

MAY 9, 2024 | ROUNDTABLE

# AI Intersects with Sustainable Governance: Addressing the Realities of “Responsible,” “Ethical,” and “Trustworthy” AI

On May 9, the Paul, Weiss ESG and Law Institute hosted a breakfast roundtable discussion with experts from UC Law San Francisco, UC Berkeley Law, Deloitte, and Heidrick & Struggles on the intersection of AI and Sustainable Governance. They were joined by senior executives and industry leaders for a cross-functional, off-the-record conversation exploring the capabilities and risks posed by AI, and the art of applying effective and scalable governance mechanisms. As stakeholders are increasingly scrutinizing how organizations engage with AI, companies should consider what it means to use technology in an “ethical” and “responsible” fashion.

The discussion opened with a question posed by Dave Curran, Executive Director of the ESG and Law Institute, on what it means for companies to “get up to speed” on AI, as it is a constantly evolving landscape and the learning process is evergreen. Participants discussed the importance of working cross-functionally and proactively with other internal and external stakeholders, including risk, compliance, and legal teams, as AI poses new and complex challenges for these functions. It takes a village, noted Satish Lalchand, Principal in Deloitte’s Artificial Intelligence practice, to truly understand AI, the challenges and opportunities presented, and the oversights and guardrails in place. The participants stressed the need to build bridges between domain knowledge, legal knowledge, and AI expertise, and to match governance frameworks with the specific issues and contexts of AI applications. A [recent survey](#) of AI executive roles found that while 60% of respondents view legal, risk, and compliance as important stakeholders, only 6.7% say they prioritize spending time with these functions, noted Ryan Bulkoski, global head of Heidrick & Struggles’ Artificial Intelligence, Data & Analytics Practice. The participants also shared practical insights on how to anticipate and prepare for governance challenges and potential risks, noting the increasing frequency and complexity of disputes and litigation related to AI.

Participants discussed the need for board and management oversight and education about AI, as AI is increasingly becoming a top issue for companies. A great tool for engagement, they noted, is helping clarify the business case, using concrete examples to demonstrate impact and value. The participants also emphasized the importance of

cross-training and refreshing board and management talent to keep up with the evolving AI landscape. Don Williams, managing director in Deloitte's AI and Forensic Analytics practice, noted the value of engaging with the AI team proactively to understand the underlying algorithms and programs as they are being developed. This oversight can help companies flag emerging risks and challenges early, before they grow into larger scale issues.

Participants highlighted the connection between AI oversight and core governance practices, and the value of leveraging existing frameworks and controls to address AI issues. Many traditional legal issues related to AI, such as fraud or price fixing, are still the same issues at the core, and companies can utilize existing governance controls that are already in action. Companies can also leverage the structures and requirements outlined by the various international regulations and frameworks guiding and shaping AI governance, including GDPR, CSRD, EU AI Rules, and the White House Blueprint for an AI Bill of Rights, as they build out their internal oversight protocols and structures. AI Governance is getting a lot of new eyes, noted Evan Epstein, Executive Director of the UC Center for Business Law San Francisco, as there is a new generation of companies who are interested in bringing governance back to the forefront.

The [ESG and Law Institute](#) cultivates and expands discussion on the intersection of ESG and the law, and provides a centralized forum of solutions-oriented ESG [thought leadership](#) and intelligence for boards, executives, institutional investors and the legal community.

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