

# Risk + Proportionality + Ethics = Data Protection as a Corporate Social Responsibility

Digital Single Market Ecosystem: Innovation, a  
seamless digital market, and stakeholder rights and  
interests - How do they work together?

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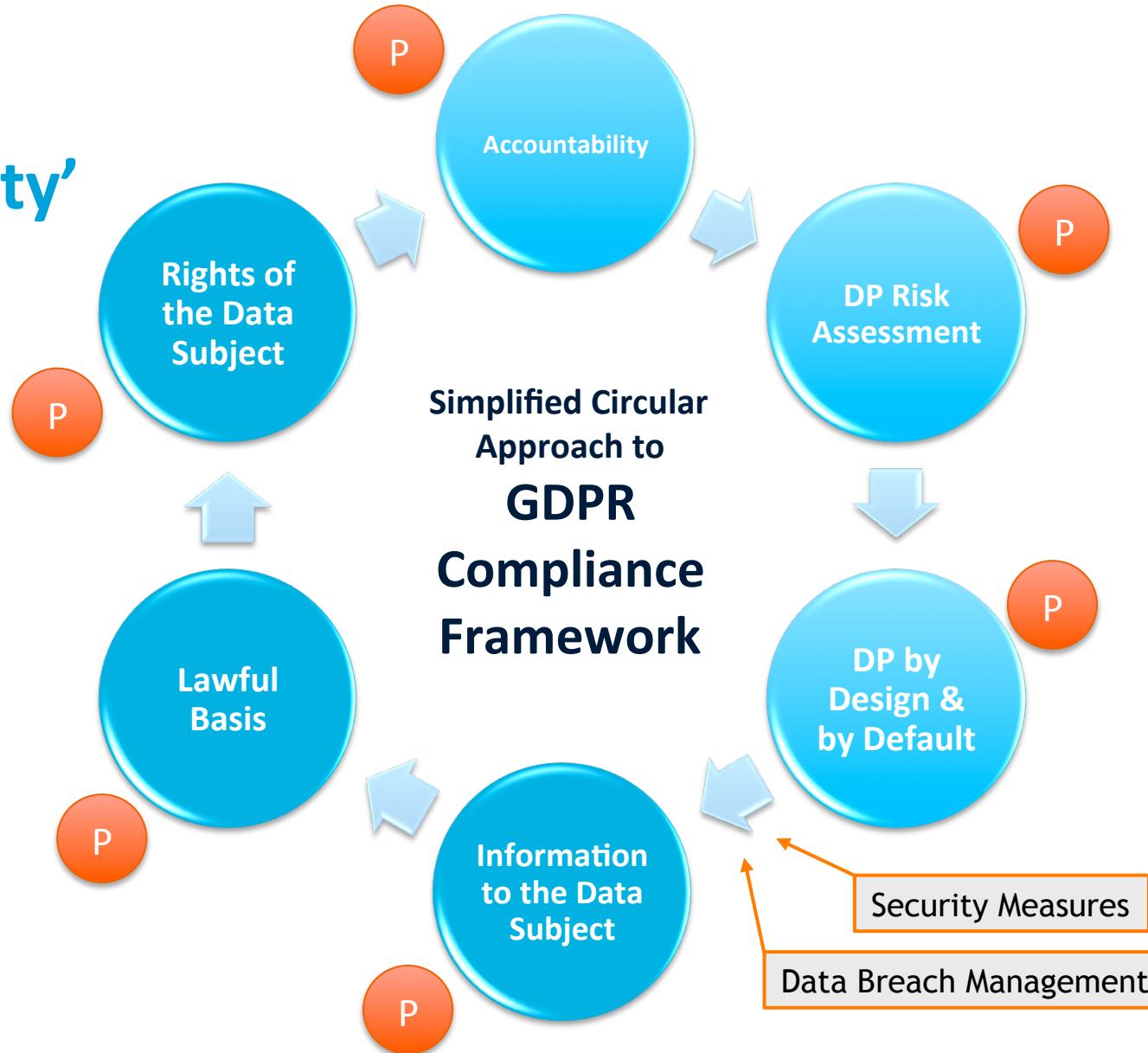
# Digital Single Market Ecosystem: Innovation, a seamless digital market, and stakeholder rights and interests - How do they work together?

- **Risk-based approach:** allows flexibility for companies
- **Proportionality:** safeguards data subjects rights
- **What can effectively make them work together?** the ~~law~~

# A few practical considerations

- No present or forthcoming legal framework (whether it be the EU's much-discussed General Data Protection Regulation or new competition rules) will ever be able to effectively regulate our data-centric society while also perfectly maximizing the benefits for citizens and effectively minimizing risks
- Regulators and institutions/LEAs can no longer be the police of the Internet
- The time when companies were able to consider data protection and fair competition practices as mere legal compliance obligations is of the past
- Instead, in this data-centric world businesses need to consider fair practices, privacy, and data protection as assets that can help companies to responsibly further their economic targets
- It's time for companies to actively take responsibility in the data-centric society

# Where/how 'proportionality' plays a role



# Ethical data processing:

*“personal data shall be processed in a responsible and ethical manner having in mind the dignity, human rights and freedoms of individuals”*

# Data has the power to change the world

The effective use of technology can successfully leverage the benefits of big data while at the same time limiting risks to privacy

This, however, can only be done at the company level

Sound corporate policy can allow for data processing in a responsible and sustainable way, furthering the potential of data to improve human existence

It can be used to challenge climate change and to create medical cures we never thought were possible

Data has the power to change the world

... If companies act responsibly

# 5 rules of responsibility

So all companies participating in the data-centric society need to act in a socially responsible way, by complying with five main rules of Socially Responsible Data Protection, regardless of normative control:

1. embed data protection and security in the design of processes
2. be transparent with citizens about the collection of their data
3. balance profits with the actual benefits for citizens
4. publish relevant findings based on statistical/anonymized data to improve society
5. devote a portion of revenues to awareness campaigns for citizens with regards to the data-centric society

# Recommendations

Incentives [vs. mere sanctions] need to be created for companies to act responsibly, e.g.:

1. embed responsible processing of personal data in the ‘proportionality’ test
2. take it into consideration in the ‘degree of responsibility of the controller or processor’ test, to quantify sanctions, pursuant to Art. 83.2.d GDPR
3. fiscal incentives when companies devote a portion of revenues to awareness campaigns for citizens with regards to the data-centric society
4. companies acting according to the 5 rules of responsibility could be awarded with a seal to be displayed on their sites, media, materials, and products demonstrating that they act responsibly in the data-centric society

# Conclusions



**Data Protection as  
Corporate Social Responsibility**

## Thank you for your attention!

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Paolo Balboni (qualified lawyer admitted to the Milan Bar) is a Founding Partner of ICT Legal Consulting (ICTLC), a law firm with offices in Milan, Bologna, Rome, an International Desk in Amsterdam, and multiple Partner Law Firms around the world. Together with his team he advises clients in the fields of Personal Data Protection, also acting as Data Protection Officer in outsourcing, Data Security, Information and Communication Technology (ICT) and Intellectual Property Law. Paolo has considerable experience in Information Technologies including Cloud Computing, Big Data, Analytics and the Internet of Things, Media and Entertainment, Healthcare, Fashion, Automotive, Insurance, Banking, Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT).



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