ICC Overarching Narrative on Artificial Intelligence

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NOTE TO ICC MEMBERS: This document aims to provide a unifying narrative for the ICC network on AI, leveraging existing positions, messages shared by members, and external work supported by ICC, such as the OECD's work on trustworthy AI. The narrative will be published on the ICC website, as a 'level-set' under which all ICC work on AI will be housed.

The document was prepared under the guidance of the AI Drafting Group, based on the Secretariat's first draft further complemented with input from the AI Project Group volunteers and feedback received during the Spring meeting of the ICC Global Digital Economy Commission.

Introduction

Artificial Intelligence (AI) is revolutionizing global industries by augmenting human abilities in areas such as language processing, generating creative content, predictive analytics and analytical reasoning, as well as learning and decision-making. As AI continues to shape economies and societies, a robust governance model becomes essential to harness its benefits while mitigating risks. Below we outline the four pillars of global AI governance from the perspective of global business: principles and codes of conduct, regulation, technical standards, and industry self-regulation. Each pillar plays a crucial role in fostering trustworthy, responsible and ethical AI development.

We show, how by adhering to these frameworks, businesses drive innovation, ensure compliance, and build trust, contributing to sustainable and equitable growth.

Background

Artificial Intelligence (AI) is a technology that enables the simulation or extension of human intelligence in machines, allowing them to perform tasks commonly associated with human intelligence, such as speech recognition, content creation, problem-solving, learning, and decision-making, with the potential to boost productivity and augment creativity. While the term "Artificial Intelligence" has gained popularity in recent years, we must keep in mind that AI is a broad and diverse field, encompassing various subfields and approaches, such as machine learning, neural networks, natural language processing, and robotics, among others.

In the interest of global convergence on terminology, ICC recommends using the common definition of an AI system agreed at the OECD, which is "*a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.*"

The transformative impact of these technologies permeates every facet of modern life, reshaping economies, industries, and societies on a global scale, and it is important to leverage AI to help achieve the UN Sustainable Development Goals (SDGs). From the automation of routine tasks to the development of sophisticated algorithms capable of complex decision-making or creation of new content (i.e. music, video, text, audio or images), AI has emerged as a cornerstone of innovation. Its ability to learn from vast amounts of data, identify patterns, and accelerate the generation of insights has revolutionized industries ranging from healthcare and finance to manufacturing and transportation. The ability to discover new insights in large data sets will drive new frontiers in science, and is being leveraged to develop new treatments and medicines, as well as to help doctors and nurses improve patient care. AI can be a powerful accelerant for the scale and pace of sustainability solutions needed to address the climate crisis, e.g. by helping to integrate new sources of renewable energy onto the grid, optimizing energy and water consumption, anticipating hazardous weather events, and speeding up the discovery of low carbon building materials. Moreover, AI technologies have the potential to broaden personalised access to information and resources, bridging the digital divide and empowering individuals and communities worldwide. From online education platforms providing access to quality learning resources to AI-powered language translation tools breaking down language barriers, AI has accelerated the spread of knowledge and opportunities.

Yet, amidst the promise of AI-driven innovation, the potential risks and challenges associated with its widespread adoption should be recognised. AI design, development,

deployment, and use pose challenges, which often surround the relation between technology and humans and intersect with various socioeconomic dimensions. Its impact on people's rights as well as considerations on accountability, transparency, safety, competition, sustainability, and inclusion should be taken into account. These risks, if left unaddressed, can impede innovation and progress, undermining the trust necessary for the adoption and use of AI technologies. Recent advances, and the overwhelming popularity of user-friendly generative AI, have exponentially amplified its power to spur both beneficial and harmful change.

It is against this backdrop of immense promise and potential challenges that the imperative for robust AI governance emerges.

Pillars of AI governance

As AI continues to evolve, it is essential to strike a balance between realising its full potential for socioeconomic development, while ensuring that it aligns with globally shared values and principles that foster equality, transparency, accountability, fairness, reliability, privacy and a human-centric approach. Over the past decade, this has created an increasingly complex, multi-layered policy environment and a proliferation of policy and regulatory approaches which are sometimes duplicative. These different approaches are gaining rapid momentum, as the technology continues to speed ahead.

The current global governance model for AI is based on four pillars: principles and guidelines, regulation, technical standards, and self-regulation, illustrated by industry best practices for responsible AI.

Principles and guidelines

Guiding principles for responsible AI development, deployment and use provide a baseline framework for ethical and sustainable governance.

The OECD's 2019 Principles on trustworthy AI, revised in 2024, and endorsed by 47 countries, exemplify these efforts and emphasize cooperation "*within and across jurisdictions to promote interoperable governance and policy environments*". Similarly, the UN General Assembly's 2024 resolution and UNESCO's 2021 Recommendations on the Ethics of AI underscore the importance of human rights and ethical standards in AI at a global level. Additionally, the G7 Hiroshima AI Process and the G20 Leaders Declaration reinforce these values by aligning their frameworks with the OECD AI Principles, emphasizing responsible AI to achieve Sustainable Development Goals (SDGs).

A growing number of plurilateral initiatives such as the AI Safety Summits, or the Joint AI roadmap of the US-EU Trade and Technology Council, national approaches such as the U.S. White House Executive Order on AI, the UK's AI Principles, Australia's AI Action Plan, the

PRC's Position Paper on Strengthening Ethical Governance of Artificial Intelligence or Singapore's Model AI Governance Framework add to the AI guidelines and principles landscape.

Globally agreed principles and guidelines for responsible AI are necessary to provide a comprehensive framework for ethical and sustainable AI governance avoiding fragmented and duplicative AI governance solutions and spanning multilateral and regional approaches. By adhering to these principles, governments, organizations, and stakeholders can foster trust, promote innovation, and harness the transformative potential of AI for the benefit of society.

See more on AI principles and guidelines in Annex 1.

Regulatory approaches

Recent developments in Europe, in particular the Council of Europe's Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law and the European Union's AI Act, represent a significant milestone in the governance and regulation of AI. The EU's approach, grounded in ethics and human rights, sets a precedent for global AI regulation based on a risk-based classification system.

National efforts are also underway in several countries to devise and implement AI regulatory frameworks, aiming to promote responsible AI development, deployment and use and strike a balance between boosting investment and innovation while protecting citizens from high-risk systems. Such initiatives include, among others, Brazil's proposed AI Bill, Canada's AI and Data Act, China's Scientific and Technological Ethics Regulation, India's proposed Digital India Act, South Korea's AI Act, or the United Arab Emirates' Council for AI and Blockchain.

At the same time, other countries opt against introducing AI regulation, aiming to set instead enabling policy environments built on principles-based guidance and industry-self regulation and rely on existing regulations and sectoral laws to set guardrails for AI systems. Such efforts include for example Singapore's AI Governance framework, Japan's vision for "agile governance", or the UK's proposed "context-based, proportionate approach" to AI governance.

Technical standards

International standards play a pivotal role in ensuring consistency in the practical implementation of global, regional, and national AI policies and laws. For instance, numerous upcoming AI regulations require AI system providers to put in place a risk management system. Organizations such as the U.S. NIST Risk Management Framework or ISO/IEC, CEN-CENELEC, and ITU are actively developing technical standards to advance consistency in the ways in which impact assessments are conducted. For

instance, the ISO/IEC 42001 seeks to provide an overarching framework for AI system management. Additionally, ISO/IEC DIS 42005 is in development, detailing the procedures an organization should follow when conducting impact assessments. Although approaches to detailed requirements such as risk assessment and management may vary across organizations, adopting voluntary consensus-based standards (e.g. the extensive work of ISO/IEC JTC 1 SC42, including ISO/IEC 42001, ISO/IEC 23894, ISO/IEC 42005, ISO/IEC 38507) can serve as a solid foundation for managing AI risks throughout the AI system's lifecycle, and ensure an internationally consistent approach to implementation of AI laws.

Industry self-regulation

Self-regulation within the AI industry, illustrated by best practices for responsible AI, is a crucial component of the global governance model. Companies are increasingly committing to ethical AI practices, developing internal policies, and participating in international initiatives to ensure the safe and beneficial deployment of AI technologies. The AI Safety Summits, for instance, have seen commitments from companies to publish frontier AI safety policies and deepen collaboration with governments. Given the voluntary nature of these commitments, continued dialogue between companies and governments throughout the implementation process, as well as transparency on progress, will be important towards building public trust of such measures. Industry-led efforts, to align with technical standards, demonstrate a proactive approach to risk management and ethical impact assessments. These self-regulatory measures complement formal regulations and standards, fostering an environment where AI development is both innovative and aligned with societal values.

See the section below on industry best practices to learn more about what businesses do to ensure the design, development, deployment and use of trustworthy AI systems.

Business considerations on global AI governance

Effective governance of AI requires international cooperation. A cohesive framework for such cooperation should prioritize convergence on governance standards to prevent fragmentation of the policy landscape. There needs to be an international interoperable approach that will enable industry standards, domestic regulation, and global governance to come together and reinforce one another.

Policy frameworks must be rooted in democratic principles and designed to anticipate and address potential risks and challenges.

A risk-based regulatory approach that differentiates between high and low risk scenarios provides focus and protection against harm where it is most needed, while ensuring that regulations are not overly prescriptive and do not hamper innovation. For high-risk AI

systems there should be a requirement for developers and deployers to put in place measures such as a risk management system; human oversight; data governance and security; technical documentation, record keeping and transparency. Additionally, policy frameworks should recognize the diverse roles and responsibilities of stakeholders throughout the AI lifecycle, from development to deployment and beyond. Related to this, laws should reflect the relevant layers of the AI technology stack and distribute responsibility across the value chain appropriately.

There is a need for international collaboration to monitor for, and respond to, globally significant safety and security risks, building on the work begun by the November 2023 UK Safety Summit and continued through the May 2024 Seoul AI Summit.

We remain convinced that to be effectively implemented, governance frameworks need stakeholder input and buy-in that comes from grassroots, bottom-up approaches to ensure meaningful AI policy that supports responsible innovation and not unduly hampers it. As businesses are at the forefront of AI development and deployment, their partnership is vital:

- Business engagement ensures that AI technologies are designed, deployed and utilized in ways that align with ethical considerations, human rights, and the welfare of society.
- Business expertise is necessary to continuously shape implementation methods and help address practical challenges faced by organizations.
- Business support reinforces accountability of AI systems, fostering trust among stakeholders, including consumers, companies and governments, who rely on businesses to act in the best interests of society.

Strong and continued business involvement and support enables widespread adoption and harmonization of responsible AI practices globally and the establishment of consistent standards, avoiding fragmented regulatory environments and promoting a shared vision on trustworthy AI. This is why ICC continues to engage in ongoing key multilateral policy discussions to guard against the risks of excessive policy fragmentation.

Policy priorities

Critical policy areas requiring attention include data governance, safety and security, inclusion and inclusive access, environmental sustainability, competition, mis- and disinformation, intellectual property, capacity building, skilling, and education and workforce adaptations.

ICC stands poised to contribute expertise and resources to the development of robust policies in these domains. Through ongoing dialogue and collaboration ICC aims to

identify emerging challenges and opportunities in the AI landscape, updating policy priorities on a continuous basis to ensure relevance and effectiveness.

Industry governance best practices

Industry and multistakeholder initiatives on AI policy and governance serve as valuable learning tools for policymakers and fellow industry stakeholders alike. These examples demonstrate the effectiveness of various approaches to addressing ethical, legal, and societal implications of AI technologies. By maintaining a dynamic repository of best practices, ICC fosters knowledge-sharing and encourages the adoption of responsible AI practices across diverse contexts and industries.

CALL FOR INPUT by 16 August: Members are asked to provide examples from their own organisations and coalitions and initiatives they are part of to help illustrate the points made in the industry self-regulation section above. These examples should focus on AI governance, noting either:

1. How your company is taking initiative to implement principles and guidelines for trustworthy, responsible and ethical AI
Here you are asked to please provide what principle the initiative is aimed to implement (e.g. ethics in AI, transparency, explainability, accountability, inclusion etc) and a detailed description in 200 words or less and include relevant links for further details . Initiatives implementing the same principle will be grouped under the same category.
2. How your company is taking initiative to respond to an AI-related policy challenge
Here you are asked to please provide what policy challenge the initiative is aimed to respond to, a short (100 words or less) description of the challenge and a detailed description of the initiative in 200 words or less, including also relevant links for further details. Initiatives responding to the same policy challenge will be grouped under one category.

Two examples are provided below (one for each of these categories) to help guide your input.

Implementing AI principles and guidelines in company policies

Principle	Organization	Country	Description
Ethics, human rights and fairness *(commitment to respect the rule of law, human rights, democratic and human-centred values throughout the AI system lifecycle, including non-discrimination, equality, diversity, freedom, dignity, autonomy of individuals, and protection of fundamental rights and freedoms.*	**Telefonica**	**Spain**	In addition to long-standing and consolidated <u>Privacy Governance,</u> Telefónica began its journey towards AI governance in 2018 by committing to <u>ethical principles for AI, updated in 2024,</u> to ensure its positive impact on society and its application in the design, development and use of the company's products and services. The updated principles also include commitments on AI traceability and sustainability. These ethical principles led to the creation of the first procedures and compliance requirements, for responsible AI.In 2022, a responsible AI governance pilot was rolled out, testing new roles and methods for evaluating products and services, and initiating training and awareness raising. This entire process allowed the approval of an internal <u>AI governance model</u> in December 2023, which commits Telefónica companies and their employees to a governance model that takes advantage of the lessons learned along the way: extensive reach of governance within the business area that develops, acquires, uses or markets the AI system, taking responsibility for categorising and implementing requirements, with clear roles; strong coordination mechanisms; clear risk orientation;

			improved decision-making by involving ethics experts where necessary.
Safety *(commitment to set guardrails against misuse and mitigate risks related to harmful bias)*			
Security *(commitments to cybersecurity, data protection and privacy)*			
Accountability *(commitments to ensure traceability, including in relation to datasets, processes and decisions made during the lifecycle of an AI system, to enable the analysis of its outputs and responses to inquiries, as well as to apply a systematic risk management approach)*			
Transparency and explainability *(commitments to provide, wherever possible, meaningful information that enables a general*			

understanding of an AI system, its capabilities and limitations, its output and way of reaching that output as well as information that enable those adversely affected by an AI system to challenge its output)			
Inclusive growth *(commitment to beneficial outcomes for people, planet, and prosperity such as advancing inclusion of underrepresented populations, reducing economic, social, gender and other inequalities, and protecting natural environments)*			
Partnership *(commitment to work together with industry partners to share information and best practices)*			

Focused projects responding to specific policy challenges related to AI

Topic	Organization	Country	Description
Mis- and disinformation	Coalition for Content Provenance and Authenticity (C2PA)	Global	C2PA addresses the prevalence of misleading information online through the development of technical standards for certifying the source and history (or provenance) of media content.
	Tech Accord to Combat Deceptive Use of AI in 2024 Elections	Global	In relation to concerns about the malicious use of AI in relation to elections, twenty companies have come together aiming to combat video, audio, and images that fake or alter the appearance, voice, or actions of political candidates, election officials, and other key stakeholders.
Building human capacity and skills			
Investing in AI research and development			
Fostering inclusive AI-enabling ecosystems			

Annex 1 – Principles and codes of conduct

- The **OECD**'s groundbreaking 2019 [AI Principles are composed of](#) five values-based principles for trustworthy and human-centric AI as well as five related principles for national policies and AI ecosystems to benefit societies. They aim to guide AI actors in their efforts to develop trustworthy AI and provide policymakers with recommendations for effective AI policies. The principles were revised in May 2024 to consider new technological and policy developments and have been – to date – endorsed by 47 countries worldwide. Notably, one of the updates to the Principles emphasizes the importance of cooperation "*within and across jurisdictions to promote interoperable governance and policy environments*"

- In March 2024, the **United Nations (UN) General Assembly** adopted a [resolution to promote safe, secure and trustworthy AI systems for sustainable development](#). While non-binding, the resolution was adopted by consensus and co-sponsored by more than 120 countries, providing a solid basis for future UN work on AI. The resolution covers the need to respect, protect and promote human rights in the design, development, deployment, and use of AI, and also recognizes the potential of AI to support the Sustainable Development Goals (SDGs).

- In 2021, UNESCO adopted a [Recommendation on the Ethics of AI and continues work to support its implementation. This includes](#) a [UNESCO Business Council for Ethics of AI](#) to help ensure that AI is developed and utilized in a manner that respects human rights and upholds ethical standards. The AI Business Council is committed to strengthening technical capacities in ethics and AI, designing and implementing the Ethical Impact Assessment tool mandated by the UNESCO Recommendation, and contributing to the development of regional regulations.

- The **G7 Hiroshima AI Process Comprehensive Policy Framework** includes a code of conduct for developers of AI systems and guiding principles for all AI actors, both explicitly designed to "build on the existing OECD AI Principles". The 2024 G7 Digital Ministerial Declaration committed to working with the OECD on tools and mechanisms to monitor application of the Code of Conduct, and to broaden the involvement of key partners and organizations.

- The **G20 [2023 Leaders Declaration](#)** reaffirmed a commitment to the [G20 AI Principles (2019)](#) and the pursuit of a "pro-innovation regulatory/governance approach that maximizes the benefits and takes into account the risks associated with the use of AI" and promotes "responsible AI for achieving SDGs".

- **AI Safety Summits** - the first, in November 2023, gathered 27 governments, the EU and the UN, and agreed the Bletchley Declaration, a commitment to a "State of the Science" report on the capabilities and risks of frontier AI, a partnership between the

UK and US AI Safety Institutes, and a Chair's statement on safety. The second, in May 2024, included commitments from governments to deepen collaboration, and from companies to publish frontier AI safety policies.