

EY EW Tech Risk AI Governance, Risks and Compliance

Survey 2025

May 2025



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Survey methodology

Survey methodology and respondent demographics

- The demand for innovative Artificial Intelligence (AI) solutions is growing rapidly, with organizations making significant investments and advancements within this space.
- To understand how our clients are adopting and implementing AI, as well as their AI risk management practices and compliance with the EU AI Act, EY Technology Risk conducted a survey - focusing on AI progress, skills, risk management, and regulatory readiness - aiming to assess key challenges, concerns, and future plans.
 - Survey open from February 2025 to April 2025.
 - 57 respondents (N=57; 55 different companies) :
 - Cross-sectorial global and regional organizations across the Europe West Region,
 - Organizations ranged from large organizations with a majority having over 5,000 employees (53%) to organizations with fewer than 10 employees (7%).
 - The roles of the respondents in the survey include a variety of positions such as IT managers, risk managers, legal directors, auditors and executives.

Survey methodology and respondent demographics (cont'd)

- This report is organized into three chapters:
 1. Survey methodology and respondent background
 2. Artificial Intelligence strategy
 3. Risk Management and Responsible AI Implementation
- Note: Percentages in this document are rounded to the nearest whole number. Consequently, totals may not equal 100% due to rounding errors.

02

Executive Summary

Executive Summary

- The EY Europe West Tech Risk AI Survey 2025 explores the evolving landscape of **Governance, Risks and Compliance** in relation to **Artificial Intelligence** (AI). Conducted with a diverse group of respondents, the survey aims to understand the **current state of AI adoption** and the associated **challenges** organizations face.
- As organizations **integrate AI** into their operations, they face significant **governance and compliance challenges** that require immediate attention. The **absence of well-defined AI governance frameworks** can lead to **inconsistent practices** and **increased risks**, undermining the **integrity** of AI systems. Additionally, **ethical considerations** are crucial, as neglecting them can result in reputational damage and regulatory scrutiny.
- The results underscore the **urgent need for robust governance structures** and **ethical guidelines** to navigate the complexities of AI integration effectively. This sets the stage for a deeper examination of the key insights and findings from the survey, which will provide a clearer picture of the landscape and inform strategic actions moving forward.

Key takeaways

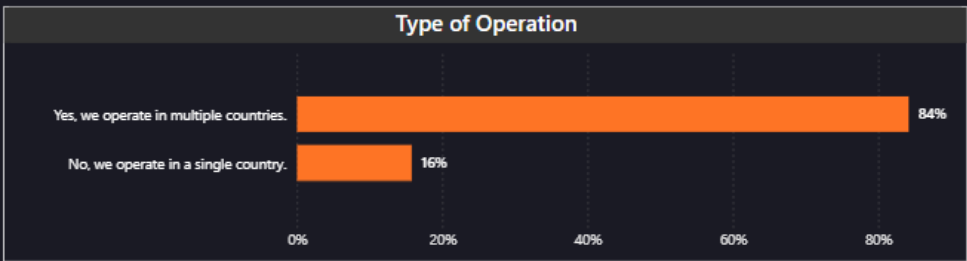
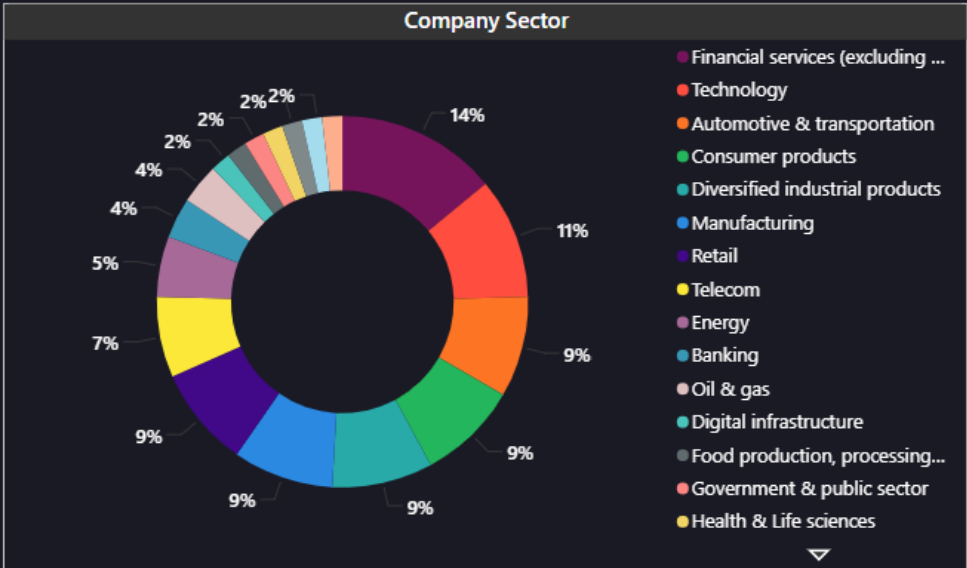
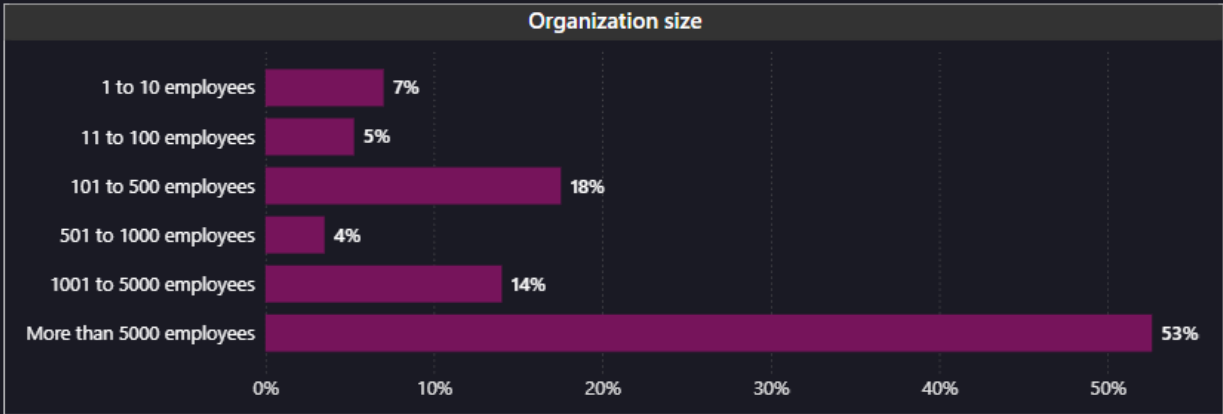
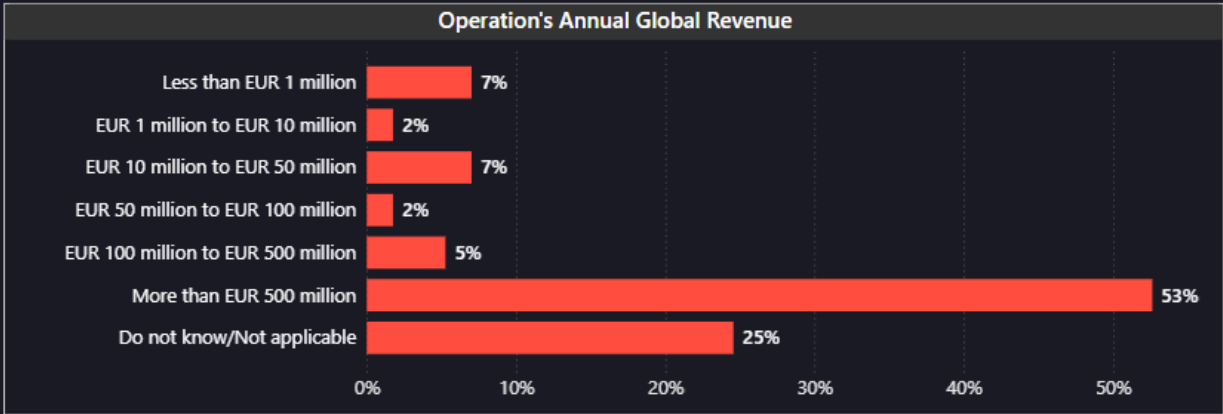
- **AI Adoption Strategy:** 28% of respondents either have an AI adoption strategy without implementation or no strategy at all, highlighting the need for these organizations to develop plans to catch up with the 72% already using AI-powered solutions.
- **AI Governance Models:** One-third of organizations lack well-defined governance models for AI, despite efforts to integrate AI into their strategic plans.
- **Major Risks Identified:** Organizations recognize "Data & Privacy" and "IT & Security" as significant risks associated with AI, yet many indicate not having robust governance frameworks to effectively manage these risks.
- **Need for Risk Management Controls & Audit Readiness:** While 58% of organizations have established formal AI policies, half of them still need to develop comprehensive risk management controls, underscoring the urgent need for improved governance in AI practices. Only 10% of organizations are fully prepared for AI system audits.
- **Compliance with the EU AI Act:** Although 80% of organizations are aware of the EU AI Act, only 28% are fully compliant, indicating a critical need for proactive measures and better communication regarding regulatory requirements.
- **Data Governance Responsibilities:** Only 18% of organizations have clearly defined data governance responsibilities, and just 10% have systematic processes for updating AI models, pointing to a need for stronger frameworks to mitigate AI-related risks.
- **Training:** Only 33% offer comprehensive training on AI governance, emphasizing the need for enhanced audit readiness and ethical awareness initiatives.

03

Respondent background

Q0. Information about the respondent's company sector, size, revenue and type of operation

Most respondents are from organizations with over 500M annual global revenue, with over 5000 employees and operate in multiple countries.



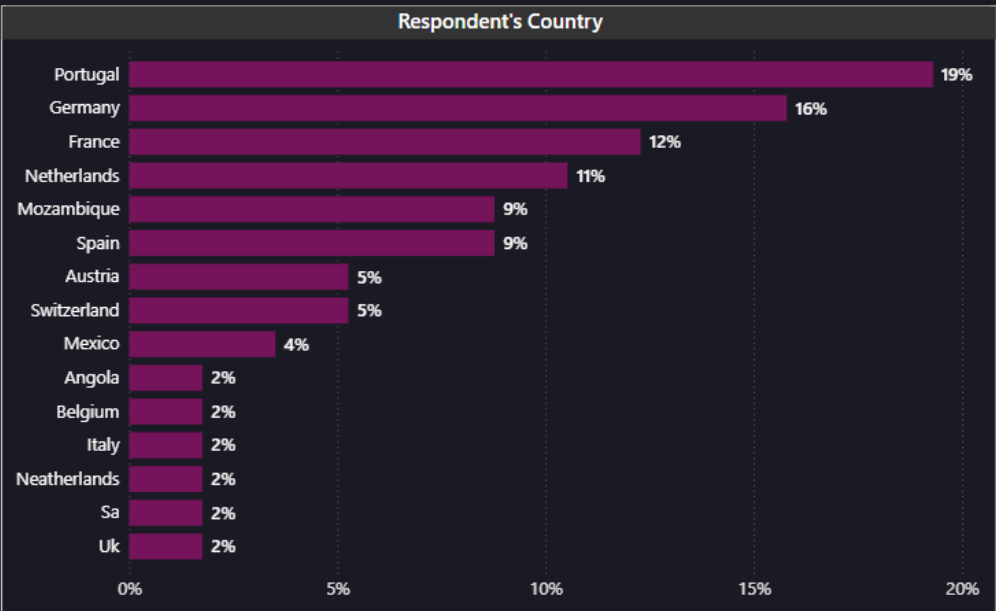
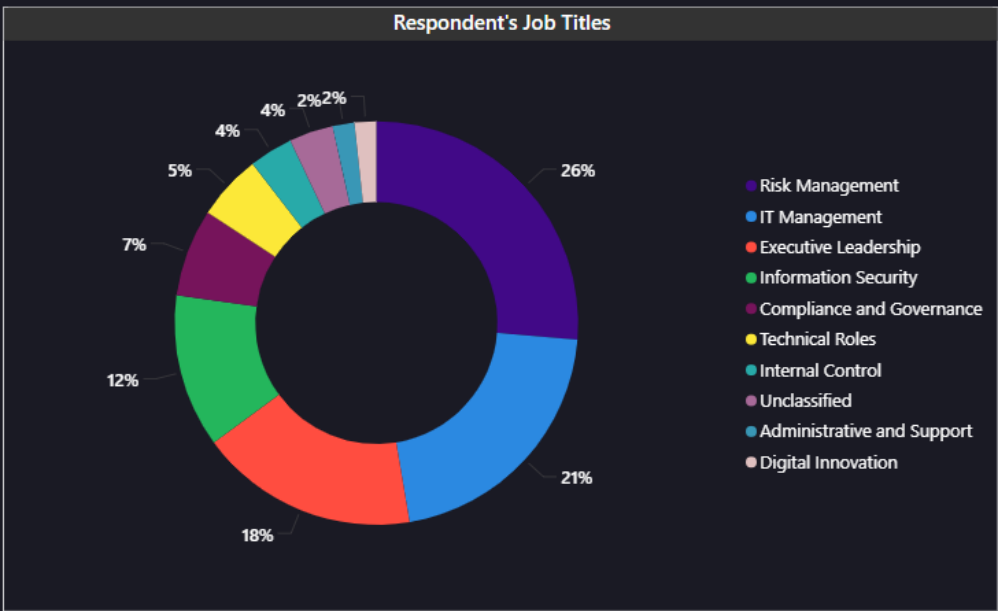
Q0. Information about the respondent's profiles

Respondents predominantly occupy IT/IS and Risk roles, with a broad geographical representation, reflecting the varied environments in which the organizations function.

Number of responses
57

Companies
55

Countries
15

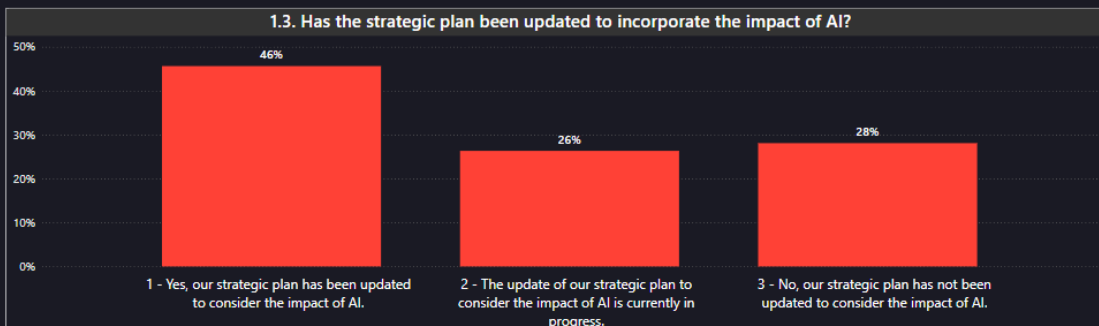
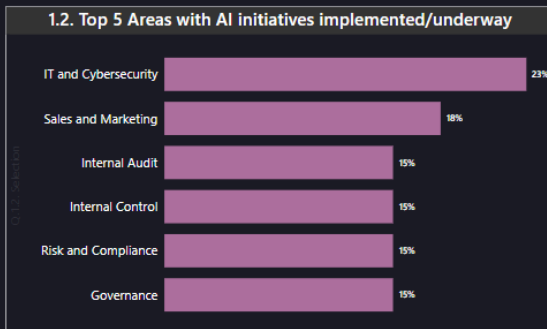
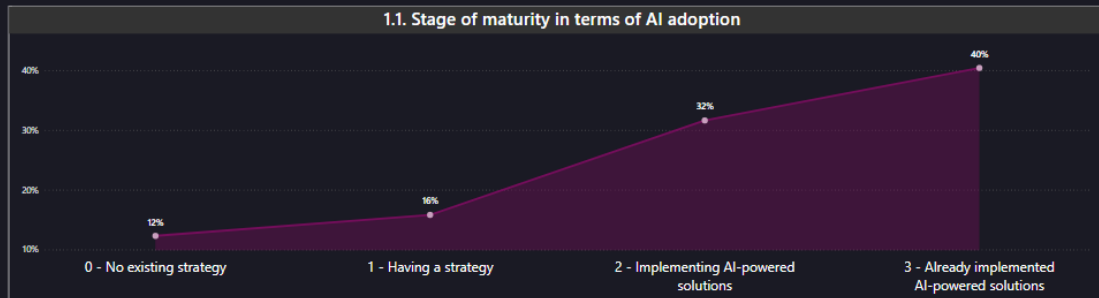


04

Artificial Intelligence Strategy

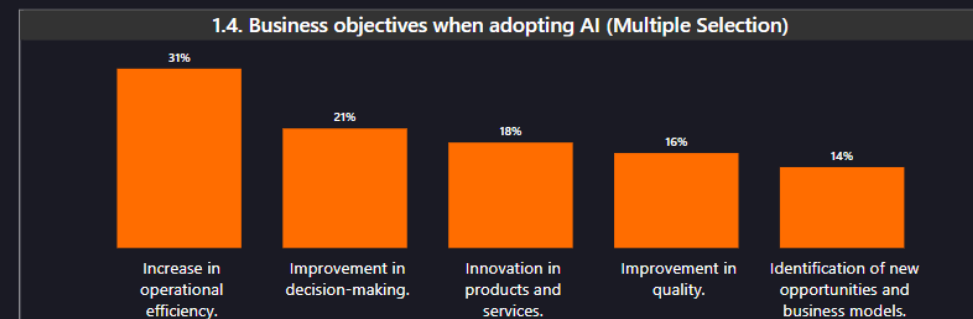
Q1. Stage of organizational maturity in terms of AI adoption

16% of respondents only have a strategy for AI adoption, and 12% have no existing strategy. These organizations require a boost from only having a strategy to catch-up with the 72% already either implementing or having AI-powered solutions.



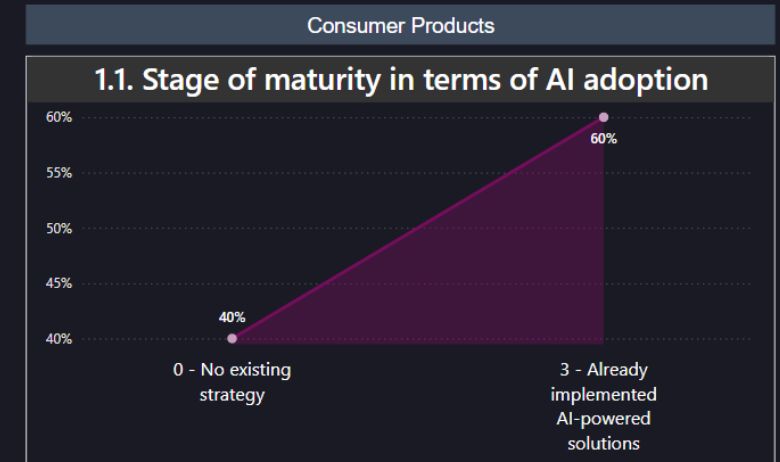
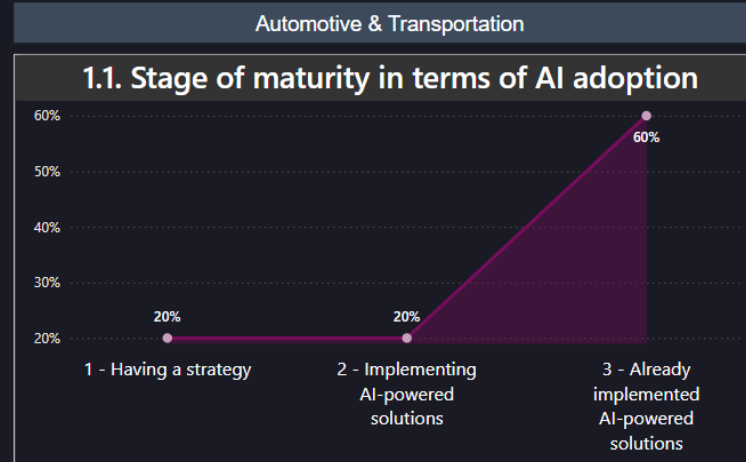
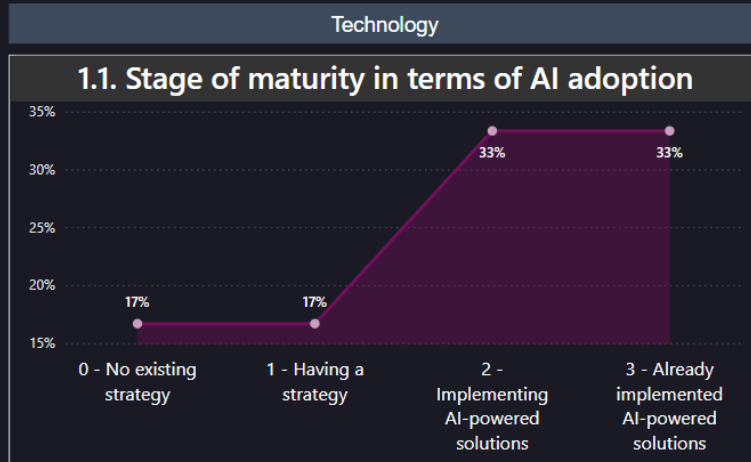
Observations:

- **Adoption maturity:** 40% of organizations have implemented AI-powered solutions, indicating a growing maturity in AI adoption.
- **Involvement across areas:** Key areas engaged in AI strategy include IT and Cybersecurity (23%) and Sales and Marketing (18%), showing diverse organizational involvement.
- **Strategic plan updates:** 46% have updated their strategic plans to incorporate AI, while 26% are still in progress, highlighting a need for further alignment.
- **Anticipated benefits:** The main benefits of AI include increased operational efficiency (31%) and improved decision-making (21%), underscoring AI's potential value.



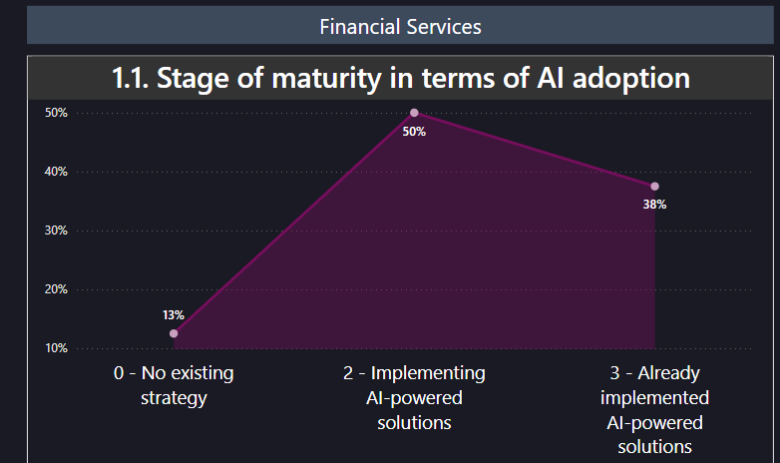
Q1. Stage of organizational maturity in terms of AI adoption

Respondents from the top sectors indicate that 60-80% of AI-powered solutions are either being implemented or have already been implemented, showcasing their leadership in AI adoption.



Observations:

- **Adoption maturity:** While the overall average shows that only 40% of organizations have implemented AI-powered solutions, Technology, Automotive & Transportation, Consumer Products and Financial Services sectors are ahead, with 60% to 80% of organizations actively adopting AI technologies.
- **Strategy Development:** Unlike the global average of 16% of organizations that only have a strategy for AI adoption, the most represented sectors in the survey show greater maturity actively implementing AI solutions instead of just remaining at the strategy stage.



05

Risk management, Responsible AI & Implementation

Q2. Risks anticipated and relevance of Responsible AI Principles

70% of organizations do not have a well-defined AI governance models, highlighting a critical gap in oversight and management of AI systems.

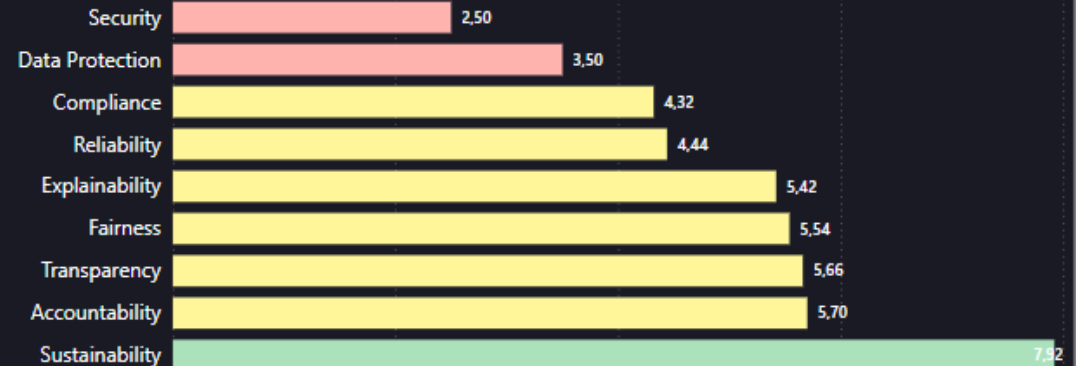
2.1.1. Average ranking the risks anticipated as a result of using AI

(considering 1 – most critical and 8 – least critical)

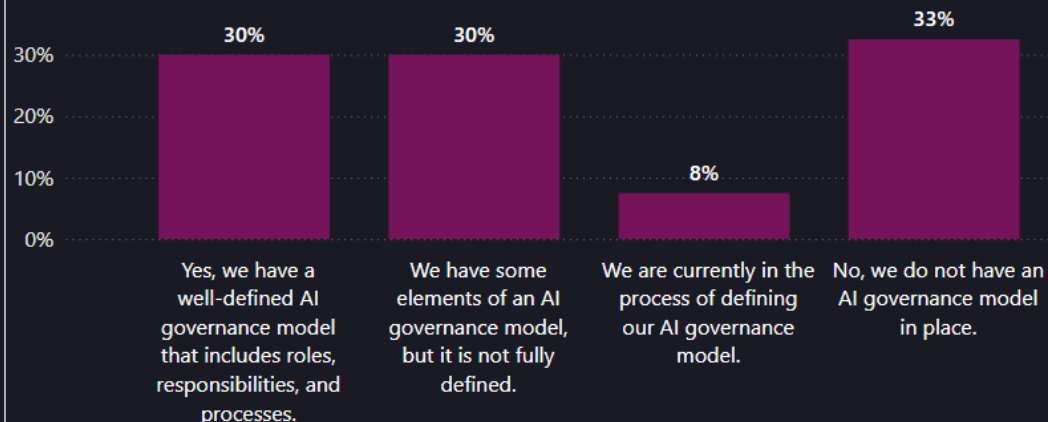


2.1.2. Average ranking the Responsible AI Principles considered/implemented

(considering 1 – most critical and 9 – least critical)



2.2. Does the Organization have a defined AI governance model that includes roles, responsibilities, and processes?

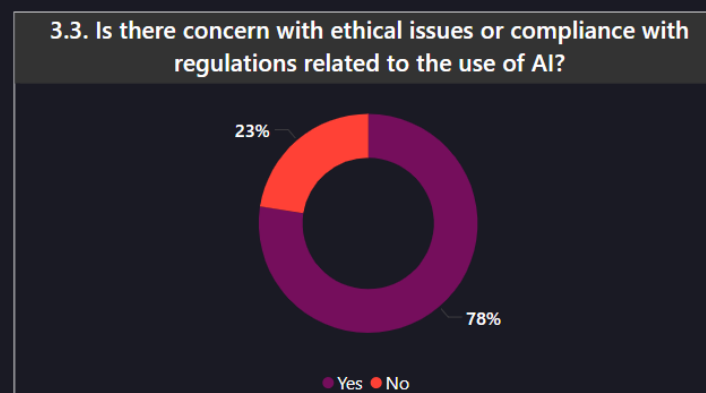
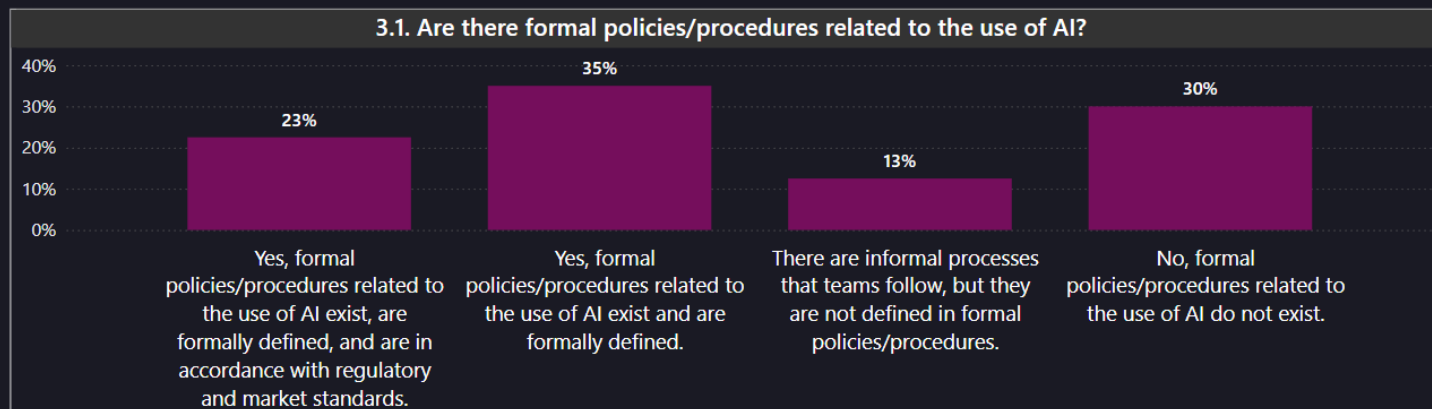


Observations:

- **Most anticipated risks:** Most respondents have ranked “Data & Privacy Risks” and “IT & Security Risks” as their top anticipated risks of using AI.
- **Critical Responsible AI Principles:** Similarly, “Security” and “Data Protection” are the Responsible AI Principles considered to be most critical.
- **Least critical topics:** The least concerning risk to Organizations are “Third Party Risks”. Additionally, respondents consider “Sustainability” to be the least relevant Responsible AI Principle.
- **Third-Party Risks:** Low ranking of third-party risks suggests organizations may underestimate their significance, creating vulnerabilities in an interconnected environment.

Q3. Maturity of the Organization's policies/procedures and controls in place

Despite 58% of organizations having formal AI policies, 80% still need to develop their risk management controls, underscoring the urgent need for enhanced governance in AI practices.

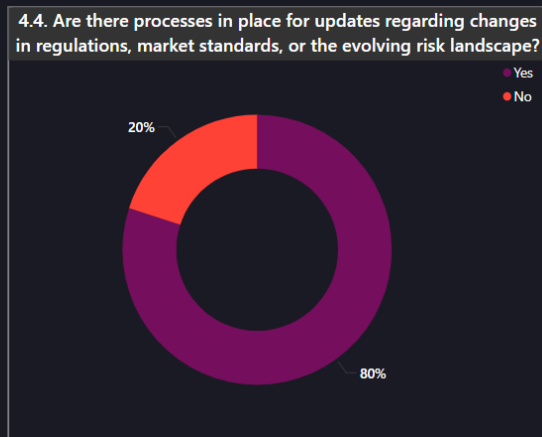
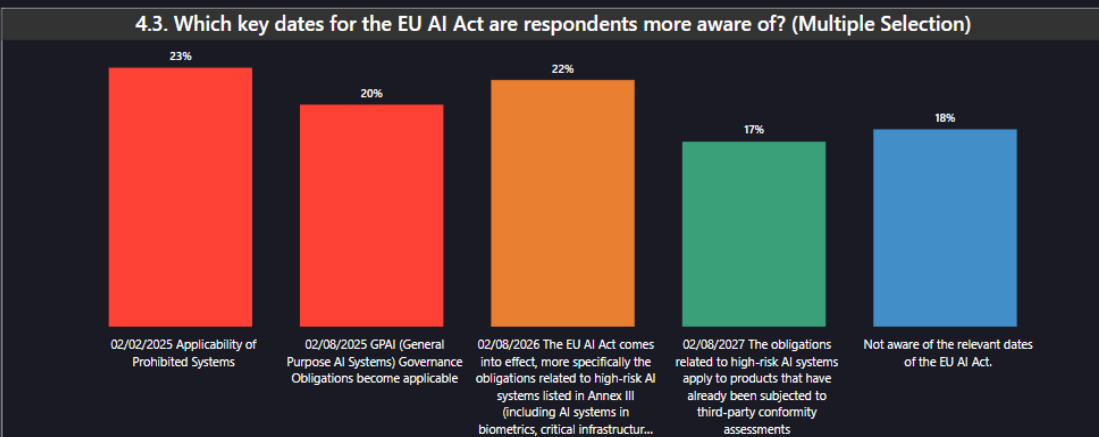
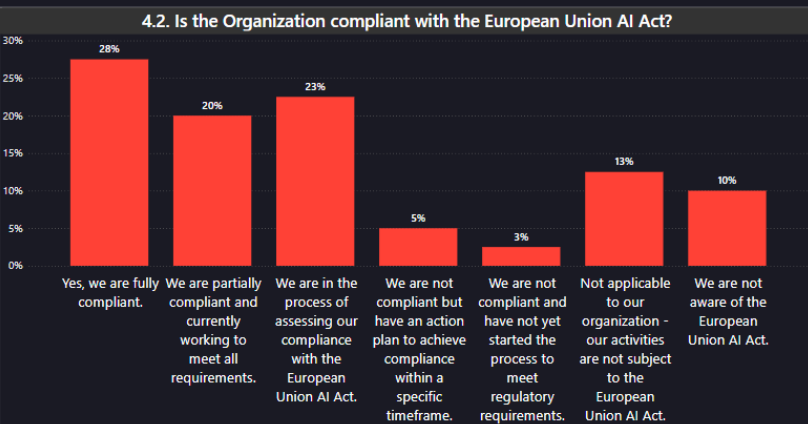
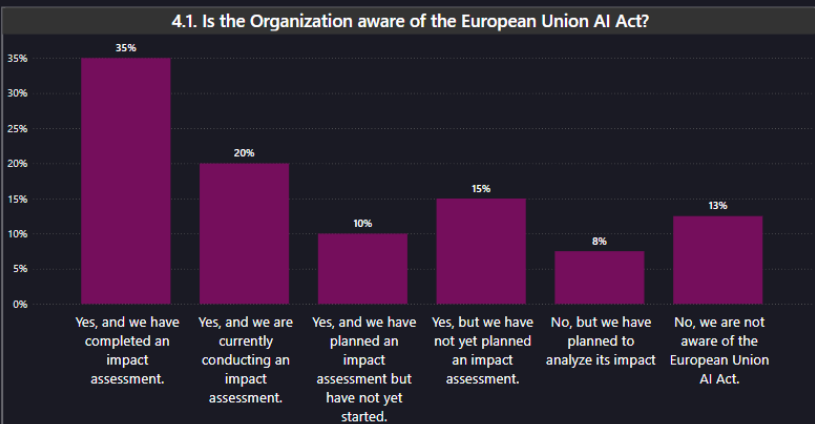


Observations:

- **Formal policies/procedures:** 58% of organizations have formal AI policies, but 43% still lack them, highlighting a need for improved governance.
- **AI Risk Controls:** While 20% of organizations have well-defined controls to manage AI risks, 50% of organizations have some controls that require further development and 30% of organizations need to define proper controls. This indicates further guidance, and maturity is required in building a solid AI related Risk & Control matrix.
- **Concerns About Ethical Issues:** A significant 78% prioritize ethical issues and compliance in AI, indicating a strong awareness of governance needs.
- **Opportunity for Improvement:** There is a clear opportunity for organizations to enhance their AI policies and risk management frameworks.

Q4. European Union AI Act

While 80% of organizations are aware of the EU AI Act, only 28% are fully compliant, indicating a critical need for proactive measures and improved communication on regulatory requirements.

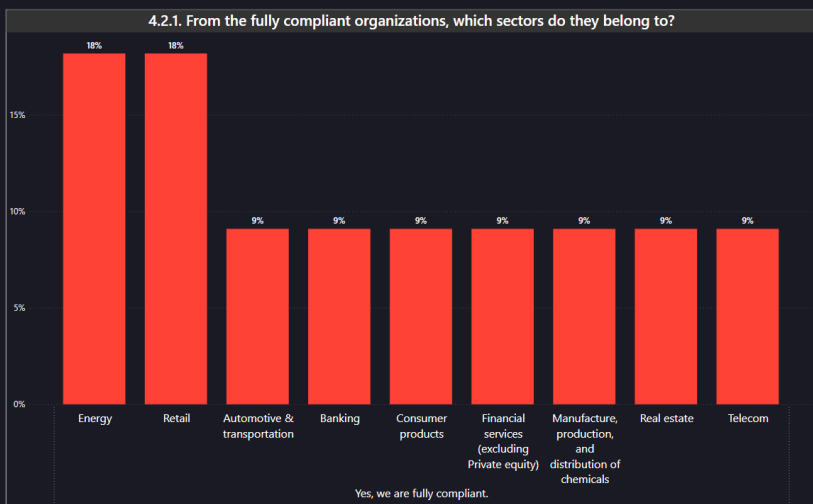
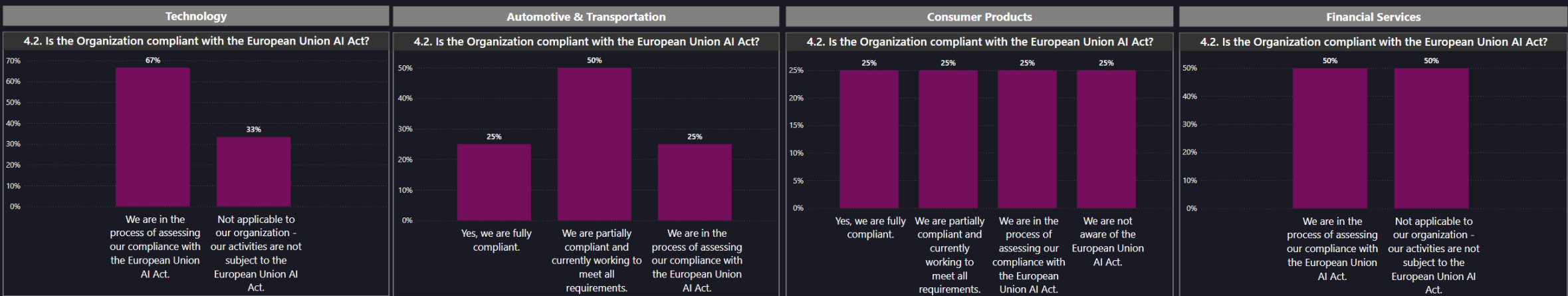


Observations:

- **Awareness:** About 80% of organizations are aware of the EU AI Act, with many having completed or planning impact assessments, but some remain uninformed.
- **Compliance:** Only 28% are fully compliant as of today, while a significant portion is still assessing their compliance status, indicating a need for proactive measures.
- **Update processes:** A strong 80% have processes for continuous updates on regulations, showing commitment to regulatory adaptation.
- **Key dates:** Organizations recognize important upcoming deadlines related to the EU AI Act, but 18% are unaware of these dates, highlighting a need for improved communication.

Q4. European Union AI Act

The Energy and Retail sectors lead in compliance with the European Union AI Act, each comprising 18% of the fully compliant organizations. This indicates a strong commitment to regulatory adherence in these industries.



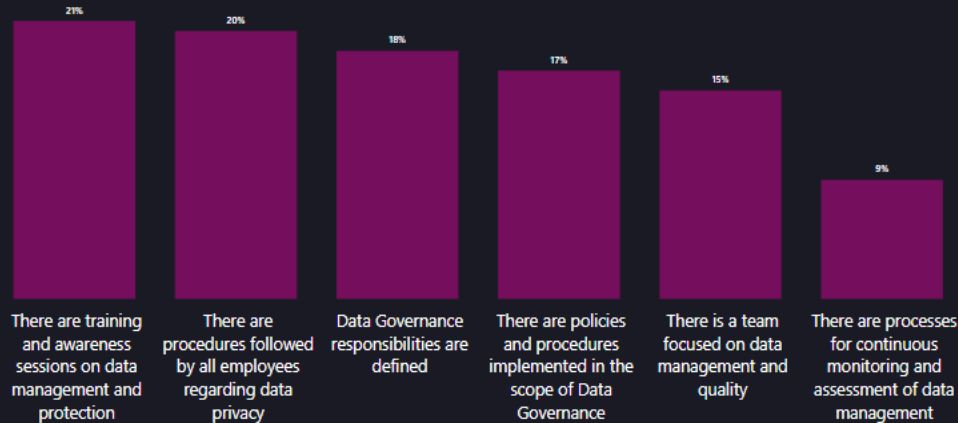
Observations:

- Sector Engagement:** In general, the Technology, Automotive & Transportation, Consumer Products and Financial are assessing their compliance (25% - 67%), and reporting partial compliance (25% - 50%), indicating they are in the earlier stages of evaluation rather than achieving full compliance.
- Compliance Comparison:** While the most represented sectors are generally still assessing their compliance, the Energy and Retail sectors demonstrate stronger adherence, highlighting a gap that needs to be addressed to improve overall compliance rates.

Q5. Data & AI Related Risks

Organizations primarily rely on training policies for security measures, yet only 9% have defined continuous processes for data management, highlighting areas that lack adequate security measures and governance.

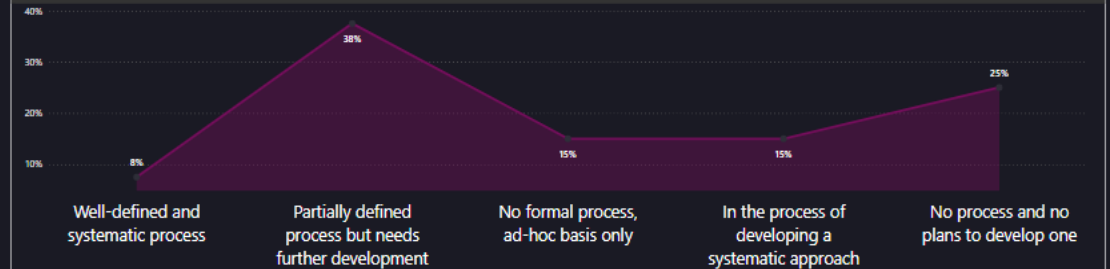
5.1. What security measures are there in place to protect the data used by AI systems?



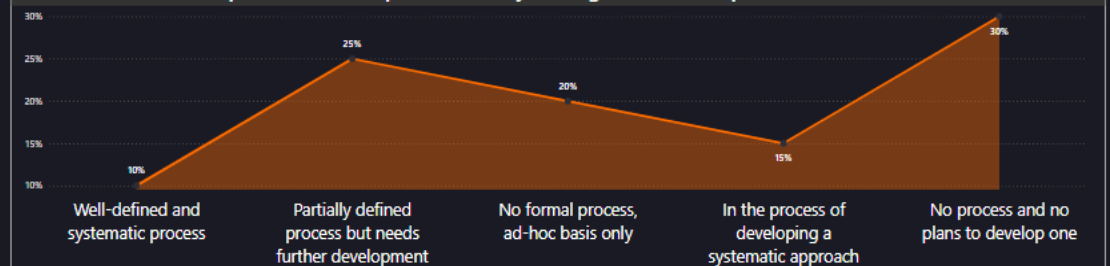
Observations:

- **Data governance risks:** Only 18% of organizations have defined data governance responsibilities, indicating a need for stronger frameworks.
- **Data collection risks:** 46% have a defined process for data collection for AI training, while 25% lack any process, highlighting critical gaps.
- **Model training:** Only 10% have a systematic process for updating AI models, with 30% having no process, posing risks to AI reliability.
- **Lifecycle management:** Only 8% report a well-defined lifecycle management process for AI systems, with many organizations needing to improve in this area.

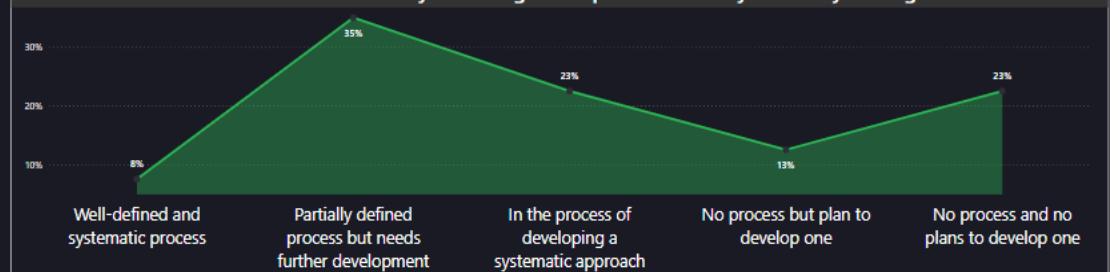
5.2. How is data collected and managed for training AI models in your organization?



5.3. What processes are implemented in your Organization to update and train AI models?

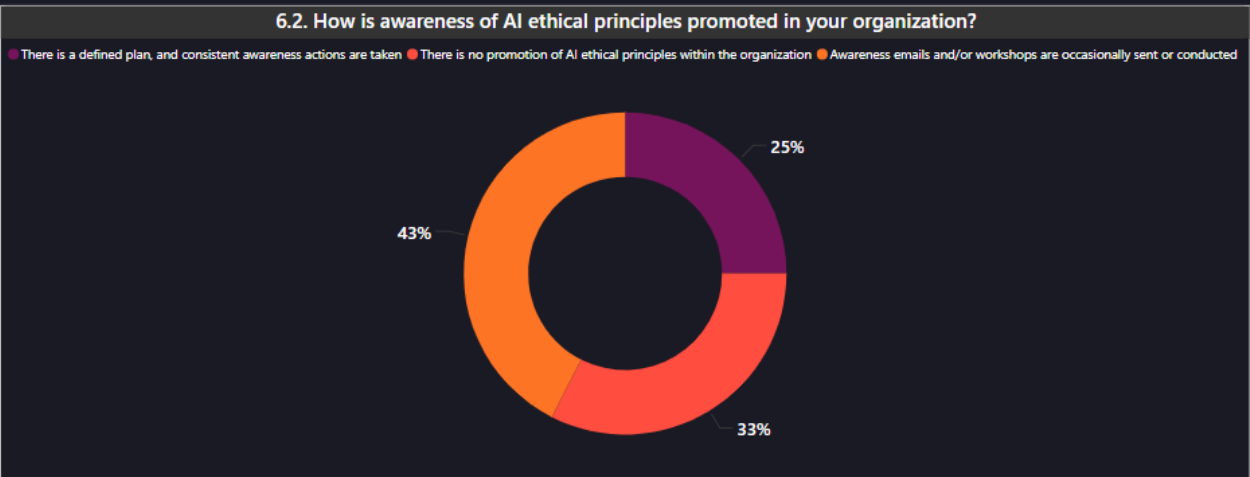
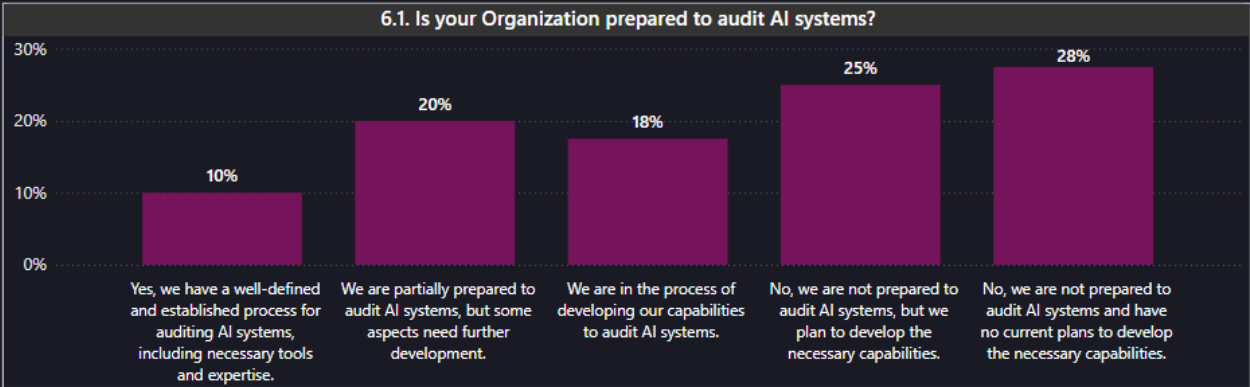


5.4. How well-defined is the lifecycle management process for AI systems in your Organization?



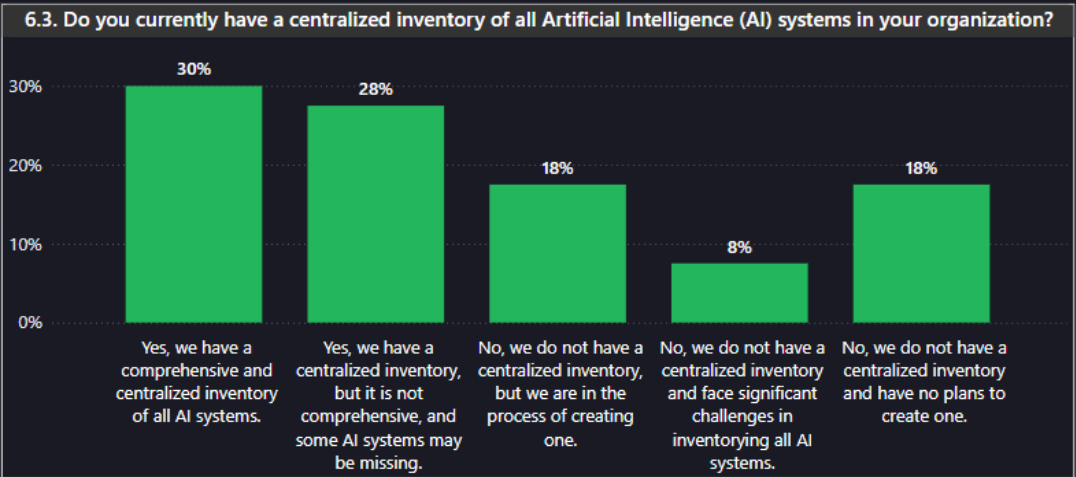
Q6. Audit & Global Awareness

With only 10% of organizations fully prepared to audit AI systems and 43% conducting occasional awareness actions on AI ethics, there is a critical need for enhanced audit readiness and ethical awareness initiatives.



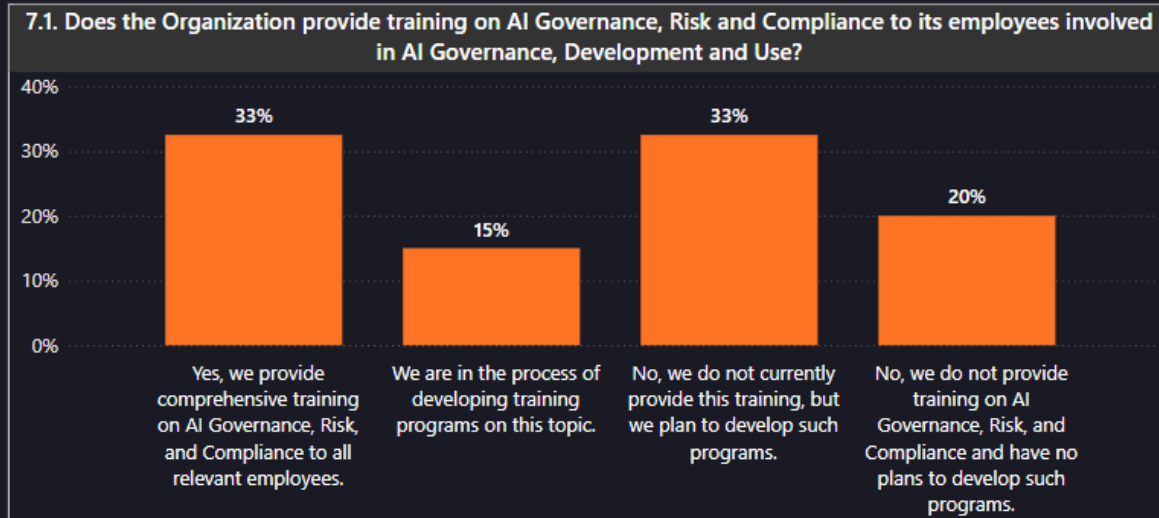
Observations:

- **Audit Readiness:** Only 10% of organizations are fully prepared to audit AI systems, with 53% lacking any plans to develop necessary capabilities.
- **Ethical Awareness:** While 43% conduct occasional awareness actions on AI ethics, 33% do not promote these principles at all, indicating a need for more proactive efforts.
- **Centralized inventory of AI systems:** Just 30% of organizations have a comprehensive centralized inventory of all AI systems, with 18% lacking such inventory and have no plans to create one.



Q7. Training

Only 33% of organizations provide comprehensive training on AI governance, while 8% do not provide any education related to tech regulations, directives, toolboxes, or frameworks, highlighting a critical gap in employee education.



Observations:

- **Training:** Just 33% provide comprehensive training on AI Governance, Risk, and Compliance, with many organizations lacking such programs or in development, highlighting a critical gap in employee education.
- **Types of education provided by the organizations:** While 44% of the organizations provide self-serve online resources as a type of education, 8% do not provide any education related to tech regulation, directives, toolboxes or frameworks.



Key contacts

AI Survey and GtM Contacts



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