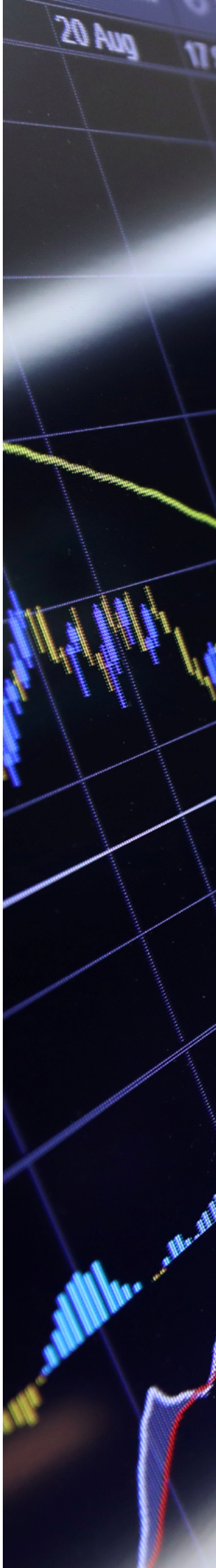
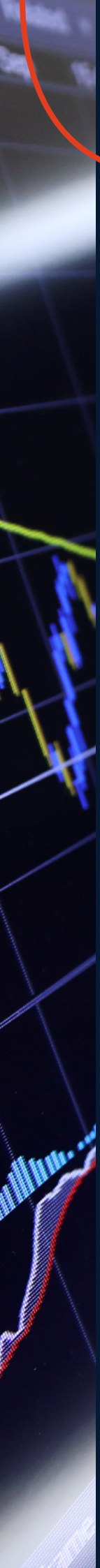
The global impact of the EU AI Act

Insights from AICDI

Thomson Reuters Foundation

Table of Contents





Executive Summary

This paper provides evidence that the EU AI Act is already influencing corporate AI governance well beyond the European Union. Using AI Company Data Initiative (AICDI) data from 2,973 companies and more than 100,000 data points, it shows that the Act is beginning to generate a measurable "Brussels Effect" in AI governance: 47% of companies that reference the EU AI Act in their disclosures are headquartered outside the EU, with engagement concentrated in sectors and markets most exposed to EU commercial and regulatory expectations. The effect is therefore not yet broad-based, but it is visible, significant, and concentrated where market incentives to align are strongest.

The data also suggests that referencing the Act is associated with materially stronger governance performance. Non-EU companies that cite the Act outperform all other groups on most governance indicators, including strategy, board oversight, dedicated resources, incident handling, transparency, and data governance. At the same time, the paper identifies a critical common weakness: impact and rights-based assessments remain underdeveloped, and human oversight often exists at the level of policy without being fully operationalized in practice. As the August 2026 obligations for many high-risk systems approach, the central challenge is no longer whether the EU AI Act matters globally, but whether companies can translate governance commitment into robust implementation.

- → The EU AI Act is already shaping AI governance beyond the EU, particularly among non-EU firms with strong exposure to EU markets.
- → Nearly half of all companies citing the Act are headquartered outside the EU, with non-EU European and North American firms particularly prominent.
- → Companies that reference the Act disclose materially stronger governance practices across almost every major indicator measured by AICDI.
- → The strongest gaps remain in impact assessment, fundamental rights, and the operationalisation of human oversight.
- → For business leaders and investors, engagement with the EU AI Act is increasingly a useful signal of governance maturity, operational readiness, and long-term resilience.

Beyond Europe: Why the EU AI Act matters everywhere

The EU Artificial Intelligence Act (or "the Act") fully applicable from August 2026 — is the first comprehensive, cross-sector AI regulation. Its reach extends well beyond the borders of EU member states as it applies to any organisation whose AI systems are deployed in the EU or whose outputs affect EU individuals, businesses, or public institutions. Like the GDPR, this extra-territorial scope creates binding obligations for companies worldwide, with penalties of up to €35 million or 7% of global annual revenue[1] for the most serious breaches.

The Act adopts a risk-based approach, classifying AI systems from minimal to unacceptable risk[2] with stricter requirements for high-risk uses in areas such as employment, credit, healthcare, education, and critical infrastructure. These are also the domains where AI adoption is most consequential. As of December 2025, the first enforcement measures i.e. bans on unacceptable-risk systems and transparency rules for general-purpose AI, are already in effect.

EU AI Act scope

- **Providers (developers)** placing AI systems or models on the EU market
- **Deployers (users)** of AI systems in the EU
- **Importers, distributors, and product manufacturers** embedding AI
- **Entities outside the EU** if:
  i) their AI system is used in the EU, or
  ii) the output affects people in the EU

Beyond its legal force, the Act may drive what is known as the "Brussels Effect": the tendency of EU regulation to become a global standard.

Multinational firms often choose to apply the strictest rules across all operations rather than maintain fragmented compliance systems. This dynamic, evident with GDPR, appears to be emerging in AI governance as well, since firms outside the EU have been observed to incorporate the EU AI Act's requirements into global frameworks. The Brussels Effect thus creates important implications across stakeholders. For investors, it offers a clear signal of governance quality and growth potential, as companies align proactively with EU AI standards—regardless of headquarters—may be better positioned to manage regulatory risk, maintain market access, and build long-term resilience. Demonstrated compliance or proactive adoption of the EU AI Act thereby potentially serving as a proxy for operational maturity and scalable governance, attributes that institutional investors increasingly associate with sustainable value creation. For companies, it incentivizes the adoption of consistent, global AI governance frameworks reflecting the commercial logic of operating in the EU single market, reducing the complexity of fragmented compliance across jurisdictions and the reputational premium increasingly attached to responsible AI standards. And lastly, for governance stakeholders, it establishes a de facto benchmark for responsible oversight, where alignment with EU standards reflects stronger internal controls, clearer accountability, and readiness for an increasingly convergent regulatory landscape. The following analysis draws on a large global dataset to assess whether this signal is already reflected in corporate AI governance practices.

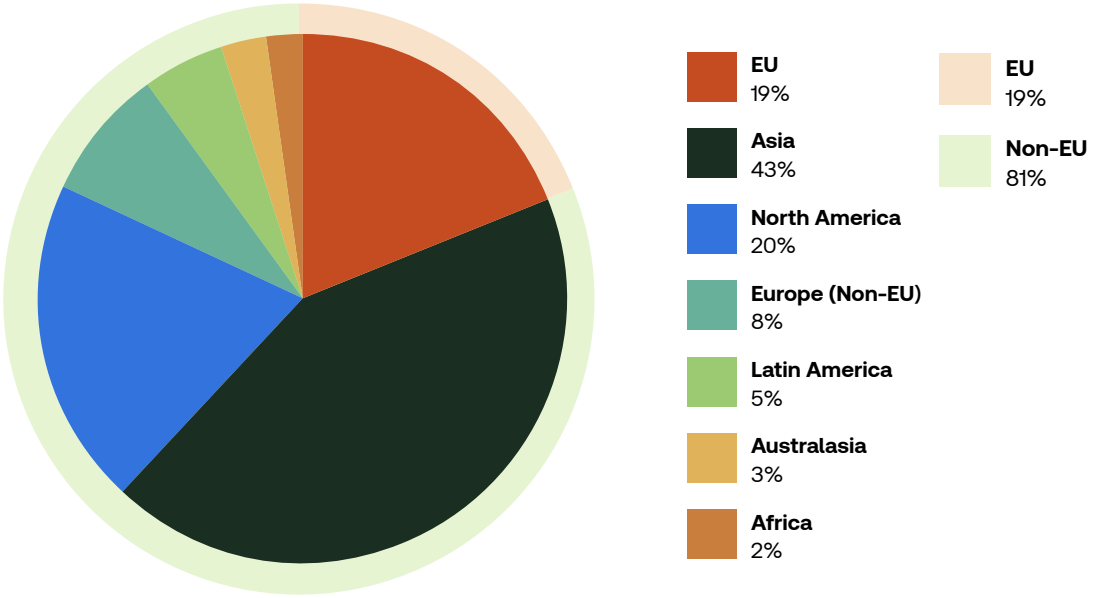
REUTERS/Isabel Infantes

AICDI as an evidence base for governance analysis

What is the AI Company Data Initiative?

> **The AI Company Data Initiative (AICDI) launched in 2024 by the Thomson Reuters Foundation in partnership with UNESCO, aiming to enhance transparency and promote responsible AI by providing a structured, standardized view of how companies adopt and govern Artificial Intelligence through voluntary disclosures and publicly available data.**

The dataset underpinning this report represents the largest global evidence base on corporate responsible AI practices, comprising over 100,000 data points from 2,973 companies across multiple sectors and markets.[i]



The AICDI serves multiple audiences: companies seeking to assess and improve their AI governance posture; investors requiring comparable, structured data on AI-related risks; policymakers seeking evidence of how regulatory frameworks translate into corporate practice; and civil society organisations monitoring the impact of AI on people, society, and the environment.

i. The AICDI survey covers 11 sectors, aligned with GICS classifications, and spans five geographic regions: North America, Europe, Asia, Africa, and Latin America. To ensure global representativeness, the sample includes approximately 60% developed markets and 40% emerging markets. The sectors represented in the survey are Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, and Utilities.

REUTERS/Brendan McDermid

How the AICDI aligns with the EU AI Act

The AICDI survey was designed based on UNESCO's Recommendations on the Ethics of AI and it maps closely with the EU AI Act, reflecting its focus areas like governance, risk management, and accountability. Its structure closely mirrors the Act's emphasis on organisational responsibility, lifecycle-based risk oversight, and documented governance processes, making it a credible proxy for assessing the direction and pace of corporate adaptation to EU AI Act requirements. This alignment extends beyond EU-based firms, capturing practices relevant to any organisation operating in or engaging with EU markets.

Across key domains, AICDI captures the substance of the Act's central requirements with notable precision. Its coverage of governance and accountability aligns with organisational obligations, while its treatment of risk and impact assessment reflects lifecycle risk management, documentation, and evaluation practices embedded in the Act. The convergence is particularly evident in human oversight, incident handling, transparency, and user rights, where AICDI translates regulatory expectations into practical, assessable indicators. Overall, it demonstrates meaningful operational alignment with the EU AI Act's core requirements.

The table below summarises key alignment by mapping AICDI's key themes and representative survey questions to relevant EU AI Act provisions, highlighting its coverage across governance, risk, oversight, and transparency.

AICDI Focus Area	Example Survey Questions	EU AI Act — Key Articles
Governance Strategy & Policy	Do you have a company strategy and/or guidelines on AI? Does the strategy reference ethical, safe and trustworthy AI development? What level of management has oversight of the AI strategy?	Article. 9 (Risk management) Article. 16–17 (Governance and accountability) Article. 21 (Corrective action)
Board-Level Accountability	Do you have a company-wide board, committee or designated person for AI accountability? Do you have dedicated resources for ethical, safe and trustworthy AI?	Article. 17 (AI governance and oversight) Article. 16 (Organisational roles)
Human Oversight of AI Systems	Do you have a policy for ensuring a human is overseeing AI systems you develop and/or deploy? Does the policy include processes for human-in-the-loop or human-on-the-loop oversight?	Article. 14 (Human oversight) Article. 15 (Accuracy, robustness) Article. 16 (Oversight obligations)
Transparency & User Rights	Do you have a policy ensuring users are aware when interacting with an AI system? Do you have a policy to explain AI decisions and their limitations? Do you have a user feedback mechanism to surface potential ethical issues?	Article. 13 (Transparency and user information) Article. 15 (User awareness and rights)
Risk & Impact Assessment	Do you conduct Ethical Impact Assessments? Do you conduct Human Rights / Fundamental Rights Impact Assessments? Do you conduct Environmental Impact Assessments? Is prior assessment made of the proportionality of AI system use?	Article. 9 (Risk management) Article. 19 (Impact assessments) Article. 27 (Fundamental rights IA)

Incident Reporting & Monitoring	Do you have an error/incident reporting mechanism available for users? Do you have a process to escalate feedback in urgent cases? Do you have a plan for periodic review and adjustment of AI governance?	Article. 61 (Post-market monitoring) Article. 60 (Incident notification) Article. 62 (Reporting obligations)
Technical Documentation	Do you have a formal AI Model Registry tracking lifecycle, testing and training data? Can you attribute legal and ethical responsibility at each stage of the AI lifecycle? What processes ensure auditability and traceability of AI systems?	Article. 11 (Technical documentation) Article. 29–32 (Record-keeping) Article. 16–17 (Legal accountability)
Workforce & Ethics Training	Do you provide training or reskilling for employees adapting to AI-integrated workplaces? Do you conduct surveys to assess AI ethics awareness among staff? Do you provide training on the ethical standards of AI systems used or developed?	Article. 4 (AI literacy obligations) Article. 16 (Human oversight competencies)
International Standards Adherence	Does the company adhere to any recognised voluntary frameworks (OECD AI Principles, ISO/IEC 42001, NIST RMF)? Does the company adhere to the UNESCO Recommendation on the Ethics of AI?	Article. 3 (Scope and objectives) Article. 5 & 15 (Alignment with standards) Article. 29–52 (Conformity)

Evidence of EU AI Act influence beyond Europe

The question of whether the EU AI Act is reshaping corporate governance beyond its territorial borders is ultimately an empirical one, and the AICDI dataset offers a rare opportunity to test it directly. This section examines two related dimensions of that question.

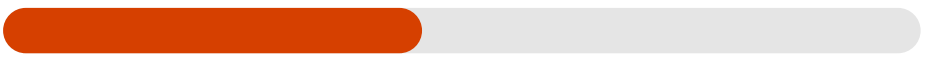
- **The first concerns awareness:** are non-EU companies actually engaging with the Act in their governance disclosures?
- And if so, where and in which sectors is that engagement most visible, with the United States representing a distinct case, where engagement is shaped less by domestic regulation and more by the global reach of its AI sector and its exposure to EU market requirements?

- **The second concerns substance:** Does citing the Act reflect genuine governance depth, or is it a surface-level acknowledgement disconnected from operational practice?

Looking across both dimensions, the evidence reveals not only that regulatory spillover is occurring, but that it is concentrated, sector-specific, and, where it takes hold, associated with meaningfully stronger governance behaviour across the board.

Non-EU companies referencing the EU AI Act

Perhaps the most striking headline in the AICDI dataset is not how many companies cite the EU AI Act, but who they are. Nearly half of all global companies that reference the Act in their governance disclosures are headquartered entirely outside the EU, indicating that a significant share of all corporate engagement with the Act comes from companies with no direct jurisdictional obligation to comply. That figure alone is a meaningful signal: the Brussels Effect in AI governance is not a future hypothesis; it is already present in the data.



47% are headquartered outside the EU

Looking at the full dataset, only 13% of companies report using an AI governance framework; among these, 53% reference the EU AI Act, and within this group, 47% are headquartered outside the EU.

This distribution indicates that a substantial share of EU AI Act engagement originates from non-EU companies, even though overall adoption remains limited.

Sectorally, the picture is highly concentrated: Information Technology alone accounts for nearly 40% of all non-EU citers, with Communication Services and Financials together adding a further 29%. These are precisely the sectors where AI deployment is deepest and EU market exposure most direct, companies that face the Act not as a distant regulatory development but as an operational reality shaping product design, procurement, and client relationships.

Regionally, the pattern is equally telling. North America leads at ~39.60% driven substantially by US technology and healthcare companies with significant EU market presence. This is followed by non-EU European companies, UK, Swiss, and Norwegian firms in particular, at~24%, reflecting the density of their commercial and regulatory entanglement with the EU. Asia records a citation rate of~28%, with engagement concentrated among technology firms embedded in global AI value chains, suggesting that alignment with the EU AI Act is shaped critically by participation in sectors and value chains closely tied to EU tech markets.

Sector and region breakdown of non-EU companies citing the EU AI Act

	Sector	North America	Non-EU Europe	Asia	Latin America	Australasia	Africa	Total
	Information Technology	**19.8%**	4.2%	15.6%	-	-	-	39.6%
	Communication Services	**7.3%**	6.3%	3.1%	1.0%	-	1.0%	18.8%
	Health Care	**5.2%**	2.1%	1.0%	1.0%	1.0%	-	10.4%
	Financials	3.1%	5.2%	1.0%	1.0%	-	-	10.4%
	Industrials	2.1%	4.2%	3.1%	-	1.0%	-	10.4%
	Consumer Discretionary	2.1%	1.0%	2.1%	-	-	1.0%	6.3%
	Consumer Staples	-	1.0%	-	-	-	-	1.0%
	Materials	-	-	-	-	1.0%	-	1.0%
	Energy	-	-	1.0%	-	-	-	1.0%
	Utilities	-	-	1.0%	-	-	-	1.0%
	Real Estate	-	-	-	-	-	-	-
	TOTAL	**39.60%**	**24.00%**	**28.10%**	**3.10%**	**3.10%**	**2.10%**	**100%**

CASE STUDY 1

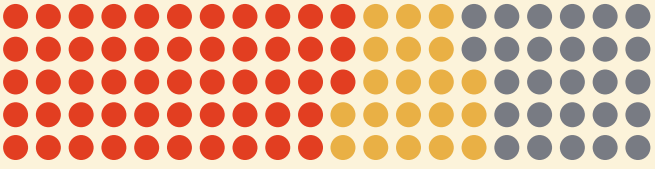
Commercial exposure driving EU AI Act engagement: United States as an example

The United States presents the most instructive case study in the Brussels Effect in action.

With 35% of all non-EU EU AI Act citers, the US is the single largest source of non-EU engagement with the regulation, and it is doing so against a domestic backdrop that is deliberately light-touch. The US does not currently have overarching federal rules or penalties related to AI usage. In a predominantly voluntary and decentralised US policy environment on AI governance, the fact that US companies explicitly reference the EU AI Act in their disclosures suggests the presence of market-driven governance alignment rather than strictly legal compliance dynamics, and the AICDI data reveals exactly where and why.

In particular, European firms operating in regulated sectors, such as finance, healthcare, telecommunications, and industry, are themselves subject to AI Act requirements and are likely to transfer these expectations upstream to technology providers.

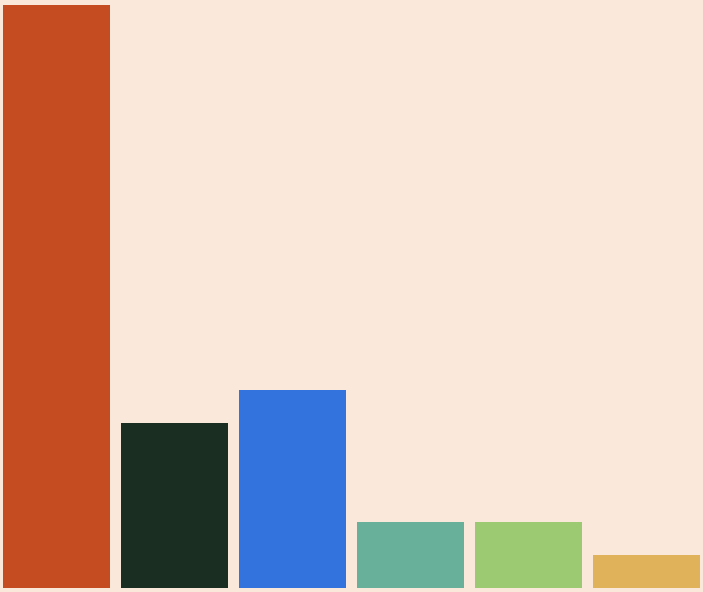
The sector concentration is telling: 53% of US citers are in Information Technology (IT), and 20% of all US IT companies in the dataset cite the Act — the highest citation rate of any US sector.



- **53%** of US citers are in Information Technology (IT)
- **20%** of all US IT companies in the dataset cite the Act

The mental shift required is significant: where GDPR was a compliance project, the EU AI Act high-risk regime is a market-access condition. Even before the EU AI Act is fully operational, major US technology firms such as Microsoft, Google, OpenAI, and xAI voluntarily aligned with elements of the EU's AI Code of Practice, motivated by the prospect of legal certainty and continued access to the European market[3]. At the same time, EU-based customers are beginning to incorporate AI Act-related provisions into requests for proposals, due diligence processes, and contractual arrangements[4], including expectations around conformity assessments[5], timelines for CE marking[6], and cooperation obligations. These developments indicate that regulatory alignment is increasingly mediated through supply-chain relationships encouraging firms outside the EU to adopt European governance standards as a condition of market participation.

US companies citing the EU AI Act — by sector



- **Information Technology** 53% of US citers
- **Financials** 6% of US citers
- **Health Care** 15% of US citers
- **Consumer Discretionary** 6% of US citers
- **Communication Services** 18% of US citers
- **Industrials** 3% of US citers

US Health Care companies tell a similar story: 8% of the US Healthcare companies cite the Act — disproportionately high — because AI diagnostic tools, clinical support systems, and software embedded in medical devices will likely be classified as high-risk, requiring US healthcare companies to audit their systems for fairness and bias, implement strong risk controls, and maintain detailed documentation to retain EU market access.

REUTERS/Noah Berger

Do companies referencing the Act govern better?

The AICDI data provides a clear and compelling answer: yes, companies that reference the EU AI Act govern materially better, and the premium is consistent, large, and visible across every major governance indicator.

Non-EU citers lead on all of 12 EU AI Act-aligned indicators, and the gap is not marginal.

On AI Strategy and Guidelines, non-EU citers disclose at 93% against 40% for non-citers.

On Board and Oversight Body, the gap is 90% versus 35%.

On Dedicated AI Resources, it is 89% versus 28%. These are not incremental differences; they represent a fundamentally different organisational posture towards AI governance. The AICDI data shows that engagement with the EU AI Act is associated with a stronger governance culture and clearer accountability structures, suggesting that alignment functions not just as a signal of awareness but as an indicator of more embedded governance practice, with McKinsey's research[7] reinforcing this link between clear ownership of responsible AI and higher governance maturity.

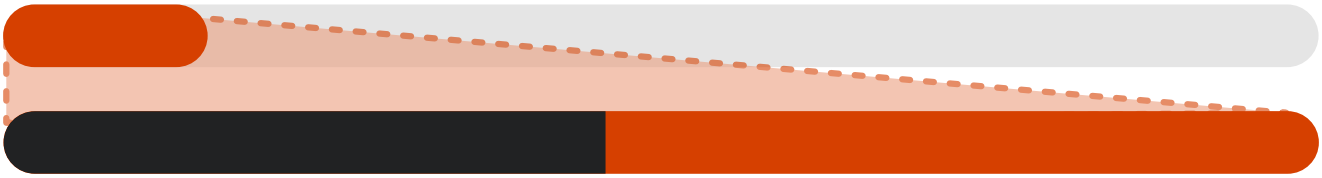
	EU AI Act-Aligned Indicator	EU Companies that cite the Act	EU companies which do not cite the Act	Non-EU companies which cite the Act	Non-EU companies which do not cite the Act
	AI Strategy / Guidelines	86%	40%	**93%**	40%
	Board / Oversight Body	70%	33%	**90%**	35%
	Dedicated AI Resources	82%	32%	**89%**	28%
	Periodic Governance Review	56%	15%	**72%**	16%
	Human Oversight Policy	42%	11%	**57%**	9%
	Emerging Risk Team	44%	12%	**71%**	15%
	Error / Incident Reporting	48%	20%	**56%**	17%
	Explainability Policy	28%	5%	**46%**	5%
	Data Quality / Bias Policy	40%	7%	**61%**	7%
	Proportionality Assessment	38%	8%	**58%**	9%
	Human Rights IA	17%	8%	**22%**	6%
	Ethical Impact Assessment	17%	4%	**33%**	4%

Data Governance is where the largest single advantage for non-EU citers emerges: 76.0% against 59.3% for EU citers and approximately 16% for non-citers. The gap is driven particularly by data quality and bias management, where non-EU citers disclose at 61% against just 7% for non-citers — a gap that maps directly onto EU AI Act Article 10 obligations on training data governance for high-risk systems. McKinsey's 2026 AI Trust Maturity Survey found that only about one-third of organisations have reached a governance maturity level of three or higher out of four. The AICDI data confirms that EU AI Act citers have already made this shift; the rest of the market still has a long way to go.

While, the EU AI Act citers are, by contrast, already operating well above that baseline, the data also surfaces a critical internal fracture: the oversight operationalisation gap.

Globally, only 12.4% of companies have a Human Oversight Policy, and of those, 48% have not documented the operational processes, monitoring tools, intervention mechanisms, and human-in-the-loop workflows, that would make that policy meaningful in practice. Non-EU citers lead on policy (57.3%) but convert to operational implementation at the same ~51% rate as all other groups. The policy-to-practice gap is, in this sense, a universal governance failure, even among the most governance-engaged companies in the world.

12.4% of companies have a Human Oversight Policy



48% have not documented the operational processes, monitoring tools, intervention mechanisms, and human-in-the-loop workflows, that would make that policy meaningful in practice

Effective board supervision of AI requires named lines of responsibility, recurring board-level updates on AI risk reviews and compliance progress, and enough AI expertise among directors—supported by appropriate training—to evaluate those issues meaningfully. Yet AICDI findings indicate that this practical governance infrastructure remains lacking in nearly half of the companies that have already adopted an AI policy commitment. The governance premium attached to EU AI

Act engagement is real and measurable; closing the operationalization gap is now the defining challenge for the companies that have already made the first move.

The Emerging Risk Team indicator highlights the largest gap in technical safeguards, with a 27-percentage-point difference between non-EU citers (71%) and EU citers (44%). This pattern aligns with findings from the CSA/Google Cloud State of AI Security and Governance Survey, which emphasises that organisations closing the gap between AI adoption and security are distinguished by the presence of mature governance frameworks[8].

The AI Model Registry, the most demanding technical indicator, remains rare even among citers (21% non-EU, 19% EU), against just 1–2% for non-citers. This is to be expected: enterprise AI oversight has grown more critical as companies move from managing a few deployed models to operating large model portfolios. When production environments contain hundreds—and in some cases may scale toward thousands[9] — of models, centralised tracking, lifecycle controls, and governance become essential rather than optional[10]. Taken together, the AICDI data confirms that EU AI Act engagement is a reliable marker of broader governance culture, but even among the most governance-mature companies globally, the baseline technical infrastructure for responsible AI deployment remains an unfinished project.

Governance maturity analysis

With a comprehensive framework covering governance to implementation, AICDI is able to capture the distance between companies that have internalised AI governance as a cultural commitment and those that have not. The results are unambiguous across most of the governance indicators, with non-EU companies that cite the EU AI Act outperforming every other group, including their EU-headquartered counterparts.

Governance Topics	EU Companies that cite the Act	EU companies which do not cite the Act	Non-EU companies which cite the Act	Non-EU companies which do not cite the Act
Governance Structure	73.6%	30.1%	**85.7%**	29.9%
Accountability & Escalation	40.7%	11.1%	**52.1%**	9.5%
Workforce & Culture	49.4%	17.2%	**40.6%**	15.8%
Impact & Rights	15.1%	6.9%	**24.7%**	6.8%

Governance Structure sets the tone. Non-EU citers lead all groups at 85.7%, against 73.6% for EU citers and approximately 30% for non-citers in both jurisdictions. The 20-percentage-point gap between non-EU citers (90%) and EU citers (70%) on board-level oversight is particularly striking — suggesting non-EU companies engaging with the Act are more likely to have formalised AI governance at the highest organisational levels.

According to a 2025 MIT study[11], organisations with digitally and AI-savvy boards outperform their peers by 10.9 percentage points in return on equity.

> **The governance premium among EU AI Act citers is, in other words, not just a compliance signal — it is a financial performance signal.**

Key indicators on Governance Structure	EU (citers)	Non-EU (citers)	EU (non-citers)	Non-EU (non-citers)
Periodic Review	56%	72%	15.5%	16%
Board/Oversight	70%	90%	33%	35%
AI Strategy	86%	93%	40%	41%

Accountability and Escalation indicators reveal a governance culture premium that goes beyond compliance obligation. The AI Decision Transparency stands out: non-EU citers disclose at 46%, compared to 28% for EU citers and just 5% for non-citers. Organisations aligning their governance metrics with frameworks such as the EU AI Act gain stronger visibility and accountability — improved transparency enables executives to connect technical risks with policy outcomes, turning compliance from a reactive function into an operational strength. Legal accountability disclosure follows the same pattern (non-EU citers: 71%, EU citers: 62%, non-citers: ~11%), reinforcing that citers are building the full accountability architecture, not just its most visible components.

Indicator	EU Cite	EU No Cite	Non-EU Cite	Non-EU No Cite
Error / Incident Reporting	48%	20%	**56%**	17%
User Feedback Mechanism	45%	15%	**51%**	11%
AI Disclosure to Users	23%	5%	**30%**	4%
AI Decision Transparency Policy	28%	5%	**46%**	5%
Legal Accountability	62%	13%	**71%**	11%
Proportionality Assessment	38%	8%	**58%**	9%

Impact & Rights performance remains limited overall, with non-EU citers leading at 24.7%, followed by EU citers at 15.1% and non-citers at around 7%. Even among non-EU citers, fewer than one in four discloses a Human Rights Impact Assessment and only one in three discloses an Ethical Impact Assessment. This is the most consequential governance gap in the dataset. Under Article 27 of the EU AI Act, deployers of high-risk AI systems must conduct a Fundamental Rights Impact Assessment before putting a system into use, and must notify the competent national market surveillance authority of the results. Yet the August 2026 deadline is approaching quickly, and there is a question mark over whether companies have begun to act. Those that do will build a governance record that predates regulatory pressure.

The pattern across these indicators points to a clear boundary in the influence of the EU AI Act: where expectations are more established and operationally embedded, disclosure follows; where governance requirements are demanding and still emerging, as with fundamental rights assessments, even the most governance-engaged companies have yet to act.

Beyond compliance:

EU AI Act engagement as a marker of governance culture

> **Does engaging with the EU AI Act make companies genuinely better governed, or does it simply reflect the governance maturity they already had? The AICDI data allows a more demanding test.**

Having established that companies citing the Act disclose at substantially higher rates on indicators directly aligned with its obligations, this section asks whether that premium extends further, into voluntary governance practices that go well beyond what the Act formally requires. The answer has significant implications. The workforce and ethics awareness analysis that follows, tests whether EU AI Act citers have crossed that line, and where, even among the most governance-engaged companies in the world, the gaps remain.

REUTERS/Caitlin O'Hara

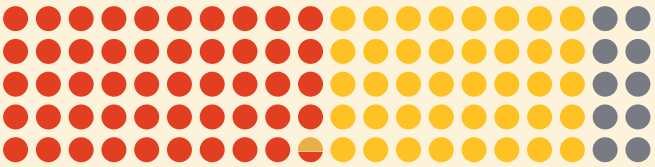
CASE STUDY 2

Workforce and ethics awareness — spills over beyond governance

While the EU AI Act places its strongest emphasis on technical governance, the AICDI data suggests it may generate broader spillover effects well beyond formal compliance obligations — most visibly in workforce practices and ethics awareness surveys. That said, these effects are not uniform across all indicators: on some measures, EU jurisdiction drives disclosure; on others, the proactive governance culture of non-EU citers prevails.

On workforce and culture, EU citers (49.4%) outperform non-EU citers (40.6%), the only reversal in the dataset. This pattern appears to reflect differences in governance orientation and company profile. EU citers lead on reskilling disclosures (76% vs 55%), pointing to a stronger emphasis on workforce transition and AI literacy as part of governance. While the EU AI Act reinforces this expectation, including through Article 4 provisions on staff AI literacy, notably, Article 4 addresses AI literacy in terms of competence and awareness, yet stops short of prescribing structured reskilling frameworks for employees navigating an AI-integrated workplace — an aspect more explicitly addressed under the AICDI.

The workforce disclosure advantage among EU citers sits somewhat in tension with the broader picture, where non-EU citers outperform across most other governance topics.



49.4%

EU citers outperform non-EU citers

Non-EU citers are more concentrated in AI-intensive, globally exposed sectors and consistently prioritise technical governance, accountability, and system-level controls. By contrast, workforce-related measures appear to be more fully embedded within organisational governance practices among EU companies, reflecting a wider institutional and cultural emphasis on managing workforce impacts. This helps explain why EU citers lead in this area even as non-EU citers outperform across most other governance dimensions.

Strikingly, ethics awareness surveys remain near-zero across all groups (2–3% for citers, effectively 0% for non-citers), highlighting a universal gap in the formal measurement of AI ethics culture.

Non-EU citers continue to lead on all other workforce indicators, consistent with the broader proactive governance pattern observed across the dataset. Both indicators — reskilling programmes and ethics awareness surveys - represent governance practices that go beyond what the EU AI Act formally mandates, and it is the AICDI framework that surfaces them. In this sense, the AICDI is not simply tracking EU AI Act compliance; it is capturing a wider dimension of organisational governance.

Closing Evaluations

The AICDI data offers the first large-scale empirical evidence that the EU AI Act is generating a measurable governance premium among companies that engage with it, including those headquartered entirely outside the EU. Regulatory spillover is real, but concentrated: 47% of companies citing the EU AI Act are headquartered outside the EU, largely comprising large, AI-intensive firms in North America and non-EU Europe with significant commercial exposure to EU markets.

The Brussels Effect in AI governance is not yet broad, but it is deep where it most needs to take hold. More significantly, engagement with the Act strongly correlates with broader governance maturity: non-EU citers clearly outperform both EU citers and non-citing non-EU companies across EU AI Act–aligned indicators, demonstrating a markedly more advanced level of governance implementation. This premium extends into voluntary practices as well, for instance AI decision transparency policies, emerging risk teams, and data quality frameworks, confirming that EU AI Act engagement is a marker of governance culture, not merely legal awareness. Research supports this dynamic: companies that proactively align with structured regulatory frameworks consistently demonstrate stronger operational resilience, greater investor confidence, and reduced long-term compliance costs than those adopting a reactive posture[12].

Impact assessments remain the universal blind spot and the most consequential gap in the dataset. Fewer than one in four companies discloses a Human Rights Impact Assessment; fewer than one in three an Ethical Impact Assessment, even among the most governance-mature groups. This is where legal exposure under Article 27 is greatest and where the distance between stated governance ambition and operational practice is widest.

For policymakers, the findings point to a global dynamic: the EU AI Act is already shaping corporate governance beyond its jurisdiction, but its influence remains uneven and concentrated among the most exposed, governance mature firms, driven by market exposure, sectoral concentration, and organisational capability rather than jurisdiction alone. For business, the priority is clear: board-level commitment to impact assessments closes the single largest governance gap identified in this analysis. For investors, the 40-percentage-point gap in governance indicators between non-EU citers and non-citers is material, persistent across key governance parameters, and not explained by sector or regional composition alone, making EU AI Act citation an increasingly useful proxy for AI governance quality in ESG screening.

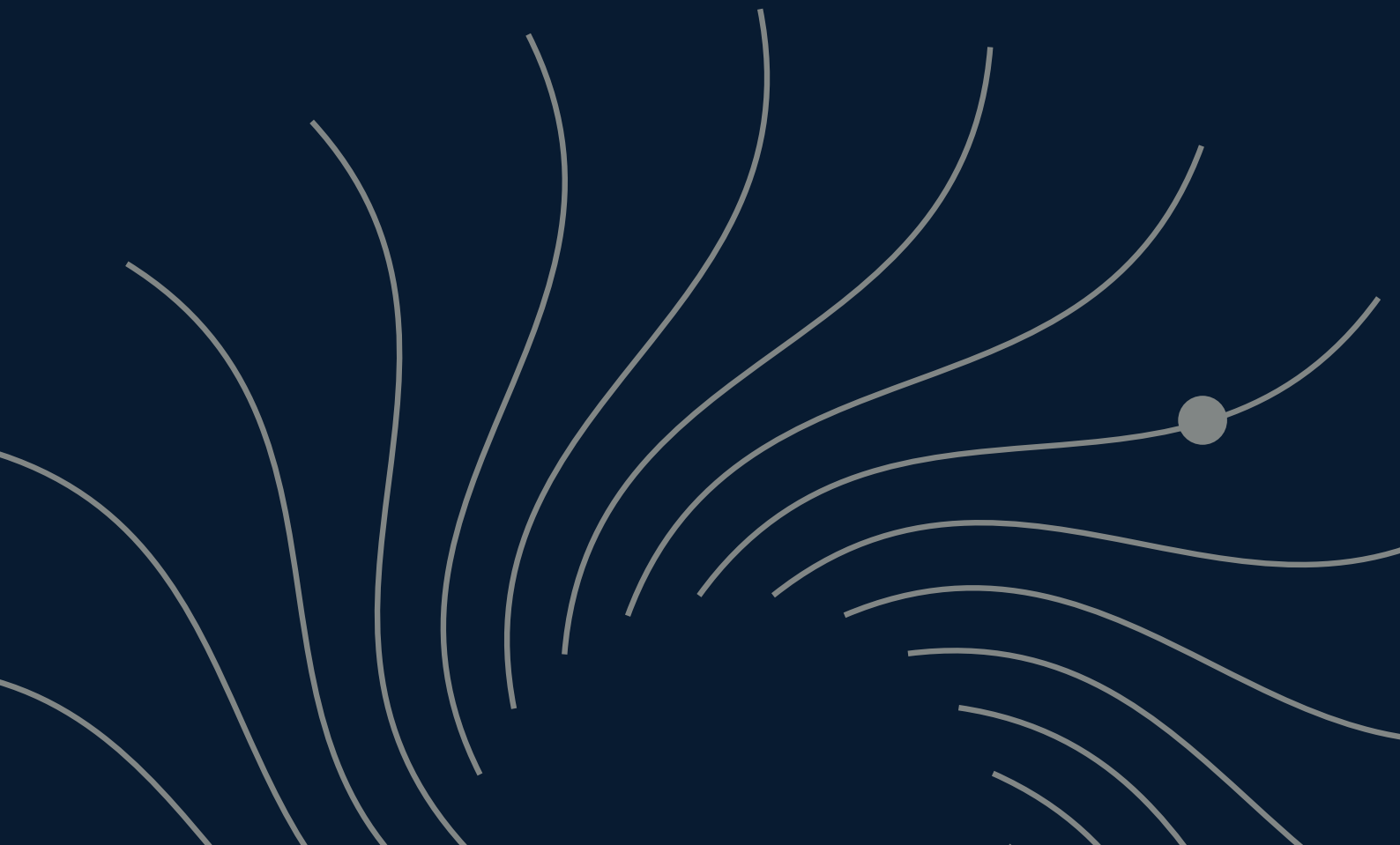
What is next for EU AI Act implementation?

The next phase of the EU AI Act will determine whether its early governance signal becomes a durable global standard.

As implementation obligations take effect from August 2026, the greatest opportunity lies not only in driving compliance, but in shaping how organisations embed AI governance in practice:

- ✓ through stronger board oversight,
- ✓ operational human oversight,
- ✓ meaningful impact and fundamental rights assessments,
- ✓ and clearer accountability across the AI value chain.

If implemented well, the Act can continue to influence corporate behaviour far beyond the EU by setting practical expectations for trustworthy, human-centric AI and by reinforcing the principle that innovation must be matched by safeguards for people, rights, and democratic institutions. Over time, that creates space for the Act's influence to expand further — through market norms, supply chains, investor expectations, and growing convergence with international standards — helping to make human rights-respecting AI governance not an exception, but a baseline.



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