

June 2025

AI

in governance

What boards
need to know



✦ A Positive Change Company

In brief

Artificial intelligence (AI) presents significant opportunities for boards – but many are still unsure how to approach it. Based on insights from our recent roundtable with leading governance professionals, this paper explores where boards stand on AI today, and how Company Secretaries can support them in moving forward.

Key takeaways

Boards are falling behind

While AI is gaining traction across organisations, many boards are slower to engage - creating a growing knowledge gap at the top.

Practical exposure is essential

Familiarity with AI tools, even in small ways, helps reduce uncertainty. Personal use builds confidence.

Start with immediate wins

AI-assisted tools, such as for minute writing or document summarisation, offer tangible benefits without major disruption.

Make AI part of the agenda

Treat AI as a recurring theme - integrated across risk, strategy, governance, and culture - rather than a one-off item.

Upskilling is now urgent

Boards must build AI literacy to stay relevant and fulfil their oversight role. Company Secretaries have a critical role in guiding this shift.

Preface

Black Sun Global was delighted to welcome a select group of governance professionals to a roundtable discussion exploring the opportunities and challenges that AI presents for corporate governance and board effectiveness.

The round table was born out of a realisation that, while there was an increasing desire among major listed companies to try to harness the positive potential of AI in their corporate governance activities, there was an absence of clear guidance or consensus as to the best way to approach this. As became particularly apparent in the discussion, this was both in relation to the opportunities that AI presents, and the risks – and perceived risks - associated with it.

This short report summarises some of the key insights from the round table and provides a few practical suggestions around implementing AI within corporate governance processes and practices which emerged from the discussion. We hope it will provide a useful tool in considering how AI might benefit companies looking to embrace AI in the Boardroom, facilitating these complex and rapidly evolving discussions.

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The conversation was born out of a clear shift: while many organisations are actively exploring how AI can support efficiency, insight, and innovation, there remains little consensus on how governance should respond - or where it should lead. What emerged was a shared recognition that AI is both an opportunity and a risk, and that many boards feel under-equipped to navigate its implications with confidence.

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This short paper captures the key themes and perspectives shared during the session, along with some practical ideas for how AI might support, and even strengthen, corporate governance practices. We hope it offers a useful starting point for those looking to begin or advance the conversation in their own boardroom.



Rod Banner
AI Czar at the
Positive Change
Group

Black Sun is part of the Positive Change Group, and this roundtable forms part of the Group's wider initiative to explore how AI is transforming stakeholder engagement - and what it means for governance, culture, and leadership. Rod Banner, AI Czar at the Positive Change Group, focuses on harnessing AI to create impactful, forward-thinking solutions for a better future for stakeholder engagement.

Background to the meeting

Corporate governance and Boardroom practice are often seen as evolving cautiously - and for good reason. These are domains shaped by regulatory precision, high-stakes decision-making, and the sensitivity of the information involved. But as generative AI continues its rapid integration into the business landscape, governance professionals must consider how this technology could reshape how they work and how they support their Boards.

The meeting was convened in response to this shifting landscape. With governance teams increasingly aware of AI's potential - yet lacking clear direction on how to apply it effectively - we brought together company secretaries and governance leaders from some of the UK's most prominent businesses. The aim was to explore early thinking, highlight practical use cases, and drive meaningful conversation about what AI readiness looks like at Board level.

Meeting structure and approach

The discussion brought together representatives from a diverse group of major UK companies. It was chaired by Harriet Rumball, Director of Investor and ESG Communications at Black Sun, and supported by expert contributions from:



Scarlett Brown
Head of the
Think Tank at Board
Intelligence



Moya Hayhurst
an experienced
Company Secretary
and Fellow of the
Chartered Governance
Institute



Rod Banner
AI Czar at the Positive
Change Group

The round table was held under the Chatham House Rule, allowing participants to speak freely with the assurance that comments would remain non-attributable. The result was a candid, thoughtful, and forward-looking conversation, captured in summary across the following pages.

Attendees

Alongside experts from the Positive Change Group, the following companies had representatives present:



Framing the conversation

Structure of the meeting

After introductions around the table and some opening remarks from Harriet Rumball, the meeting proceeded as an open discussion with contributions from all attendees. Several key themes emerged throughout the session:

- **Balancing opportunity and risk:** Exploring how AI can support governance while safeguarding sensitive and confidential information.
- **Solving the right problems:** Identifying where AI can currently add the most value in governance processes.
- **Driving board engagement:** Encouraging experimentation and uptake at board level.
- **Adopting with awareness:** Promoting practical use of AI while remaining conscious of its limitations and ethical considerations.

Reluctance, risk and AI safety: What's holding boards back from AI?

One of the first things that became apparent in the discussion was the difficulty in striking a balance between a growing willingness to engage with AI amongst Board Directors and the persistent reservations they still have when considering the technology. One participant summed up the issue neatly, asking:

'In being cautious and thoughtful, am I missing out?'

Several attendees highlighted a growing disconnect: while AI is already being explored and implemented across their organisations, many boards are still on the sidelines.

'AI is being implemented within our company, but the Board is waiting to understand it.'

'The Board is becoming more disconnected from the company's progress with AI.'

While it was noted that the last year has seen a step change in the desire for Boards to embrace AI, many were understandably still cautious around providing Large Language Models (LLMs) like ChatGPT and Perplexity, with highly sensitive and confidential information. Participants were open about the dilemmas facing companies in this regard and one noted:

'We're at an interesting inflection point where some Board minutes are still taken down in shorthand, while others may be fully exploiting AI.'

Given that maintaining information security was seen by many as a major barrier to adopting AI in the Boardroom, part of the discussion focused on the safety of using LLMs and the potential benefits of closed-system generative AI - such as using Microsoft's CoPilot to interrogate a company's internal files and databases. One participant commented:

'We've used Copilot before, because it's in the Microsoft space and we are comfortable with this, as are the Board.'

However, there was a shared recognition that, since AI is already a reality in most organisations, the focus should shift from whether to adopt it, to how to manage the associated risks effectively. When implemented correctly, AI security doesn't need to be treated any differently from existing IT or data security protocols - areas where Boards and governance professionals already have well-established frameworks and experience.

To ensure responsible integration, participants agreed that open dialogue between governance and technology teams is essential. As one attendee noted:

'Discussion between technical, legal, and governance experts is the answer to finding a way forward.'

Another emphasised the growing urgency:

'We can't take the risk out of AI, but bigger players must adopt it or risk being left behind.'

There was broad agreement that the conversation must now move towards identifying a safe, practical path to embed AI within governance structures.

Framing the conversation

Finding the Right Problems

Assuming that boards are able to move beyond the legal and safety questions that still persist, the conversation turned to a more practical question: where can AI deliver the most value for boards?

It was widely agreed that even when there is a willingness to engage with emerging AI technologies, identifying clear and meaningful use cases remains a challenge. Several participants noted the importance of not starting with tools - like ChatGPT or Copilot - and expecting insights or efficiencies to simply materialise. Instead, they advocated for a more grounded approach: start with the problem.

‘It’s important to identify the problem that AI could solve, rather than starting with the AI tool.’

‘An AI summary of information is likely to be insufficient as the basis for a board judgment. However, AI tools can be used to identify gaps and to point and probe.’

Current rapid developments in specialist minute taking tools - which can take notes directly from a meeting rather than relying on a transcript - and bespoke analytical tools to help directors refer back to past board discussions on specific issues were mentioned as potential solutions to boardroom-specific problems. It was suggested that one reason many companies adopting AI wholesale have not seen the returns they expected is that they took too broad an approach, attempting to use generative AI as a general fix-all rather than targeting specific challenges.

There was also some discussion around the importance of focusing AI adoption efforts. For example, if directors were given access to an LLM trained on data from the entire company, this could potentially create more confusion than clarity. Instead, it was considered crucial to ensure AI tools help direct attention to the most important and relevant information - rather than simply adding to the volume of data already facing busy boards. At its best, it was hoped that AI could serve as a facilitator in board conversations, helping directors prepare for meetings and improving the quality of information available to them.

The wide-ranging relevance of AI was summarised by one participant, who noted:

‘AI is not just a show and tell or a single issue that can be tackled. It spans all areas of organizational activity.’

Shifting Mindsets: Encouraging Board Engagement with AI

It was widely agreed that it is imperative for boards to gain a deeper understanding of AI, and that the most effective way to encourage this is through first-hand, personal engagement. According to an October 2024 report, nearly half of boards have yet to see AI feature at their meetings at all, while only 14% are addressing it at every meeting. Yet the point was made that boards ought to consider the potential of AI in relation to every item on the agenda, not just as a standalone topic. Rather than treating AI as a purely technological issue, participants argued it should be approached as a transformational force - comparable to the arrival of the internet.

One suggested solution was to encourage personal uptake and upskilling among board members to help them better understand the nature of the change AI might bring. Beyond formal training, more creative solutions - such as inviting after-dinner speakers - were discussed as ways to inspire and familiarise directors with the technology. Providing a safe space to ‘play’ with generative AI would be the best way to overcome the base reticence of directors and encourage upskilling. Personal adoption and experimentation among Company Secretaries and those around the Board was also seen as important in order to provide and promote AI proficiency and understanding. One of the speakers commented:

‘It is important that the Company Secretary is an advocate of AI, helping the Board to understand it better. The Chair will play an important part here too.’

Framing the conversation

Learning from peers was also considered vital. Creating an ecosystem in which AI adoption is openly discussed among colleagues and across organisations was seen as a valuable way to normalise its use. Without personal experience, it was felt, it becomes difficult to make the case for broader adoption. Those working in governance, therefore, must have at least a general understanding of how and when to use generative AI. As our speakers noted:

‘We need to encourage Boards to get out of the fear mindset.’

‘Boards should be skilled on AI and understand what it is, they should be taking AI training just like everyone else in the business.’

‘Give directors a chance to play and experiment, beside the formal structures. Give them a safe environment to play.’

The Imperative to Adapt: Culture, Competition, and the Limits of AI

The final part of the discussion took a step back to reflect on the broader impact of AI -and the need for businesses to keep pace with the change it is driving. Without doing so, smaller, more agile companies will be better placed to use AI in ways that challenge more established players.

While no one suggested the more extreme predictions around AI becoming super-human were imminent, there was broad agreement that generative AI is already creating real change, and companies that ignore it may struggle to keep up. As a couple of participants put it:

‘If the culture doesn’t change, the company is going to struggle.’

‘There is a need for a change in culture. We need to engage with AI every day.’

One example discussed was customer communications. Larger companies may be held back by costly processes and legacy infrastructure, making it harder to respond quickly to new tools like AI-powered call centre systems. Meanwhile, newer ventures are less constrained:

‘It’s important to remember that your competition may be starting from scratch. If they are a new venture, they may be able to act faster, take more risks, and be more agile than you.’

Practical Takeaways

The discussion concluded with a set of practical recommendations for Company Secretaries and Boards looking to take the next step in understanding and adopting AI.

Board training and ensuring AI skills are represented

A first step is to review the board skills matrix and ensure AI knowledge is present at Board level - whether as a primary or secondary competence. This helps build confidence and oversight capability.

Integrating AI into agendas

Rather than treating AI as a one-off discussion, it was agreed that it should be considered in relation to multiple agenda items. As a starting point, ensuring AI is on the agenda at every Board meeting will help embed it into strategic thinking.

These recommendations are by no means exhaustive of the insights and takeaways from the discussion, but they offer some practical and tangible ways for boards and governance professionals to begin their journey with AI.

Personal experimentation to build understanding

The best way to become familiar with AI is to use it. Participants encouraged board members to experiment with generative AI tools both professionally and personally, to better understand their potential.

Minute writing as a quick-win use case

It was noted that up to 70% of the time spent drafting minutes is taken up by gathering information. Generative AI tools can significantly reduce this workload - offering a clear, low-risk efficiency gain.

Lead with Confidence in the Age of AI – with Black Sun Global

AI is already reshaping how organisations operate – but many leaders are still unsure how to respond. At Black Sun Global, we help boards, executives, and teams turn uncertainty into action.

Through expert-led webinars, exclusive roundtables, and practical thought leadership, we explore how AI can drive better decisions, boost efficiency, and enhance stakeholder trust.

Whether you're looking to upskill your board, explore practical AI use cases, or embed AI into your strategy, our AI Unlocked series is designed to support you every step of the way.

Stay informed with our latest insights

- Join the conversation through live events and expert panels
- Move from exploration to execution – with confidence
- Discover how we can support your AI journey at blacksun-global.com

Or contact our Senior Growth Manager, Bob, at bcrosbie-dawson@blacksun-global.com

Now's the time to lead – not just adapt.

Acknowledgements

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