Appriss Retail Solutions
Appriss Retail takes an ethical approach to building its artificial intelligence (AI)-driven solutions.

Appriss® Retail's Ethical Approach to AI

Appriss Retail solutions enable retailers to make an informed decision about whether to accept, warn, deny, or incentivize an in-store or online return, exchange, post-sale adjustment, or re-shipment transaction. Below, Appriss Retail lists the principals rigorously followed.

1. **TRANSPARENCY.** The consumer is educated on the solution.
2. **FAIRNESS.** The solution is un-biased, allows an opportunity for inquiry, and mitigates risk.
3. **CONSISTENCY.** The solution provides consistent responses.
4. **ACCOUNTABILITY.** The solution is reliable; there is governance, and it is properly maintained.
5. **SECURITY.** The solution is secure and minimizes risk.

1. TRANSPARENCY

a) Be transparent about what information is collected and how it is used.

Because Appriss Retail operates as a service provider, its retailer customers have the obligation to explain to consumers how and why they collect and use personal information. Appriss Retail assists retailers by reviewing current policy signage and receipt language, and by making suggestions on how to incorporate transparency principles based on its industry experience.

b) Be transparent about transaction decisions.

Upon receipt of a transaction authorization request, Appriss Retail delivers a message to the retail associate—via the retailer's system—with a recommendation on whether to approve, deny, or warn the consumer. The retailer has visibility as to why a particular recommendation was made. Additionally, the consumer is provided a receipt or screen message that informs the consumer of their ability to request a Retail Activity Report™ (RAR™), which provides a list of all transactions that were considered in making that particular recommendation.

2. FAIRNESS

a) Disclose key factors that affected a consumers' risk score.

Appriss Retail's algorithm determines a risk score based on a combination of variables designed to predict future actions. Variables used include frequency and value of specific transactions, receipted or non-receipted returns, and overall purchase history. No variables relating to the consumer's age, gender, race, nationality, physical characteristics, or marital status are used.

b) Do not discriminate.

Appriss Retail's algorithms are solely based on transactional shopping fields and not any sensitive personal information such as demographic, language, disability, literacy, or financial accessibility. Appriss Retail has never identified any bias outcomes; however, Appriss Retail is positioned to quickly investigate and remedy any issues raised by a retailer related to bias.

c) Give consumers an opportunity to correct information.

Appriss Retail offers the retailer a consumer call center and consumer-facing website that allows consumers to request a Retail Activity Report (RAR), a document listing transaction data associated with the particular consumer for that specific retail chain that was considered by Appriss Retail in making its recommendation. If a consumer disputes the information with the retailer, Appriss Retail will assist the retailer in evaluating the data for accuracy.

3. CONSISTENCY

a) Focus on inputs, but also on outcomes.

Appriss Retail models are purpose-built to solve a unique business problem. The systems and model outcomes are constantly audited for any known issues which may affect consumers or retailers.

b) Validate that AI models work as intended.

Appriss Retail model releases are monitored, tested, validated, and audited thoroughly in many phases for the following: (1) model accuracy and reproducibility, (2) match between the R&D model results and production results on a large number of records, and (3) assurance that aggregate statistics on the models do not drift over time from their original build.

4. ACCOUNTABILITY

a) Ask questions before using the algorithm.

Pre-processing techniques, algorithm modification techniques, post-processing techniques, or other measures (e.g., external auditing of data and algorithms) are implemented to create accountability for compliance, ethics, fairness, and nondiscrimination. Mechanisms for redress for harm and adverse impact are established and communicated to the affected parties.

b) Consistently monitor.

Appriss Retail's AI algorithms operate autonomously, but there is constant monitoring by humans in the process. Appriss Retail has well established guidelines regarding people that will be involved in response to various types of issues. Employees at retailers and at Appriss Retail examine decision rates and other key outcome metrics about the model to quickly identify any deviations from expected.

c) Be a good steward of the data.

Appriss Retail's AI solutions are designed to prevent the sharing of personal information across retailers (except other store brands affiliated with that retailer) or other companies. Appriss Retail enacts privacy by design principles to ensure it is using best practices when processing personal information.

5. SECURITY

a) Protect the algorithm from unauthorized use.

Appriss Retail maintains a comprehensive security program and thoroughly evaluates its AI products to identify and mitigate any potential vulnerabilities. All systems and processes are audited against industry security standards including, but not limited to, ISO 27001.

APPRISS® RETAIL

Leveraging more than 20 years of data science expertise, Appriss Retail transforms ecommerce and omnichannel consumer interactions by providing real-time, actionable recommendations that reduce fraud, drive efficiency, and maximize profitability. The company's AI-driven, SaaS platform generates analytical insights and recommendations at more than 150,000 physical and online retail locations in 45 countries across six continents.

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