

Annex II: Examples of theoretical assessment of harm and significant impact of AI or automated decisions

What happens if the output is wrong or if it works better in comparison with non-AI, human-based decisions?

EXAMPLES OF POTENTIAL HARM

Area	Potential false positive - examples		Potential false negative - examples		If it works better than human decisions on average - examples
	For an individual	At scale/for society	For an individual	At scale/for society	
Social welfare	If a person receives benefits without being entitled to them or receives benefits in excess of what they are entitled to		If a person does not receive any benefits or less than they are entitled to		<ul style="list-style-type: none"> • Better access to social welfare • Improved public administration
	No real negative consequences, unless the wrong decision is found out later and the person needs to pay back money.	Negative consequences for public administration, as this leads to practices not in line with good administration.	Increased poverty and lack of resources for individual to live a dignified life.	Potential shift in societal distribution of resources, which can potentially increase inequalities and social exclusion.	
Predictive policing	An innocent person is flagged to the police as a suspect		A person engaged in criminal activity is not identified		<ul style="list-style-type: none"> • More accurate predictive policing can result in higher levels of arrests of suspects/offenders, and a reduced risk of individuals' crime victimisation. • Reduced crime rates and higher levels of security.
	Potentially humiliating; can be associated with discrimination.	Could increase dissatisfaction with and lack of trust in the police; particularly affecting certain groups.	A person can continue with criminal activity without being sanctioned.	Potential for increased criminality in society, with significant implications for public safety and victimisation.	
Medical diagnosis	A disease is diagnosed wrongly		A disease is not diagnosed		<ul style="list-style-type: none"> • Higher levels of health
	Wrong (potentially harmful) or unnecessary treatment – negative impact on health and human dignity.	Reduced trust in health system, including negative health implications if people stop going to the doctor. General level of health reduced.	Lack of treatment – negative impact on health, including life expectancy.	Overall increase in health problems in society, and potentially increased mortality rates.	
Targeted advertising	An ad is delivered via a website, but is not relevant to the individual		A potentially relevant ad is not delivered via a website		<ul style="list-style-type: none"> • Consumers are better informed about offers in different areas, such as products, services and jobs. • Increased economic revenue for companies.
	Person receives specific ads and misses information about offers they would potentially be interested in. Potential to receive offending content.	Ads replicate social stereotypes that do not offer equal access to a market. Potential negative economic impact as large parts of the potential customer-base is excluded. Potential manipulation of consumers and citizens. Widespread dissemination of potentially offensive content.	A potential consumer does not receive a relevant ad and misses information about offers they would potentially be interested in.	Less efficient targeted advertising would not contribute to increasing revenues for companies. Potential negative economic impact as large parts of the potential customer-base is excluded.	

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