

ANNUAL REPORT EXECUTIVE SUMMARY 2023



Further details about the EDPS can be found on our website edps.europa.eu

The website also details a <u>subscription feature</u> to our newsletter.

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Foreword

I have the honour of presenting the EDPS Annual Report summarising our activities of the year 2023. Looking back on our achievements, I see with pride the EDPS' adaptability to a changing world and the ability to tackle proactively the challenges of today and tomorrow.

We demonstrated these skills with the complexity of our actions in the field of Artificial Intelligence. While AI has dominated the public debate last year, the EDPS, contributed to the shaping of Al by ensuring that the fundamental rights to privacy and data protection, and by extension, its rules and principles continue to apply to any development, use and application of AI tools. It is according to these principles that we carry out our work and steer discussions at global level with fellow data protection and privacy authorities during various international fora and initiatives, such as the Roundtable of G7 Data Protection and Privacy Authorities during which we adopted a Statement on Generative AI, or the 45th Global Privacy Assembly Resolution on Generative Artificial Intelligence Systems, which the EDPS championed.

Our work did not stop there. The EDPS has been actively engaging in designing new legal frameworks for AI, particularly the EU's AI Act. To support the legislator, the EDPS issued its Final Recommendation on the AI Act aimed at ensuring that the tasks and duties of the EDPS - as the future AI Supervisor of the EU



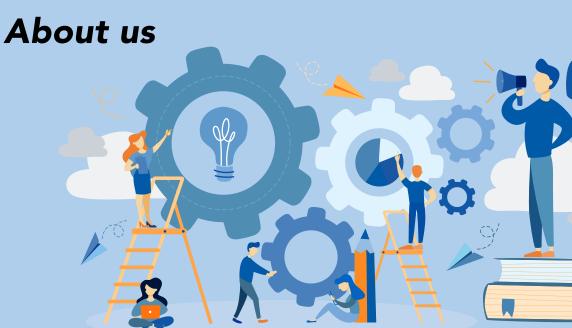
institutions, offices, agencies and bodies - are clearly spelled out to guarantee that AI systems used and developed by them are safe and sound. I also reiterated my call for the prohibition of AI systems posing unacceptable risks to individuals. In the same vein, we issued an Opinion on draft AI liability rules.

Building on our previous contributions on the measures aimed at combatting child sexual abuse online, the EDPS organised on 23 October 2023 a seminar dedicated to the ongoing legislative work on the European Commission's Regulation Proposal on Child Sexual Abuse Material (CSAM). The seminar gathered stakeholders who over the last years have been warning the public about the risks associated with the proposal misconceptions around its potential and effectiveness. I expressed my strong conviction that the CSAM proposal would fundamentally change the internet and digital communications as we know them and mark a point of no return. I am grateful to all the participants, many of whom stressed the need to preserve the integrity of Europe's rights-based system and called for due diligence and respect for the scientific evidence displayed during the legislative process.

It is also in the spirit of addressing matters of societal impact that the EDPS used its role and power to act in the area of migration and border management. We firmly believe that the privacy of the most vulnerable is at a higher risk of being profoundly impacted. As a supervisory authority, we reached the borders - literally - by inspecting operations of Frontex at the Greek island of Lesbos in an unprecedented collaborative effort with a national data protection authority to scrutinise, on the ground, the processing of personal data of people entering the territory of the European Union. 2023 was the 19th year of the functioning of the EDPS. When we will be sharing this report, we will be already 20 years old. We very much invite you to join our celebrations for the year to come, hoping you might find what we prepared on this occasion as inspiring and thoughtprovoking. Thank you for being with us.

Wojciech Wiewiórowski European Data Protection Supervisor

CHAPTER ONE



1.1. The EDPS

Who we are

The European Data Protection Supervisor (EDPS) is the European Union's independent data protection authority responsible for supervising the processing of personal data by the European institutions, bodies, offices and agencies (EUIs).

We advise EUIs on new legislative proposals and initiatives related to the protection of personal data.

We monitor the impact of new technologies on data protection and cooperate with supervisory authorities to ensure the consistent enforcement of EU data protection rules.

Our mission

Data protection is a fundamental right, protected by European law. We promote a strong data protection culture in the EUIs.



"Together our goal is to protect people's data"

- W. Wiewiórowski



Our values and principles

We carry out our work according to the following four values.

- **Impartiality:** Working within the legislative and policy framework given to us, being independent and objective, finding the right balance between the interests at stake.
- **Integrity:** Upholding the highest standards of behaviour and to always do what is right.
- **Transparency:** Explaining what we are doing and why, in clear language that is accessible to all.
- **Pragmatism:** Understanding our stakeholders' needs and seeking solutions that work in a practical way.

What we do

We have four main fields of work.

- **Supervision and Enforcement:** Monitoring the processing of personal data by EUIs to ensure that they comply with data protection rules.
- **Policy and Consultation:** Advising the European Commission, the European Parliament and the Council on legislative proposals and initiatives related to data protection.
- **Technology and Privacy:** Monitoring and assessing technological developments impacting the protection of personal data. We oversee that the systems supporting the processing of personal data by EUIs implement adequate safeguards to ensure compliance with data protection rules. We implement the digital transformation of the EDPS.
- Cooperation: Working with data protection authorities to promote consistent data protection across the EU and European Economic Area. Our main platform for cooperation with data protection authorities is the <u>European Data Protection Board</u>, to whom we provide a secretariat and have a <u>Memorandum of Understanding</u> defining how we work together.

How we work

Each area of expertise, enumerated above, is embodied by Units and Sectors that bring together a diverse group of legal and technical experts, as well as other specialists in their field from all across the European Union.

In 2023, the EDPS made <u>organisational changes</u> to be able to continuously respond and adapt to the evolving data protection challenges that lie ahead. These changes include the appointment of the EDPS' first Secretary-General and specific sectors to address key policy areas with an impact on data protection, such as a sector to monitor the EU's Area of Freedom Security. Other sectors have been created, one to address efficiently complaints made by individuals and launch timely investigations into

the way personal data is processed by EUIs, and another to deliver comprehensive advice to EUIs on data protection matters.

The reshaping of the EDPS also saw the creation of specialised sectors in the area of Technology and Privacy, one to ensure the oversight and auditing of IT systems; another to develop and to anticipate new



technologies and their impact on privacy and data protection; and a sector to develop the independent digital transformation of the institution. We have also set up a task force on Artificial Intelligence, to keep up the pace with its development.

With the aim to lead by example when protecting individuals' fundamental rights to privacy and data protection, the EDPS has developed its own legal service.

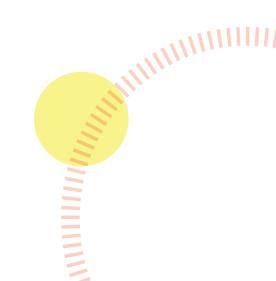
Our Powers

The powers we have as the data protection authority of EUIs are laid out in <u>Regulation (EU) 2018/1725</u>.

Under this Regulation, we can, for example, warn or admonish an EUI that is unlawfully or unfairly processing personal data; order EUIs to comply with requests to exercise individuals' rights; impose a temporary or definitive ban on a particular data processing operation; impose administrative fines to EUIs; refer a case to the Court of Justice of the European Union.

We also have specific powers to supervise the way the following EU bodies, offices and agencies process personal data:

- **Europol** the EU Agency for Law Enforcement Cooperation under Regulation 2016/794.
- **Eurojust** the EU Agency for Criminal Justice Cooperation under Regulation 2018/1727.
- **EPPO** the European Public Prosecutor's Office under Regulation (EU) 2017/1939.
- **Frontex** the European Border and Coast Guard.



1.2. EDPS Strategy 2020 - 2024

In a connected world, where data flows across borders, solidarity within Europe, and internationally, will help to strengthen the right to data protection and make data work for people across the EU and beyond.

The <u>EDPS Strategy for 2020-2024</u> focuses on three pillars: **Foresight**, **Action** and **Solidarity** to shape a safer, fairer and more sustainable digital future.

- **Foresight**: Our commitment to being a smart institution that takes the long-term view of trends in data protection and the legal, societal and technological context.
- Action: Proactively develop tools for EUIs to be world leaders in data protection. To promote coherence in the activities of enforcement bodies in the EU with a stronger expression of genuine European solidarity, burden sharing and common approach.
- **Solidarity**: Our belief is that justice requires privacy to be safeguarded for everyone, in all EU policies, whilst sustainability should be the driver for data processing in the public interest.

For more information about the EDPS, please consult our <u>Frequently Asked Questions page</u> on the EDPS website.

For more information about data protection in general, consult our <u>Glossary page</u> on the EDPS website.

CHAPTER TWO

Looking ahead, our vision for 2024



The year 2024 marks the EDPS' 20th anniversary; two decades of protecting privacy and data protection.

With this milestone comes the inevitable need to reflect on the progress made, the mountains conquered, and lessons learned, serving as fuel to plan ahead, to tackle the challenges of tomorrow. This exercise is necessary for any institution with an ambitious mission that wishes to adapt, to keep up the pace with an ever-evolving digital landscape, in order to be able to respond adequately to protect individuals' data protection rights.

Following this dynamic, the year 2024 will be dedicated to preparing the data protection arena of tomorrow by analysing the past, present and possible future dynamics between data protection, privacy, technology, policy and other fields.

To achieve this, the EDPS has chosen to base its anniversary on four key pillars - all designed to highlight the importance and impact of data protection.

The first pillar is composed of a book and a timeline that analyses key data protection milestones and the EDPS' influence and history in this remit over the last two decades, as well as an in-depth analysis of what is yet to come.

To inform our work as a data protection authority going forward, we must also be able to learn from others. **Our second pillar comprises 20 talks with leading voices from around the world** who share their unique perspective on how data protection and privacy shape their respective fields.

With a view of modernising the EDPS' approach to anticipate and tackle future challenges, **our third pillar includes 20 initiatives aimed at further emboldening individuals' fundamental rights.**

The fourth pillar is our European Data Protection Summit - Rethinking Data in a Democratic Society, taking place on 20 June 2024, in Brussels, Belgium. During this event, we aim to foster dynamic and open discussions on the role of privacy and data protection in modern democracies by examining, in particular, the role of a state at a time of an ever-growing collection of information about citizens.

With these four pillars, the EDPS, as a responsible and forward-looking data protection authority, aims to anticipate the challenges and opportunities ahead in order to equip itself with enforceable regulatory tools that protect individuals' personal data, in an era where data is pivotal in shaping the digital landscape, businesses, governments and other entities.



CHAPTER THREE

Our 2023 highlights



Pursuing our goals and ambition to build and sustain the best data protection practices within EU institutions, bodies, offices and agencies (EUIs), to shape a safer digital future for Europe, and to protect the privacy of its citizens, we have busied ourselves by delivering on our core tasks: **Supervision & Enforcement, Policy & Consultation, Technology & Privacy**.

3.1.

Supervision & Enforcement

In the realm of our supervisory and enforcement activities, we continued to monitor, guide and verify the way EUIs process individuals' personal data, ensuring that they comply with their applicable data protection law, <u>Regulation (EU)</u> 2018/1725, also known as the EUDPR.



Our work in this area was varied. It included issuing

<u>15 Supervisory Opinions</u> on various issues: EUIs' draft rules to combat and prevent harassment; the envisaged processing of biometric data; the use of social media for various purposes; the controller-processor relationships; the exchange of information between different EUIs or EU Member States.

Using **our investigative powers**, we followed-up on, carried out or finalised our inspections of the way certain EUIs process personal data. In particular, this year, we enhanced our investigative processes to more effectively ascertain if EUIs have infringed applicable data protection laws. This advancement underscores our commitment to continuously elevate the standards of our verification

practices. Our ongoing or closed investigations of 2023 cover an array of subjects, including EUIs' use of IT tools and services that may involve the transfer of personal data outside the EU or European Economic Area; our ongoing investigation into the use of Microsoft 365 by EUIs, including the European Commission.

As part of **our supervisory work**, we continued to carry out audits, checking how EU data protection laws are put into practice by EUIs. Notably, we audited EPSO - the European Personal Selection Office - and the European Investment Bank. In 2023, the roles were also reversed as the EDPS was subject to an audit by the Internal Audit Service of the European Commission on the risk assessment methodology for planning audits.

Recognising the importance for individuals to be supported when they consider their personal data mismanaged by an EUI, **we addressed numerous complaints**. Observing their increase over the last year, we created a dynamic tool on the EDPS website to ramp up our efficiency in this process. This year, complaints related to individuals' right of access to their personal data, their right to erasure, data retention, to name a few examples.

Successful compliance with data protection law cannot happen without **the expertise of data protection officers of EUIs**. In their respective EUI, they help with putting data protection into practice. Capitalising on this, we redoubled our efforts to instill a strong and sustainable collaboration with them through various initiatives: our biannual EDPS-DPO meetings, DPO roundtables, the DPO Support Group and more.

On top of this, we also dedicated our expertise **to supervising the Area of Freedom, Security and Justice** (ASFJ) for which we have specific powers. This includes Europol - the EU Agency for law enforcement; Eurojust - the EU Agency for Criminal Justice Cooperation; EPPO - the European Public Prosecutor's Office and Frontex - the European Border and Coast Guard Agency.

We approached our supervision of the AFSJ as a whole, taking a holistic view, in order to exercise our supervisory powers. Yet, we also take into account the specificities of each of these bodies, offices and agencies, in terms of the nature and scope of their personal data processing operations, whenever needed and relevant.

In 2023, we focused our supervisory activities over these, bodies, offices and agencies in the Area of Freedom, Security and Justice around 6 pillar-actions.

- **Preparing** for the supervision of the interoperability framework.
- **Reinforcing** our cooperation with national data protection authorities either bilaterally or through our active participation in the Coordinated Supervisory Committee, in particular to coordinate supervisory actions.
- **Scrutinising** the processing of personal data by Frontex from debriefing reports in the context of joint operations.

• Assessing Europol's processing of biometric data.

3.2.

- Monitoring new ways of cooperation between Europol and EU Member States in the production of operational analysis.
- Providing advice on the setting up of new systems to process operational personal data by Eurojust (war crime module) and EPPO (new environment to conduct operational analysis).

Policy & Consultation \bigcirc d =

We continued to act as an advisor to the EU's co-legislators - the European Commission, the European Parliament and the Council - on all new proposed legislation potentially impacting individuals' rights to privacy and personal data, we contribute to shaping a safer digital future for the EU and its citizens.

Concretely, we issued in 2023 116 legislative consultations - in the form of Opinions, including own-initiative Opinions, and Joint Opinions with the European Data Protection Board, Formal and Informal Comments.

To this end, we invested significant time and resources in advising the EU's co-legislators on Artificial **Intelligence**, in particular the AI Act, to guarantee that the development of AI tools and systems comply with data protection law, and advocating that these tools and systems should be prohibited if they pose unacceptable risks to individuals. As an extension to this issue, we also provided advice on the Al liability rules, to ensure that individuals who suffer damages caused by Al systems used by EUIs are protected in the same way as individuals who suffer damaged caused by AI systems used by private or public sectors in other EU Member States.

We also concentrated our efforts on draft legislative proposals in the **financial sector**, notably on the Digital Euro and Financial and Payment Services, to avoid the centralisation and over processing of individuals' personal data.

Furthermore, we counselled the EU's co-legislators on legislative proposals permeating to the policy field of justice and home affairs, on issues related to the protection of EU citizens' rights, such as

freedom of movement, as well as the EU's security, which may involve the processing of individuals' personal data.

Advocating for a **consistent approach to data protection and privacy across the EU/EEA**, we continued to cooperate with the European Data Protection Board (EDPB), of which we are a member and provide its secretariat for logistical support, on various initiatives, such as on files related to transfers of personal data outside the EU/EEA, the data processing of certain social media platforms, and more.

Championing the EU's data protection standards to become the **global standard of data protection**, we continue to collaborate closely with our international partners through different fora and platforms, such as the Global Privacy Assembly, the G7 Roundtables of data protection and privacy authorities, during which we adopted resolutions on Generative AI.

3.3. Technology and Privacy

Complementing our core activities of monitoring the practical application of data protection law, and

advising on legislative proposals with an impact on data protection law, we also anticipate the challenges of a rapidly evolving digital landscape.

In 2023, we enhanced our capabilities to assess and prepare for upcoming and future technological trends to measure their impact on privacy and data protection, more than ever before.

To achieve this, we monitored technological developments using a



foresight-based approach, looking in particular at large language models, digital identity wallets, internet of behaviours, extended reality, deepfake detection. Our work in this area can be found in our **TechSonar reports**, the first European initiative that bridges the gap between data protection and strategic forecasting, foresight and future studies.

Whilst we attempt to predict future technologies and their impact with TechSonar, we also concentrate our expertise in monitoring current technologies, their development and influence on privacy and data protection, with our **TechDispatch reports and talks**. This year, we focused on the Central Bank Digital Currency and Explainable Artificial Intelligence.

Extending our expertise, and informing our work in return, we **collaborated with our international partners in the field of technology**. This included working closely with the EDPB on the notion of personal data, but also anonymisation, pseudonymisation of personal data, and other technical aspects, including how to interpret certain privacy-related legislation, such as the ePrivacy Directive.

With the aim to lead by example when it comes to minimising our reliance on monopoly providers of communications and software services to avoid detrimental lock in, we progressed in **our exploration and deployment of free and open source software and solutions**. This included carrying out our own IT feasibility study to identify our IT requirements, based on current and future needs; and a pathway of possible solutions to respond to these demands, such as launching our own EDPS Cloud, maintaining our alternative social media channels, EU Voice and EU Video.

We continued **overseeing systems and technology audits**, taking care of audits of large-scale IT systems, and managing personal data breaches, as well as other initiatives. As an example, we audited the Schengen Information System, focusing on information security, including security policies and management, risk mitigation, testing procedures, technical vulnerabilities, system specific legal requirements (access control management, logging and retention of logs, security incidents, specific rules for biometric data in SIS), and personal data breaches.

3.4.

Communicating data protection



As an organisation, we strive to be transparent - **explaining in clear language, accessible to all,** what we are doing and why.

To this end, over the years we have developed, and cemented, a strong online presence, primarily through **our social media channels: X (Twitter), LinkedIn, YouTube, EU Voice and EU Video, and the EDPS website**. We use these different communication tools depending on the audience we wish to reach, and the type of information we wish to provide. This allows us to both inform the public appropriately on data protection matters, and enhance the visibility of our work.

3.5. Human Resources, Budget and Administration

As an organisation, we also have to **manage our resources efficiently** - such as our time, employees, and finances - to be able to carry out our tasks as the data protection authority of the EU institutions, bodies, offices and agencies (EUI). The Human Resources, Budget and Administration Unit (HRBA) also carries out these tasks for the European Data Protection Board (EDPB), for which we provide a Secretariat.



This year, we accompanied the institution in its expansion and reshaping to tackle data protection challenges.

3.6. Key Performance Indicators 2023

We use a number of **key performance indicators (KPIs)** to help us monitor our performance in light of the main objectives set out in the EDPS Strategy. This ensures that we are able to adjust our activities, if required, to increase the impact of our work and the effective use of resources.

The KPI scoreboard below contains a brief description of each KPI and the results on 31 December 2023. These results are measured against initial targets, or against the results of the previous year, used as an indicator.

In 2023, we met or surpassed - in some cases significantly - the targets set in all KPIs, except one, confirming the positive trend in implementing our strategic objectives throughout the year.

One KPI did not fully meet the set target, KPI7, concerning followers on EDPS social media account. In particular, in 2023 we have observed a reduced growth in the number of followers on our X account (ex-Twitter). This might result from a general decline in the number of people active on this social media platform.

KEY PERFORMANCE INDICATORS		RESULTS 31.12.2023	TARGET 2023
KPI 1 Internal indicator	Number of cases, incl. publications, on technology monitoring and on promoting technologies to enhance privacy and data protection organised or co-organised by the EDPS	20 cases	10 cases
KPI 2 Internal & External Indicator	Number of activities focused on cross-disciplinary policy solutions (internal & external)	8 activities	8 activities
KPI 3	Number of cases dealt with in the context of international cooperation (GPA, CoE, OECD, GPEN, IWGDPT, Spring Conference, international organisations) for which the EDPS has provided a substantial written contribution	36 cases	5 cases
KPI 4 External Indicator	Number of files for which the EDPS acted as a lead rapporteur , rapporteur , or a member of the drafting team in the context of the EDPB	20 files	5 files
KPI 5 External Indicator	Number of Article 42 Opinions and Joint EDPS- EDPB Opinions issued in response to the European Commission's legislative consultation requests	56 Opinions	Previous year as benchmark
KPI 6 External Indicator	Number of audits/visits carried out physically or remotely	9 audits/visits	5 Opinions

KEY PERFORMANCE INDICATORS		RESULTS 31.12.2023	TARGET 2023
KPI 7 External Indicator	Number of followers on the EDPS social media accounts	X: 29 413 LinkedIn: 71 238 EUVoice: 5 906 EUVideo: 752 YouTube: 2 984 Total: 110 293	Number of followers of previous year +10%
KPI 8 Internal Indicator	Occupancy rate of establishment plan	95.65%	90%
КРІ 9	Budget implementation	96%	90%
Internal Indicator			

