selection at the end -add back the deselected objects
modifier_ob.select= 1
modifier_ob.select=1
fig.context.scene.objects.active = modifier_ob
print("selected" + str(modifier_ob)) # modifier object
modifier_ob.select = 0
one = fig.context.selected_objects[0]
fig.scene.objects[one.name].select = 1

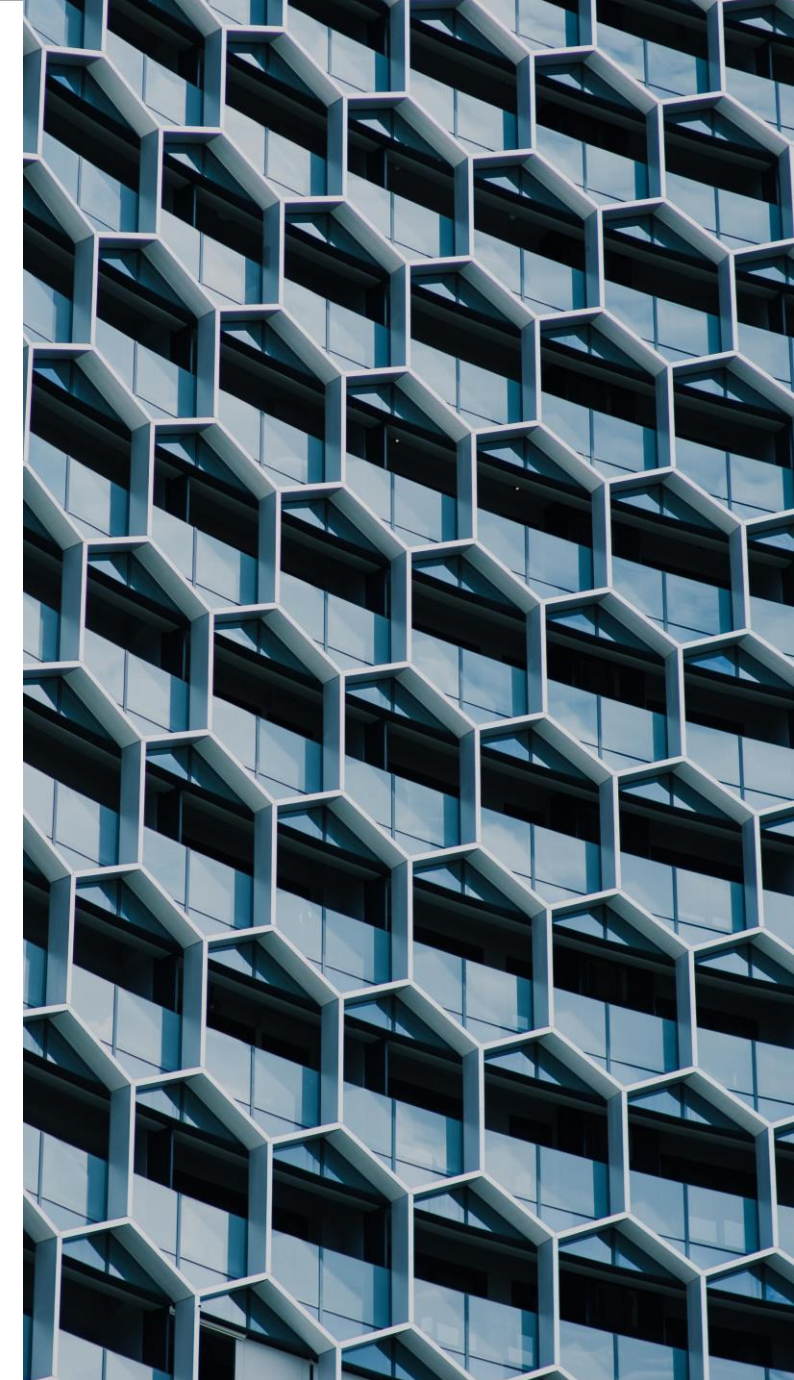
print("please select exactly two objects, no more")

OPERATOR CLASSES -----
```

Case - Ejendomsvurderingerne

Baggrund og formål

- Danske ejendomme skal ikke længere vurderes efter det tidligere vurderingssystem, da det blev vurderet, at vurderingerne ikke er tilstrækkeligt retvisende.
- Den seneste ordinære vurdering af ejerboliger er fra 2011.
- Formålet er at det nye datadrevne og automatiserede ejendomsvurderingssystem skal sikre højere kvalitet og gennemsikuelighed i de offentlige vurderinger, da systemet bygger på flere og bedre data.
- Der er tale om 170.000.000 datapunkter til brug for vurderingen af ejendomme (f.eks. areal, materialer, afstand til motorvej, natur, kyst mv.)



Tidslinje



Skal følgende forhold drøftes i bestyrelsen?

Diskussion

- Ejendomsvurderingssystem skal sikre højere kvalitet og gennemskuelse i de offentlige vurderinger, da systemet skal være datadrevne og automatiserede og bygger på flere og bedre data.
- Skal bestyrelsen genbesøge formål og udførelse?
 - Hvorfor/hvorfor ikke?
- Skal ejendomsvurderingssystemet vurderes som højrisiko?

Budget

Budgettet går over det estimerede

Klageadgang

Adgangen til at klage bliver fjernet i 2 år for at give projektet ro

Servitutter

Servitutterne fjernes fra datapunkterne, da de ikke er digitale

Aktindsigt

Ejendomsvurderingssystemet bliver undtaget aktindsigt

Opsummering

Hvad skulle man have gjort?

```
MIRROR_Z":
mirror_mod.use_x = False
mirror_mod.use_y = False
mirror_mod.use_z = True

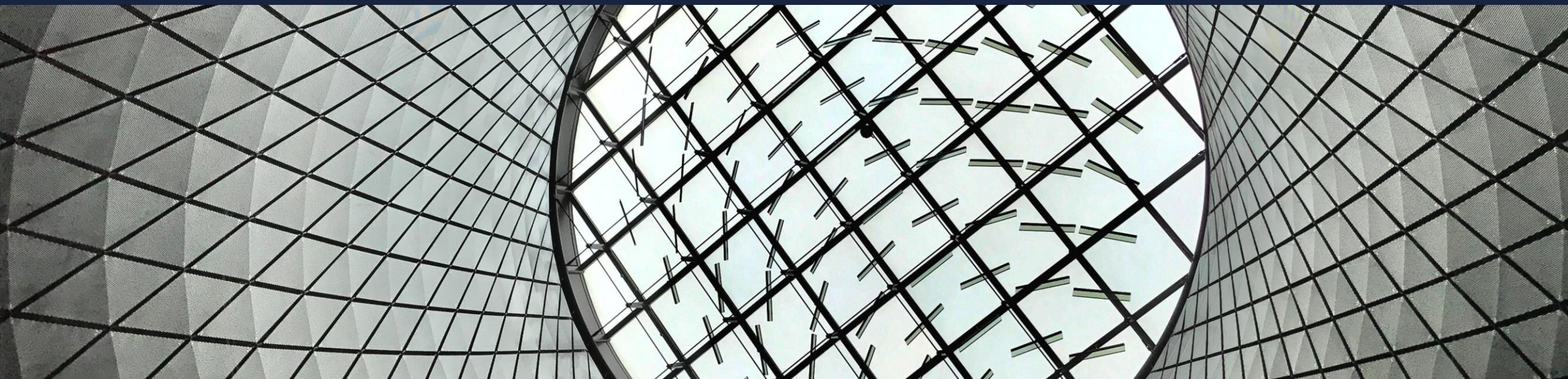
selection at the end -add back the deselection
mirror_ob.select= 1
modifier_ob.select=1
key_context.scene.objects.active = modifier_ob
print("selected" + str(modifier_ob)) # modifier
mirror_ob.select = 0
key = key_context.selected_objects[0]
key_data.objects[one.name].select = 1

print("please select exactly two objects,")

OPERATOR CLASSES -----
```

AI paradokset – både løsning og problem

v. Camilla Kampmann, Client Executive, IBM Denmark



Combination of AI and sustainability

- The application of AI levers could reduce worldwide greenhouse gas (GHG) emissions by 4% in 2030, an amount equivalent to 2.4 Gt CO₂e – equivalent to the 2030 annual emissions of Australia, Canada and Japan combined
- At the same time as productivity improvements, AI could create 38.2 million net new jobs across the global economy offering more skilled occupations as part of this transition
- However, The MIT Technology Review reported that training just one AI model can emit more than 626,00 pounds of carbon dioxide equivalent – which is nearly five times the lifetime emissions of an average American car
- It is estimated that the carbon footprint of the Informations and Communications Technology sector is already at least as much as the aviation sector, and with more and more digitalization and energy-intensive AI solutions, CO₂ emissions are expected to grow considerably in the coming years



A more sustainable organization can lower costs, increase brand value, and attract investment.

Business leaders need to shift from viewing sustainability as a regulatory requirement or a stakeholder expectation to reconceiving sustainability as an opportunity for operational efficiencies, transformation, profit and growth.

Timely and trusted data is the lifeblood of sustainability efforts, providing visibility into an organization's operations and enabling leaders see how they are meeting sustainability targets.

To drive real improvement, sustainability data and metrics need to be embedded in core operations, processes, and workflows to inform real-time decision-making.

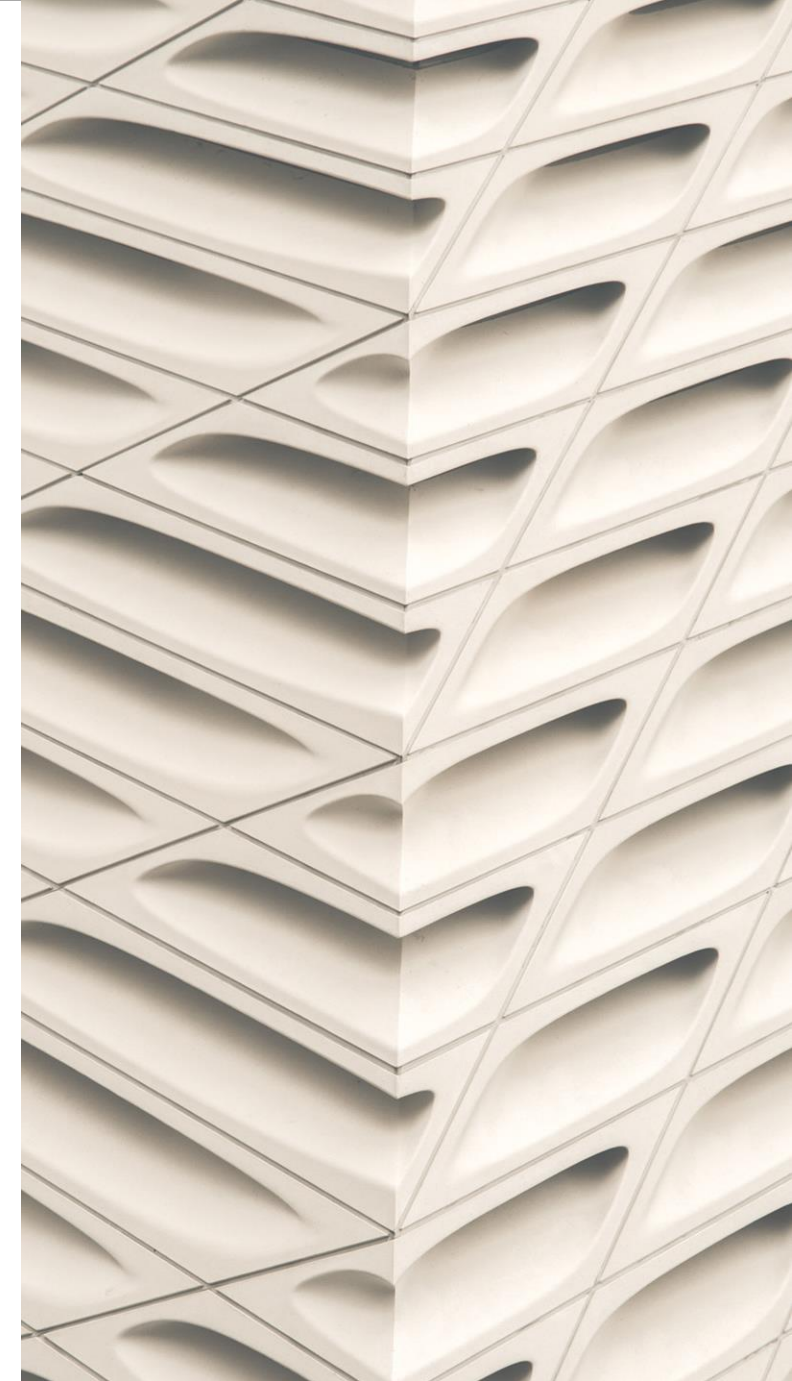


The sheer volume and complexity of sustainability data make AI and automation invaluable for progress.

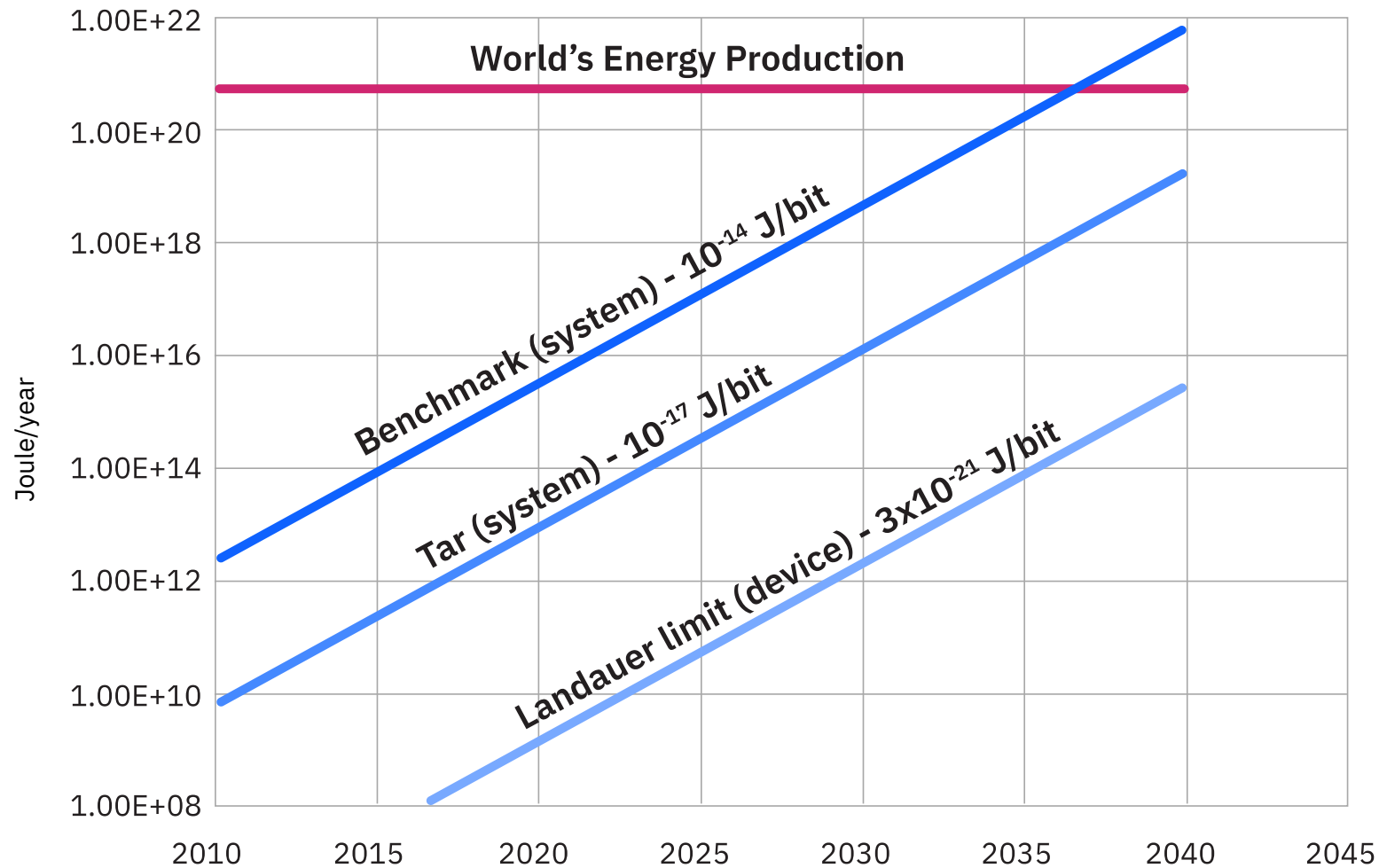
Generative AI can optimize operations for both sustainability and profitability, helping leaders avoid sub-optimal trade-offs. It can also help make businesses more resource-efficient, reducing costs, emissions, and waste.

AI accelerates the conversion of data into relevant and reliable sustainability insights.

According to an IBM study, 46% of executives view AI as important for advancing sustainability and reporting efforts.



But our computing appetite is outstripping the world's energy supply



The ugly version of AI

- We're shifting from a world where data analysis required long cycles to a new world of real-time optimization and insights - (AI will mine the data to surface insights and make optimization decisions in real-time)
- But when businesses start optimizing themselves, all sorts of crazy things might start happening (or at least be suggested by the AI):
What wild examples can we think of here?
 - For dating apps, where the perfect match of two people increases churn, will Tinder or Bumble constrain the efficiency of AI so the product doesn't become too "unsustainably effective"?
 - Or in the world of music streaming: Since Spotify pays artists per song, will Spotify automatically optimize its algorithms to favor longer songs, taking into account the number of minutes each customer listens per day?
- As AI gets really good at optimization, some industries and business models will need to change



EU's digital decarbonisation

Digital decarbonisation

Four main sectors that account for two-thirds of EU's total greenhouse gas (GHG) emissions hold significant potential for digitally enabled climate mitigation and energy savings. These are

- transport,
- buildings,
- manufacturing
- agriculture.

In total, 20-25% of the GHG reductions needed for a net-zero EU economy will require some degree of digital enablement to happen at scale and at an acceptable social cost. This equates to GHG reductions of 700-900 MtCO₂e across the EU

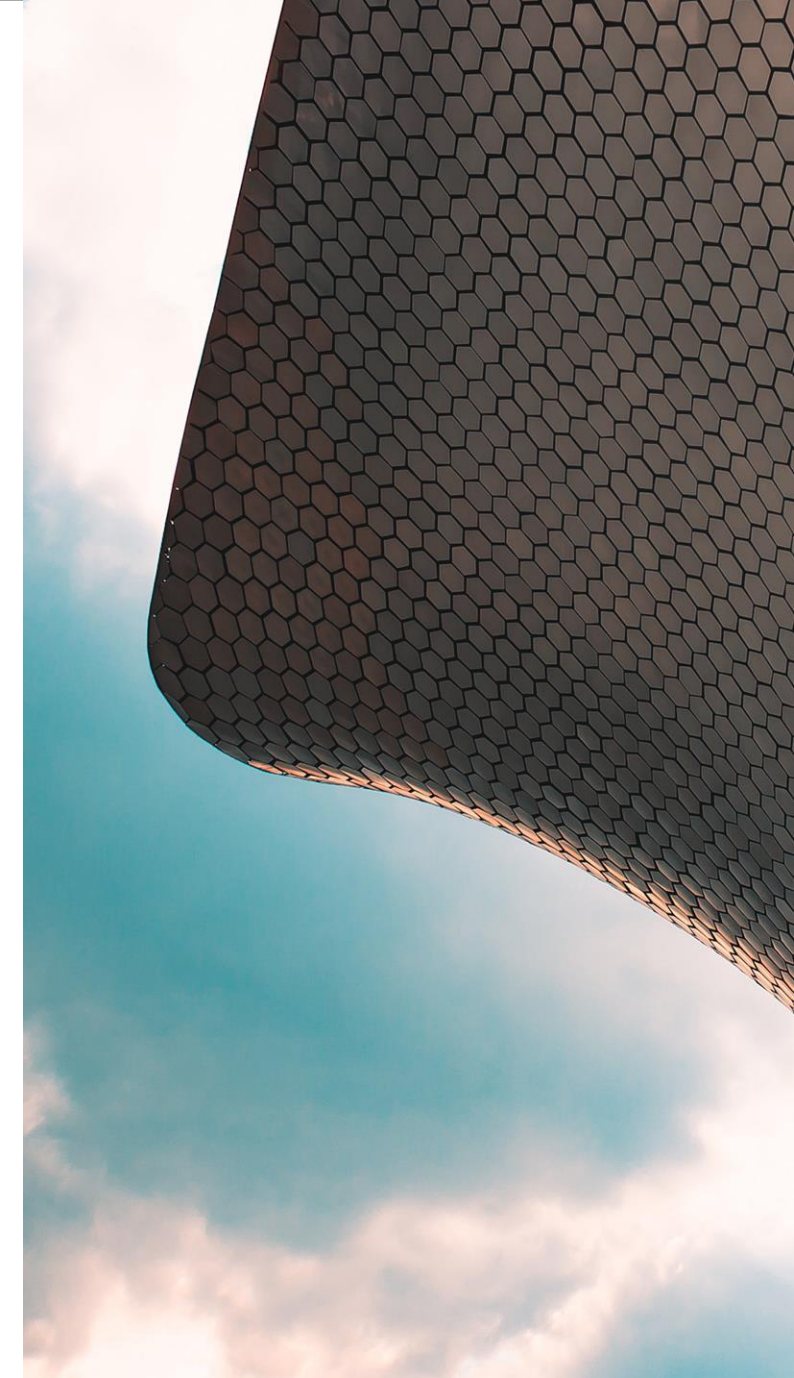
Decarbonising digital

The report also assesses the journey to decarbonising the digital value chain. **Data centres in the EU are estimated to account for 15-20 MtCO₂e in 2020 (~0.5% of total EU emissions) through their operational emissions.** It is also important to address the emissions across the whole value chain, including those related to data networks and end-user devices, as well as embedded emissions

There are various ways to reduce AI energy consumption, some of which include optimizing algorithms, implementing efficient training methods, and utilizing techniques like pruning and quantization.

Additionally, adopting lightweight models and edge computing can also contribute to lower power consumption.

However, you need to consider from the start how you will reduce the energy consumption!



IBM

What IBM offers

Why IBM?

Open

IBM's AI is based on the best open technologies available

Trusted

IBM's AI is transparent, responsible, and governed

Targeted

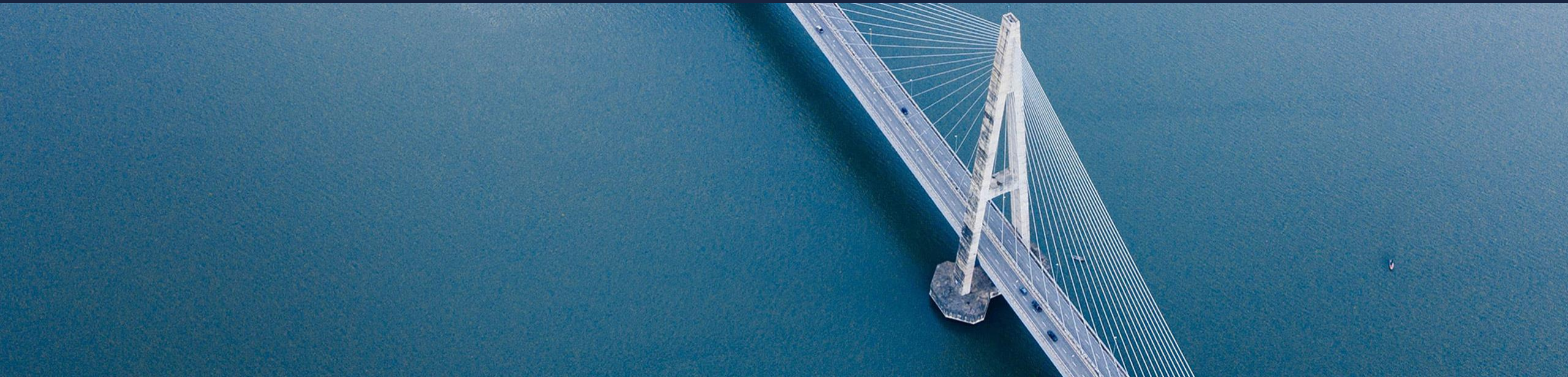
IBM's AI is designed for enterprise and targeted at business domains

Empowering

IBM's AI is for value creators, not just users

Frokost

Efter frokost: Bestyrelsens ansvar – herunder Corporate Sustainability Due Diligence Direktivet



Bestyrelsens ansvar

v. Linda Nielsen, Professor og doktor i jura v. Det Juridiske Fakultet, KU



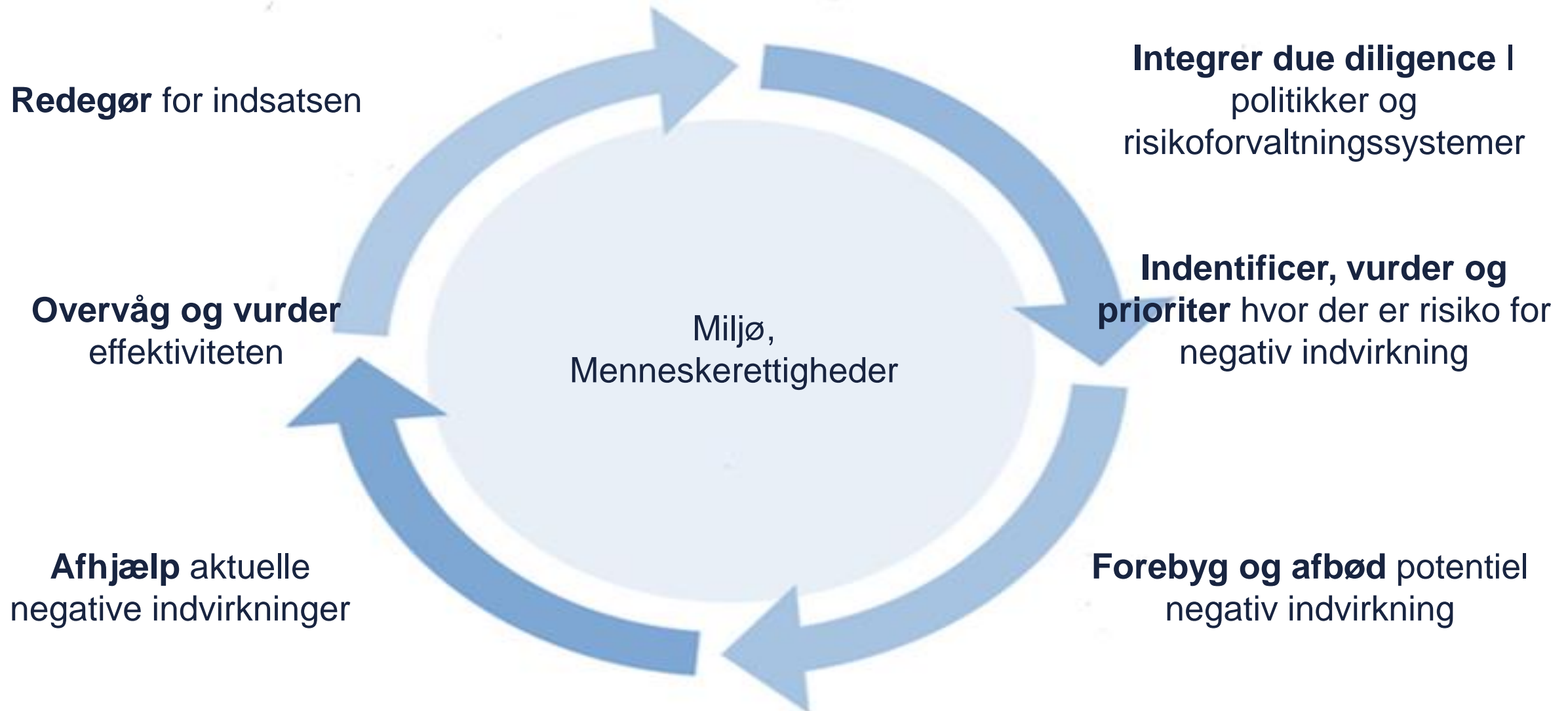
CSDDD - lovpligtig due diligence

- Vedtaget maj 2024 – implementers i dansk ret 2026
- Trinvis indfasning – første STORE virksomheder, 1000 ansatte
- Fuldt indfaset 2029 – finansvirksomheder pt undtaget
- Indsatsforpligtelse - due diligence om negativ impact i “aktivitetskæden” – upstream, ikke downstream
- Tilsyn, sanktioner og erstatningsansvar
- Omstillingsplan til modvirkning af klimaændringer



CSDDD

CSDDD pligter – 6 trin for risikobaseret due diligence



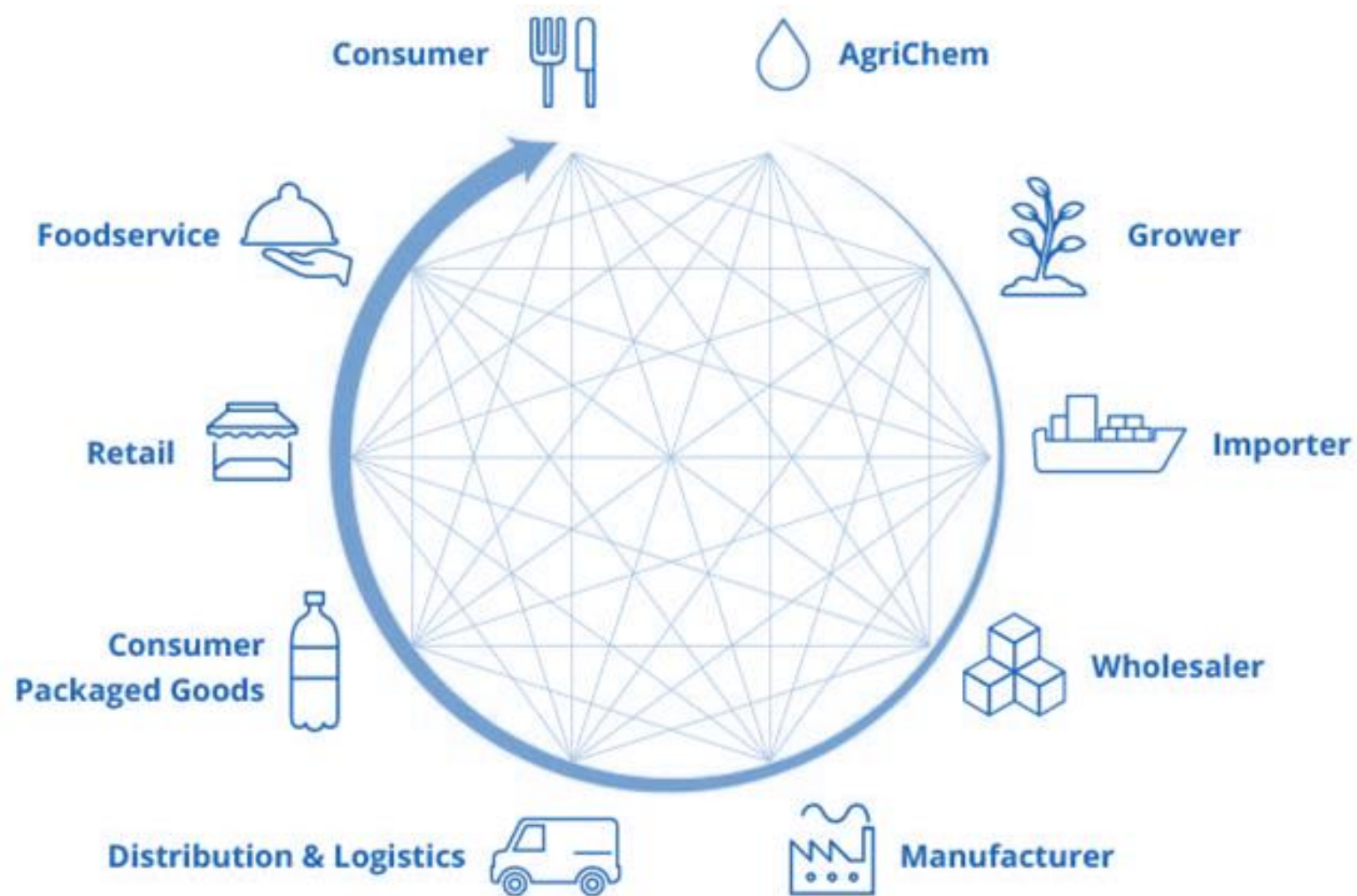
Sanktioner

- Ledelsesansvarsregler er udgået
 - men der kan være ansvar
- Tilsyn og bødestraf
 - effektivt, afskrækkende, proportionalt
 - erhvervsstyrelsen
- Privatretligt erstatningsansvar
 - skade på fysisk eller juridisk person
 - årsagsforbindelse
- Omdømmerisici - NGO'er, pressen

BESTYRELSESANSVAR



Værdikædens kompleksitet





Særligt om værdikæden

FN & OECD

EU CSDDD

CSRD
(EFRAG)

SMV
problematik

Aktivitetsskæde og forretningspartner

CSDDD's definitioner

- Produktion
 - varer og tjenesteydelser herunder udformning, udvinding, indkøb, fremstilling, transport, opbevaring og levering af råvarer, produkter eller dele af produkter
- Distribution, transport og opbevaringscyklus
 - men ikke bortskaffelse
- Udvikling af produktet
 - Aktiviteter som en forretningspartner I efterfølgende led har vedr distribution, transport og opbevaring, udført for virksomheden eller på vegne af virksomheden.
 - Aktivitetsskæde omfatter ikke aktiviteter som en forretningspartner I efterfølgende led har vedrørende virksomhedens tjenesteydelser.

Klagesager fra NCP

Rana Plaza-sagen

- Ikke ansvarlig for bygningskollaps, men kritik af processer ifm. sikring af social ansvarlighed
- Behov for krav til leverandører, risikobaserede leverandørinspektioner, checklister, handlingsplaner, selvevalueringer mv.

Forsvarsministeriet

- Ikke stillingtagen til beskyldninger om tvangsarbejde ifm. bygning af skib på polsk skibsværft, men kritik af manglende due diligence
- Kontraktskrav om respekt for menneskerettigheder og systematisk vurdering af risici for negative indvirkninger

Rockwool

- Ikke kritik af klage over miljø og sundhed, men kritik af manglende inddragelse af virksomhedens interesser ifm. planlægning og bygning af fabrik i USA
- Rockwool har udtalt sig positivt om processen

Bestseller

- Ikke grundlag for kritik ifm. fabrik i Myanmar
- Redegjort for og dokumenteret politikker og retningslinjer samt deres implementering i praksis
- Risikovurderinger baseret på bred vifte af kilder herunder tredjepartsaudits samt menneskeretlig due diligence

Klagesager fra NCP

A.P. Møller Mærsk (APMM)

Klagesagen var indgivet af 337 tidligere ansatte i en havnevirksomhed i Cameroun og handlede bl.a. om arbejdstagerrettigheder og arbejdsforhold

NCP Danmark konkluderede:

1. Et moderselskab har et ansvar for at sikre, at ansvarlig virksomhedsadfærd fremmes og due diligence bliver udført også i datterselskaber
2. APMM har ikke i tilstrækkelig grad udført due diligence i perioden 2011-2019 (afslutning af koncessionsaftale)
3. APMM har ikke i tilstrækkelig grad brugt sin indflydelse (leverage) i sit joint venture
4. Anklagen om at APMM overtrådte OECD's retningslinjer hvad angår arbejdstagerrettigheder og arbejdsforhold, er ikke tilstrækkeligt underbygget.

DUE DILIGENCE hvornår er nok, nok?

Negative indvirkninger skal håndteres på en måde der står i rimeligt forhold til alvoren af og sandsynligheden for den negative indvirkning

1. Foretag en "mapping og gapping" af negativ impact
2. Stil krav til forretningspartnere og følg op
3. Involver interessenter
4. Undgå "glittet papir" uden reelt indhold
5. Start nu – det tager tid at få på plads



CSDDD

10 vigtige spørgsmål, der sætter dig i gang med at integrere ESG og AI i forretningsmodellen

*v. Linda Nielsen, Professor og doktor i jura v. Det Juridiske Fakultet, KU,
Marlene Winther Plas, Partner & Head of Intellectual Property and Technology, DLA Piper Denmark
og Camilla Kampmann, Client Executive, IBM Denmark*



1. Hvordan kommer I som bestyrelse og ledelse på forkant med de to trends om øgede krav til bæredygtighed og anvendelse af AI?
2. Hvilken betydning får ESG-lovgivningen og – kravene særligt for jeres branche?
3. Hvilken konkret impact får brugen af AI i jeres branche, og hvor ligger mulighederne?
4. Hvor er arbejdet med ESG og AI forankret? Hvem ejer dagsordenen, og er arbejdet bredt forankret i virksomhedens ledelse?
5. Er arbejdet med ESG og AI koblet sammen med strategiarbejdet?
6. Har I sat det rette hold med det rette organisations- og kompetence-mix?
7. Er I klar til den nye ESG-lovgivning, og har I forholdt jer til, hvilke områder af reguleringen, der særligt er relevante for jeres virksomhed?
8. Hvilken påvirkning (negativ) har jeres nuværende forretningsmodel, og hvordan kan AI hjælpe med at reducere denne og skabe en mere bæredygtig forretningsmodel?
9. Hvordan implementerer I AI?
10. Er jeres tiltænkte brug af AI i overensstemmelse med AI-forordningen?

Et kig ind i fremtiden

v. Thomas Kovsted, CEO/Country General Manager, IBM Denmark



Afrunding og perspektivering

Hvad er den næste bølge?

*v. Linda Nielsen, Professor og doktor i jura v. Det Juridiske Fakultet, KU,
Martin Lavesen, Partner & Country Managing Partner, DLA Piper Denmark
Thomas Kovsted, CEO/Country General Manager, IBM Denmark*







Tusind tak for din deltagelse