Residual Risk Management and Response action

ForHumanity's Risk Management Framework is focused on two primary objectives:

1) Maximizing the mitigation of risk
2) Fairly, accurately and transparently displaying Residual Risk for natural persons impacted by AI, algorithmic and autonomous systems

These two operations are conducted in parallel throughout the risk management process. Risk treatment/mitigations are implemented and each time, either, the risk treatment is complete or there is Residual Risk - *Unmitigated risk after risk treatment pertaining to a specific risk input or the aggregation of all untreated risk in an AI, algorithmic or autonomous system.*

This section is focused exclusively on the collection and care of Residual Risk throughout the risk management process. Also, this process specifies the organization's responsibilities to humans in regards to Residual Risk. Below is a procedure for identifying, documenting and disclosing Residual Risk identified during the entirety of the risk management framework - (Residual Risk first appears once Risk Treatment is applied to Analyzed Risks - it does not exist prior to this step in the risk management process):

1) Risk Treated, but not entirely eliminated establishes a Residual Risk
2) Each Residual Risk must be documented and accepted by a duly designated individual or a committee including:
    a) Severity
    b) Likelihood
    c) Functional Correctness
    d) False Positives/False Negatives
    e) Specific ineffectiveness, especially with respect to Protected Categories and intersections thereof
3) Residual Risks must be gathered across all treated risks
4) Residual Risk should be considered for External treatment, such as insurance, indemnification
5) Residual Risk should be disclosed to a natural person prior to engagement with the system in a manner that is clear and plain. The goal of the explanation is to provide the natural person with a fair presentation of Trade-offs associated with usage of the system in order to achieve an informed decision by the natural person.

This model can be compared to the manner in which the United States Food and Drug Administration (FDA) approves drugs for marketing and distribution to patients. The FDA provides label guidance for approved drugs and a large portion of that guidance is related to the presentation and display of adverse reactions, warnings, precautions, negative

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interactions, and contraindications, all of which ARE Residual Risks associated with the approved drug.

ForHumanity advocates for a similar approach, one designed to provide the person with a fair and reasonably complete understanding of the risks associated with the AI, algorithmic and autonomous system prior to usage. We believe this disclosure and transparency will have a two pronged effect. First, it will increase the knowledge and understanding for natural persons of negative impacts and potential consequences associated with using these systems. Second, in documenting and displaying Residual Risk, organizations can no longer ignore these risks and must outwardly, consciously and intentionally accept these risks (as a function of their risk tolerance and risk appetite) prior to operation of the system. Both effects are beneficial to humans and consistent with ForHumanity's mission to maximize risk mitigation to humans from AI, algorithmic and autonomous systems.

ARC (Responsibility), EC (consultation), CDOC (consultation) and the Overseer (consultation) shall examine, consider and deploy residual risk mitigations after being **delayed/avoid/transferred/ shared/reduced/avoided** documented in the ARA, EC, TEC, CDOC At-Risk, AI Governance reports and deploy adequate measures to

1. Provide additional safety features for known chances of inaccuracies which may restrict rights and freedom,
2. Disclose the known level of Functional Correctness along with Automated Decision-making Explainability Statement and Explainability Plus Statement
3. Disclose such residual risks to users/ customers on being aware of such risks staying unmitigated (as part of Residual Risk disclosure under risk management),
4. Provide adequate disclaimer for Adverse Impacts that may exist in the artificial intelligence, algorithmic or autonomous systems,
5. Provide opportunity for users/ customers to opt-out as far as feasible
6. Decide on need to decommission or override the AI, algorithm or Autonomous systems and
7. Insure for potential external liabilities

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