

MODULE 4 : BEST PRACTICES & ETHICS

Objective: The objective of this module is to promote responsible, ethical, and sustainable AI entrepreneurship. It provides you with a list of guidelines and checklists you can use when creating your AI-driven startup.

1. Responsible AI usage guidelines

As shown before, Artificial Intelligence can be used in many ways in a company. It can help you brainstorm ideas, create content, analyse markets, design visuals, save time on repetitive tasks, etc. Used well, it increases productivity and creates new opportunities. Used poorly, it can create mistakes, harm people, or trigger a loss of credibility. That is why some responsible AI usage guidelines must be applied from day one when creating and developing your business.

Principle	What to do?
Transparency	➤ Clearly inform users when AI is being used. Add for example a short disclaimer when publishing AI-assisted content. ➤ If AI makes a decision that affects a customer, be ready to explain how that decision was made
Fairness	➤ If you have an AI tool used by customers, test it with people from different backgrounds before launching it ➤ Regularly check your AI tools for biased or unfair outputs. How to do that? ▪ Read the documentation and transparency reports provided by AI vendors and/or ask directly the vendor whether their model has been audited for bias. ▪ Try running the same prompt with different demographic variables (names, genders, nationalities) and look for patterns. This is called "differential testing" and it requires no technical skills.

Principle	What to do?
Fairness	▪ Keep track of results over time to identify patterns. ▪ Consider using bias-detection tools such as AI Fairness 360 by IBM (free).
Accountability	Remember that you are responsible for everything you do or create with AI. ➤ Assign someone (even yourself) as responsible for each AI tool you use. ➤ Keep track of which AI tools you use, for what purpose, and since when. This can be helpful if there is a problem.
Reliability	AI outputs should be checked before being used. ➤ Always verify facts, data... through reliable sources before publishing or presenting anything. ➤ Pay extra attention to numbers, statistics, names, and dates. These are where AI most commonly "hallucinates" (invents false information) ➤ When possible, you can also run the same question through multiple tools and compare the results
Human oversight	➤ Always keep a human able to review or override AI-driven decisions. This is even more important for high-stake decisions like hiring someone or pricing. ➤ If you feel like an AI output is wrong, trust your feeling and investigate it. ➤ Plan regular review moments to assess your AI tools.
Data privacy and sustainability are tackled below	



Finally, **make sure you know the rules that apply to you.**

In Europe, startups working with AI must understand two key regulations:

- **The EU AI Act**, which focuses on responsible and trustworthy AI systems.
- **The General Data Protection Regulation (GDPR)**, which protects personal data and gives users control over their information

What to do?

- Check the laws and regulations in your country and region to make sure your startup follows them.
- Start by identifying the AI uses that carry the highest risks so you can pay special attention to the rules that apply to them.

2. Data privacy and compliance

Artificial Intelligence creates opportunities for innovation, but also responsibilities. One of the first areas regulated worldwide is data privacy: how personal information is collected, used, and protected. For entrepreneurs, this means one simple thing: **if you use AI, you are responsible for the data behind it.** Personal information entered into AI tools can be stored, reused, or exposed if they are not handled carefully. To help you with this, you can find below some key rules to keep in mind.

Rule n°1: Make sure you know how information is treated by AI and be aware of what you share.

It is essential to carefully read the terms and conditions of any AI tool before using it. As an example, how an AI-tool handles information may differ between free and paid versions. Free accounts often allow user inputs to be used for training AI systems, while paid versions may offer stronger privacy protections. In any case, do not share sensitive information. Avoid entering personal details such as names, phone numbers, addresses, confidential company information, or private client data into AI systems.

Rule n°2: If you need to collect data, collect only what is truly necessary

The less information you collect, the less chances you get to have issues of data privacy. Moreover, make sure users can always access data and delete it if they want (cf GDPR).

Rule n°3: If your startup uses user data for AI improvement, clearly inform the users and allow them to refuse.

AI training can happen through user activity online. In this case, it is important for users to understand how data is collected. As an example, the platform X uses user content to train its AI assistant Grok. The same goes for LinkedIn and neither of them warns you of this. You must manually go to the settings of both websites to change it. If you use this type of AI in your company, do not hide this kind of information, be transparent.

Rule n°4: Protect the data you collect

Once you have collected data, it is your duty to protect it.

Different security challenges exist such as:

- Prompt manipulation, when hackers try to trick AI systems into revealing confidential information.
- Data leaks: stored datasets may accidentally become public or exposed through weak security systems.

So how to avoid that?

Three main ideas: **secure storage, restricted access, and good cybersecurity practices**. Some concrete illustrations of these can be the use of secure and trusted cloud services rather than personal devices; the use of encryption as well as strong passwords and two-factor authentication to protect sensitive data; a regular update of software and AI tools; an access to the data limited to the people who need it, etc.

It is also good to **prepare a simple response plan in case a data breach occurs** (who to inform, how to secure systems, how to notify users if required, etc.).

3. Social entrepreneurship focus

AI can present ethical challenges, but it also offers great opportunities to help solve social and environmental challenges.

- Many social enterprises work with small teams, limited budgets, and high demand for their services. In this context, AI can be very useful in handling some daily tasks, reducing costs, improving decision-making, and helping the social enterprises focus on what matters the most: their mission.
- AI can also help scale the mission of these enterprises to reach more people
- AI can even become the core of innovative solutions for social and environmental challenges, as it is the case in projects like CheckEye (accessible health care), InvestEd (personalized education) or Shayp (avoid water waste).

But without clear social goals, AI can also create exclusion, bias, or negative side effects. That is why it is important to start with the problem and not with the technology. Social value is something you design, not something AI automatically produces.

1) Define Your Social Mission

Before building an AI solution, clarify the impact you want to create.

Ask yourself:

- What problem am I solving?
- Who benefits from this solution?
- How does AI improve the impact?
- Would this idea still make sense without AI?

Application

Problem tackled: _____

Target users: _____

How AI helps: _____

2) Avoid “Impact Washing”

Some startups claim social impact mainly for marketing purposes. Responsible entrepreneurship requires honesty and transparency.

Before calling your startup a social enterprise, ask yourself:

- Is my impact real and measurable?
- Do users actually benefit from my solution?
- Am I hiding or ignoring possible negative effects?

→ If the impact cannot be clearly explained, rethink the concept. If you identify possible negative effects, tackle them as early as possible.

3) Plan and Measure Your Impact

Impact must be visible and measurable from the beginning as it builds credibility, trust, and long-term sustainability.

Define 3-5 concrete Key Performance Indicators (KPIs) to measure whether your AI solution actually helps people (e.g. number of people supported; environmental impact reduction; user satisfaction...)

Your Impact KPIs:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

4) Design With the Users

Social AI solutions should be created with its future users, not only for them.

- ✓ Talk to users early to know their needs
- ✓ Test prototypes quickly
- ✓ Adapt based on real feedback
- ✓ Include people with different realities and abilities in the design and testing

Example: an AI learning tool should be tested with students from different schools, levels, and learning profiles.

Quick Check

- ☐ I consulted real users
- ☐ I tested with diverse profiles
- ☐ I improved the solution based on feedback

4. Sustainable business practices

⇒ What AI can do for sustainability

AI is a powerful ally for greener businesses. Some companies are already using it in different ways:

How?	Description
Reducing waste by predicting sales and market trends	Anticipate what you need before you over-produce or over-order (e.g. Shopify, Google Trends, Notion AI, etc.)
Optimizing energy & inventory	In retail and logistics, cutting unnecessary consumption across the supply chain (e.g. Microsoft Power BI, Zoho Inventory, etc.)
Contributing to a circular economy	Using AI to develop products designed for reuse, repair and recycling
Bringing innovative solutions to specific environmental challenges	E.g. precision farming that helps with the minimization of water usage and the optimization of fertilizer options (e.g. Plantix, ClimateAI)

Overall, AI can be used to regulate energy consumption and avoid waste of precious resources. This is commonly called “Green Technology AI” and it's already working at scale in some countries. China, for example, uses AI to monitor energy, avoiding unnecessary consumption. Moreover, tools like **Carbon Bright** can help businesses track and reduce emissions across their entire production chain.

⇒ But AI also has an environmental impact

We know that AI consumes significant energy, but often, these tools tend to be more energy-efficient in the long run than the processes they replace. As a young entrepreneur, you must keep these two opposed dynamics in mind and always ask yourself:

Do I actually need AI here, or is there a simpler, more sustainable solution?

Does my AI create long-term value, or just short-term convenience?

If the answers point to AI, then **use technology responsibly**:

- Start small. Test lightweight tools and prototypes first before scaling up. This saves resources, reduces risk, and helps you validate whether AI really fits your needs.
- Avoid constant hardware upgrades, unless it is really necessary
- Use refurbished or shared equipment
- Choose sustainable cloud computing for data storage. It is more energy-efficient than running local servers, especially when choosing green providers.

Finally, sustainability isn't just environmental, it's also about how you make money and how you treat your users. Always ask yourself:

- Is my revenue model transparent and fair?
Hidden fees, unfair prices, or unclear data use make people lose trust.
- Am I helping users or simply looking for engagement?
Avoid addictive design patterns that keep users hooked without adding real value. A sustainable business is based on loyalty and not on dependency.

5. Checklists for ethical decision-making

When creating your startup, use the following checklist to see if it follows a good ethics framework. Keep using it before launching any AI feature, tool, or decision in your startup.

Responsible AI Use

- ☐ Have I informed users when and how AI is being used?
- ☐ Am I regularly checking my AI tools for biased or unfair outputs?
- ☐ Can I explain how my AI makes decisions that affect users?
- ☐ Have I assigned someone responsible for each AI tool I use?
- ☐ Do I keep track of which AI tools I use, for what purpose, and since when?
- ☐ Have I verified AI outputs through reliable sources before publishing or presenting them?
- ☐ Is there always a human able to review or override AI-driven decisions?

Data Privacy

- ☐ Have I read the terms and conditions of every AI tool I use?
- ☐ Am I avoiding sharing sensitive or personal data with AI tools?
- ☐ Do I only collect data that is strictly necessary?
- ☐ Can users access, modify, or delete their data at any time?
- ☐ Have I clearly informed users if their data is used to train AI and do they have the possibility to refuse?
- ☐ Is my data stored securely, with restricted access and strong passwords?
- ☐ Have I identified which of my AI uses carry the highest privacy risks?
- ☐ Am I familiar with the GDPR rules and am I explicitly applying them?
- ☐ Do I have a clear response plan in case a data breach occurs?

Social Impact

- ☐ Have I started from a real problem, not just from technology?
- ☐ Can I clearly answer: Who benefits from my solution?
- ☐ Is my social impact real and measurable, not just a marketing claim?
- ☐ Have I defined concrete KPIs to measure my impact from day one?
- ☐ Have I identified and addressed potential negative side effects early?
- ☐ Have I involved future users in the design and testing of my solution?
- ☐ Does my solution work across different languages, backgrounds, and abilities?

Sustainability

- ☐ Have I questioned whether AI is truly necessary for my solution?
- ☐ Did I start with a lightweight tool or prototype before scaling?
- ☐ Am I avoiding unnecessary hardware upgrades?
- ☐ Am I using sustainable cloud services for data storage?
- ☐ Am I monitoring my environmental and social impact regularly?

Fair & Transparent Business

- ☐ Is my revenue model clear and fair to all users?
- ☐ Am I being transparent about how I use data to make money?
- ☐ Am I designing for user wellbeing, not just engagement?
- ☐ Would I be comfortable if my users saw exactly how my AI works?

If you hesitate on any of these, that's your signal to pause and investigate before moving forward. Keep in mind that ethics cannot be an afterthought, it must be built into your idea from day one.

User Flow:

1. Learn guidelines
2. Apply checklists to your business idea
3. Integrate ethics into business model and AI usage

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