AI Connect

SUMMARY

Advancing adoption and oversight of AI

March 2025

Reflecting on the explosion of generative AI, an executive said, *"This is an interesting revolution because, compared to other tech revolutions, this one is not linear. We're on a constant rollercoaster—we go up and there's a huge milestone, and then there is some disillusionment, but it goes back up. The current technology is already revolutionary in itself, but it seems like the roller coaster is not stopping."*

Nearly two years since the launch of ChatGPT, generative AI (artificial intelligence) continues to captivate the world's attention. Companies are investing billions to develop and leverage AI to help transform their businesses and create new opportunities. However, as firms look to deploy the technology at scale, they must balance a host of challenges. Concerns around unintended consequences, "hallucinations" and biases in AI outputs, and appropriate use of data persist. The regulatory and policy environment remains fluid and fragmented. Trying to keep pace with development, separate the hype from reality, and identify immediate use cases, while also assessing how transformative this technology could eventually be, has proven daunting.

On December 11, 2024, board members and executives from leading companies and financial institutions, subject matter experts, and senior leaders from Clifford Chance and Tapestry Networks, met for the inaugural European meeting of the AI Connect Forum. Participants explored the commercialization of generative AI, progress in expanding implementation, approaches companies are taking to manage the risks the technology presents, and some of the broader societal concerns emerging as AI is deployed at scale.

This summary highlights the key themes that emerged from the December 11 meeting and related conversations:[1]

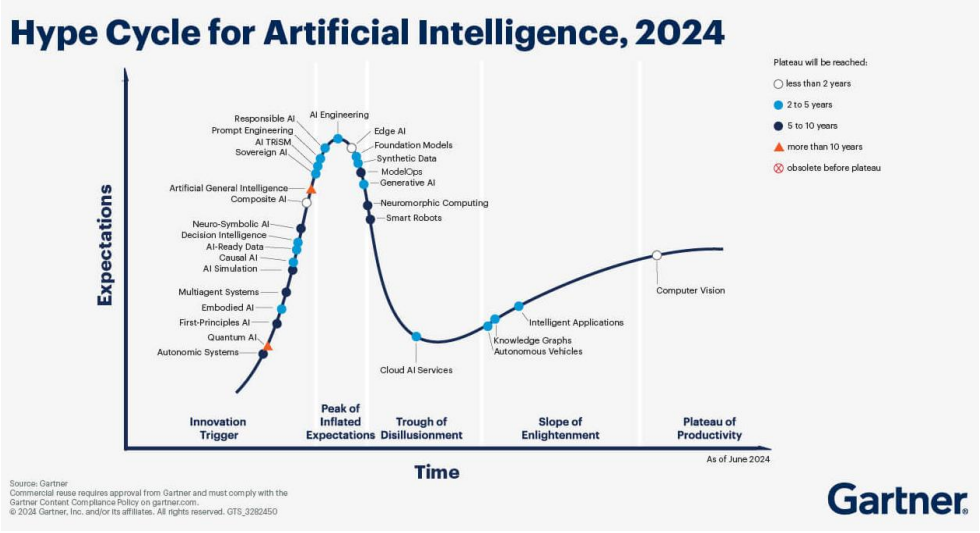
- The deployment of generative AI is in its early stages
- Companies are confronting barriers as they seek to accelerate adoption
- The risks and oversight of AI are evolving with the technology
- The regulatory environment is fluid as policymakers balance potentially competing priorities

---

Clifford Chance, one of the world's pre-eminent law firms, and Tapestry Networks, the trusted convener of senior leaders, launched the AI Connect Forum in 2023. AI Connect aspires to serve as the definitive collaboration platform on artificial intelligence for leaders of the world's foremost organizations, enabling them to learn, to shape solutions, and to connect with one another and with top experts.
Visit us on **aiconnect.forum**.

The deployment of generative AI is in its early stages

The pace of change in AI has been dizzying over the last two years. While many business leaders have struggled to keep up, some are already questioning if the current generative AI models may be reaching their limits.[2] The Gartner 2024 Hype Cycle for Artificial Intelligence indicates that generative AI could plateau in the next two to five years.[3]



Source: Afraz Jaffri, "Explore Beyond GenAI on the 2024 Hype Cycle for Artificial Intelligence," Gartner, November 11, 2024.

However, one participant challenged that observation, suggesting that progress is far from stalling: *"I remember having a conversation three years ago about GPT3, and a sense from some that 'we're done' and the bigger the model doesn't mean it's going to be better. Now, I again hear questions about whether progress is slowing, but we are training models at more and more scale, and we haven't found that ceiling—we aren't even close to the ceiling. The only limitation is access to compute, energy, and water, and we are working on all three."*

As these sophisticated models continue to mature, an executive explained that we are still in the early days of the commercialization of AI and recommended that companies consider the time horizons and objectives for how they will implement the technology today, in the near future, and as the technology matures.

The executive advised companies to balance their focus across three different horizons:

- **Horizon one: productivity.** Companies are already deploying AI in areas like call centers, back offices, and coding to help their

employees complete tasks more efficiently. *"I don't need to explain how important AI is going to be to get the productivity we need for economies in the world. This is huge, and it's not the future—it's today,"* the executive said.

- **Horizon two: reasoning.** The same executive said the next step for large language models is reasoning: *"In the past, we used AI to provide insights, but this generative AI can reason over knowledge. This is especially important for certain sectors that were considered less likely to be impacted, like law, research, healthcare, etcetera. Any task that has cognitive function behind it is going to be transformed. We see it happening already."*
- **Horizon three: automation.** Here, the executive noted, *"We move from AI assisting a human to doing the task for them."* Agents that operate with varying degrees of independence from humans could prove to be the most transformative form of the technology. *"The roles will change, and people will be guiding AI to do things on their behalf. It's the concept of agents."* The use of agents, however, presents real risks: *"That's very, very powerful and very, very tricky. We have to be aware of the unintended consequences and how to control that, but the possibilities are huge. Now suddenly you have a new huge brain to help you solve your problems."*

The executive suggested that companies explore these areas today, focusing the majority of their time and effort on productivity, but not ignoring the prospects for reasoning and automation in their businesses. He acknowledged, however, that *"most leaders do not know what the balance is in their companies."*

31

Public companies represented

$5.4T

Market cap represented by those public companies

Participants who attended the December 11 AI Connect Forum event

Companies are confronting barriers as they seek to accelerate adoption

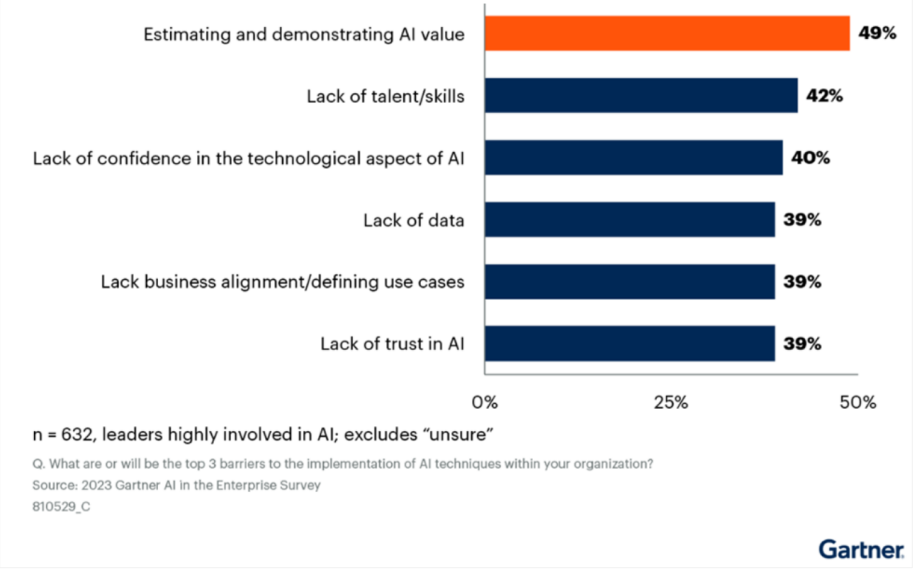
Companies are making substantial investments to integrate AI across their organizations. However, a consistent set of obstacles has emerged that limits the technology's effectiveness and potential return on investment. This is raising questions at the board level. *"It's not a question of 'Do we deploy?' but more 'How do we deploy it, what are the impacts, and how do we measure it?'"* said one participant, adding, *"As a director, I have no idea how we gauge productivity improvements across thousands of people."*

Common barriers to adoption are emerging

On the one hand, a participant observed, *"I have never seen this type of speed of adoption across every role in every function before."* On the other hand, many participants said they are struggling to get employees to expand the responsible use of the new tools at their disposal. A Gartner study found that generative AI is the most frequently deployed type of AI solution

among surveyed organizations, but "the difficulty in estimating and demonstrating the value of AI projects" was the top barrier to adoption.[4]

Figure 1: Top Barriers to Implement AI Techniques (Sum of Top 3 Ranks)



Source: Gartner, "Estimating and Demonstrating Business Value Is No. 1 AI Adoption Barrier," news release, May 7, 2024.

Participants identified some of the common challenges they are confronting:

- **Limited leadership use and engagement.** Some participants have been discouraged that management, often uncomfortable with the technology themselves, may not be practicing what they preach in encouraging greater adoption. An executive said, *"Senior management are talking a big game, but they get sheepish when you ask if they use it themselves. I asked my team how many of them are putting AI in their succession plans, and they looked at me like I was crazy. Senior management is completely not with it, and the boards are not asking the right questions."* A participant agreed: *"We're seeing executives not using it, but they need to. Executives can't have conversations with the next generation if they aren't using it."*
- **Uneven enterprise adoption.** Many companies have given their employees access to tools like Microsoft Copilot with the implicit assumption that some limited training would be sufficient to encourage employees to use these tools and identify additional use cases. However, many participants agreed with one who suggested that usage to date has been limited: *"People haven't really moved beyond using the technology for recording meetings or helping write emails. To get people past that is proving to be quite difficult."* Some participants see a clear age gap in adoption, with younger employees more likely to expand their use of generative AI tools. A participant observed, *"We've seen in our*

> ***"Senior management is completely not with it, and the boards are not asking the right questions."***
>
> — Executive

organization, in terms of who is using the technology, there is an 80% uptake in those under 30, and only a 20% uptake in more tenured staff."

- **Overreliance on the technology.** At the other end of the spectrum, participants expressed concern that some employees may become too dependent on AI. A director asked, *"What about overdependence? I want us to assert dominion over this tool instead of letting it assert itself on me. Always deferring to AI in the workforce is not a good thing."* Another director agreed, adding, *"How quickly does a human in the loop become a rubber stamp, someone always accepting the recommendations? That's not the employee I want."*
- **Investing ahead of adoption.** Some companies have invested well ahead of the rate of adoption in their organizations. Aligning that investment appropriately is essential. *"A lot of technologists would say that we better spend $20 million buying chips just in case we need them, or we better buy 80,000 Copilot licenses, but that's not sustainable. Ideally, you arrange technological foundations so they're a little ahead of demand but not so far ahead that we're burning money waiting for someone to come and use it. Getting that balance right is really, really tricky,"* said a participant.

Companies are experimenting with approaches to accelerate adoption

Organizations must find ways to overcome these challenges to accelerate AI adoption at scale if they are to reap the benefits of their investments and the potential that generative AI can provide. Participants offered suggestions for overcoming these challenges:

- **Creating structures that support innovation and execution.** Organizations that already have a culture of innovation and experimentation may be better poised for adoption. A director observed, *"I suspect heavy adoption of AI is greater where agility has become embedded in the organization, and that feels to me to be a really crucial thing."* Relying on heavy users to serve as champions can help. According to one participant, *"The appetite for adoption is there. Certainly, the appetite among younger employees is wild—they're disruptors—so creating a desire in them to influence change is exciting and helps to accelerate the adoption."* But enthusiastic adopters also need to operate within an organization that provides support and control. Putting that infrastructure in place may be an iterative process. Some companies have tried varying approaches, starting with a centralized center of excellence, then moving AI experts into the businesses. A centralized team may be too far removed from the businesses—*"it can become a bottleneck rather than an enabler,"* according to one executive—while embedded AI experts may become too focused on immediate business needs and

"I suspect heavy adoption of AI is greater where agility has become embedded in the organization, and that feels to me to be a really crucial thing."

— Director

lose focus on potential use cases on longer time horizons. One executive said their institution identified a more balanced approach: *"What we have now is a ring-fenced organization focused on innovation, and we decentralize productivity use cases into the businesses. We need innovators in the businesses, but those focused on creating new businesses need to be separated and nurtured with different metrics for success."* One participant said they were identifying ways to create a safe environment to enable *"controlled creativity among colleagues"* before shifting to any critical or external-facing applications.

- **Identifying new ways to encourage adoption.** Companies are experimenting with different ways to expand adoption. One participant said their company treats generative AI as a perk, rather than a requirement, to encourage adoption: *"It's mighty difficult to scale, difficult to measure, and difficult to quantify productivity. One of the ways we're treating Copilot is that maybe it's a benefit, a perk, as part of their working experience."* The participant explained a potential trade-off: *"We don't expect any immediate efficiency gains, but we hope it will help lead to transformative money-making use cases."* Another said they simply need to keep conducting more *"training, awareness building, but also gamification"* to make it *"easy and obvious why people should use it."*
- **Establishing metrics and tracking.** Given the often-material bets being made on AI investments, companies and their boards are keen to more effectively and systematically track progress. While it is still early days, some companies are seeing success. An executive described their organization's approach: *"One thing to track adoption is to gauge the trust and sentiment people have toward the technology. If people don't fundamentally trust the technology, it's not going to go anywhere. There's no playbook, it's all discovery, and you have to do your research about what to track."* Another participant added, *"You can't think of it in terms of inputs and outputs. It is iterative—you want to connect the businesses and technology together to iterate in quick cycles, measuring incremental gains you have. You learn by doing."*
- **Creating efficiencies.** Given concerns about aligning investment with the pace of adoption and measuring the return on that investment, participants emphasized the need to *"do more with less"*—for example, by identifying where data sets that have been used in one model or function might be reused in another, and sharing use cases and good practices, as well as feedback on failures, across the organization.
- **Looking to the future.** Participants noted having *"the greatest success"* to date *"with very specific applications."* Examples included uses in anti-money laundering and foreign-exchange pricing in financial services, identifying fraud, and assisting relationship managers in customer

"If people don't fundamentally trust the technology, it's not going to go anywhere."

— Executive

service and sales. *"The most promising applications have been those that are highly repetitive and language based,"* said one, cautioning, *"You are not going to see the transformation people are looking for."* Some participants are looking to how the technology will evolve and are considering those horizon-two and -three use cases. *"I want to change what we do and the way we do things,"* stated one director. As agentic AI becomes more prominent, it will create more opportunities for companies and their customers to interact in new ways.

The risks and oversight of AI are evolving with the technology

Geoffrey Hinton, the computer science professor who won the Nobel Prize for physics in 2024 for his work on AI, recently estimated that there was a "10% to 20%" chance that AI would lead to mass extinction within the next three decades.[5] Others raised similar concerns about the prospects for humanity when ChatGPT launched. While a participant expressed unease about the *"loss of dominion over this tool"* in the future, most business leaders are more focused on the near-term risks the technology presents to their businesses than any existential risk to humanity or broad disruption to society, at least for now. They are working to adapt their governance and oversight of the technology as they encourage broader adoption and experimentation in their organizations.

New concerns are emerging

Some of the risks generative AI presents—like the potential for bias and the tendency to "hallucinate," or create outputs that are misleading or false—are already well documented. While these risks remain top of mind, as organizations have had more time to experiment with the technology and observe the results, other risks are emerging.

Participants identified the risks that concern them most about the technology today:

- **Supply chain.** A director said they were concerned about *"relying on a small number of providers,"* explaining, *"My company relies on Anthropic, and we've done some development in house, but I worry about the supply chain in terms of reliance on third parties for services."*
- **Data privacy and security.** The vast data sets required to train models raises its own risks, as one director said: *"The drive in new data sources to fuel AI creates lots of questions about data provenance."* Another director observed, *"If you put your data into models, you can imagine the*

concerns about, What are we disclosing? Where is it going? What journey does it take?"

- **Cost.** *"The sheer cost of it. It seems free to users right now, but it certainly isn't free to the company,"* said a participant. Another agreed: *"I worry that we're wasting an awful lot of money on it with no real step up. I do think that an awful lot of it is just replacing a little bit of what a person does in a process and doing it a little more quicky. I think we need to use it in a more fundamental way; it needs to be fundamentally replacing processes to make a real difference."*
- **Increased regulatory scrutiny.** A director observed, *"I love the theory of using AI to help with money laundering, but with generative AI changing day by day, something might be caught one day but not caught the next day. How will regulators feel about that?"*
- **Opacity and a lack of trust.** A participant stated, *"We are dealing with a black box, and there is a lack of trust in the people who are using it in an organization. The potential consequences of that keep me up at night. I'm still an untrusting user. A professor once told me, you should never trust the technology."* The tragic killing of UnitedHealthcare CEO Brian Thompson has brought the lack of trust in the technology to the forefront, as social media users and a class-action lawsuit against UnitedHealthcare raised questions about the use of AI by insurers.[6]
- **Nefarious use of AI.** When generative AI tools became widely available, many security experts expressed concern that these tools would lead to a spike in cyber-related activity and fraud. Data suggest those fears were justified, leading some business leaders to wonder where things may go next. *"In a geopolitical sense, it's unclear how AI will get used by hostile actors, how that is going to destabilize some things our societies and businesses depend on. We're starting to see this already with cyberattacks, and the rise of cyberattacks. They've risen astronomically. That's just the tip of the iceberg,"* said a participant. Companies are already experiencing these types of attacks. Earlier this year, an employee of a British multinational design and engineering firm was duped into paying out $25 million to scammers who had used deepfake technology to pose as the company's chief financial officer in a video conference call.[7]
- **Correlation risk.** A director said, *"To the extent that hedge funds, for example, start using AI for their own trading strategies, do their strategies become more highly correlated? Does that become a concern systemically? Should that factor into how we manage our correlation risk?"*

"We are dealing with a black box. The potential consequences of that keep me up at night."

— Participant

Oversight and governance remain a work in progress

The adoption of generative AI presents significant challenges for governance and oversight, particularly as the technology evolves so quickly that standards and frameworks for board and management

oversight struggle to keep up. A consensus has started to emerge, however, that generative AI presents a set of risks that are unique and must be managed differently than other technology and model risks.

Participants shared some of the approaches they are taking:

- **Invest in safety alongside innovation.** *"There is a battle between innovation and safety. We often think of innovation as something that has to be done, and we tend to focus more on the power of the technology and not as much on the safeguards,"* said an executive. Guidelines, frameworks, and training are all critical for large companies looking to deploy the technology at scale.
- **Manage outputs rather than inputs.** Generative AI is probabilistic rather than deterministic and may require focusing less on inputs and more on controlling different outputs. A participant explained, *"With a system where you can get a range of different outputs for a single question, the way you manage risk has to be completely changed. You cannot manage inputs; it's about managing outputs, which is a completely different way of managing risks."*
- **Recognize that existing frameworks and guidelines are not sufficient.** Some companies and their boards have taken the view that generative AI is simply another form of model risk and that existing approaches to oversight and governance should be tweaked accordingly. Participants were wary of this approach. *"I worry we're going to put too much emphasis on existing model risk policies that were not set up for AI. They're not all encompassing, so I'm not sure it's okay to say that it's good enough; they're just not designed for that purpose,"* one commented.
- **Establish risk tolerances.** Deploying the technology will require companies to take on some level of risk. For some, that risk may not be materially different than relying upon the judgment of people today. A participant opined, *"Who says, for example, a loan officer isn't having a biased opinion today? We are strangely confident that people are making the right decisions, doing the right things, and putting a much higher burden of explainability on machines than we do humans."* One executive suggested that boards need to establish the appetite for where and how companies will deploy the technology and what risks they will and will not accept.
- **Look to regulators to play a key role.** As an executive observed, *"It's a game of numbers, and the risk is never going to be zero. What we need is to have the control mechanisms. Pilots still know how to land a plane even with autopilot because of regulation. You have to do the same things here."*

"I worry we're going to put too much emphasis on existing model risk policies that were not set up for AI. They're not all encompassing, so I'm not sure it's okay to say that it's good enough; they're just not designed for that purpose."

— Participant

The regulatory environment is fluid as policymakers balance potentially competing priorities

In 2024, the regulatory environment surrounding AI changed dramatically, and it is likely to accelerate in 2025 as different regimes take distinct approaches to balancing AI safety with the race to lead in AI supremacy. This creates challenges for companies as they seek to deploy the technology across international operations.

The EU AI Act will have far-reaching effects beginning in 2025

Recent legislation in Europe will have a profound impact on the deployment of AI across all industries. The EU AI Act, which went live in August 2024,[8] compels international companies that are selling or deploying AI to EU customers to adhere to certain rules regarding AI development, use, and application.[9] Penalties for violations can be substantial, reaching up to 7% of a violator's global annual revenue.[10]

One participant remarked, *"The EU AI Act is quite extraordinary because it's extraterritorial. If you are a big company in the US and developing technology that's going to be deployed in the EU, you have to comply. If you're in the UK and you're on UK soil, have a UK headquarters but are selling to the EU, you still have to comply. It's very powerful legislation."* Another summarized, *"The EU went bold, and they went deep, and they want to world to follow,"* while a third described the act as *"an enforcement regime that's really radical, even for Europe."*

> ***"The EU AI Act is quite extraordinary because it's extraterritorial. It's very powerful legislation."***
>
> — Participant

Requirements under the AI Act begin to go into effect in February 2025. Some relatively common applications of AI will be banned, and companies will be legally required to provide comprehensive training to people on AI literacy. According to a participant, *"Social scoring is going to be banned, which sounds like what goes on in China, doesn't it? But what Europe is intending is whether you are using certain data points about people to determine if they're eligible for certain products. That's a lot like credit scoring. AI emotion recognition in the workplace will also be banned. If you use emotion recognition to interview people, looking for signs of whether someone is stressed, anxious, or dishonest, that will be banned."*

The next deadline, in August 2025, will focus on higher-risk AI applications and could have implications that companies may not be prepared for. Permitted high-risk systems must comply with several requirements and complete a conformity assessment before going to market. A participant explained, *"Suddenly, you need a framework for life-cycle*

management, record keeping, a kill switch if [the technology] goes wrong. Many of us won't even know if it's going wrong because we aren't even monitoring it at all. And there are also requirements for reporting on it." The participant added, *"Most companies don't really understand what AI they have or where it is. There's a bit of a cliff that's going to come, and most companies have a lot of work to do between now and the end of 2025 to get motoring on this."*

Timeframe

The EU AI Act came into force on 1 August 2024. It will apply directly in EU Member States over a phased period.

2 February 2025	2 August 2025	2 August 2026[2]	2 August 2027
The prohibitions start applying (including as regards the use of AI to infer emotions in the workplace), as do the AI literacy requirements.	The requirements for providers of general-purpose AI (GPAI) models start applying, as do provisions around the EU AI Act's governance framework and Member State penalties.	The requirements for 'standalone' high-risk AI systems, including AI used in an employment context (e.g. for recruitment or decisions affecting work-related relationships), and the specific transparency obligations start applying, amongst other things.	The requirements for high-risk AI systems under specific sectoral legislation (e.g. re medical devices) start applying. This is also the date by which GPAI models placed on the market before 2 August 2025 need to comply with the EU AI Act.

Source: Clifford Chance, *The EU Act: Overview of Key Rules and Requirements* (London: Clifford Chance, 2024).

China and the US balance regulation with a race to AI supremacy

While China and the US may not yet have equivalent regulations to the EU AI Act, the regulatory environment in each of those countries also continues to evolve. Perhaps surprisingly, China is at the leading edge of AI policy and regulation, according to one participant: *"China has the biggest number of AI companies and also has some of the most sophisticated AI law in the world. China is going to use its law in the same way the EU is to enforce against companies that it thinks are acting against its targets, so let's not forget that when talking about China."*

To date, the US has taken a more hands-off approach to regulation at the federal level while trying to allow for some balance between safety and innovation. Even with changes in the US administration in 2025, a participant cautioned against expecting a lax regulatory environment: *"We're going to see Biden things die, but Trump issued the first AI executive order. So what we expect is a focus on, yes, AI innovation but also something around promoting AI development but also safety. Elon Musk is head of the Department of Government Efficiency, and he was one of the signatories of the letter supporting an ethical AI pause over safety concerns. If anything comes out of the federal government, it will focus on development but also safety."*

Much of the regulation in the US will come out of the states, which creates additional complexity. Some, like California and Colorado, already cover similar territory as the EU AI Act. *"They may not be as unified or big and scary as the EU, but it is there. And some of the same things you're doing to accommodate the EU AI Act will help with these disparate laws in the US. If you're mapping, if you're triaging these risks, you're going to need to know what you need to cover for California and Colorado,"* noted a participant.

Lurking behind the actions of key policymakers and regulators in China and the US is competition to win what both countries see as an AI arms race. Winning the race means getting that balance between innovation and safety right and limiting the other's access to the means necessary to gain competitive advantage. In the US, the Outbound Investment Security Program rule goes into effect in January 2025. According to Clifford Chance, the rule "requires U.S. persons to notify [the Treasury Department] of certain direct or indirect transactions with 'Covered Foreign Persons' … involving specified groups of sensitive technologies and products" and "prohibits U.S. persons from engaging, directly or indirectly, in other such transactions."[11] An executive noted, *"That rule is going to be used in the war between the US and China. AI is key to winning that war."*

Participants discussed how the geopolitics of AI puts Europe in a precarious position. While the EU AI Act protects against the potential perils of AI, many are skeptical that it will help promote the emergence of a vibrant AI industry in the region. One commented, *"Europe is exporting legislation, but that's not where we need to be. We need to be looking at where the talent is, where the engineers are."* Others feel stuck in the middle in the growing US-China rivalry, with heavy reliance on American and Chinese providers. *"As a European, I'm absolutely convinced we need independence vis-a-vis the US, and especially China."* And yet, the pathway to building a homegrown champion is unclear. A director wondered, *"Where is the money going to come from to invest? I don't see it coming from Germany, I don't see it coming from France, and it's not coming from Brexit."*

"Europe is exporting legislation, but that's not where we need to be. We need to be looking at where the talent is, where the engineers are."

— Participant

***

The first meeting of the AI Connect Forum in Europe highlighted the progress made in boards' and management teams' understanding of the technology and greater clarity around near-term use cases and longer-term potential. Yet it also made clear that companies continue to struggle to expand adoption. As they do so, they are working to ensure that they are generating returns on significant capital investments and that risk management and governance are adapting effectively to the rapid pace of development. The regulatory environment will create compliance

challenges, and geopolitical competition will continue to complicate the operating environment in 2025 and beyond. We look forward to continuing the discussion on how to ensure the responsible development and deployment of generative and other advanced forms of AI.

Participants

Jeremy Anderson
Senior Independent Director, UBS and Prudential plc

Dennis Andrade
Managing Director, Tapestry Networks

Giles Andrews
Transformation Oversight Committee Chair, Bank of Ireland; Co-Founder and Non-Executive Director, Zopa

Colin Bell
Chief Executive Officer, HSBC Bank plc and HSBC Europe; Non-Executive Director, Quantexa

David Carmona
Vice President and Chief Technology Officer for Strategic Incubations, Microsoft

Chris Cochrane
Chief Information Technology Officer, M&G

Michael Cole-Fontayn
Non-Executive Director, JPMorgan Securities

Andrew DeBerry
Chief Operating Officer, Costa Security

Ashok Gupta
Risk Committee Chair, Sun Life Financial

Michael Harasimowicz
Director of Artificial Intelligence Innovations, Lockheed Martin Corporation

Laurie Hodrick
Audit Committee Chair, Roku; Non-Executive Director, PGIM High Yield Bond Fund and Prudential Global Short Duration High Yield Fund

Penny James
Senior Independent Director, Hargreaves Lansdown; Non-Executive Director, QBE Insurance Group and Mitie Group

Shonaid Jemmett-Page

Customer and Sustainability Committee Chair, Aviva plc; Senior Independent Director, ClearBank; Chair of the Board, Cordiant Digital Infrastructure; Non-Executive Director, QinetiQ Group

Brendan Kelleher

Partner, Chief Compliance Officer & Head of Enterprise Risk, SoftBank Group International

Phil Kenworthy

Non-Executive Director, ClearBank

Jonathan Kewley

Partner and Co-Chair, Global Tech Group, Clifford Chance Selection Panel; Schwarzman Scholars Co-Builder, Gallos Technologies

Dagmar Kollman

Audit Committee Chair, Deutsche Telekom; Affiliated Transaction Committee Chair, Coca-Cola Europacific Partners; Audit Committee Chair, Paysafe Ltd

Devika Kornbacher

Partner and Co-Chair, Global Tech Group, Clifford Chance; Past Chair, Board of Directors, Children at Risk IP Section, Immediate Past Chair, State Bar of Texas; Vice Chair, Board of Visitors, University of Houston

Laura Koski

Project and Event Manager, Tapestry Networks

John Lister

Actuarial Committee and Risk Committee Chair, Old Mutual; Risk Committee Chair, Phoenix Life

Andrew Lowe

EMEA Head of Business Development for Technology, Bank of America

Simon McDougall

Chief Strategist, Privacy & AI, ZoomInfo Technologies

Brenna McNeill

Senior Associate, Tapestry Networks

Tom Mutton

Director of FinTech, Bank of England

Edward Ocampo

Risk Committee Chair, JPMorgan Securities

Tucker Nielsen

Managing Director, Tapestry Networks

Andy Parsons

Non-Executive Director, RSA Insurance Group

Nathalie Rachou

Compensation Committee Chair, Euronext; Non-Executive Director, Lancashire Holdings and UBS

Kate Platonova

SVP & CIO for Downstream & Renewables, Shell;
Group Board Technology Advisory Council, Direct Line

Paul Robinson

Head of Advanced Analytics, Bank of England

John Reizenstein

Audit Committee Chair, Beazley; Chair of the Board, Investec Bank plc

Chloe Smith

President, CIPD; Former Secretary of State for Work and Pensions and Secretary of State for Science, Innovation, and Technology

Herbert Swaniker

Senior Associate, Tech, Clifford Chance; Member of Council / Board of Trustees, Chatham House

Philip Souta

Global Director of Tech Policy, Clifford Chance

David Ward

Chief Data Officer, M&G

Anthony Vigneron

Director, Legal Technology Solutions, Clifford Chance

Maggie Wilderotter

Chair of the Board, Docusign; Governance and Nomination Committee Chair, Sana Biotechnology; Non-Executive DirectorCostco Wholesale and Fortinet

Samantha Ward

Partner, Clifford Chance

Endnotes

[1] This summary reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals or corporations. Quotations in italics are drawn from conversations with participants in connection with the meeting.

[2] Krystal Hu and Anna Tong, "OpenAI and Others Seek New Path to Smarter AI as Current Methods Hit Limitations," Reuters, November 15, 2024.

[3] Afraz Jaffri, "Explore Beyond GenAI on the 2024 Hype Cycle for Artificial Intelligence," Gartner, November 11, 2024.

[4] Gartner, "Estimating and Demonstrating Business Value Is No. 1 AI Adoption Barrier," news release, May 7, 2024.

[5] Dan Milmo, "'Godfather of AI' Shortens Odds of the Technology Wiping out Humanity over Next 30 Years," *Guardian*, December 27, 2024.

[6] Andrew Stanton, "A Year Before CEO Shooting, Lawsuit Alleged UHC Used AI to Deny Coverage," *Newsweek*, December 5, 2024.

[7] Kathleen Magramo, "British Engineering Giant Arup Revealed as $25 Million Deepfake Scam Victim," *CNN*, May 17, 2024.

[8] European Commission, "AI Act Enters into Force," news release, August 1, 2024.

[9] Ryan Browne, "World's First Major AI Law Enters into Force—Here's What It Means for U.S. Tech Giants," *CNBC*, August 1, 2024.

[10] Browne, "World's First Major AI Law Enters into Force—Here's What It Means for U.S. Tech Giants."

[11] Renee LaTour, "At Long Last: Treasury Issues Implementing Regulations on Outbound U.S. Investments," Clifford Chance, November 4, 2024.

About this document

AI Connect is the definitive collaboration platform on AI for leaders of the world's foremost organizations. Its mission is to provide directors and executives from leading companies with a safe space to engage on AI's strategic implications and the social, ethical, policy, and governance concerns it presents. It will enable senior leaders to learn, to shape solutions, and to connect with one another and with top experts. AI Connect is a Clifford Chance initiative with support from Tapestry Networks. This summary is produced to stimulate timely, substantive discussions about the choices confronting directors, management, and their advisers as they endeavor to carefully balance AI's possibilities with broader social, governance, and ethical considerations. The ultimate value of the summary lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive the summary are encouraged to share it with others in their own networks. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

About Clifford Chance

Clifford Chance is one of the world's pre-eminent law firms, with significant depth and range of resources across five continents. Their Tech Group is a global integrated multidisciplinary team of more than 600 tech-savvy lawyers delivering connected, expert legal advice to clients on their most exciting, complex, and transformational tech-related matters. Clifford Chance recognizes that rapid advances in technology are significantly impacting clients' business models, their growth strategies, and even day-to-day decision-making, bringing opportunities to be harnessed and risks to be navigated.

About Tapestry Networks

Since 2004, Tapestry has been the premier firm for building collaboration platforms with leaders of the world's foremost organizations. Tapestry Networks brings senior leaders together to learn and to shape solutions to today's most pressing challenges. They are a trusted convener of board directors, executives, policymakers, and other stakeholders, connecting them with information, insight, and each other. Top experts join Tapestry discussions to learn from the leaders we convene and to share their knowledge. Tapestry's platforms help educate the market, identify good practices, and develop shared solutions. We call this the power of connected thinking.

AI Connect

CLIFFORD CHANCE

tapestry NETWORKS