



# 2023: Annual CEO Letter to Stakeholders

16 December 2023

## Executive Summary

Across the globe, 2023 was another year of significant challenges: from further turmoil in the Gaza Strip and increasing geopolitical tensions — particularly between China and America — to struggling global economies. Almost all nations felt the effects of global economic uncertainty, including higher energy and food prices, mounting inflation rates and volatile markets, and, of course, Brexit’s lingering impacts. While all these experiences and associated turmoil have serious ramifications on our company, colleagues, clients and the countries in which we do business, their consequences on the world at large — with the extreme suffering of the Palestinian people and the potential restructuring of the global order — are far more important.

As these events manifest, Europe remains divided within its borders, and its place as a global steward of economic, political and social stability is being challenged outside of its borders. Nevertheless, this is the moment when we should put aside our differences and work with all nations to come together in defence of democracy and essential freedoms, including free enterprise.

During other times of great crisis, we have seen European Member States, in partnership with other countries around the globe, unite for a common cause. This is that moment again, when our country needs to work across public and private sectors to lead while improving European competitiveness — which also means re-establishing the European promise of providing equal access to opportunity for all. AI & Partners, a company that historically has worked across borders and boundaries, will do its part to ensure the global economy is safe and secure — especially with the uptake of artificial intelligence (“AI”).

I remain proud of our company’s resiliency and of what our teams around the world have achieved, collectively and individually. Throughout these challenging past few months, we never stopped doing all the things we should be doing to serve our clients and our communities. Adhering to our basic principles and strategies (see section below) allows us to drive good organic growth and properly manage our affairs, as we have consistently demonstrated since 2021.

As you know, we are champions of AI’s essential role in a global community — its potential for bringing people together, for enabling companies and individuals to attain their goals, and for being a source of strength in difficult times.

As I often remind our employees, the work we do matters and has impact. We help people and institutions secure and achieve their aspirations, lifting up individuals, homeowners, small businesses, larger corporations, schools, hospitals, cities and countries in all regions of the world.





## Principles

### **We are underpinned by our purpose, mission, and values**

Our foundation is rooted in a clear sense of purpose, mission, and values. Our collective commitment extends to our clients, communities, and each other, shaping the bedrock of our firm's culture.

### **We create trust through integrity**

Integrity is the cornerstone of the trust we build. Our north star directs us toward decisions founded on integrity and enabling us to lead in ways that consistently earn and fortify trust. It delineates the expected behaviours, providing clarity on what to do and where to seek guidance, regardless of our global location.

### **We have a responsibility to speak up**

A paramount responsibility we embrace is the duty to speak up. This obligation transcends mere dissent; it is an imperative to report. Failing to report misconduct may lead to disciplinary measures, including separation from our firm.

### **We strike partnerships with our clients responsibly**

Our partnership with clients is undertaken responsibly, guided by industry respected practices that encompass the conscientious selection of clients and engagements, the protection of confidentiality, responsible use of technology assets, and avoidance of conflicts of interest.

### **We are aware of our impact in our communities**

Conscious of our impact in communities, we champion social impact, strive for environmental sustainability, and commit to using AI responsibly and ethically.

### **We honour one another**

Respect is fundamental in our interactions. Core attitudes include maintaining an inclusive, respectful, and caring meritocracy, avoiding harassment or discrimination, communicating responsibly, and ensuring a safe working environment.

### **We are highly motivated to do the right thing**

Dedication to doing the right thing is woven into our fabric. Main ways of working dictate that we never engage in bribery or corruption, interact appropriately with government officials, abide by trade controls and sanctions, compete fairly, protect individual privacy, and maintain complete and accurate records.

*“Putting your company's purpose at the foundation of your relationships with your stakeholders is critical to long-term success. Putting your company's purpose at the foundation of your relationships with your stakeholders is critical to long-term success.”*

Larry Fink, *Blackrock*, CEO





## Why We Are Proud of AI & Partners

As we reflect on the past year at AI & Partners, there's a profound sense of pride that permeates our collective spirit. We take pride in more than just our commercial achievements; **it's a celebration of the journey we've undertaken together**. Our purpose, mission, and values are not mere rhetoric; they are the guiding stars that have steered us through challenges and propelled us toward success.

Our commitment to clients, communities, and each other forms our bedrock. In an era where technology and ethics intersect, we stand tall as pioneers, particularly in the context of the EU AI Act. Our dedication to responsible and transparent AI practices positions us as leaders in an industry where trust is paramount. It's not just about meeting regulatory standards; it's about setting new benchmarks and redefining what it means to be an ethical player in the world of AI.

## Update on Specific Issues Facing Our Company

In the current AI landscape, challenges are as inevitable as opportunities. Over the past year, we've faced these challenges head-on, and our strategic approach positions us for continued success. Regulatory complexities demand our attention, and our team has adeptly navigated through these intricacies, ensuring that compliance not only safeguards us but propels us forward. Our commitment to staying at the forefront of technological advancements remains unwavering, with substantial investments in talent and research and development.

One specific challenge we've addressed is the rapid pace of change in the industry. Technological disruptions are the new norm, and our agility has been our greatest asset. Adapting swiftly to emerging trends and harnessing the power of innovation has been instrumental in our resilience. We see challenges not as obstacles but as opportunities for growth and evolution.

## Management Lessons

Management is not just about strategies and bottom lines; it's about *people, culture, and lessons learned*. In navigating the complexities of leadership, transparency and open communication have emerged as cornerstones. Our success is not just a reflection of our financial acumen but of our commitment to fostering a culture of inclusion, where every voice is heard, and every perspective is valued.

One lesson that resonates is the importance of embracing change. The business landscape is dynamic, and our ability to adapt defines our trajectory. Change isn't a disruption; it's an invitation to innovate, and our collective ability to embrace it positions us as a forward-thinking organization.

## Commonsense Principles for Corporate Governance

In the realm of corporate governance, we adhere to commonsense principles that transcend boardrooms and resonate with our everyday decisions. Accountability, transparency, and integrity are not just lofty ideals; they are the essence of our governance framework. We recognize the significance of prioritizing shareholder interests, ensuring robust risk management, and promoting diversity at all levels of our organization.





Our commitment to ethical business practices isn't a checkbox exercise; it's a conscious effort embedded in our decision-making processes. We believe that sustainable growth is not just about numbers but about building an ecosystem where trust thrives, and stakeholders feel a genuine connection to our values.

## Evaluating and Managing the Economic and Geopolitical Risks Ahead

As we set our sights on the future, we acknowledge the economic and geopolitical uncertainties that loom on the horizon. Our strategy involves not just weathering storms but navigating them with resilience and foresight. A diversified portfolio, coupled with a robust financial foundation, positions us to confront potential challenges head-on.

Our approach to risk management is not *reactive* but *proactive*. We continually monitor global shifts, economic indicators, and geopolitical developments, allowing us to adjust our strategies in real-time. By staying agile and responsive, we aim to turn potential risks into strategic advantages, ensuring our long-term sustainability and growth.

## Our Serious Need for More Effective Public Policy

Given current AI regulatory environment, especially following the EU AI Act's political approval, our growth is intrinsically tied to the development of effective public policies. As a responsible player in the AI space, we recognize the urgent need for the EU AI Act as a comprehensive framework that balances innovation with ethical considerations. Our engagement with policymakers is not merely a formality; it's a genuine commitment to contributing our expertise to shape regulations that foster responsible AI development.

Effective public policy is not just a regulatory requirement; it's a necessity for the responsible integration of AI into our society. We advocate for a framework that encourages innovation while safeguarding ethical principles. By actively participating in the policy discourse, we aim to be architects of a future where technology serves humanity responsibly.

In closing, our journey at AI & Partners is not just a commercial narrative; it's a story of *purpose*, *resilience*, and *responsible leadership*. As we navigate the complexities of the AI landscape, our commitment to transparency, integrity, and ethical practices remains unwavering. Together, we'll continue to write the next chapters of success, guided by our shared values and a vision for a future where AI serves as a force for good.

Sincerely,

Sean Donald John Musch

CEO

AI & Partners

