

AI

Artificial intelligence is no longer a future risk.

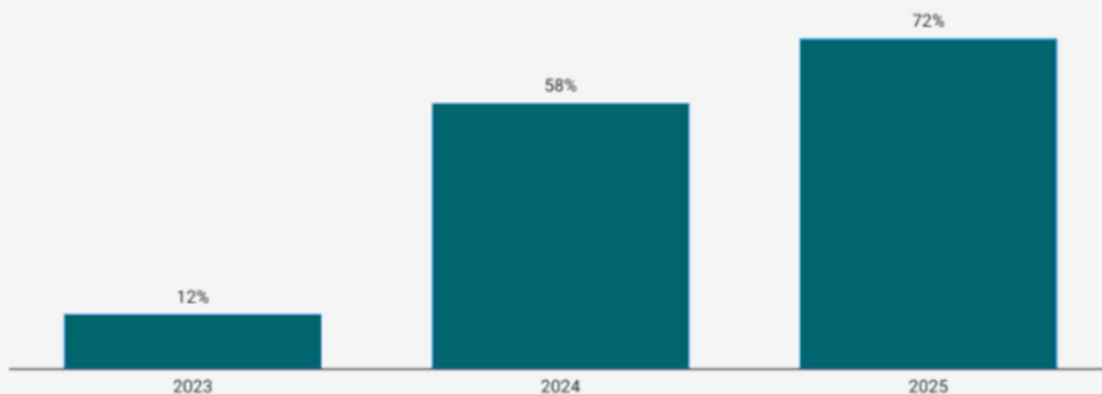
Rather, over 70% of large public companies now reference AI-related risks in their disclosures, reflecting how quickly AI has moved into core business functions.

This shift signals a new phase of AI being operational, and with that comes exposure to model errors, bias, regulatory scrutiny, and execution risk.

As investors, we are asking what governance structures are in place to manage AI responsibly, because AI capability without oversight is an unpriced risk. The next frontier of stewardship will be ensuring AI risk is managed with the same rigor as financial risk.

Disclosure of AI as a material risk has surged since 2023

Share of S&P 500 companies disclosing one or more AI-related risks in Form 10-K, 2023-2025



Note: 2025 data are current as of August 15, 2025. Some companies disclose more than one AI risk.
Source: The Conference Board/ESGAUGE, 2025

Source: <https://corpgov.law.harvard.edu/2025/10/15/ai-risk-disclosures-in-the-sp-500-reputation-cybersecurity-and-regulation>

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