

Brought to you by the World
Economic Forum's Global
Future Council on Values,
Ethics and Innovation

TECH ETHICS

**YOUR HIDDEN
COMMERCIAL RISK**

A HOW TO GUIDE ON TECH ETHICS FOR START UPS & SMES

The key to ethical risk management is listening,
especially to people you don't think
are important.

(But the big secret is: the issues themselves and
processes to address them are a fantastic
catalyst for innovation!)



VALUES, ETHICS AND ‘THE GREAT RESET’

Our original plan was to publish this booklet in March 2020. Then Covid-19 engulfed us all. The values and competencies at the heart of businesses and governments were exposed for all to see - some organisations showed how their values illuminated their approach to the horrible ethical dilemmas they faced with purpose, collaboration and compassion. The values of many others were revealed as a sham - in the Edelman Trust Barometer Covid-19 May 2020 special survey, half of people believed business was doing poorly, mediocre or completely failing at putting people before profits.

But this is very tough. Businesses are urged to focus on their resilience, agility, digitisation. To transform, pivot, re-skill, change, change, change. Where is the place for values in the context of such desperate urgency and understandable panic?

Decision-making in times of such dramatic uncertainty requires a steady hand. The whole point of your values is that they are with you for the long haul and provide a compass in bad times and good. Adherence to key values - for example respect, openness, inclusion, honesty and fairness - is essential to earn the trust of employees, suppliers and customers, without which any business will struggle, at any time. We hope, as intended, this booklet provides practical advice values and ethics which may prove helpful in running your business in times of Covid-19 and beyond.

Thank you for your interest!

Hilary Sutcliffe and the members of the World Economic Forum Global Future Council on Values, Ethics and Innovation.



WHO IS THIS BOOKLET FOR?

We have designed this advice for start up companies and SMEs, particularly in companies developing or using new and emerging technologies, in all countries, across all sectors.

Its aim is to provide a quick overview of how ethics can be discussed and managed in organisations without massive resources, but where the issues can provide great opportunities if handled well, or potentially devastating risks if handled badly.

The technologies, and sectors using these technologies, are extremely diverse - including nanotechnology in advanced materials, gene editing in life sciences or agriculture, robotics in manufacturing, internet of things in consumer products and data and artificial intelligence almost everywhere. Because of this, and the need to keep it short and compact, we have resisted using tech specific case studies, or providing frameworks or models for handling these issues.

Each organisation will have its own systems and processes and will need to find their own way of dealing with them in the context of their sector, country, culture.

So our focus is on providing a general understanding of good practice approaches and ideas for the internal and external processes which are most likely to be successful.



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Many start-ups and SME's think values and ethics are just for big businesses.

You might feel you already have ethical intentions and follow all the necessary regulations, why do anything more?

Or perhaps you hesitate, because you feel you haven't the time, or the money. Certainly with Covid-19 front and centre for many, considering values and ethics may look like a luxury for another time.

But values are what will help you make the incredibly difficult ethical decisions which may need to be taken in your business to survive the pandemic and thrive in the post-Covid world.

**THE BEST TIME TO
LEAD WITH VALUES
& ETHICS IS NOW**

WHY THINKING ABOUT VALUES & ETHICS RIGHT NOW IS A GOOD IDEA...

- Help you make trustworthy decisions
- Help earn the trust of your employees in these decisions
- Build organisational resilience & responsiveness
- Create opportunities that others miss
- Anticipate risks that others miss
- Show employees, customers and citizens you take seriously what matters to them.
- Demonstrate to investors & shareholders you are on the case to identify both new opportunities and new risks
- Provide evidence of your trustworthiness to all stakeholders

...AND IT'S WORTH IT!



WHAT'S THE DIFFERENCE BETWEEN VALUES AND ETHICS?

(In short - values are concerned with belief, while ethical issues are usually about action)

VALUES...

The values of the organisation are the things it has chosen to use as its moral compass, its orientation, its belief system, describing the qualities of the way things are done within the organisation.

Values such as honesty, inclusion, openness, fairness, respect for human rights and the environment are some of the more popular. Some, like Google's famous 'Don't be Evil' are expressed in a more distinctive and quirky way which is sometimes helpful in making them more memorable. These are underpinnings to business values, such as innovation, excellence, profitability.

The key to have them **really** underpin how you do business (rather than living on a pretty page on the website just for show) is how they translate to the actions the company takes - usually starting with its treatment of employees and working outwards.

Defining your values

- Establish what you stand for and don't - with your people
- Write that in a language everyone understands rather than necessarily the words chosen by management
- Use understandable examples of what good and bad behaviour look like - we made this into a fun competition with some creative video submissions
- Try a mnemonic to make recall easier so absolutely everybody remembered your values - ours was CHIPs with everything!
- Build it into the assessment and performance system.

Martin Luew, Growth4Good

ETHICS...

Ethical issues are most often concerned with action. They are usually associated with issues and concerns stakeholders have about the impact of an organisation's products or process on people, animals or the environment.

Ethical issues are very often about dilemmas where there is no straight or easy answer. Privacy vs security for example. Or freedom of expression vs causing hurt or whether individual choice or the common good should be prioritised in a decision. Sometimes they are about clashes of different values - naturalness vs tech progress, religious vs secular perspectives or simply different views on what is acceptable in medical or cosmetic human enhancement.

In these instances involving citizens and those directly affected to help may be the best way to resolve your ethical dilemma. Processes such as Citizen's Assemblies, multi-stakeholder dialogues or other listening or co-creation exercises are likely to be most effective.



WHAT IS BUSINESS ETHICS?

Business ethics is about doing the right thing and not doing the wrong thing - doing good, not harm. This may overlap with, but provide a distinctive lens on, existing business conversations about social responsibility, human rights, responsible innovation and brand positioning and other areas.

But when it comes to ethics and business, who says what is right and wrong? It can often seem bewildering when different groups have different, sometimes totally contradictory views on what your business or sector should and shouldn't be doing. This may also change from culture to culture and country to country.

That's why open and collaborative processes for ethical decision-making are so important. This approach helps you calibrate those different views by taking steps to really listen, understand and reflect upon the issues and arrive at thoughtful conclusions about your course of action - with stakeholders as a key part of the process.

WHAT ETHICAL ISSUES SHOULD I CARE ABOUT?

Each industry, each business and to a certain extent each product within a business may have its own different and relevant issues.

Because of this, the focus of this booklet is not about providing a long list of potential issues to scroll through, but about how organisations can find out for themselves what the relevant ethical issues are and work through collaborative processes to help deal with dilemmas.

However, there will be common themes:

- How the organisation can have a positive and not negative impact on people, animals and the environment. This will be different sector by sector, but common frameworks can help stimulate good practice - such as the United Nations Sustainable Development Goals.
- The Universal Declaration of Human Rights is another globally recognised framework which helps organisations navigate the impacts their products and services have on other people.
- New frameworks, such as the many attempts at codifying the ethical issues associated with artificial intelligence, gene editing or the future of work may all be helpful. If there isn't one for your sector - why not start one?

Links

<https://sdgs.un.org/goals>

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

<https://www.un.org/en/universal-declaration-human-rights/>

<https://www.business-humanrights.org/en/>



"Please don't bring me pointless products using a technology for the sake of it, which doesn't bring a benefit to my customers and where you clearly haven't thought through the risks. But do use these new tech for products which offer real benefits and don't contribute further to some of the social or environmental problems we all face - we are desperate for those."

**Head of Technology,
Global Retailer**

**QUICK
TIP**

**You know the thing you are secretly hoping will go away?
That's the thing you should concentrate on**

- We all have an issue or problem that sits in the back of our mind. We know or have a hunch it's important, but just think we will put off addressing it until later and maybe things will change and it will magically have gone away!
- This is perhaps because it's tricky, has no clear answers or requires serious thought that we don't have time for.
- If this is an ethical issue - odds on it won't go away. Time to bring it out into the light?

PUT ETHICS ON YOUR RISK REGISTER

Integrate ethical issues with your commercial risks - because ultimately that's what they are.

- Most companies have some form of risk identification and mapping process. But it usually focus only on mainstream market, commercial or financial risks.
- Issues associated with what some think of as 'fluffy' stuff like ethics, human rights, social concerns are rarely thought of as relevant business risks. They are now.
- They should be anticipated, evaluated and managed as effectively as any other risk to your business.
- But as Covid has shown things can change fast. Unforeseen risks, or changes in scientific knowledge or social values and preferences can change the business environment sometimes almost overnight.
- To keep ahead, listening to outside views, foresight, contingency planning and a culture where it is normal and rewarded to raise concerns are important aspects of dealing with these types of risk.
- Create formalised spaces and practices for exploring the consequences of your research and business decisions. Try tools like Consequence Scanning (link below) to build in recognised time for cross-functional discussion of what the impacts of a new product or feature might be on different stakeholders. <https://www.tech-transformed.com/product-development/>

"As a start up with 4 people I know that the intel I can gather about my market, my competitors and also the concerns society may have about my sector and my potential products is critical to our future success.

I consider listening intently to the views of everyone a real source of competitive advantage. How to then incorporate what I have heard into the design of the products and my corporate strategy is an integral part of the future business planning and risk management."

Niek Savelkoul

Scope Biosciences, iGEM Ambassador

PRACTISE ‘COMPETITIVE LISTENING’

- But **how to spot** these sometimes hard to see social and ethical risks and issues in advance?
- The secret is to **expand the radar** of who you listen to and whose opinion you consider important.
- **Listening and talking to those with alternative views** will probably be more useful to your business than the far more pleasant process of listening to those who think you are great! It doesn't have to be expensive, reading outside your comfort zone in media and social media will be informative to start with.
- **Bring in outside views, even critics** - It's very challenging to really listen and potentially even change aspects of the way you do business in response to the views of critics. But with dilemmas in areas of conflict, ethical reflection processes really help prioritise what is important and calibrate your response.
- One of the biggest barriers to genuine innovation occurs when **what the company sees as a benefit, others see as a problem or a disaster waiting to happen**. Sometimes they are right, sometimes not. But unless you seek them out at key stages in your process, and listen hard, you'll never know.

“One of the most important aspects of our culture is to encourage people to look for and speak up about early warnings of potential problems. We are human, we all make mistakes. Being open and pre-emptive gives us the chance to nip them in the bud.

Similarly, the hard decisions we make as a company are rarely black and white, so we talk openly about how we make them. Not everyone may agree with a decision but if we show the process was consistent with our beliefs and purpose, people respect it, and it gives them a framework for making the difficult choices they face in the course of their work”

Tim Fell

CEO, Synthace (Engineering Biology platform SME)

MAKE ETHICS AN **EVERYDAY** PART OF YOUR BUSINESS

- **It works best with leadership by example.** Ensure people know, and more importantly see in action, that leaders and managers welcome and are open to challenge, concerns and also encourage ideas for innovative solutions.
- **'Group-think' is a disaster waiting to happen.** Time and again a homogeneous culture, resistance to challenge and failure to take dissenting voices seriously is what turns ethical issues into costly commercial disasters. Listening only to 'yes people' makes leadership easier on the surface, but can hide potentially damaging problems.
- **Nurture diverse teams and encourage divergent thinking.** Creating and nurturing diverse teams and encouraging processes which access new and different thinking is generally accepted as a route to creativity and innovation. But it's also a great way to manage risk. Teams with diverse cultural, socio-economic or ethnic backgrounds or simply different ways of looking at the world are an important way to understand the variety of perspectives and spot early warnings of problems in time.

MAKE IT NORMAL TO DISCUSS ETHICS INTERNALLY

- **Reward and support employees who speak up about potential problems.** This is particularly useful for understanding hard to recognise risks which may be about values or ethical, emotional, social or environmental concerns.
- **A culture which encourages, incentivises and makes it safe to discuss even quite contentious issues is essential.** What used to be called ‘Whistleblowers’ are your best hope for spotting early warnings of problems so you can do something about them before they become public disasters.
- **Make it easy to report concerns.** Speaking up about concerns about a colleague, supplier or employer is really difficult and daunting for anyone. The Speak Up Toolkit from the Institute of Business Ethics is designed to help employers and those thinking of reporting a concern and answers questions about the entire process – from noticing a problem and having a conversation through to what to expect if you call a Speak Up helpline or if your concern is investigated.

Here is a link which can be part of your response - Speak Up Toolkit:
<https://www.ibe.org.uk/tools-and-services/the-ibe-speak-up-toolkit.html>

Digital Identity company Yoti has a Guardian Council of external stakeholders meeting quarterly to ensure it sticks to its core principles and a monthly Ethics & Trust Committee of employees to oversee development and implantation of ethical approaches.

"Anyone in the company can send topics to discuss and the outcome of each meeting is shared with the entire company, and on the website, to ensure as much transparency in the process as possible. The company also participates in, and in some cases drives, external ethical and governance initiatives.

We knew from the very beginning that ethical and governance issues were going to play a critical role for our business and that we needed internal and external perspectives to help us do that well. Things change all the time and these bodies and our outward focus help us keep abreast of the fast moving issues in our sector."

Samuel Rowe,
Yoti, Digital Identify SME

BE COLLABORATIVE IN RESOLVING ISSUES

- **Ethics is about solving problems.** What ethics provides is a way to make better decisions, especially in circumstances where there is no simple answer.
- Ethics, and the processes outlined in this booklet, are about navigating these tricky issues where perhaps there are **difficult trade-offs or the solution will not work for everyone.**
- **What to do?** Thoughtful, informed discussions internally and with external stakeholders are fundamentally what taking an ethical course is all about.
- Take steps to really **understand the issues, consequences and evidence of potential impacts** of the problem before you. Understand the variety of different perspectives, societal views, particularly where these are at odds with each other.
- **Discuss internally** how the issues and potential solutions align, or not, with your values, your brand and reputation - what you are about and want to be known for.
- **Engage externally**, perhaps with the help of impartial professionals, civil society groups or academics, who can help coordinate your engagement or provide information to help resolve your dilemma - or may even have other solutions you hadn't thought of.
- **Sometimes you just have to choose!** On occasion despite taking these steps you simply have to make a choice. But if you have reflected, consulted and listened, you can still be confident that you are making an ethical decision.



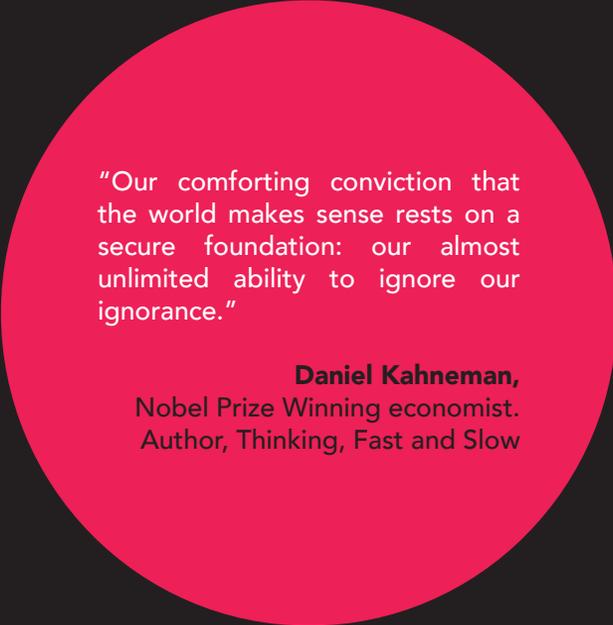
ENGAGEMENT AND OPENNESS HELPS EARN TRUST

- **Many of these dilemmas you do not face alone** - don't be afraid to work with other businesses in your sector or other sectors who have a similar problem.
- **Co-creating with others** - even with critics - is a powerful way of developing better solutions for social good which benefit your business and industry and society as a whole. Even small companies can take the lead in their sector in bringing together stakeholders and resolving ethical dilemmas together.
- **Be open and authentic about your course of action.** It's tempting to think about keeping quiet about decisions in which you have to make potentially unpopular choices. But being open and authentic is part of that ethical decision-making process and, crucially, helps earn trust in your approach.

Quick Tip

These discussions will be much easier if you have already worked out what your core values or beliefs are.

See page 8.



"Our comforting conviction that the world makes sense rests on a secure foundation: our almost unlimited ability to ignore our ignorance."

Daniel Kahneman,
Nobel Prize Winning economist.
Author, Thinking, Fast and Slow

A FRAMEWORK FOR PUTTING ETHICS INTO PRACTICE

Integrity, honesty, respect, fairness, openness – just a few of the ethical values which you may feel are integral to your business and the way that you operate. But how can you show your commitment to your employees, clients, suppliers and partners and make sure that they share your values, while reconciling this with a tight budget and limited resources?

The Institute of Business Ethics (IBE) has developed an online Business Ethics Toolkit, which suggests a simple, affordable approach to designing an ethics framework. It was created specifically for small and medium businesses, start-ups and growth companies everywhere. In addition to a series of templates and useful materials that are easily adjustable to your own organisation, it provides an invaluable platform to discuss tricky problems with peers and exchange good practice examples.

The simple, fundamental steps outlined in this toolkit will help to set up the ethical framework for your company without requiring significant resources and bureaucracy. Visit <https://www.ibe.org.uk/ibe-businessethicstoolkit.html> for more information and to join the conversation.

THINGS TO LOOK OUT FOR

- **Be aware of your optimism bias.** Innovators are usually optimists, or they wouldn't get out of the blocks. But this often comes with an inbuilt blindness to what might go wrong and a disinclination to want to acknowledge potential risks - especially those which are based on ethics or values.
- **Don't be a boiled frog!** Academic research shows because of this denial of problems we don't want to see, we just underplay them in our minds because they get in the way of our hopes and dreams. So we don't see the way things are hotting up until we are in very hot water indeed and it's too late to get out.
- **Assume nothing, ask lots.** Research shows that our hunches and beliefs about others' views is so often what shapes our thinking and also our responses: "We just know the public will LOVE it...". "The public will never go for that...", "NGOs will just block it ...". But it also shows these hunches are often quite wrong. Don't assume. Ask.