JOINT REPORT BY FTI CONSULTING, TRINITY COLLEGE DUBLIN AND MASON HAYES & CURRAN

Decoding AI Disclosure 2025

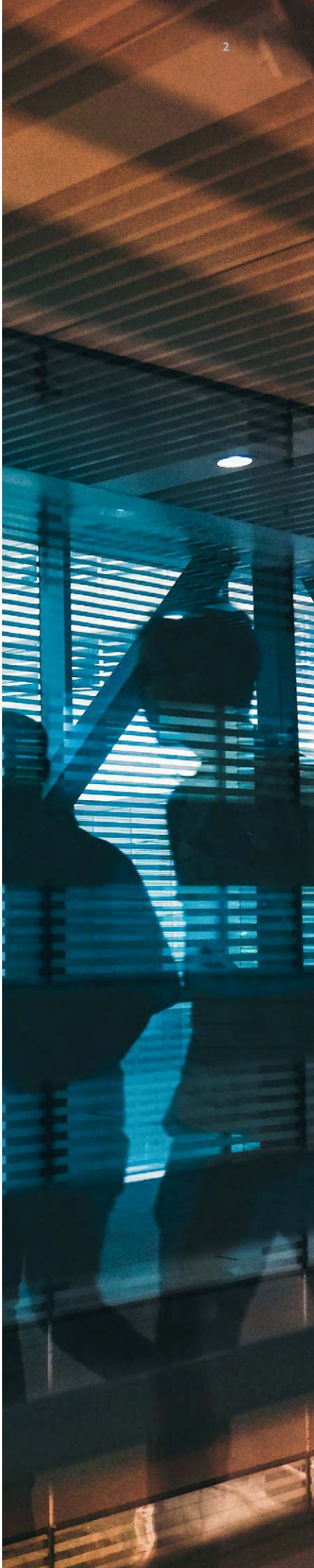
How Europe's Largest Companies Report On AI

Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

MASON HAYES & CURRAN

FTI CONSULTING

Contents



Forewords

Trinity Corporate Governance Lab

"We are proud to present the findings of our latest research on how Europe's largest companies report on artificial intelligence. We have noted significant improvements in disclosure year-on-year, and we will continue to monitor trends as AI adoption and associated reporting continues to evolve and expand rapidly. Our research is centred at the intersection of discussions around frontier technology, sustainability reporting and ESG frameworks, each of which are experiencing different challenges, developments and scrutiny, particularly over the past 24 months. Reporting in each of these areas provides a window into how companies are responding to those challenges and shines a light on what stakeholders and the public in general can expect next. I would like to thank all the researchers that were involved in this project, and a special word of thanks to our knowledge partners, FTI Consulting and Mason Hayes & Curran."

Daniel Malan, Director of the Trinity Corporate Governance Lab

FTI Consulting

"We've seen a marked improvement in disclosure from Europe's top 50 companies since our initial report in 2024. This is unlikely to surprise anyone given the scale and pace of AI development and adoption across the globe in the past 12 months. However, our report seeks to better understand the approach companies are taking to manage both risk and opportunity of something that is shifting the centre of gravity for many business models.

Disclosure is a helpful indicator into the approach boards are taking to understand the potential of AI, and embedding responsible practices to ensure it is used effectively in ways that build trust and value for stakeholders.

While regulation – principally the EU AI Act – is driving the evolution of AI governance, oversight and reporting, we are also seeing a step-up in demand from institutional investors. Their demand for greater disclosure around AI places an additional burden on listed businesses and runs in parallel to what regulators require. This report provides a useful insight into how leading companies are approaching AI governance and oversight and a benchmark companies can use as they continue to develop more detailed AI policies, robust oversight and transparent performance metrics."

Jonathan Neilan, Senior Managing Director at FTI Consulting

Mason Hayes & Curran

"We are pleased to see the publication of the second "Decoding AI Disclosure" report and to have joined as a knowledge partner to provide legal insight on AI regulation and the implementation of the EU AI Act. Our contribution has been shaped by our experience advising clients on the practical implications of AI regulation and on evolving corporate governance obligations. Understanding not just how Europe's largest companies are adopting AI but how they are adapting their governance regimes to incorporate the management of AI risks and board oversight mechanisms (among other things) is essential for ensuring that the impact of the use by organisations of AI is understandable and transparent for all. The progression from simply disclosing details of AI strategies to reporting on these governance arrangements fosters public trust and ensures that these powerful technologies serve the broader public good. I would like to thank FTI Consulting and the Trinity Corporate Governance Lab for driving this important initiative."

Claire Lord, Partner and Head of Corporate Governance at Mason Hayes & Curran

Executive Summary

We are pleased to launch our second "Decoding AI Disclosure" report which assesses AI-related disclosures by Europe's 50 largest companies.[1] In this report, we outline practice and progress for these companies and compare them to the findings from our inaugural report, published in November 2024. While two years of data are insufficient to establish fundamental trends, notable changes have emerged since last year. In 2024, most companies placed an emphasis on detailing their AI strategies and use cases, while disclosure on critical governance aspects such as AI policies, oversight mechanisms, risk management, audits, and key performance indicators (KPIs) remained limited.

From the 2025 review, it is clear companies are providing significantly more information on their governance frameworks, including policies, board oversight, training, risk management, and KPIs. As a result, the previous gap between high-level AI strategy disclosure and detailed governance reporting is beginning to narrow.

Similar to the 2024 report, our research examined annual, sustainability and integrated reports of the 50 companies in the STOXX Europe 50 Index. We established a framework for our 2024 analysis which we have again used as the basis for our 2025 analysis and which looks at 10 thematic categories:

Category	What evidence we were looking for
Policy	Established AI policy or set of principles in relation to AI.
Board Oversight	AI-related board responsibilities and board committees, as well as evidence that AI was discussed during board or committee meetings, and evidence of AI skills at board level.
Senior Leadership	Any person in a senior leadership position whose role included AI tasks or responsibilities.
Knowledge Development	AI-related training or industry collaboration (excluding collaboration arising from customer or supplier relationships).
Audits	Direct mentions of internal or external audits specifically related to AI systems or their use.
Strategy	General disclosure that referenced AI-related risks, opportunities, objectives or principles. Recognition was given to vague statements but that will change in the future.
Risk Management	Detailed information on AI-related risks, existence of frameworks, safeguards, risk matrices, etc.
Key Performance Indicators (KPIs)	Quantifiable numbers or proportions associated with AI.
AI Usage	Concrete AI use cases. Disclosure of initiatives under development did not qualify.
Chair or CEO Statement	Any reference to AI in either the Chair or CEO statement (location-specific).

Strategy remains the category with the highest frequency of disclosure; however, these results are tempered by the range of potential disclosures for strategy, and the relatively low bar set under this disclosure point. In some cases a piece of disclosure on AI strategy might be relatively weak ("AI is on our agenda, it is a strategic issue") and not backed up by additional information disclosed in other categories, such as Policy, Senior Leadership and KPIs, where there are greater changes in company practice needed to satisfy the disclosure requirements.

The most significant improvement is in the category of KPIs. Reporting on KPIs increased by 162% (from 13 companies in 2024 to 34 companies in 2025). As of 2025, more than two thirds of companies have recognised the importance of measurement. Simultaneously, the increase in the integration of KPIs is an indication of growing sophistication of AI strategies and reporting, with companies more comfortable determining what measures should be tracked and, ultimately, improved.

Reporting on Policy, Board Oversight, Knowledge Development and Risk Management all increased by about 50%:

— The number of companies mentioning the existence of an AI policy increased from 19 to 28;

— The number of companies disclosing proof of AI oversight at board level increased from 23 to 34;

— The number of companies discussing knowledge development initiatives increased from 26 to 38; and

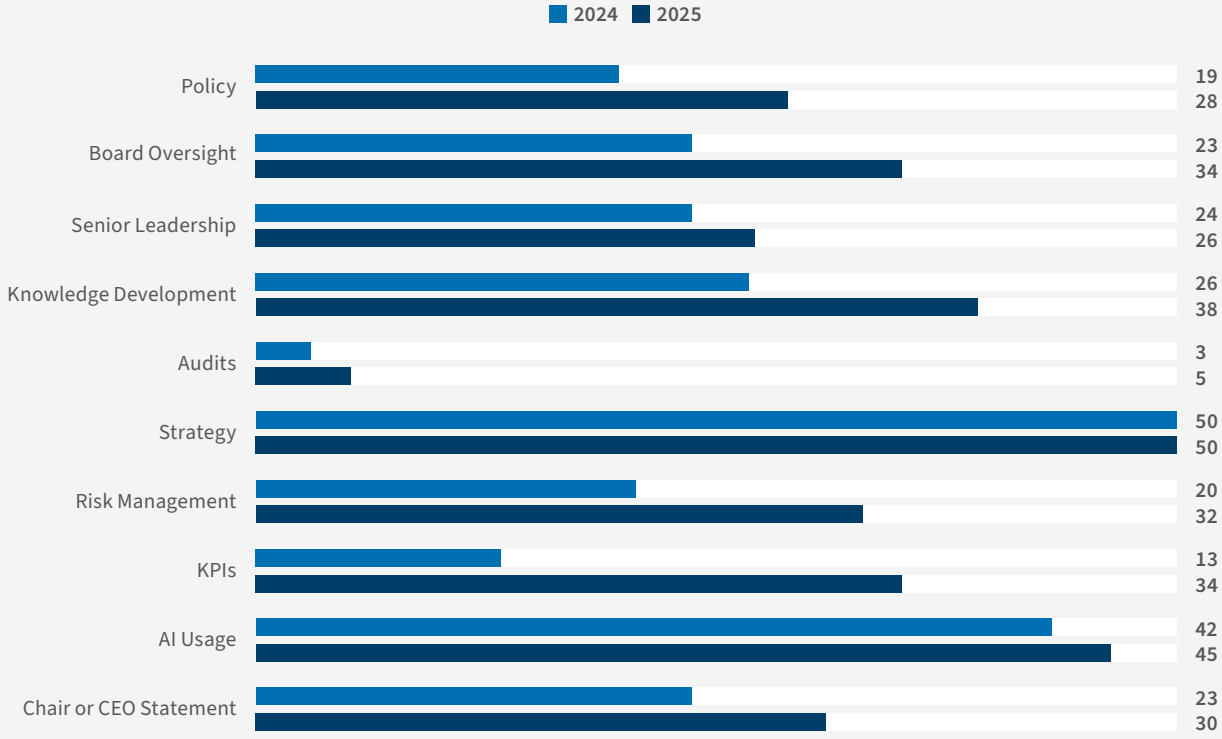
— The number of companies describing elements of their processes to manage AI-related risks increased from 20 to 32.

From a governance perspective, it is encouraging to see that more than two-thirds of companies now report having established board-level oversight of AI, including examples such as the creation of AI-focused board committees and evidence of AI-related discussions at board and committee meetings. We also identified anecdotal evidence of companies updating their board skills matrices to reflect AI competencies, linking executive remuneration to AI-related strategic objectives, and integrating the management of AI risks into their existing risk management frameworks.

Finally, the weakest category remains Audits. As companies come to terms with regulatory requirements as well as management and governance of new technology, it is understandable that it will take some time for audit methods to be developed and implemented, much like the eventual development of external assurance for sustainability data.

The overall results are summarised in the figure below.

Number of companies providing disclosure within a certain category



In the 2024 report we identified Top Disclosers as companies that disclosed across eight or more of the categories outlined. If we applied the same criteria in 2025, 17 companies would qualify. Given the ongoing improvement, both in company practice and reporting, in order to qualify as a Top Discloser for 2025, we have increased the requirement to disclosure across nine or more categories. Below we list the Top Disclosers of 2025 in alphabetical order:

- GSK
- HSBC Holdings
- L'Oreal
- National Grid
- Prosus
- SAP
- Schneider Electric
- Siemens
- UBS Group
- Unilever
- Zurich Insurance Group

With the exception of GSK, Prosus, and Zurich Insurance Group, all of the 2025 Top Disclosers are new entrants to the list. In 2025, these companies expanded their disclosure coverage by at least two additional categories compared to 2024. In the previous year, we identified eight Top Disclosers. Notably, the five companies that did not appear on this year's list continue to demonstrate strong disclosure practices, although they cover fewer areas than the 2025 Top Disclosers.

Similar to our conclusion last year, our findings indicate that companies should focus on the following activities, as a means of enhancing oversight, management and communication around AI:

- Integrate AI policies into business strategy and reporting
- Enhance board oversight and transparency
- Clarify senior leadership responsibilities
- Invest in training and collaborations to build knowledge
- Disclose risk management methodologies and mitigation plans
- Report on audit processes and results
- Provide a balanced set of KPIs demonstrating AI's impact

Progress that has been achieved since 2024 is encouraging, specifically with regards to the critical area of KPIs. Development of frameworks to measure the impact and progress of AI is a central tenet to effectively integrate AI considerations into corporate strategy. It indicates a potential shift from vague commitments to a more strategic understanding and commitment to ensure that risks and opportunities related to AI are more systematically measured. Disclosure is a key activity that drives both internal improvement as well as transparency to all stakeholders. We hope that our research on Europe's largest companies will support others in further increasing the quality of AI-related disclosure practices.

Introduction

The first edition of "Decoding AI Disclosure" was published jointly by FTI Consulting and the Trinity Corporate Governance Lab in November 2024. In our inaugural report we provided a baseline on how Europe's 50 largest companies report on artificial intelligence (AI), with a specific focus on strategy and corporate governance.

The revised definition of AI from the Organisation for Economic Co-operation and Development (OECD) reads as follows:[2]

"An AI system is a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment."

Our findings last year were that many companies reported on AI strategy and use cases, whereas critical categories such as AI policy, oversight mechanisms, risk management, audits and key performance indicators (KPIs) showed lower disclosure rates. We also noted some variation in disclosure per sector, with those exposed to the greatest amount of risk providing the most comprehensive disclosure.

In our second edition we are delighted to welcome Irish business law firm Mason Hayes & Curran as a partner. Within the context of our research on disclosure, we have provided additional insight on the issue of AI regulation and the implementation of the EU AI Act.

While it is not possible to evaluate meaningful trends after two years of research, we have noted significant improvements from 2024 to 2025, with companies responding to greater scrutiny; developing more sophistication in identifying risks and opportunities relating to AI; and, ultimately, attempting to ensure they are viewed as a good actor in managing AI-related issues. We found that companies have developed greater disclosure on their governance frameworks (i.e. policy, board oversight, training, risk management and KPIs). In addition, when compared to 2024, the gap between more general discussion of strategy and use cases and detailed governance reporting is narrowing.

As the focus on AI increases across all stakeholder groups, we expect that our findings in 2026 will be similar. As disclosure becomes more detailed and meaningful, our approach will shift to evaluate the quality of disclosure, rather than disclosure itself.

Similar to the 2024 report, our research in 2025 examined annual, sustainability and integrated reports of the 50 companies in the STOXX Europe 50 Index. Companies included this year are:

Table 1: Companies Included in the 2025 Research

ABB Ltd	Air Liquide SA	Airbus SE	Allianz SE
Anheuser-Busch In-Bev SA/NV	ASML Holding NV	AstraZeneca PLC	AXA SA
Banco Santander SA	BASF SE	BNP Paribas SA	BP PLC
British American Tobacco PLC	Cie Financiere Richemont SA	Deutsche Telekom AG	Diageo PLC
Enel SpA	EssilorLuxottica SA	Glencore PLC	GSK PLC
Hermes International SCA	HSBC Holdings PLC	Iberdrola SA	ING Groep NV
Intesa Sanpaolo SpA	London Stock Exchange Group PLC	L'Oreal SA	LVMH Moet Hennes-sy Louis Vuitton SE
Mercedes-Benz Group AG	Munich Re AG[3]	National Grid PLC	Nestle SA
Novartis AG	Novo Nordisk A/S	Prosus NV	RELX PLC
Rio Tinto PLC	Roche Holding AG	Safran SA	Sanofi SA
SAP SE	Schneider Electric SE	Shell PLC	Siemens AG
TotalEnergies SE	UBS Group AG	UniCredit SpA	Unilever PLC
Vinci SA	Zurich Insurance Group AG		

The list comprises the members of the STOXX Europe 50 Index as of 1 January 2025. While largely similar to last year, a small number of changes to the composition of the index have been made since last year, which are:

— Included in the 2025 analysis as new members of the index are Intesa Sanpaolo and London Stock Exchange Group; and

— Excluded from this year's analysis but which were included last year as then members of the index are Deutsche Post and Reckitt Benckiser Group.

Research Methodology

Similar to 2024, we analysed and interpreted all content related to AI by searching for the terms AI and artificial intelligence. We used the same adapted framework based on the core thematic categories of the Taskforce for Climate Related Financial Disclosure (TCFD) and the Taskforce for Nature Related Disclosure (TNFD), namely governance, strategy, risk management, and metrics & targets.

We added the specific themes of AI usage as well as a specific focus on information included in the CEO and chair statement.

The table below shows how the categories and sub-categories relate to each other.

Table 2: Disclosure Categories and Sub-Categories

Core themes	Categories and sub-categories
Governance	Policy
	Board Oversight — Board Responsibilities — Board Meetings — Board Committees — Directors' AI Skills
	Senior Leadership — Senior Leadership Team Responsibilities — AI Group
	Knowledge Development — Board AI Training — Senior Leadership AI Training — Employee Training — Industry Collaborations — Involvement of External Experts
	Audits
Strategy	Strategy
Risk Management	Risk Management
Metrics and Targets	Key Performance Indicators
AI Usage	AI Usage
Chair or CEO Statement	Chair or CEO Statement

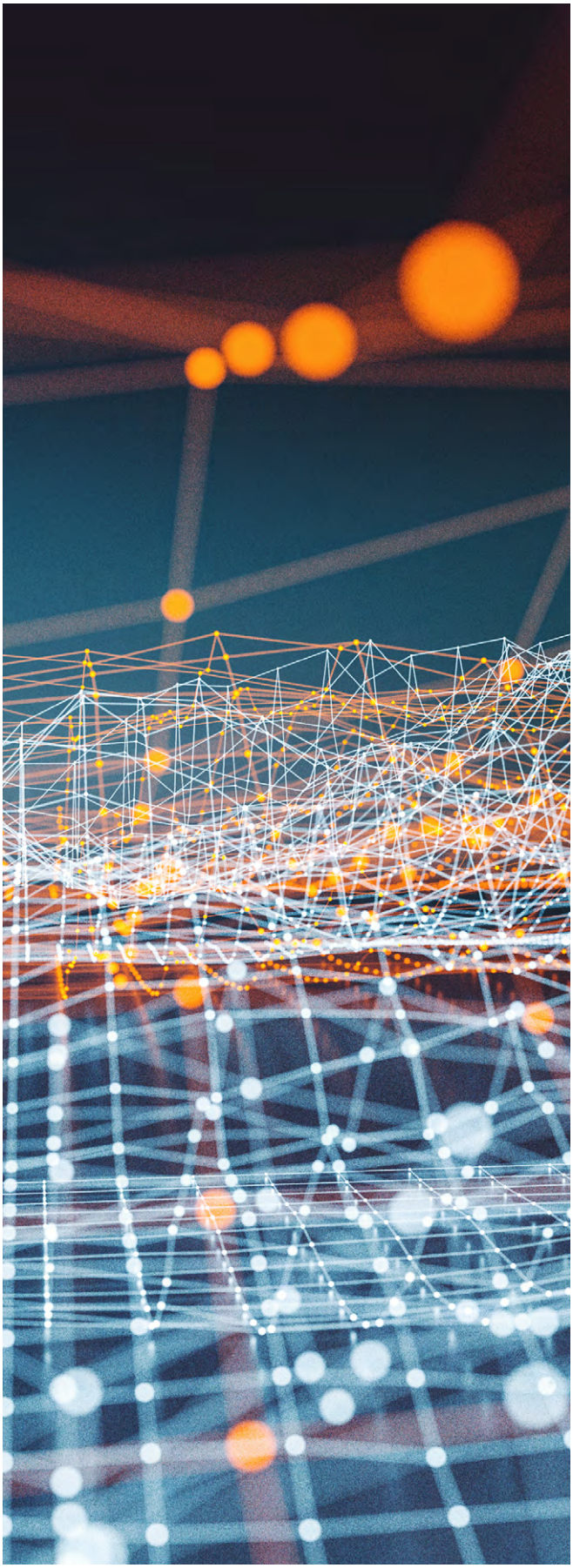
European blue-chip companies generally operate under two principal governance models: the one-tier (unitary) and the two-tier (dual) board systems. This informed our classification of AI-related disclosure with reference to “board oversight” and “senior leadership”.

In the one-tier model, shareholders appoint a single board of directors that includes both executive and non-executive members. Executives are responsible for daily management, whereas non-executives exercise oversight and provide strategic guidance. This configuration separates management and control within the same body, typically through dedicated committees, and enables cohesive and efficient decision-making.

Conversely, the two-tier model establishes two distinct bodies: a management board, in charge of business operations, and a supervisory board, tasked with monitoring management and safeguarding stakeholder interests. This institutional separation reinforces checks and balances within the corporate governance framework.

When mapping corporate leadership roles, “senior leadership” refers primarily to executive directors in one-tier systems (e.g. CEO, CFO, COO) and to members of the management board in two-tier systems. Non-executive directors and supervisory board members are, by contrast, classified under “board oversight”, as their functions primarily concern supervision and control.

The dataset reveals a diverse distribution of governance models. Of the 50 companies analysed, 38 follow a one-tier and 12 a two-tier structure.



Reporting Requirements

The regulatory requirement to report on AI compared to sustainability / ESG reporting is nascent. It seems that the reporting standard setters themselves might be more interested in how AI will impact reporting, rather than on how reporting should address AI. For example, in 2023 the Global Reporting Initiative (GRI) commissioned a paper "Navigating Digitalization in Sustainability Reporting"[4]. The report finds that "the GRI Standards and other internationally recognised sustainability reporting frameworks are lagging behind in setting reporting expectations for the adoption of digital technologies and the implications of the transition".

While there are some reporting requirements contained in the EU AI Act, e.g. the Transparency Obligations in Article 50 or the Notification Procedure in Article 30, this falls outside the definition of more traditional ESG reporting. A distinction should also be made between legal compliance with the Act and public disclosure. For example, the Act requires companies to provide staff with AI literacy training, but does not mandate public reporting on this. We provide an appendix with more information on the EU AI Act and its intersection with existing EU law.

The European Sustainability Reporting Standards (ESRS) include only one standard on governance (ESRS-G1), and nothing specific on AI. However, there are AI standards that have been produced by bodies such as the Organisation for Economic Co-operation and Development (OECD), the International Standards Organisation (ISO) and the US-based National Institute of Standards and Technology (NIST). It is possible that these standards might have had an impact on disclosure, but in our research we did not look for disclosure linked to specific standards.

To summarise, in terms of disclosure on AI, we believe that there are some similarities with the early days of sustainability reporting. In a similar vein, reporting may well be extended in response to stakeholder pressure, or companies identifying an opportunity to differentiate themselves in a complex space. In the absence of clear metrics and reporting standards, companies will experiment as they try to find the most effective ways to measure and report on AI. This might comprise dedicated sections on AI, but might also include adding AI to existing topics covered under risk and materiality banners.

Disclosure Analysis Overview

In this section we analyse disclosure per category and per sector, and identify the Top Disclosers of 2025. As outlined, our focus this year is a comparison against the baseline research performed in 2024. While we highlight a number of qualitative findings, we do not provide the same extensive explanations or discussion, as in our previous report. For a detailed analysis of best practice disclosure, please see our 2024 report.

Disclosure Evolution per Category

We have seen improvement in disclosure across the board, with the exception of the Strategy category that was already at the maximum with all companies reporting on strategy – in one form or another – in 2024. Strategy therefore remains the category with the highest level of disclosure. However, these results should be tempered when looking at the overall results. Within the Strategy category, disclosure might be relatively weak ("AI is on our agenda, it is a strategic issue") and not backed up by other more meaningful disclosure in other categories, such as policy, leadership and measurement.

The most significant improvement is in the category of KPIs. Reporting on KPIs increased by 162% (from 13 companies in 2024 to 34 companies in 2025). As of 2025, more than two thirds of companies have recognised the importance of measurement.

Simultaneously, the increase in the integration of KPIs is an indication of growing sophistication of AI strategies and reporting, with companies more comfortable determining what measures should be tracked and, ultimately, improved.

Policy, Board Oversight, Knowledge Development and Risk Management all improved by about 50%:

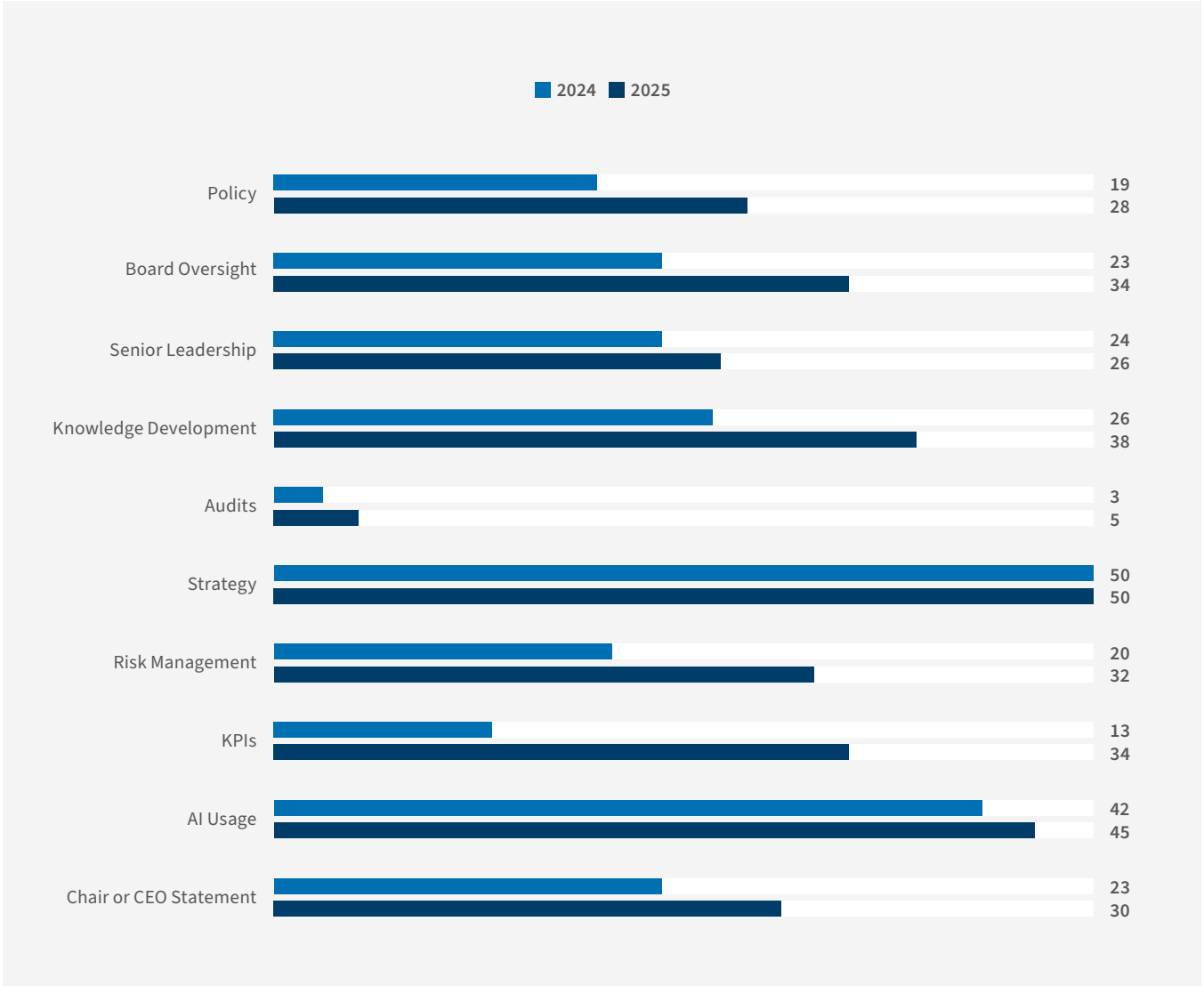
- The number of companies mentioning the existence of an AI policy increased from 19 to 28;
- The number of companies disclosing proofs of AI oversight at board level increased from 23 to 34;
- The number of companies discussing their knowledge development strategy increased from 26 to 38; and
- The number of companies describing elements of their processes to manage AI-related risks increased from 20 to 32.

From a governance perspective it is encouraging to see that more than two thirds of companies now report that they have developed board-level oversight of AI, including examples such as AI-related board committees and evidence of AI-related discussions at board or board committee level.

Finally, the weakest category remains Audits. As companies come to terms with regulatory requirements as well as management and governance of new technology, it is understandable that it will take some time for audit methods to be developed and implemented, much like the eventual development of external assurance for sustainability data.

The overall results are summarised in the figure below.

Figure 1: Overall Results – Number of Companies Providing Disclosure Within a Certain Category



Sector View

As in 2024, only four Industry Classification Benchmark (ICB) supersectors – or groups of supersectors – comprised more than five companies. Our sector comparison focuses on these four groups:

— Banks, Insurance and Financial Services;

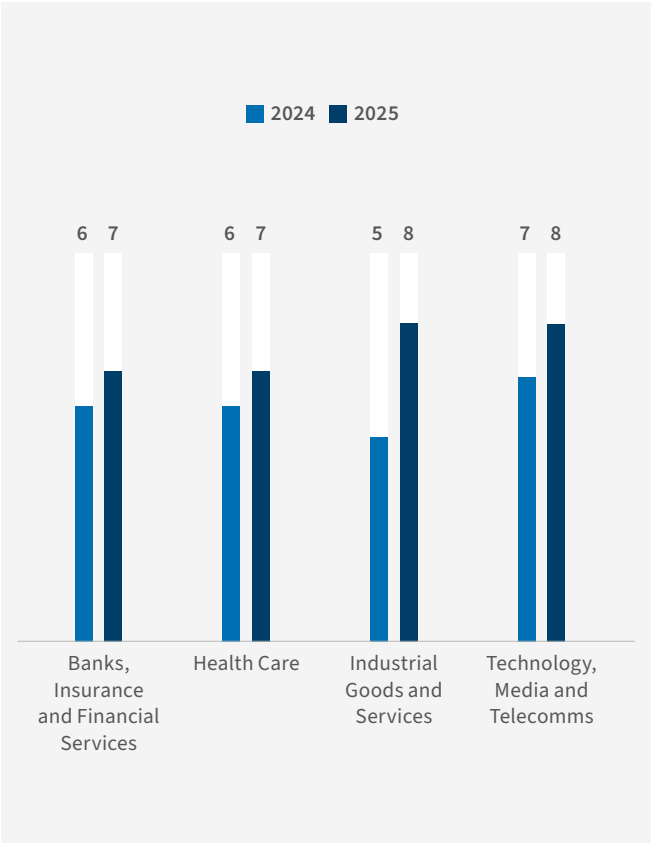
— Health Care;

— Industrial Goods and Services; and

— Technology, Media and Telecommunications.

As can be seen in the figure below, there was an increase in disclosure in all sectors when compared to the 2024 results, with the biggest increase in the industrial goods and services category.

Figure 2: Average Number of Disclosure Categories Covered by ICB Supersector (or Group of Supersectors) out of a maximum of 10



Top Disclosers

In the 2024 report we identified eight Top Disclosers defined as companies that disclosed across eight or more categories. If we applied the same criteria in 2025, 17 companies would qualify. We have therefore raised the bar to nine or more categories for 2025. No company reported across all 10 categories, but below we list the Top Disclosers in alphabetical order. GSK, Prosus and Zurich Insurance Group maintained their excellent performance from 2024, while the biggest improvement from 2024 comes from Unilever (from 3 to 9 categories) as well as National Grid and Schneider Electric (both improved from 4 to 9 categories). Five of the 2024 Top Disclosers – Allianz, AstraZeneca, Deutsche Telekom, Mercedes-Benz Group and RELX – have been surpassed and do not appear on this year's list. Nonetheless, these companies continue to demonstrate strong disclosure practices, albeit across fewer areas than the 2025 Top Disclosers.

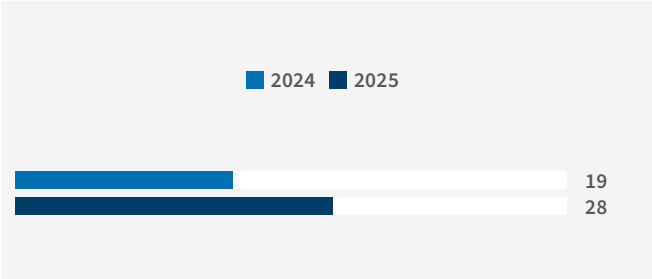
Table 3: Number of Disclosure Areas Covered by Top Disclosers in the Last Two Years

Company Name	2025	2024
GSK	9	9
HSBC Holdings	9	7
L'Oreal	9	7
National Grid	9	4
Prosus	9	9
SAP	9	7
Schneider Electric	9	4
Siemens	9	5
UBS Group	9	6
Unilever	9	3
Zurich Insurance Group	9	8

Detailed Findings

In this section we analyse the findings in more detail. For each category, we briefly outline why it is important, what we were looking for, how many companies disclosed, what the change is compared to 2024, and if applicable, provide illustrative examples.

Figure 3: Number of Companies Disclosing an AI Policy



Policy

Policies are key internal documents to guide behaviour and ensure compliance. While it is becoming more common for organisations to include dedicated sections on AI in their annual and sustainability reports, for the purpose of our research, we required clear evidence that a concrete AI policy or set of principles in relation to AI existed to consider a company reporting on an AI policy.

In 2025, 28 out of 50 companies disclosed having an AI policy, up from 19 in 2024 — representing a 47% increase year on year.

The quality of disclosure varied substantially. Some companies simply mentioned that they have a policy, while others disclosed their principles in more detail. In 2025, we noted that several companies updated their principles (e.g. Deutsche Telekom and RELX), reflecting the rapidly evolving nature of the field. Also, more companies (e.g. RELX) are now providing hyperlinks to their policies. This enhances access and transparency.

Illustrative Example: RELX

Principles Overview

"We consider the real-world impact of our solutions on people, we take action to prevent the creation or reinforcement of unfair bias, we can explain how our solutions work, we create accountability through human oversight, we respect privacy and champion robust data governance."

Public Availability

"We created the RELX Responsible AI Principles in 2022 and they are publicly available at www.relx.com/corporateresponsibility/engaging-others/policiesanddownloads."

Feedback Channel

"The Principles are accompanied by a RELX position paper on AI and a dedicated address that anyone can use to provide feedback or raise queries: ResponsibleAI@relx.com."

Update

"We are committed to updating our RELX Responsible AI Principles in recognition of the rapidly changing adoption and use of AI. In 2024, we held workshops in conjunction with colleagues across the business to gain feedback on the principles and update them accordingly."

Illustrative Example: Deutsche Telekom

Update

"In 2024, we added green AI principles to our existing AI ethics guidelines particularly to uphold high standards of accountability in the use of AI. Nine principles will help us to manage the consumption of energy and resources for AI responsibly and in an environmentally friendly way."

Board Oversight

As the custodian of corporate governance, the board has ultimate responsibility for strategic direction as well as control. This includes oversight of many aspects of the company's operations, including AI. In seeking to understand how companies perform in terms of their board oversight of AI, we developed four sub-categories for our analysis:

- Board Responsibilities: any disclosure indicating the board, board committee, board meeting or individual director had touched on AI;
- Board Committees: evidence that one or more board committees oversee AI;
- Board Meetings: evidence that AI was discussed during a board or committee meeting; and
- Directors' AI Skills: evidence of AI skills for one or more directors, including mentions of skills in the biography or skills matrix and if they have worked for or had been involved with an AI company. Specific evidence that the skills existed already on the board was required and statements recognising the importance of AI skills or plans to have such skills in the future were regarded as insufficient.

In 2025, 34 out of 50 companies disclosed some evidence of board-level oversight of AI, up from 23 in 2024 — representing a 48% increase year on year.

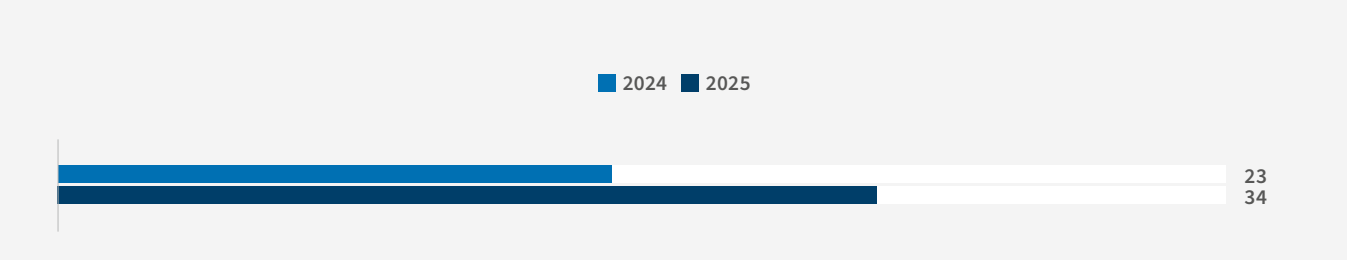
The increase in board-level AI oversight disclosure indicates the gradual incorporation of AI governance into corporate decision-making structures. Boards are transitioning from ad hoc engagement to integrating AI oversight into formal accountability mechanisms, reflecting the recognition that AI is a strategic governance concern, not just an IT or compliance matter.

This trend is evident in all aspects of oversight. In 2025, 15 boards reported having at least one committee responsible for AI-related matters, compared to nine in 2024 (see Figure 5 below). Additionally, the number of companies reporting AI discussions in board or committee meetings nearly doubled.

These developments suggest that AI has become a mainstream topic in board deliberations, supported by increasingly structured governance mechanisms.

This shift mirrors earlier phases of integrating sustainability and ESG issues, when emerging risks first appeared on board agendas through existing committees, eventually leading to the development of more specialised governance structures.

Figure 4: Number of Companies Disclosing About Board Oversight of AI

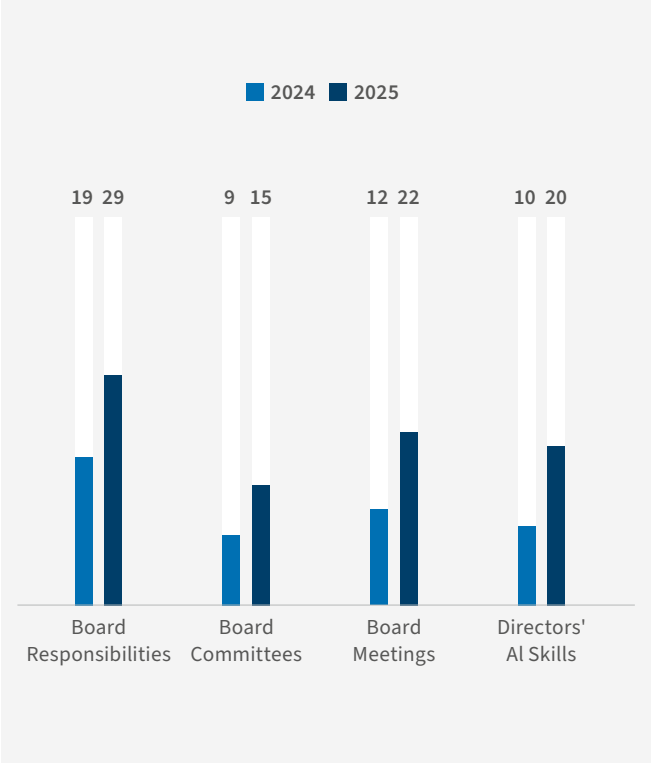


Similarly, the formation of AI committees or the assignment of AI-specific oversight responsibilities to audit and risk committees indicates that AI is becoming a permanent part of the governance cycle rather than a peripheral topic. Boards are transitioning from a reactive stance focused on compliance or reputational risk to a proactive form of strategic stewardship that recognises AI as a determinant of competitiveness, resilience, and long-term value creation.

As AI continues to permeate core business models, board oversight will remain the cornerstone of credible, responsible, and effective AI governance.

Detailed results across types of board oversight disclosure are displayed in the figure below.

Figure 5: Board Oversight – Number of Companies Providing Disclosure Within a Certain Sub-Category



A key finding relates to the growing competence and composition of boards. The number of companies disclosing directors with AI-related skills doubled compared to 2024, suggesting that firms are beginning to translate awareness into capability.

This shift marks a transition from structural to substantive oversight. Boards are recognising that effectively supervising AI requires more than committees and reporting mechanisms; it also requires the cognitive capacity to understand the technological implications and to challenge management decisions based on informed reasoning.

Vinci's evolution exemplifies this shift. While the company's 2024 skill matrix included "Digital" as a competence area, the 2025 matrix expanded it to "Digital, AI, and Cybersecurity", indicating that AI is being incorporated into the board's collective expertise. This broader framing reflects how directors increasingly perceive AI as integral to corporate strategy, risk, and sustainability, rather than a technical niche issue.

However, strengthening board competence in AI governance requires more than the presence of a few knowledgeable individuals. It requires systematic efforts to cultivate AI literacy, provide continuous education, and foster dialogue between boards and management. Over time, integrating technological understanding into board deliberations will become a defining feature of mature corporate governance in the AI era.

Illustrative Example: GSK

Committee Responsibility

"During the formative stage of AI development and adoption, the [Audit & Risk] Committee is keen to ensure an appropriate balance is maintained between identifying, mitigating and monitoring key AI risk areas across the enterprise and with our third parties, while harnessing the opportunities and capabilities of this technology."

Committee Activities & Plans

"In my report last year, I [the Audit & Risk Committee Chair] described the establishment by the Board of the AI Governance Council (Council), its purpose and activities that helped to define, establish and oversee these guardrails. […] A year after the Council's creation, the Committee was keen to examine the:

- *structure and evolving operational effectiveness of the Council*
- *functioning of the responsible AI governance architecture, including the complementary roles, duties, ownership and composition of each of these AI forums*
- *overall increase in maturity of our AI risk management arrangements"*

"In 2025, the Committee is looking forward to monitoring how the Council progresses its key focus areas. These include:

- *supporting business units in further improving and refocusing their AI systems to align to the AI SOP [Standard Operating Procedure]*
- *continuing to embed and grow the Responsible AI SOP adoption throughout the organisation*
- *continuing to oversee and monitor AI systems, including developing technical and operational best practices*
- *refining and maturing the Council's governance approach for scaled adoption of AI across GSK"*

Illustrative Example: Vinci

Skills Matrix

"Directors were asked to evaluate themselves individually with respect to their general, business-related or cross-sector skills, the latter involving in particular digital, AI and cybersecurity, the environment, ethics and social issues, based on a scale including several levels of expertise, which was developed by the Company and approved by the Lead Director."

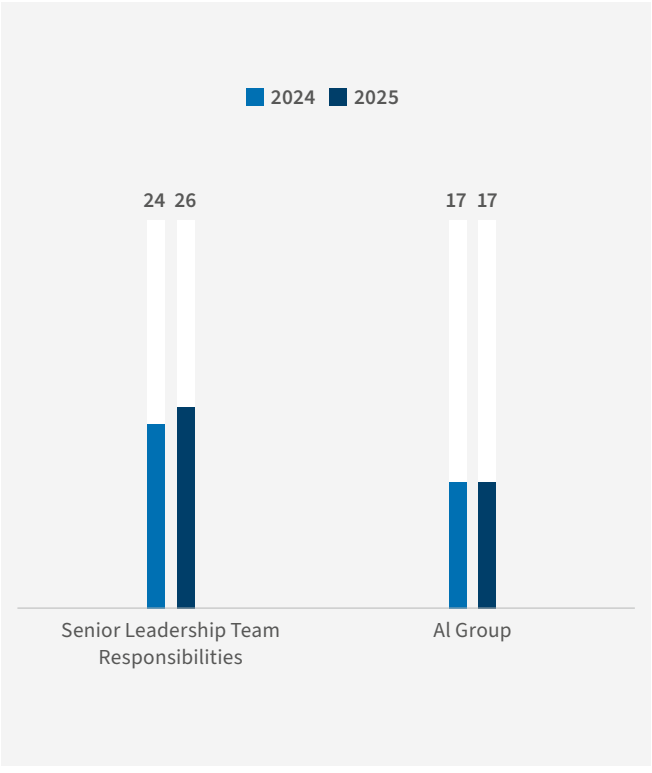
Senior Leadership

Senior leadership and wider management of a company are responsible for execution. As mentioned earlier in the report, senior leadership refers primarily to executive directors in one-tier systems (e.g. CEO, CFO, COO) and to members of the management board in two-tier systems.

Under the guidance of the board, senior leadership must understand AI at a high level, with specific reference to risks and opportunities. They are not required to have detailed technical skills, but their activities might involve strategy development, risk analysis and leading operational implementation. We were looking for disclosure that confirmed AI-related responsibilities at this level, as well as the existence of internal groups dealing with or having responsibilities for AI.

In 2025, 26 out of 50 companies disclosed information on senior leadership involvement with AI, up from 24 in 2024 — representing a mere 8% increase year on year.

Figure 6: Number of Companies Disclosing About Senior Leadership Involvement With AI



The gradual increase in AI-related disclosures at the senior leadership level indicates a slow shift in accountability. Although the number of companies reporting senior leadership responsibilities increased slightly between 2024 and 2025, the number of companies with dedicated AI groups did not change.

We found anecdotal evidence that companies, such as Novartis and Siemens, link executive compensation to the achievement of AI-related strategic goals.

This signals that the role of AI is expanding from operational experimentation to a measurable component of executive performance. Including such criteria is an important way to translate corporate AI ambitions into individual accountability at the top of the organisation.

While this shift suggests a growing internalisation of AI as a driver of long-term value, the effectiveness of this approach depends on the quality and transparency of the underlying metrics. If AI-related goals are too broad or symbolic, such as “advancing digital transformation” or “supporting AI partnerships”, they may incentivise visibility over responsible outcomes.

Meaningful integration requires clear, verifiable indicators that reward progress in innovation, risk management, and ethical deployment rather than the mere volume of AI activity.

Our analysis reveals significant differences in how organisations assign and carry out AI responsibilities. Some organisations, such as SAP (see example below), have established dedicated cross-functional committees with explicit mandates. Others rely on existing data protection, digital transformation, or ethics functions to oversee AI.

This diversity suggests that there is not yet a dominant model for senior level AI governance. Instead, firms appear to be experimenting with organisational arrangements that reflect their sector, internal capabilities, and regulatory exposure.

The evolution of AI oversight seems to follow different logics across sectors. In more regulated industries (e.g. finance and healthcare) the emphasis is on compliance and risk mitigation. In contrast, in industrial and technology-driven companies, AI governance is often framed through the lens of innovation, competitiveness, and strategic transformation. This divergence highlights the absence of a uniform governance trajectory and the ongoing negotiation between ethical responsibility and commercial imperatives.

Looking ahead, the effectiveness of senior leadership in governing AI depends on executive teams' ability to incorporate AI considerations into core managerial processes, such as strategy design, risk management, and performance evaluation, rather than treating AI as a separate initiative.

Effective leadership requires creating cross-functional coordination mechanisms and ensuring that AI objectives align with business priorities and organisational values. Thus, executive directors and other senior managers are central to translating board-level principles into practice, fostering internal accountability, and building organisational capability for the ethical and strategic use of AI.

Illustrative Example: SAP

Cross-Functional Steering Group

"Under the stewardship of the global head of sustainability, the [AI Ethics Steering] committee comprises SAP executives from all Executive Board areas and relevant LoBs [global SAP Lines of Business], who provide supervision on topics relevant to guiding and implementing AI ethics."

Steering Group Responsibilities

"The AI Ethics Steering Committee is responsible for overseeing policy updates to guide implementation of ethical AI in all LoBs that develop, deploy, or sell AI systems. SAP LoB management is responsible for establishing the business processes to ensure compliance with this policy."

Senior Leadership Responsibilities

"Within SAP, accountability for the impacts of AI rests with the Executive Board. Acting on behalf of the Executive Board, the committee provides long-term strategic direction regarding AI ethics at SAP, advancing our commitment to the ethical and responsible use of AI. One of its duties is to inform the SAP Supervisory Board and SAP Executive Board about AI ethics matters upon request."

CEO Role

"SAP's CEO is an executive sponsor of our Global AI Ethics Policy."

Illustrative Example: Novartis

AI-Related Performance Criteria

Novartis' 2024 CEO annual incentive balanced scorecard included AI-related criteria. Achievements were reported as follows: *"AI tools and technologies were used to generate: 3 (vs. 2 target) molecular leads, which progressed to in vivo studies, 1 (vs. 1 target) new target for Parkinson's disease, and 10 (vs. 10 target) trial design improvements."*

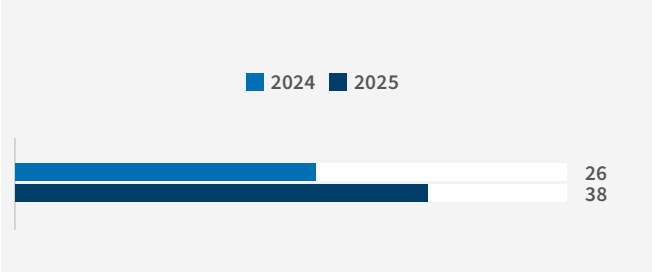
Knowledge Development

Knowledge development is critical in any business environment. Given the speed of development of AI and its potential impact, knowledge development in this area becomes even more important. Companies are increasingly reporting on training for board members, managers, and employees. These disclosures often highlight partnerships with universities and collaboration with external experts. For this topic we examined disclosures across several sub-categories:

- Training Programmes: Only specific AI-related training that had occurred or was currently available was considered evidence of training. General statements about the importance of AI skills development were not included. We looked for board of directors training, senior leadership training and general employee training.
- Industry Collaboration: We looked for trade association participation or research collaborations focused on AI. Collaborations purely for AI deployment on customer/ supplier relationships were excluded.
- External Expertise: This included university collaborations, external advisory boards or expert panels related to AI.

In 2025, 38 out of 50 companies disclosed knowledge development activities, up from 26 in 2024 — representing a 46% increase year on year.

Figure 7: Number of Companies Disclosing Knowledge Development Initiatives

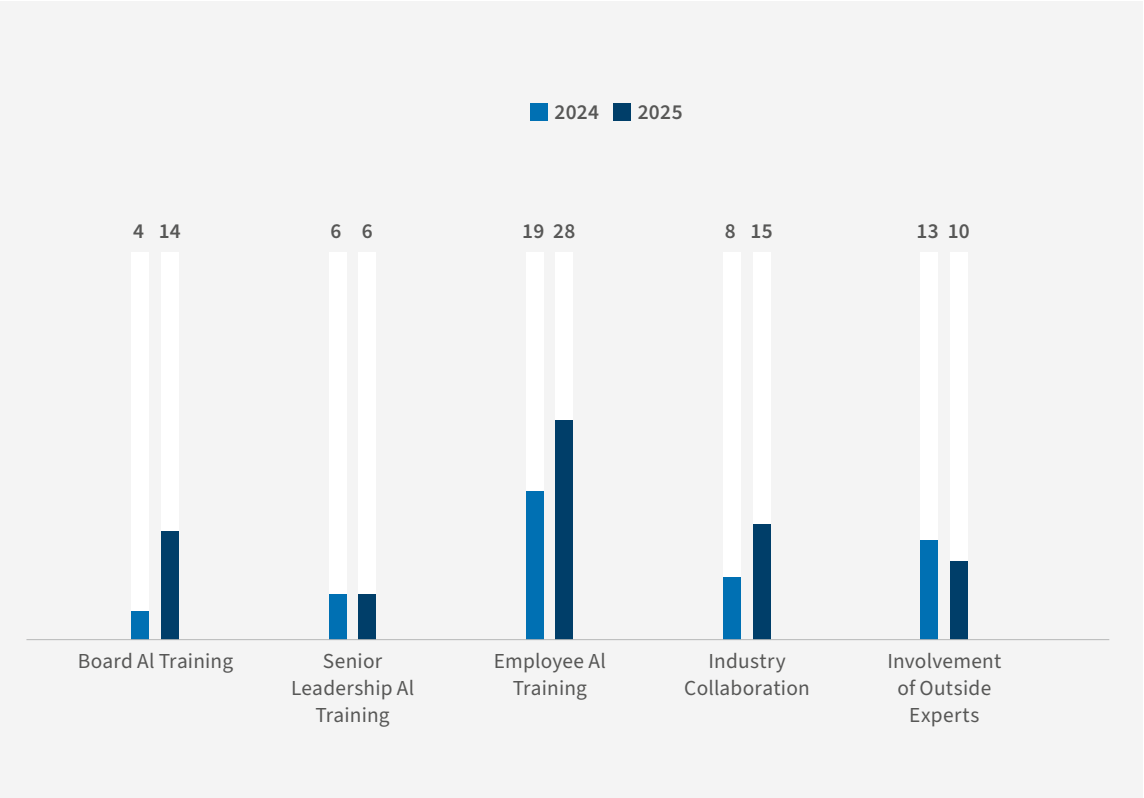


This increase reflects the growing recognition that AI proficiency is essential for business resilience and innovation. In 2024, disclosures were largely descriptive, focusing on intent and raising awareness. However, by 2025, more companies are providing evidence of structured programmes, often combining board-level sessions with technical and functional training for employees.

Several firms began including quantitative indicators, such as the number of participants and training frequency, which is an early sign of institutional maturity. At the same time, however, only a minority of companies specified the departments responsible for training delivery, suggesting that accountability structures remain underdeveloped.

Overall, the year-on-year trajectory suggests a sector-wide transition from initial experimentation to institutionalised, measurable learning processes around AI.

Figure 8: Knowledge Development – Number of Companies Providing Disclosure Within a Certain Sub-Category



The 2025 results confirm a steady pattern of institutionalisation, but they also reveal persistent asymmetries in the quality and depth of disclosure. While many companies now describe training as a central pillar of their AI strategy, only a subset report with sufficient granularity to demonstrate implementation.

These frontrunners quantify participation levels, identify delivery formats (e.g. online courses, workshops, and networking events), and explain how programmes are tailored to different employee groups, including non-technical teams. The disclosures mentioned in the illustrative example box demonstrate that training is increasingly being used as an operational governance tool that connects knowledge development directly to AI deployment and risk management.

In contrast, many firms remain at an early maturity stage, offering only qualitative narratives without specifying scope, metrics, or responsible functions. The limited reference to training ownership – with few companies naming a department or leadership body accountable for programme delivery – suggests that AI upskilling is often still managed on an ad hoc basis.

Similarly, the use of external expertise has declined. While collaborations with universities and advisory panels persist – such as SAP's external AI Ethics Advisory Panel – they are becoming less central as firms internalise capabilities. This might explain the decrease in reporting on the involvement of external experts, the only decrease in category or sub-category. This shift signals a movement from external dependency to building in-house competence, but it also raises questions about the diversity of expertise informing AI governance.

Illustrative Example: HSBC Holdings

Global Training Framework

"As we continue to enhance our AI capabilities across the organisation, our new AI Academy helps to support advanced skills development aligned with HSBC's AI strategy. This was launched in response to the growing global interest in AI and focuses on fostering AI literacy and promoting responsible AI use throughout the bank. Our Global Mandatory Training covers key principles and foundational concepts of AI usage and we have developed foundational and intermediate pathways to raise awareness of AI principles, ethics, risks and governance."

Specific Training for Senior Leadership

"We have also developed specific courses tailored for our senior leadership population that focus on understanding AI and exploring its use cases for business and decision making."

Training Modules for Directors

"Training modules, issued to all Directors, mirrored training undertaken by employees. This included: risk management, sustainability, health and safety, wellbeing, cybersecurity, financial crime and conduct and values, personal conflicts of interest, data quality, privacy and security and AI and our changing world."

Illustrative Example: SAP

Involvement of Outside Experts

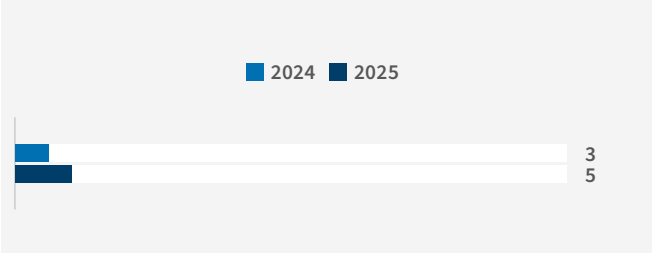
"Our external AI Ethics Advisory Panel comprises academics, policy experts, and industry experts who provide constructive, outside-in feedback to SAP on ethical AI. For more information about AI ethics, see the Human Rights section."

Audits

It is important for firms to assess their internal processes, validate data integrity, demonstrate accuracy, etc. This is achieved through audits, internally or through the appointment of external auditors, which provide an additional layer of credibility. We looked for disclosure references such as internal audits on trustworthy AI use cases, governance frameworks, and presentations to boards by internal and external auditors.

Only five out of 50 companies disclose either internal or external AI-related audits. This is an increase from 2024 (66%) but admittedly from a very low base. Only three companies disclosed in this category in 2024.

Figure 9: Number of Companies Disclosing AI Audits



It is difficult to discuss the results in detail because so few companies are involved. There is an increase from 2024, which could suggest that some companies are beginning to treat AI oversight as an integral part of their broader assurance functions.

Several companies have directly involved their audit & risk committees in reviewing the embedding of AI governance frameworks across the organisation. This signals growing board-level engagement and recognition of AI as a material governance issue. However, most of these audits could still be improved. Most audits focus on internal governance processes, risk mitigation tools, and control frameworks rather than the technical auditing of AI systems themselves.

Often, audits assess whether procedures are in place rather than whether AI models perform as intended or avoid bias and discrimination. This focus on processes rather than technology underscores the current gap between procedural assurance and substantive accountability. Still, some firms are beginning to move beyond this baseline.

For instance, Siemens stands out for mandating a dedicated audit on “Trustworthy AI” that evaluated the governance of AI as well as the trustworthiness of its applications in HR and customer-facing systems. Similarly, ING’s auditors presented directly to the board on AI, reflecting the emerging best practice of integrating technological oversight into traditional assurance structures.

Although these efforts are diverse, they have significant strategic and reputational implications. AI audits are becoming a risk management tool that helps identify vulnerabilities and improve internal controls. They are also a protective mechanism that offers companies demonstrable evidence of due diligence should problems arise. This allows firms to better assess AI-related risks while safeguarding their reputation and limiting potential liability. Firms that expand their audit scope to include independent, technically informed assessments of AI systems will likely set the standard for responsible AI governance going forward.

Illustrative Example: Siemens

Audit on Trustworthy AI

"Recognizing the importance of responsible AI practices, Siemens not only developed its Generative AI governance activities in 2024; the company also mandated and conducted an audit on Trustworthy AI. The audit focused on (i) assessing the trustworthiness of Siemens' AI use cases and (ii) evaluating the governance for AI at Siemens. It covered customer-facing Generative AI solutions and the use of AI in select human resources applications and processes."

Illustrative Example: GSK

Board-Level Oversight

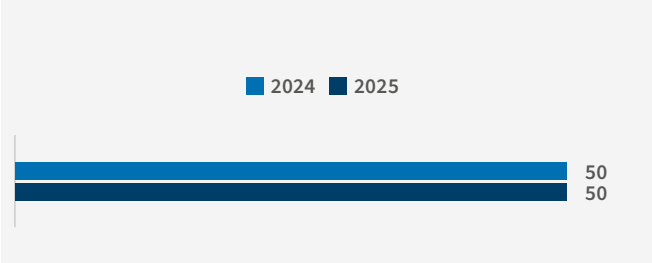
"The [Audit & Risk] Committee received a briefing from the Head of Audit & Assurance (A&A) on the results of an initial audit, that primarily focused on evaluating how the AI Governance framework is embedding across GSK. This has also helped strengthen oversight capabilities by increasing the experience of the A&A team in conducting audits and oversight of new technologies."

Strategy

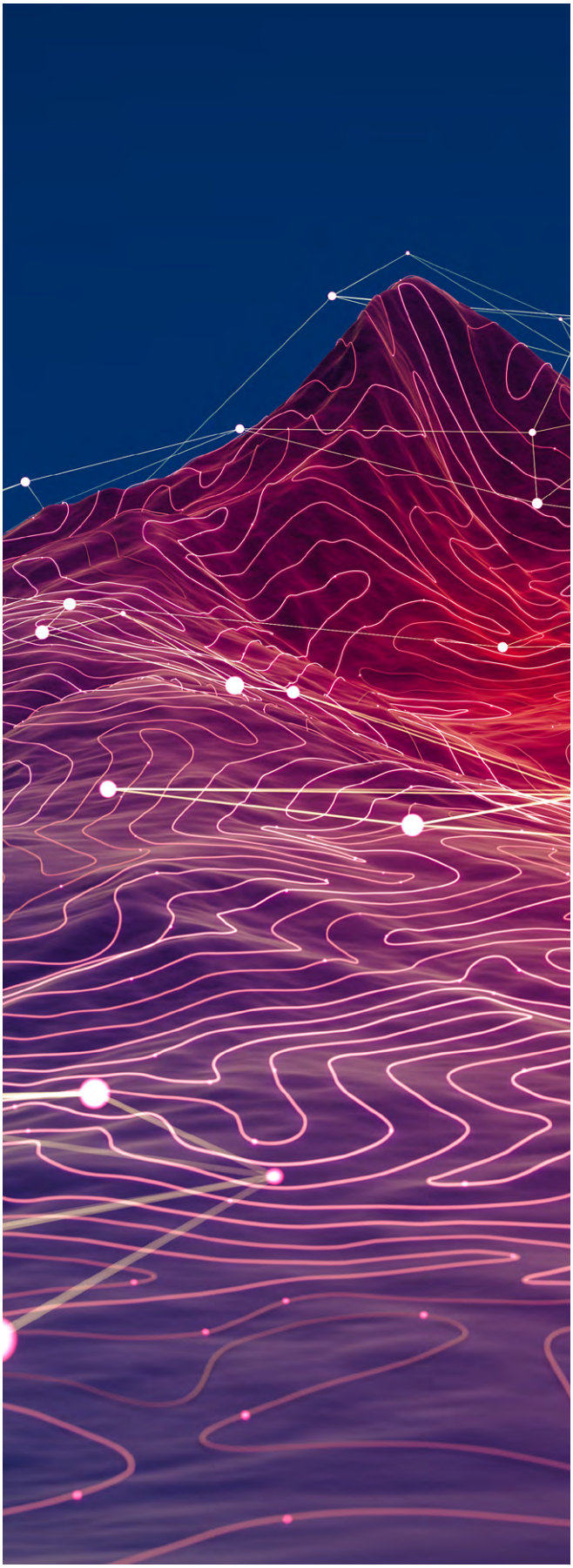
In all areas of business, a clear strategy is required to keep focus. This also applies to AI. Defining what constitutes a disclosure on strategy proved challenging, as many aspects of AI could be seen as strategic. This category included disclosure that referenced AI-related risks and opportunities, AI objectives, or AI principles, whether in concrete terms or more broadly. It also served as a catch-all for vague statements indicating a company's awareness of AI trends. If a company mentioned AI usage, it was also considered a disclosure on strategy.

While it is interesting to note that this is the best performing category with all 50 companies – once again – disclosing strategy-related information, it is also not that helpful. In line with a proposed shift to quality assessment, we might consider additional changes to the methodology around strategy disclosure in future.

Figure 10: Number of Companies Disclosing at Least a Vague Statement About AI Strategy



On the spectrum from vague disclosure to more informative strategy disclosure, ASML is an example of a company providing a good level of transparency. UBS also represents an interesting example with a focus on strategy implementation and clear KPIs.



Illustrative Example: ASML

AI Vision

"AI is not only driving our markets – it is also transforming how we work internally, in line with our goal of leading AI innovation in the semiconductor equipment industry."

Strategy Development

"We are developing a comprehensive strategy that aims to harness the potential of both predictive and generative AI across various domains – driving innovation, improving efficiency and seizing competitive advantage. This strategy, supported by the appointment of our – first – Head of AI Program & Strategy in June 2024, focuses on capturing key opportunities in four areas: speed and quality in R&D; excellence in product leadership and support; speed and quality in operations; and enabling capability and efficiency."

Notable Achievements

"Among its most notable achievements of the last 12 months, the AI program prioritized over 40 opportunities where AI could help us work better and faster."

Next Steps

"Our responsible AI program will now concentrate on developing the overarching strategy, building an integrated roadmap, and providing governance through oversight and coordination."

Illustrative Example: UBS

AI Roll-out

"We are evolving into an AI-driven institution, using generative AI to drive growth, improve client service, and increase productivity. In the fourth quarter of 2024, we announced the deployment of 50,000 Microsoft Copilot licenses, the largest in the global financial services industry at the time. This initiative is already showing increased usage of generative AI tools, with 1.75 million prompts across all tools in 2024, and it is expected to substantially expand in 2025. We will continue delivering AI initiatives across our businesses, including re-inventing how we do software engineering."

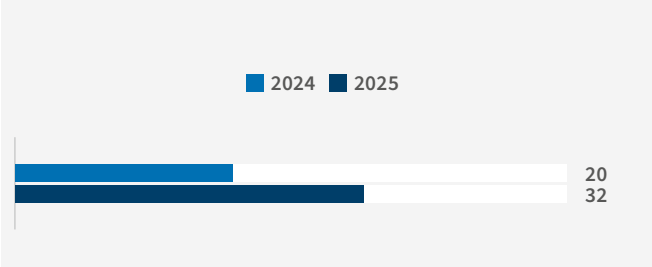
Risk Management

Regulation in the area of AI is risk-based. It is to be expected that AI-related risk management will be a key priority for most companies. Whether they report in this category is another matter. The criteria for disclosure required companies to:

- Provide evidence that the management of AI-related risks is integrated in broader enterprise risk management or that companies have done impact assessments;
- Clarify that a framework and/or safeguards is/are in place to manage AI;
- Include AI in an ESG risk management table or materiality assessments that identify AI as a risk;
- Include a detailed analysis of specific risks arising from AI; or
- Provide information on how such risks are assessed.

In 2025, 32 out of 50 companies disclosed on AI risk management, up from 20 in 2024 — representing a 60% increase year on year. This confirms that organisations increasingly view AI as a source of material risk requiring structured oversight.

Figure 11: Number of Companies Disclosing About AI Risk Management



However, the quality and granularity of the disclosures remain uneven. Many statements continue to describe intentions rather than demonstrate established processes or measurable outcomes. Among more advanced reporters, two disclosure models emerged: an integrated approach (e.g. UBS), in which AI risks are embedded within broader non-financial risk taxonomies and enterprise risk management systems; and a use-case approach (e.g. Mercedes-Benz), in which companies disclose mitigation strategies for specific applications, such as bias, safety, and explainability.

This differentiation signals the gradual professionalisation of AI risk governance as firms transition from general awareness to operational integration.

However, the absence of consistent risk typologies and transparent assessment criteria suggests that full institutionalisation is still in the early stages. As regulatory expectations under the AI Act intensify, leading companies are expected to improve their disclosure by demonstrating how they implement and periodically review risk frameworks.

The examples below exemplify this evolution, showing how risk management can operate both systemically and at the level of individual cases.

Illustrative Example: UBS

Integrated Risk Management

"The potential risks arising from the use of AI have been categorized under various non-financial risk taxonomies, including model risk, privacy, data ethics and records management, cyber and information security, data management, third-party management, and inter-entity outsourcing. These risks are addressed in the risk frameworks of the respective control functions, as well as Group Legal, and are reviewed regularly to ensure completeness, accuracy and that the risks are up to date."

Illustrative Example: Mercedes-Benz

Risk Management for Specific Use Case

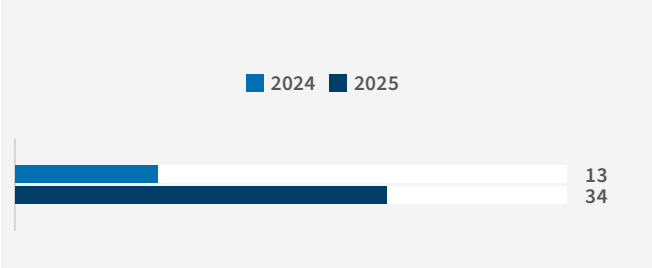
"The Mercedes-Benz Group is intensively addressing the potential negative impacts of bias in artificial intelligence on the safety of road users in automated vehicles. In collaboration with a renowned scientific partner requirements and standards were defined . Based on these findings, an internal roadmap has been developed and approved. The Group has identified specific metrics that the company wants to use to test for bias. A key element of the action is working with partners in the field of object recognition in order to ensure that no bias is present. Particular focus is placed on collecting diverse and global data and developing metrics to detect bias."

Key Performance Indicators

The existence of clear and measurable key performance indicators (KPIs) provides two important dimensions to corporate disclosure: credibility and comparability. Disclosure was classified as KPIs when they referenced establishing a specific KPI related to AI. This classification also encompassed any quantifiable numbers or proportions associated with AI.

This has been the category where most progress was demonstrated, with 34 out of 50 companies reporting on AI KPIs, representing a 162% improvement on the 13 companies who disclosed in 2024.

Figure 12: Number of Companies Disclosing AI-Related KPIs



While the improvement is significant, disclosure remains fragmented. Indicators cover internal structures (e.g. number of employees trained), AI models and use cases, as well as business outcomes such as cost reduction, productivity increases, and customer satisfaction. Future disclosure will benefit from greater standardisation, balancing quantitative and qualitative insights.

The range of reported KPIs has also expanded significantly. Companies are combining input metrics, such as the number of AI models deployed, employees trained, and governance structures established, with outcome-oriented indicators that quantify the achievements of AI use. These include measures of productivity, efficiency, customer satisfaction, and revenue impact.

Notably, the most significant growth occurred on the output side, with more firms disclosing concrete results from AI implementation. For example, Santander reported a 25% improvement in time-to-time delivery for software development and UBS Group delivered 13 million AI-generated insights to advisors. This expansion of achievement-based indicators reflects growing confidence in measuring AI's business value. Progress is also visible on the input side. For example, AXA reported that over 13,000 of their employees completed GenAI training.

Taken together, the findings suggest that AI disclosure is maturing. Firms are evolving from describing their adoption efforts to measuring their performance and outcomes. However, disclosure remains uneven, reflecting the absence of common benchmarks. The next stage will require convergence around shared frameworks that integrate input and output KPIs to ensure comparability and meaningful assessment of AI's strategic contribution.

Illustrative Example: Santander

Inventory

"We have an inventory of over 550 data-driven models using machine learning to accelerate revenue growth and operational efficiency across multiple countries and businesses."

Impact

"In process automation, we are using operational agents to manage over 6 million documents. Additionally, 5,800 developers are using AI tools supporting software development, achieving a 25% improvement in the time-to-deliver."

Illustrative Example: AXA

Training

"GenAI For Everyone [was] launched by AXA Group Operations in 2024 to support notably the roll-out of a generative AI tool developed specifically for AXA. […] Over 13,000 employees completed this training in 2024."

AI Usage

Disclosure on AI usage is critical to demonstrate how companies deploy AI to achieve improved business performance. Disclosure on usage should be closely tied to KPIs and other metrics. Companies have to tell the story of how they use AI and then demonstrate how they measure the impact. To qualify as a disclosure of AI usage, companies needed to mention a concrete AI use case. If the AI initiative was still in development, it was categorised as strategy instead of usage.

In 2025, 45 out of 50 companies disclosed on AI usage, up from 42 in 2024 — representing a 7% increase year on year.

Figure 13: Number of Companies Disclosing About their Use of AI

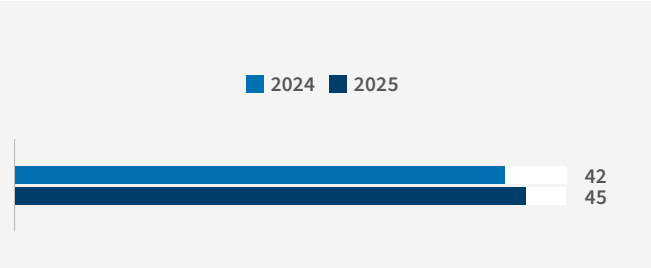


ABB provides interesting examples on the introduction of a solution co-developed with Microsoft as well as a platform on automation.

Illustrative Example: ABB

Copilot

"This year, ABB introduced ABB Ability™ Genix Copilot, a generative AI solution developed in collaboration with Microsoft to drive efficiency, productivity, and sustainability in industrial operations. Powered by Azure OpenAI Service and leveraging GPT-4, Genix Copilot integrates real-time operational data with natural language capabilities to deliver actionable insights. By embedding these features into its digital solutions, ABB enables industries to optimize asset performance, reduce emissions, and enhance energy efficiency. Early use cases demonstrate its impact in predictive maintenance, troubleshooting, and sustainability management, underscoring ABB's commitment to innovation and value creation."

AI-Powered Automation

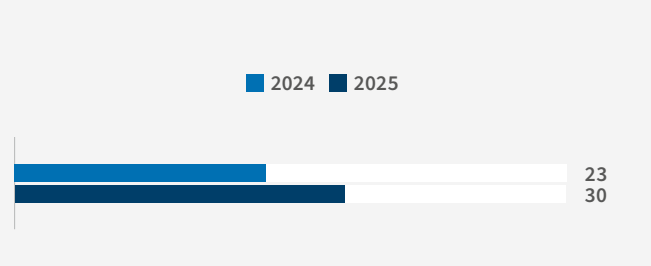
"At ABB we have leading technologies such as PLCs, our mechatronics platform including our expanded collaborative robots range, the OmniCore™ controller, and our broad autonomous mobile robot (AMR) portfolio with unique AI embedded capabilities such as vision, which allows us to create automation solutions across segments, including newer fields such as healthcare and construction."

Chair or CEO Statement

The information included in the statement by the Chair or CEO provides a glimpse into the strategic priorities for any company. If something is mentioned upfront by leadership, it is a clear indication that it is taken seriously by the company. That is why we believe it is significant when AI is mentioned in the statement. This category is different from the others as it refers to the specific location of the AI disclosure in the reports rather than the content of the disclosure. Any reference to AI in either the Chair or CEO statement in reports were considered a disclosure.

In 2025, 30 out of 50 companies mentioned AI in the Chair or CEO statement, up from 23 in 2024 — representing a 30% increase year on year.

Figure 14: Number of Companies Discussing AI in their Chair or CEO Statement



Munich Re and L'Oreal provide interesting examples of disclosure relating to company strategic objectives and governance initiatives.

Illustrative Example: Munich Re

Medium Term Objectives

"In the interest of strategic leadership in a competitive industry, we excel by anticipating change and ensuring that we are fit for the future. This applies, for example, to artificial intelligence and other technological advancements. Munich Re once again made targeted investments in AI applications last year. Throughout the Munich Re Group, we have identified, launched or already implemented over 300 AI use cases. In the medium term, deploying artificial intelligence will help to increase efficiency, enhance our competitive edge and close gaps created by demographic change."

Illustrative Example: L'Oreal

Board Oversight

"This year, the Board focused in particular on sustainability, as well as the transformation driven by artificial intelligence, from its responsible use to the challenges of cybersecurity."

Conclusion and Recommendations

Our 2025 research reveals an encouraging increase in AI-related disclosure practices among Europe's largest listed companies. This development coincides with the implementation of the EU AI Act, which has reshaped expectations regarding transparency, accountability, and the responsible use of AI. Against this regulatory backdrop, AI is widely acknowledged as a strategic, cross-cutting priority, no longer confined to technical departments but increasingly embedded in corporate governance, risk management, and sustainability agendas.

However, while disclosure levels are rising, our findings suggest that many organisations are advancing AI initiatives without establishing adequate governance structures. AI governance refers to the system of principles, policies, and processes that ensure the responsible development, deployment, and oversight of AI within an organisation. Its purpose is to align the use of AI with ethical standards, legal obligations, and business objectives.

The OECD highlights that effective AI governance requires an integrated set of technical, organisational, and ethical measures to manage both opportunities and risks across the AI lifecycle[5].

In practice, AI governance frameworks address a broad range of regulatory, ethical, and operational challenges. They aim to ensure compliance with emerging instruments such as the EU AI Act while managing risks related to algorithmic bias, lack of transparency, privacy violations and accountability. Robust governance mechanisms allow organisations to harness the strategic potential of AI without incurring disproportionate reputational or legal exposure.

At its core, AI governance seeks to achieve a delicate balance: enabling innovation, agility and competitiveness while mitigating the risks associated with AI deployment. Maintaining this balance is essential to prevent the organisation's capacity to manage ethical, legal, and social consequences from being outpaced by the pursuit of technological advancement. Effective governance enables companies to leverage the transformative potential of AI while maintaining public trust and regulatory compliance.

Key components of an effective AI governance framework include:

AI inventory: All AI systems used in business processes and, in particular, those involving banned or high-risk uses, must be identified.

AI objectives and risk appetite: Boards must assess how AI systems can help the organisation to deliver on its strategy while at the same time assessing the risks they present to the organisation before determining the organisation's appetite to use them.

AI policies: Once acceptable systems have been identified, clear guidelines for acceptable AI use, with review and monitoring mechanisms, must be put in place.

Roles and responsibilities: Boards need to assign responsibility for AI compliance to persons with the necessary knowledge and resources. Effective AI governance requires cross-departmental collaboration between legal, compliance, IT and other business teams. AI compliance functions are frequently integrated into existing data protection and compliance departments.

Training: Staff must be educated on AI policies, capabilities and limitations and on the potentially serious consequences of non-compliance. Staff must also be provided with AI literacy training under the AI Act. Training must provide staff with a general understanding of AI across the organisation, the company's role under the AI Act (e.g. as a provider or deployer) and the opportunities and risks of AI. This training must take into account the technical knowledge, training and experience of staff along with the context in which the AI systems are used and the individuals they impact.

Review and monitoring: Ongoing monitoring of the evolution of AI systems and the applicability of relevant laws and regulations must be undertaken along with reviews of the suitability of policies and guidelines

to ensure businesses can adapt to the rapid pace of development in the AI landscape and remain compliant.

For EU-listed companies, AI governance represents a strategic imperative rather than a mere compliance exercise. The EU AI Act sets a global benchmark for trustworthy, human-centred AI, the implications of which extend far beyond regulatory adherence.

Organisations that establish robust AI governance systems early, will be better placed to anticipate supervisory expectations, streamline internal processes and reduce future compliance costs. Moreover, they will gain reputational advantages by demonstrating a proactive commitment to ethical and transparent AI practices, which is an increasingly important factor for investors, regulators and the public.

From a strategic perspective, incorporating AI governance into wider corporate governance structures helps to ensure that AI initiatives are not pursued in isolation or as purely technical projects, but rather in alignment with the organisation's risk management, sustainability and innovation agendas.

Effective AI governance enables EU-listed companies to transform compliance into a source of competitive differentiation. By embedding principles such as fairness, transparency, accountability, and human oversight, firms can strengthen stakeholder trust, attract responsible investment and encourage sustainable innovation. In this sense, AI governance act as both a mechanism of corporate accountability and a catalyst for the creation of long-term value.

AI governance requires a holistic, integrated approach combining well-defined policies, active board oversight, senior leadership accountability, capacity building, meaningful KPIs etc. Together, these elements ensure that AI systems are deployed in alignment with legal obligations, corporate values, and stakeholder expectations.

Similar to 2024, we propose that companies seeking to improve their disclosure should focus on the following activities:

— Integrating AI policies into business strategy and reporting

— Enhancing board oversight and transparency

— Clarifying senior leadership responsibilities

— Investing in training and collaborations to build knowledge

— Disclosing risk management methodologies and mitigation plans

— Reporting on audit processes and results

— Providing a balanced set of KPIs demonstrating AI's impact

Ultimately, companies should avoid a purely procedural or boilerplate approach to measuring and reporting on AI. Instead, they should critically assess the material relevance of AI to their operations, identify sector-specific risks and opportunities, and report in a manner that is informative and useful for decision-making, as well as proportionate to their actual exposure. In this evolving regulatory and technological context, AI governance and disclosure should be viewed as integral components of effective corporate governance.

Appendix: The EU AI Act Act and its Intersection with Existing EU Law

The European Union Artificial Intelligence Act (AI Act), which came into force on 1 August 2024, introduced a risk-based approach to the regulation of AI systems. There are four risk levels:

Risk level	Description
Unacceptable risk	The AI Act prohibits certain AI practices which are deemed to carry an unacceptable level of risk. They include, for example, the use of AI for social scoring and predictive policing and, subject to some very narrow exceptions, sophisticated applications of AI that remotely monitor people in real time in public spaces.
High risk	This a broader category and includes AI that is already regulated under product laws, such as AI deployed in medical devices or used as a safety component in toys. It also includes AI systems based on their intended use cases, including, for example, AI systems used in the management of critical infrastructure like the supply of electricity, in employment recruitment tools, in the evaluation of creditworthiness or in the establishment of an individual's credit score.
Limited risk	AI systems falling into the Limited Risk category include deep fakes and chatbots and carry certain transparency requirements.
Minimal risk	This category includes all AI systems not captured by the other categories.

The first key compliance obligations under the AI Act commenced on 2 February 2025, including AI literacy obligations and a ban on prohibited AI practices. On 2 August 2025, AI Act rules relating to general purpose AI models came into force. The remainder of the rules are due to come into effect on 2 August 2026. However, it has been reported that the rules related to some high-risk AI systems may be delayed.

The most onerous obligations under the AI Act fall on providers of high-risk AI systems. However, the AI Act also introduces significant obligations for deployers of high-risk AI systems. A deployer, for AI Act purposes, is any "natural or legal person, public authority, agency or other body using an AI system under its authority, except where the AI system is used in the course of a personal non-professional activity."[6]

As the use of AI becomes more widespread, many organisations will now fall within the scope of the AI Act as a deployer and must be aware of their existing and incoming regulatory obligations. They include obligations to:

- Implement appropriate technical and organisational measures in relation to the use of AI systems;
- Implement processes for human oversight of the use of AI systems by persons with the necessary competence, training and authority;
- Ensure appropriate monitoring of the operation of AI systems;
- Report in relation to serious incidents or identifications of any risks to health or safety or to fundamental rights arising from AI systems;
- Keep records; and
- Inform individuals of the use of the AI system in certain contexts.

Failure to comply with those high-risk AI obligations can result in a fine of €15 million or up to 3% of total worldwide annual turnover for the preceding financial year, whichever is higher. In addition, where AI systems are developed or used for any prohibited practices, it can result in a fine of €35 million or up to 7% of total worldwide annual turnover for the preceding financial year, whichever is higher.

Deployers of AI systems which are not high-risk have more limited obligations under the AI Act. However, the use of any AI may have implications under other laws. They include, for example:

Data Privacy Laws: GDPR principles relating to automated decision-making, transparency, purpose limitation and data minimisation, among others, will need to be considered and may impact how AI systems can be safely used.

Freedom of Information (FOI): Interactions with AI systems may fall within the scope of FOI requests.

Product Safety Laws: AI-enabled products may fall within the General Product Safety Regulation or product-specific safety regulations.

Company Law / Directors' Duties: The fiduciary duties of directors to act in the interests of the company encompass requirements for adequate oversight and control of teams responsible for compliance with AI regulation and policies but, more broadly, are also trending towards the overall ethical stewardship of a company. The responsible use of AI is likely to be an important factor.

Endnotes

[1] The universe consists of all the components of the STOXX 50 Europe Index.

[2] https://oecd.ai/en/wonk/definition

[3] Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen

[4] https://www.globalreporting.org/media/s5kogs1e/the-impact-of-digitalization_-identifying-emerging-challenges-and-opportunities-for-sustainability-reporting.pdf

[5] OECD Digital Economy Papers No. 349, "Advancing Accountability in AI: Governing and Managing Risks Throughout the Lifecycle for Trustworthy AI", 23 Feb. 2023.

[6] https://artificialintelligenceact.eu/article/3/

About the Research Partners

About FTI Consulting

FTI Consulting, Inc. is a leading global expert firm for organisations facing crisis and transformation, with more than 8,100 employees located in 32 countries and territories as of September 30, 2025. In certain jurisdictions, FTI Consulting's services are provided through distinct legal entities that are separately capitalised and independently managed. The Company generated $3.70 billion in revenues during fiscal year 2024.

More information can be found at www.fticonsulting.com.

About Trinity Business School

The triple-accredited Trinity Business School strives to embed environmental, social, and governance (ESG) solutions into all of its activities to tackle urgent societal issues. The School is committed to a strategy of "Transforming Business for Good" and works with students and various stakeholders in building an inclusive and sustainable economy for all.

The School's Corporate Governance Lab delivers innovative and collaborative projects in the areas of corporate governance and business ethics. With a focus on the 'G' of ESG, the Lab undertakes cutting-edge interdisciplinary and practitioner-oriented research, engagement, and innovation projects in collaboration with industry, policy-makers, and researchers.

More information can be found at www.tcd.ie/business.

About Mason Hayes & Curran

Mason Hayes & Curran LLP is a leading Irish law firm with offices in Dublin, London, New York and San Francisco. The firm provides legal services to domestic and international clients across key sectors including technology, financial services, energy, healthcare and real estate. Its practice areas cover corporate, dispute resolution, employment, regulatory and intellectual property, among others. Known for combining technical expertise with a practical, business-focused approach, Mason Hayes & Curran advises clients ranging from multinational corporations to public bodies and emerging companies. The firm is recognised for its strong cross-border capability and commitment to client-focused legal solutions.

More information can be found at www.mhc.ie.

The views expressed herein are those of the authors and not necessarily the views of FTI Consulting, Trinity College Dublin or Mason Hayes & Curran.

Authors:
Daniel Malan (Trinity Corporate Governance Lab), Niamh O'Brien (FTI Consulting), Arnaud Cavé (FTI Consulting) and Alberto Sinatra (Visiting Research Assistant, Trinity Corporate Governance Lab)

Researchers:
Alberto Sinatra (Visiting Research Assistant, Trinity Corporate Governance Lab) and Pearse Woods (Mason Hayes & Curran)