



## **ALIGNING AI SYSTEMS WITH CORPORATE SUSTAINABILITY AND CSR STRATEGIES**

Providing Actionable Insights and Guidelines for Enhanced Integration

Lappeenranta–Lahti University of Technology LUT

Erasmus Mundus Joint Master's Degree

Software Engineering for European Green Deal (SE4GD)

2024

Jonathan Thangadurai Selvaraj

Examiners: Professor Henry Muccini (University of L'Aquila, Italy)

Professor Jari Porras (Lappeenranta University of Technology, Finland)

Professor Patricia Lago (Vrije University, Amsterdam)

# **ABSTRACT**

Lappeenranta–Lahti University of Technology LUT

Your school: LUT School of Engineering Sciences

Software Engineering

Jonathan Thangadurai Selvaraj

## **ALIGNING AI SYSTEMS WITH CORPORATE SUSTAINABILITY AND CSR STRATEGIES**

Providing Actionable Insights and Guidelines for Enhanced Integration

Master's thesis

2024

151 pages, 4 figures, 9 tables and 1 appendix

Supervisors: Professor Leticia Duboc (La Salle - Ramon Llull University)

Professor Ian Brooks (University of the West of England)

Keywords: Artificial Intelligence (AI), Corporate Social Responsibility (CSR), Sustainability, Ethical AI, Sustainable Business Practices

This thesis explores the integration of Artificial Intelligence (AI) in corporate sustainability and Corporate Social Responsibility (CSR) strategies, examining its applications, alignment, and potential enhancements. Utilizing a multi-method approach—including a literature review, interviews with three companies, and a sustainability study of AI tools—the research identifies the broad landscape of AI applications, ethical considerations, and governance frameworks. Insights from interviews reveal AI's deployment in logistics optimization, customer engagement, and sustainability reporting. The sustainability study evaluates AI tools using the Sustainability Awareness Framework (SusAF) to assess alignment with corporate sustainability goals.

Key findings show that AI enhances operational efficiency, decision-making, and stakeholder engagement, supporting comprehensive sustainability strategies. However, challenges such as data privacy, transparency, and ethical implications must be addressed. The study emphasizes the importance of embedding sustainability considerations in AI development from the outset. Future research should focus on enhancing data integration, developing measurable KPIs for aligning AI with sustainability goals, and creating regulatory frameworks to support ethical AI development. These steps are essential for ensuring AI technologies contribute positively to environmental, social, and economic dimensions, fostering a sustainable future for businesses.

## **ACKNOWLEDGEMENTS**

First and foremost, I'd like to express my heartfelt gratitude to the SE4GD program for making me a better person and expanding my horizons in ways I never thought possible. This journey has been truly transformative, and I owe it all to the incredible people involved.

A special thank you to Professor Leticia Duboc for her unwavering guidance throughout my thesis, despite being on sabbatical. Our meetings were always insightful and enjoyable. I also want to extend my gratitude to Professor Ian Brooks for his invaluable contributions during our brainstorming sessions and for being the vital link between industry and academia.

I would be remiss not to mention Professors Shola Oyediji and Jari Porras for their exceptional work in the RSP course, as well as Professor Henry Muccini for his brilliant Software Architectures course. The projects from these courses equipped me with the skills that landed me a job in the sustainability field right after graduation! Cannot forget my favorite course coordinators - Letizia, Susanna and Lima - they were with me through thick and thin as well.

To my family, thank you for your love and support, and for always checking up on me during the thesis in your own unique way. Your encouragement kept me going through the tough times.

And to my amazing friends - the Pescara Duo, Taipalsaarentie Gang, and Uilie Sisters – you've been my rock, my laughter, and my home away from home. I couldn't have done this without you!

Finally, to everyone who has been a part of this incredible journey – thank you from the bottom of my heart. This thesis is a testament to the knowledge, growth, and memories we've shared along the way.

Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up. Here's to the future and all the exciting possibilities that await us! Cheers!!!

## Table of contents

<b>ABSTRACT.....</b>	<b>2</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>4</b>
<b>CHAPTER 1 - INTRODUCTION.....</b>	<b>14</b>
1.1 Motivation.....	14
1.2 Overall Methodology.....	14
1.3 Thesis organization.....	15
<b>CHAPTER 2 - LITERATURE REVIEW.....</b>	<b>16</b>
2.1 Literature Review Design.....	16
2.2 Literature review findings.....	20
2.2.1 AI Tools and Systems Currently Deployed.....	20
2.2.2 Alignment of AI Tools with Sustainability and CSR Strategies.....	21
2.2.2.1 Resource Optimization and Efficiency.....	22
2.2.2.2 Enhancing Transparency and Ethical Practices.....	22
2.2.2.3 Supporting Sustainability Goals and Social Initiatives.....	23
2.2.3 Potential Enhancements of AI Tools for Sustainability and CSR.....	23
2.2.3.1 Limitations of Current AI Tools.....	23
2.2.3.2 Challenges in Enhancing AI for Sustainability and CSR.....	24
2.2.3.3 Future Research Directions.....	24
2.3 Conclusions from the Literature Review.....	25
<b>CHAPTER 3 - METHODOLOGY.....</b>	<b>26</b>
<b>CHAPTER 4 - INTERVIEW STUDY.....</b>	<b>29</b>
4.1. Interviews Design.....	30
4.1.2. Recruitment and Participants.....	30
4.1.3. Interview Format.....	30
4.1.4. Interview Guide and Questions.....	30
4.1.5. Data Collection and Recording.....	31
4.1.6. Data Analysis.....	31
4.2 Interviews Results.....	31
4.2.1. Company Profiles.....	31
4.2.1.1 Company A: Global Automotive Services and Solutions Leader.....	31
4.2.1.2. Company B: Telecommunication and Digital Services Provider.....	32
4.2.1.3. Company C: Global Manufacturing Company.....	32
4.2.2. AI Technologies Used.....	32
4.2.2.1 Company A.....	33
4.2.2.2 Company B.....	33
4.2.2.3 Company C.....	34
4.2.2.4 Research Question 1 Summary.....	35
4.2.3 Alignment of AI Tools with CSR and Sustainability Strategies.....	35

4.2.3.1 Company A.....	36
4.2.3.2 Company B.....	37
4.2.3.3 Company C.....	38
4.2.2.4 Research Question 2 Summary.....	38
4.2.4 Potential Enhancements of AI Tools for Sustainability and CSR.....	39
4.2.4.1 Company A.....	39
4.2.4.2 Company B.....	41
4.2.4.3 Company C.....	42
4.2.4.4 Research Question 3 Summary.....	44
4.3 Conclusion from the Interview study.....	44
<b>CHAPTER 5 - SUSTAINABILITY STUDY.....</b>	<b>46</b>
5.1 Company A - Tool A.....	47
5.1.1 Overview.....	47
5.1.2 Key Components.....	47
5.1.3 Insights from Sustainability Report.....	48
5.1.3.1 Environmental Goals.....	48
5.1.3.2 Social Goals.....	48
5.1.3.3 Governance Goals.....	49
5.1.3.4 Prioritizations.....	49
5.1.3.5 Strategic Initiatives.....	50
5.1.4 Sustainability Analysis.....	50
5.1.4.1 Social Dimension.....	50
5.1.4.2 Individual Dimension.....	51
5.1.4.3 Environmental Dimension.....	52
5.1.4.4 Economic Dimension.....	53
5.1.4.5 Technical Dimension.....	54
5.1.5 Complementary Insights.....	58
Proposed Changes:.....	60
5.2 Company B - Tool B.....	65
5.2.1 Overview.....	65
5.2.2 Key Components.....	65
5.2.3 Insights from CSR/Sustainability Report.....	65
5.2.3.1 Environmental Goals.....	65
5.2.3.2 Social Goals.....	66
5.2.3.3 Governance Goals.....	67
5.2.3.4 Prioritizations.....	67
5.2.3.5 Strategic Initiatives.....	68
5.2.4 Sustainability Analysis.....	69
5.2.4.1 Social Dimension.....	69
5.2.4.2 Individual Dimension.....	70

5.2.4.3 Environmental Dimension.....	71
5.2.4.4 Economic Dimension.....	72
5.2.4.5 Technical Dimension.....	73
5.2.5 Complementary Insights.....	76
5.3 Company C - Tool C.....	82
5.3.1 Overview.....	82
5.3.2 Key Components.....	82
5.3.3 Insights from CSR/Sustainability Report.....	83
5.3.3.1 Environmental Goals.....	83
5.3.3.2 Social Goals.....	84
5.3.3.3 Governance Goals.....	84
5.3.3.4 Prioritizations.....	85
5.3.3.5 Strategic Initiatives.....	86
5.3.4 Sustainability Analysis.....	86
5.3.4.1 Social Dimension.....	86
5.3.4.2 Individual Dimension.....	87
5.3.4.3 Environmental Dimension.....	88
5.3.4.4 Economic Dimension.....	89
5.3.4.5 Technical Dimension.....	89
5.3.5 Complementary Insights.....	93
<b>CHAPTER 6 - DISCUSSIONS.....</b>	<b>99</b>
6.1 Summary of Key Findings.....	100
6.2 Synthesis of Findings.....	101
<b>CHAPTER 7 - GUIDELINES FOR AI ALIGNMENT.....</b>	<b>104</b>
7.1 Holistic Organizational Approach.....	104
7.2 Sustainability Impact Assessment.....	109
7.3 Frugal AI Development.....	112
7.4 Ethical Considerations.....	116
7.5 Stakeholder Engagement.....	120
7.6 Measurement and Monitoring.....	124
7.7 Adaptive Management.....	127
7.8 Knowledge Sharing and Transparency.....	130
7.9 Resource Optimization.....	134
7.10 Compliance and Beyond.....	137
7.11 Innovation for Sustainability.....	141
7.12 Data Integration and Interoperability.....	144
<b>CHAPTER 8 - THREATS TO VALIDITY.....</b>	<b>148</b>
8.1 Internal Validity.....	148
8.2 External Validity.....	149
8.3 Construct Validity.....	150

8.4 Reliability.....	150
<b>CHAPTER 9 - CONCLUSION.....</b>	<b>150</b>
9.1 Summary of the Study and Key Findings.....	150
9.2 Future Research Directions.....	152
9.3 Final Remarks.....	153
<b>REFERENCES.....</b>	<b>154</b>
<b>APPENDIX.....</b>	<b>159</b>

## Figures

[Figure 1](#): SusAF Diagram for Tool A

[Figure 2](#): SusAF Diagram for Tool B

[Figure 3](#): SusAF Diagram for Tool C

[Figure 4](#): Formulation of Themes for Guidelines

## Tables

[Table 1](#): Literature Search - Queries

[Table 2](#): Literature Search - Inclusion and Exclusion Criterias

[Table 3](#): Order of Effects - Tool A

[Table 4](#): Updated Order of Effects - Tool A

[Table 5](#): Order of Effects - Tool B

[Table 6](#): Updated Order of Effects - Tool B

[Table 7](#): Order of Effects - Tool C

[Table 8](#): Updated Order of Effects - Tool C



# CHAPTER 1 - INTRODUCTION

## 1.1 Motivation

The rapid development of Artificial Intelligence (AI) in the business sphere has the potential to create a shift towards integrating operational efficiency with sustainability and Corporate Social Responsibility (CSR) objectives ([Mazzi, 2023](#)). Technologies such as machine learning, natural language processing, robotics, and predictive analytics are at the forefront of this transformation, offering promising avenues to embed sustainability into the core of business operations. However, the effective deployment of AI transcends mere technological adoption, requiring a refined understanding of both its vast potential and inherent limitations ([Acemoglu and Restrepo, 2018](#)). Uncritical AI adoption in sustainability efforts can lead to unintended consequences, such as perpetuating existing biases in data sets or overlooking crucial environmental factors in decision-making models ([Attard-Frost, 2022](#)). Achieving alignment between AI applications in business and long-term sustainability goals requires ongoing critical assessment, addressing a range of operational and ethical considerations to work towards benefiting all stakeholders.

This research considers how a broad spectrum of AI applications, from machine learning models to robotics that streamline sustainable manufacturing processes, relate to sustainability and CSR. By doing so, it aims to propose strategies for integrating AI into corporate sustainability frameworks. This approach seeks to leverage AI's diverse capabilities to address complex sustainability challenges, enhance operational efficiencies, and foster more responsible and ethically mindful business practices.

## 1.2 Overall Methodology

This research comprises three key components: a literature review, a series of interviews with companies actively employing AI technologies, and an experiment applying the Sustainability Awareness Framework (SusAF) ([Betz et al., 2022](#)) to analyze one AI tool used by each interviewed company. These components are compared with the sustainability reports of the respective companies to check alignment.

The literature review provides a comprehensive understanding of the current landscape of Artificial Intelligence in the context of sustainability and Corporate Social Responsibility. It explores AI's capabilities and limitations, as well as the ethical considerations crucial for

integrating AI into sustainability strategies. The interviews capture diverse perspectives on the goals of AI tools and their integration with sustainability and CSR initiatives. By engaging with companies actively using AI, we gain insights into the practical challenges and successes in aligning AI with sustainability goals.

Combining insights from the literature review and interviews, we employ SusAF to analyze one AI tool from each company. This analysis is compared with the sustainability reports of the respective companies to assess alignment and identify gaps. Based on the integrated insights from the literature review, interviews, and SusAF analysis, we propose a set of practical guidelines designed to enhance the integration of AI into corporate sustainability frameworks. These guidelines ensure that AI deployment adheres to ethical standards and contributes positively to the company's sustainability goals.

The findings and recommendations of this research have the potential to positively impact industry practices and inform policy decisions related to the adoption of AI in sustainability and CSR initiatives. For businesses, the study supports a better understanding of AI's capabilities and limitations by providing knowledge and frameworks to integrate AI effectively and responsibly into their sustainability strategies. By highlighting ethical considerations, the research aids companies in deploying AI technologies in ways that are not only effective but also ethical and aligned with sustainability goals of the company. For policymakers and regulatory bodies, the research insights can guide the development of guidelines and standards that foster the ethical and transparent use of AI in sustainability efforts. Addressing potential risks and unintended consequences ensures that AI adoption aligns with broader societal goals and environmental responsibilities.

### **1.3 Thesis organization**

This thesis is organized into nine chapters, each addressing a crucial aspect of the research. Chapter 1 introduces the study, outlining the motivation for the strategic integration of AI in business practices for sustainability and Corporate Social Responsibility (CSR). Chapter 2 presents a comprehensive Literature Review, examining scholarly work at the intersection of AI, sustainability, and CSR. The methodology is detailed in Chapter 3, describing the qualitative research approach, including the design of the interview study. Chapter 4 focuses on the Interview Study, detailing how the interviews with selected

companies were structured and conducted. Chapter 5 presents the Sustainability Study, which analyses three AI tools using the Sustainability Assessment Framework (SusAF), further complemented by insights from [Khakurel et al.'s \(2018\)](#) "The Rise of AI Under the Lens of Sustainability." Chapter 6 synthesizes the findings from the Literature Review, Interview Study, and Sustainability Study, analyzing common themes and laying the groundwork for the guidelines. These guidelines, which form the crux of this research, are elaborated in Chapter 7, along with discussions on their practical application. Chapter 8 explores the threats to the validity of the research, while Chapter 9 concludes the thesis and explores future research directions. To ensure transparency and reproducibility, all documents used during the research process, including ethics documents and anonymized interview transcripts, are available in the accompanying GitHub repository.

## CHAPTER 2 - LITERATURE REVIEW

In the literature review section of the thesis, a structured approach was adopted to systematically explore and analyze the intersection of Artificial Intelligence, Corporate Sustainability, and Corporate Social Responsibility. The methodology is centered around a series of defined steps to ensure comprehensive coverage and insightful analysis of the topic.

### 2.1 Literature Review Design

The review began with the formulation of specific research questions aimed at exploring the types of AI applications in CSR and sustainability, their impacts, challenges, and the future direction of their integration.

1. What AI tools and systems are currently deployed by the companies?

**Rationale:** This aims to map out the current landscape of AI applications.

2. How do AI tools and systems align with the companies stated sustainability and corporate social responsibility strategies?

**Rationale:** This seeks to understand the strategic coherence between AI applications and corporate sustainability commitments.

3. In what ways might AI tools and systems be enhanced to better support sustainability/CSR objectives?

**Rationale:** This explores the potential for future developments and improvements in AI to foster more robust sustainability outcomes

A thorough identification of relevant keywords and their synonyms was conducted to capture the broad spectrum of AI technologies involved in sustainability practices.

The search string below was used as the base for retrieving relevant literature for analysis:

*((*"Artificial Intelligence"* OR *"Machine learning"*) AND (*sustainab\** OR *"social responsib\*"* OR *CSR* OR *"corporate social responsib\*"*))*

Relevant academic and industry databases were carefully selected based on their richness in CSR and technology-related literature. These included ACM Digital Library, IEEE Digital Library, MDPI, and Scopus. For selected databases, the search was limited to abstracts to ensure efficiency and relevance in the initial screening process. This approach allowed for a targeted identification of papers where the key concepts were central to the study, as indicated by their presence in the abstract. The search string above were adapted as shown in Table 1 to each of these databases search engine:

Table 1. Literature Search - Queries

Database	Adapted search string	Results Obtained
ACM Digital Library	[[Abstract: "artificial intelligence"] OR [Abstract: "ai"] OR [Abstract: "machine learning"] OR [Abstract: "ml"] OR [Abstract: "natural language processing"] OR [Abstract: "nlp"] OR [Abstract: "robotics"] OR [Abstract: "automation"]] AND [[Abstract: "sustainability"] OR [Abstract: "sustainable development"] OR [Abstract: "csr"] OR [Abstract: "corporate social responsibility"]] AND [[All: "efficiency"] OR [All: "ethics"] OR [All: "sdgs"] OR [All: "sustainable development goals"]] AND NOT [[All: "military"] OR [All: "defense"] OR [All: "surveillance"]] AND [All: "business"] AND [[All: "company"] OR [All: "organisation"]]	33
IEEE Digital Library	("Abstract": "Artificial Intelligence" OR "Abstract": "AI" OR "Abstract": "machine learning" OR "Abstract": "ML" OR "Abstract": "natural language processing" OR "Abstract": "NLP" OR "Abstract": "robotics" OR "Abstract": "automation") AND ("Abstract": "sustainability" OR "Abstract": "sustainable development" OR "Abstract": "CSR" OR "Abstract": "corporate social responsibility") AND ("All Metadata": "efficiency" OR "All Metadata": "ethics" OR "All Metadata": "SDGs" OR "All Metadata": "sustainable development goals") AND ("All Metadata": "Business") AND ("All Metadata": "Company" OR "All Metadata": "Organisation")	9

Database	Adapted search string	Results Obtained
MDPI	((("Artificial Intelligence" OR "Machine learning") AND ("sustainab*") AND ("corporate social responsib*"))	8
Scopus	TITLE-ABS( ( ( "artificial intelligence" OR "ai" OR "machine learning" OR "natural language processing" OR "nlp" OR "robotics" OR "automation" OR "predictive analytics" OR "computer vision" ) AND ( "Business" ) AND ( "sustainability" OR "sustainable development" OR "corporate social responsibility" OR "csr" ) AND ( "efficiency" OR "ethics" OR "sustainable development goals" OR "sdgs" ) AND NOT ( "military" OR "defense" OR "surveillance" OR "fermentation" OR "bioreactor" OR "eutectic" OR "biochemical" OR "microbial" OR "enzym*" ) ) ) )	467

Once the searches were completed, the selection of sources was guided by clearly defined inclusion and exclusion criteria in Table 2.

Table 2. Literature Search - Inclusion and Exclusion Criterias

Inclusion Criteria	Exclusion Criteria
<ul style="list-style-type: none"> <li>• Studies demonstrating practical implications of AI in sustainability</li> <li>• Comprehensive reviews or meta-analyses detailing AI's impact on operational processes</li> <li>• Research articles about AI ethics, data privacy, and algorithmic accountability</li> <li>• Studies exploring AI applications across various sectors with insights into their strategic implications</li> </ul>	<ul style="list-style-type: none"> <li>• Brief abstracts</li> <li>• Opinion pieces or editorials that do not provide empirical evidence</li> <li>• Duplicate publications</li> <li>• Studies inaccessible due to paywalls or lack of institutional access</li> <li>• Non-English publications</li> <li>• Non-peer-reviewed or non-scholarly articles</li> <li>• Papers not directly related to corporate strategy or operational impacts of AI</li> <li>• Studies having no organizational aspect to them</li> </ul>

After taking into account the inclusion & exclusion criteria, eliminating duplicates and performing quality checks, a total of 30 papers were selected for conducting the literature review. Then, with the help of a structured data extraction form information from the studies was noted down.

This form encompassed the following fields to capture comprehensive details: the publication year, authors, the institutions associated with the authors, and the country of origin, the AI technologies discussed specific impacts on sustainability and CSR, challenges and limitations, and stakeholder perspectives. Additional fields were dedicated to recording the extraction status, researchers' comments, and any relevant notes on compliance and future research directions.

This approach facilitated the organization and analysis of data, ensuring that all relevant information was captured and readily available for synthesis.

This methodology ensured a robust, systematic exploration of the literature, providing a solid foundation for understanding the complex interplay between AI, sustainability, and CSR. The structured approach facilitated a comprehensive analysis, offering fresh insights into how AI technologies can be strategically aligned with corporate sustainability frameworks, while also highlighting the critical need for ethical considerations and human oversight in AI deployments.

We next discuss the main findings, organized by the research questions that guided this literature review.

## **2.2 Literature review findings**

### **2.2.1 AI Tools and Systems Currently Deployed**

**Research Question: What AI tools and systems are currently deployed by the companies?**

The companies are currently deploying a range of AI technologies, including Machine Learning for predictive analytics and societal well-being, Robotics and Automation for efficiency and waste reduction, and specialized AI tools for humanitarian actions and sustainable practices. These AI systems are integrated into business operations to optimize

energy use, enhance supply chain transparency, and ensure ethical and sustainable practices aligned with Corporate Social Responsibility goals. We detail this answer below:

Several studies highlight the deployment of AI for achieving the Sustainable Development Goals. For instance, [Tomašev et al. \(2020\)](#) discuss AI's potential for social good, emphasizing its role in tackling global challenges through innovative solutions in healthcare, education, and environmental conservation. Similarly, [Vinueza et al. \(2020\)](#) explore how AI contributes to SDGs by enhancing data-driven decision-making processes and improving operational efficiencies across various sectors.

In the realm of corporate sustainability, [Chen et al. \(2024\)](#) explore the critical role of AI in promoting sustainable business practices. They highlight how companies leverage AI to streamline resource management, reduce carbon footprints, and foster long-term sustainability goals. Similarly, [Di Vaio et al. \(2020\)](#) review AI-driven business models aligned with the SDGs, showcasing AI's capacity to drive sustainable innovation and ethical business practices. Additionally, [Mazzi \(2023\)](#) underscores the importance of integrating CSR with AI, providing recommendations on leadership and public policy to foster this integration. [Zhao and Fariñas \(2022\)](#) further discuss how AI supports sustainable decision-making within businesses, providing a legal perspective on AI's role in enhancing corporate sustainability.

AI's application in supply chain management is particularly notable. [Ali et al. \(2024\)](#) examine how AI tools predict supply chain performance, enhancing sustainability by improving logistics and reducing waste. [Dumitrascu et al. \(2020\)](#) provide insights into AI's role in the automotive industry, where AI-driven systems enhance supply chain efficiency and promote sustainable practices through real-time data analytics and automated decision-making. [Marinagi et al. \(2023\)](#) discuss the impact of Industry 4.0 technologies on key performance indicators for a resilient supply chain, focusing on how AI technologies enhance supply chain resilience. [Arunmozhi et al. \(2022\)](#) explore the use of AI in blockchain and smart contracts within autonomous vehicle supply chains, highlighting the benefits of enhanced transparency and efficiency.

AI's role in circular economy practices is underscored by [Cetin et al. \(2021\)](#) and [Chauhan et al. \(2022\)](#). These studies demonstrate how AI-driven technologies facilitate the transition to circular business models by enabling efficient resource utilization and waste

minimization. [Sjödín et al. \(2023\)](#) further elaborates on this by conceptualizing AI capacities in circular business model innovation, illustrating how AI supports sustainable product lifecycle management.

Ethical considerations in AI deployment are addressed by [Attard-Frost et al. \(2022\)](#) and [Zhao and Fariñas \(2022\)](#), emphasizing the importance of adhering to ethical guidelines and ensuring transparency in AI applications to maintain trust and accountability in business practices. These considerations are discussed in four papers, reflecting a growing concern for ethical AI practices.

Lastly, AI's impact on workforce dynamics and economic growth is discussed by [Acemoglu and Restrepo \(2018\)](#), who analyze the implications of AI and automation on employment and factor shares, highlighting the need for balanced growth strategies that consider both technological advancements and human capital development.

### **2.2.2 Alignment of AI Tools with Sustainability and CSR Strategies**

**Research Question: How do AI tools and systems align with the companies' stated sustainability and corporate social responsibility strategies?**

AI tools and systems align with companies' sustainability and CSR strategies by providing innovative solutions for resource optimization, enhancing transparency in sustainability reporting, and driving ethical business practices. Through applications like predictive analytics, automation, and targeted social initiatives, AI helps companies meet their sustainability goals and create positive societal impacts. We detail this answer below:

#### ***2.2.2.1 Resource Optimization and Efficiency***

AI technologies are crucial for resource optimization, enabling companies to streamline operations and reduce their environmental footprints. [Chen et al. \(2024\)](#) highlight the role of AI in promoting sustainable business practices by efficiently managing resources and reducing carbon emissions. This is further supported by [Sjödín et al. \(2023\)](#), who illustrate how AI tools facilitate sustainable product lifecycle management, enabling efficient resource utilization and minimizing waste within circular business models. [Goralski and Tan \(2020\)](#) discuss AI's impact on sustainable development, particularly in optimizing resource use and enhancing operational efficiency. Moreover, [Marinagi et al. \(2023\)](#)



explore how AI enhances resilience in supply chains by optimizing key performance indicators and supporting adaptive strategies, leading to more efficient and sustainable operations. [Dumitrascu et al. \(2020\)](#) provide insights into AI's role in the automotive industry, demonstrating how AI-driven systems enhance supply chain efficiency and promote sustainable practices through real-time data analytics and automated decision-making.

#### ***2.2.2.2 Enhancing Transparency and Ethical Practices***

Enhancing transparency in sustainability reporting is another significant way AI aligns with corporate strategies. [Sætra \(2021\)](#) proposes a framework for evaluating and disclosing the ESG impacts of AI, promoting transparency and accountability in sustainability efforts. [Mazzi \(2023\)](#) underscores the integration of CSR with AI, providing recommendations on leadership and public policy to foster transparent and ethical AI practices within companies. Ethical business practices are further driven by AI as highlighted by [Attard-Frost et al. \(2022\)](#), who review AI ethics guidelines, emphasizing the need to adhere to ethical standards in AI deployment. This ensures that AI applications align with CSR strategies by supporting ethical business practices. [Zhao and Fariñas \(2022\)](#) discuss how AI aids sustainable decision-making within businesses, providing a legal perspective on the ethical use of AI to enhance corporate sustainability. Additionally, [Weber-Lewerenz \(2021\)](#) proposes ethical guidelines for applying digital transformation and AI in construction engineering, emphasizing corporate digital responsibility and ensuring compliance with legal and regulatory standards.

#### ***2.2.2.3 Supporting Sustainability Goals and Social Initiatives***

AI tools also play a pivotal role in supporting companies' sustainability goals and social initiatives. [Tomašev et al. \(2020\)](#) and [Vinuesa et al. \(2020\)](#) discuss AI's potential for social good, emphasizing its role in predictive analytics to address global challenges such as healthcare, education, and environmental conservation. These applications help companies forecast and manage their environmental impacts effectively. [Ali et al. \(2024\)](#) examine how AI tools predict supply chain performance, enhancing sustainability by improving logistics and reducing waste. [Chaudhuri et al. \(2022\)](#) highlight the role of AI in SMEs for innovation and sustainability, showing how predictive analytics can optimize business processes. [Di Vaio et al. \(2020\)](#) review AI-driven business models aligned with the SDGs,

showcasing how AI drives targeted social initiatives that support corporate sustainability and CSR goals. [Mhlanga \(2021\)](#) explores AI's impact in Industry 4.0 on poverty, innovation, infrastructure development, and the SDGs, illustrating how AI initiatives can create positive societal impacts in emerging economies. [Zheng et al. \(2022\)](#) explore the role of AI in technology innovation during crises, emphasizing its importance in sustainable business model innovation. [Ardito \(2023\)](#) discusses how digitalization, with AI at the forefront, influences sustainable innovation performance, helping companies achieve their sustainability objectives.

### **2.2.3 Potential Enhancements of AI Tools for Sustainability and CSR**

**Research Question: In what ways might AI tools and systems be enhanced to better support sustainability/CSR objectives?**

Enhancing AI tools and systems to better support sustainability and Corporate Social Responsibility objectives involves addressing existing limitations, overcoming challenges, and identifying areas for future research. These enhancements aim to maximize the positive impact of AI technologies on sustainable business practices and societal well-being. We detail this answer below:

#### ***2.2.3.1 Limitations of Current AI Tools***

Despite the significant advancements in AI technologies, several limitations hinder their full potential in supporting sustainability and CSR objectives. [Chen et al. \(2024\)](#) highlight that current AI algorithms often lack the precision required for long-term sustainability planning, leading to suboptimal resource management. Additionally, [Ali et al. \(2024\)](#) note that while AI tools can predict supply chain performance, they sometimes fall short in dynamic and complex environments, leading to inefficiencies.

Another critical limitation is the lack of comprehensive frameworks for evaluating and disclosing the environmental, social, and governance (ESG) impacts of AI. [Sætra \(2021\)](#) emphasizes the need for robust frameworks that can provide clear insights into how AI affects sustainability goals. Moreover, [Attard-Frost et al. \(2022\)](#) argue that many AI tools lack built-in mechanisms for ethical auditing and accountability, making it difficult to ensure they are used responsibly.

### ***2.2.3.2 Challenges in Enhancing AI for Sustainability and CSR***

Several challenges must be addressed to enhance AI tools for sustainability and CSR. One significant challenge is ensuring transparency and accountability in AI systems. [Mazzi \(2023\)](#) and [Weber-Lewerenz \(2021\)](#) stress the importance of developing policies that guide the ethical development and deployment of AI technologies. This includes creating transparent AI models that can be easily audited and understood by stakeholders.

Another challenge is integrating ethical AI frameworks that prioritize fairness, non-discrimination, and inclusivity. [Zhao and Fariñas \(2022\)](#) suggest that legal frameworks need to evolve to ensure AI tools adhere to high ethical standards, thereby promoting sustainable and responsible AI usage. Additionally, [Tomašev et al. \(2020\)](#) and [Vinuesa et al. \(2020\)](#) highlight the challenge of developing AI applications that are specifically designed to address global challenges such as poverty, health, and education, requiring substantial investment and interdisciplinary collaboration.

### ***2.2.3.3 Future Research Directions***

Future research is crucial to overcoming these limitations and challenges, paving the way for more effective AI tools that support sustainability and CSR objectives. [Mhlanga \(2021\)](#) identifies the need for research focused on adapting AI tools to local contexts in emerging economies, ensuring they effectively address socio-economic disparities.

Research should also focus on enhancing AI technologies to support circular economy initiatives. [Cetin et al. \(2021\)](#) and [Chauhan et al. \(2022\)](#) recommend developing AI systems that improve the efficiency of resource utilization and waste minimization throughout the product lifecycle. [Sjödin et al. \(2023\)](#) emphasize the need for AI tools that support dynamic and adaptable circular business models, suggesting enhancements that allow for real-time adjustments based on changing conditions.

Additionally, future research should explore the role of AI in crisis management and innovation in sustainable practices. [Zheng et al. \(2022\)](#) and [Ardito \(2023\)](#) discuss the importance of developing AI systems that are resilient and adaptable in times of crisis, helping businesses maintain sustainable practices under adverse conditions. Enhancing AI tools to support continuous innovation in sustainable business models will ensure long-term alignment with CSR objectives.

[Attard-Frost et al. \(2022\)](#) also calls for more research into creating comprehensive ethical auditing mechanisms within AI tools, ensuring they are used responsibly and transparently. This includes developing metrics and standards for AI transparency, which can help stakeholders better understand and trust AI-driven decisions.

## **2.3 Conclusions from the Literature Review**

The literature review reveals significant insights into the deployment and potential enhancements of AI tools and systems to support sustainability and CSR strategies. Current AI technologies, including machine learning, predictive analytics, robotics, and specialized AI tools, are instrumental in optimizing energy use, enhancing supply chain transparency, and driving ethical business practices. These tools are not only helping companies achieve their sustainability goals but also aligning with broader CSR objectives, thus creating a positive societal impact.

The alignment of AI tools with sustainability and CSR strategies is evident through their ability to enhance resource optimization, transparency, and ethical practices. Effective AI integration requires robust frameworks for evaluating and disclosing the ESG impacts of AI. Transparent and accountable AI systems are essential for fostering trust and ensuring that AI-driven decisions align with ethical standards and sustainability goals.

However, despite their benefits, current AI tools face limitations such as the precision of long-term planning and the need for comprehensive evaluation frameworks. Enhancements in predictive analytics, transparency, and ethical AI development are critical to overcoming these limitations. Advanced AI algorithms that provide more accurate and actionable insights can significantly improve resource management and sustainability outcomes. Additionally, incorporating robust ethical guidelines into AI development processes ensures that AI applications are inclusive, non-discriminatory, and aligned with CSR objectives.

Future research should focus on developing adaptable frameworks tailored to specific industries and regions, optimizing AI tools for better resource efficiency, and minimizing environmental impact. There is also a need for AI applications that address global challenges such as poverty, health, and education, thereby supporting social and environmental initiatives. Building resilient AI systems that can adapt to and manage crises effectively is essential for maintaining sustainable practices under adverse conditions.

These insights from the literature highlight the areas where AI tools and systems can be further developed to align more effectively with sustainability and CSR strategies. By addressing themes such as holistic organizational approach, sustainability impact assessment, ethical considerations, stakeholder engagement, measurement and monitoring, and knowledge sharing and transparency, companies can leverage AI technologies to achieve their sustainability and CSR goals more effectively. The findings underscore the importance of ongoing research and development in enhancing AI systems to support a more sustainable and responsible business landscape, providing a foundation for the guidelines proposed in subsequent chapters.

### **CHAPTER 3 - METHODOLOGY**

The methodology adopted for this research is rooted in a qualitative approach, aimed at understanding the ways in which Artificial Intelligence supports corporate sustainability and social responsibility within businesses. This choice is driven by the exploratory nature of the research, seeking to capture in-depth insights into the practical application and strategic integration of AI technologies in advancing sustainability goals.

The research was structured as a series of semi-structured interviews with professionals directly involved in or knowledgeable about their company's AI-driven sustainability goals and CSR initiatives. This design was selected to facilitate open-ended discussions, allowing participants to share detailed insights into the operational, strategic, and ethical dimensions of leveraging AI within their organizations. The primary objective of each interview was to map the current landscape of AI tools being used in the different business practices of the interviewed organizations and to check the alignment with their sustainability strategies and goals.

Participants were recruited from businesses using AI in their business operations and also have made efforts towards better sustainability practices. The target profiles included Sustainability Managers, AI Project Leads, CSR Directors, and other professionals who play a role in integrating AI into business practices.

The interview questions, meticulously crafted to align with the research objectives, covered a wide range of topics from the types of AI tools employed, their functionalities, to their contributions and potential impacts on sustainability goals and CSR efforts. These are shown in Textbox 1:

## Textbox 1

**Interview questions**

**Q1: Can you describe the AI tools currently used in your organization, where it is used and their primary functionalities? - RQ1**

*To understand the specific AI tools being utilized and their functionalities.*

**Q2: Do you have any process for documenting / publicly disclosing use of AI tools? (in general)**

**Q3: For the selected 1 or 2 tools: type of AI algorithm, data usage, inclusion and accessibility, risk management and oversight, feedback mechanisms, update and development process.**

**Q4: What are your organization's explicitly stated sustainability/CSR goals?**

*To establish a benchmark for comparing the impact of AI tools.*

**Q5: Can you discuss any specific targets and deadlines your organization has set regarding sustainability goals?**

*To assess the time frame and specific objectives the organization aims to achieve in sustainability.*

**Q6: Do you do any public reporting sustainability/CSR? Have you been using any reporting standard so far? When will you have to report under the CSRD?**

**Q7: In what ways have these AI tools contribute to achieving your sustainability goals?**

*To evaluate the direct contributions of AI tools to specific sustainability targets.*

**Q8: Can you think of any negative impacts of these AI tools on your sustainability goals?**

**You may consider:**

- actual / potential (anticipated), not necessarily measure
- short-term, mid-term, or long-term

*To assess broader effects of AI on sustainability goals.*

**Q9: Can you think about other positive/negative impacts on other stakeholders that are not necessarily related to your sustainability goals?**

**Q10: Does your organization measure the positive or negative impact of AI tools on sustainability? If so, how?**

*To understand how the impact of AI on sustainability is quantitatively measured.*

**Q11: What opportunities are there to improve these AI tools to support your sustainability goals?**

**Q12: Can you think about how AI in general can support your sustainability goals?**

*To identify potential future AI applications and their impact on sustainability and CSR.*

**Q13: Reflecting on our discussion, is there any other aspect of AI's role in sustainability that you think is important for us to consider in your business/sector?**

*To ensure all relevant topics are covered and capture any additional insights.*

Interviews were conducted virtually, ensuring convenience for participants while facilitating a comprehensive exploration of AI's role in sustainability and CSR. Prior to each interview, participants were provided with an overview of the topics to be discussed, allowing them to prepare adequately. This preparation was instrumental in ensuring that discussions were focused, insightful, and aligned with the research goals. Ethical considerations were important throughout the research process. Informed consent was obtained from all participants, as outlined in the informed consent document, ensuring that they were fully aware of the research's scope and their rights. Participants were assured of their anonymity, with all data being handled in strict confidentiality. The study's ethical approach ensured that participants could freely share their insights without concerns about privacy or misuse of information. All these preparatory documents can be found in the Github repository (see [Appendix](#) for link).

Following the collection of qualitative data through interviews, the responses were transcribed and analyzed using thematic analysis as detailed in the subsequent chapter. This involved colour coding the data to identify recurrent themes and patterns that emerged from the discussions. The thematic analysis enabled a systematic examination of how AI tools are currently employed to advance corporate sustainability and CSR initiatives, the challenges encountered, and the opportunities for future integration and improvement.

In addition to primary data collected through semi-structured interviews, this study incorporates a comprehensive methodological approach that includes a deep dive into specific AI tools used by the interview participants. Following the interviews, where participants discuss particular tools, we conduct a detailed sustainability analysis of each tool using SUSAF (Sustainability Awareness Framework). This analysis identifies and classifies the order of effects of the tool into threats and opportunities across various sustainability dimensions. We then compare these effects with the company's sustainability reports to evaluate the alignment, categorizing it as high, medium, or low. To enrich this analysis, we complement the findings with insights from the paper "The Rise of AI under the Lens of Sustainability" by [Khakurel et.al \(2018\)](#). This multi-faceted approach not only contextualizes the interview data within a robust sustainability framework but also integrates these insights with the broader academic literature and our primary data. Following this synthesis, we will analyze the common themes and insights that emerge across the literature, interviews, and sustainability study. This analysis will help us

understand how AI tools are currently being used to support sustainability and CSR initiatives and identify the key challenges that need to be addressed to enhance their effectiveness. We will also explore the opportunities that AI presents for driving sustainability and CSR, providing a balanced view of the potential benefits and risks. The resulting comprehensive understanding informs the development of actionable insights and guidelines aimed at helping companies align their AI systems more effectively with their CSR and sustainability strategies. This ensures a thorough analysis that reflects both the practical experiences of industry professionals and the broader academic and practical discourse on AI's role in enhancing corporate sustainability and social responsibility.

The research acknowledges limitations inherent in qualitative studies, such as the reliance on participant self-reports and the potential for sample bias. Moreover, the focus on specific industries or geographical locations might limit the generalizability of the findings. However, these limitations do not detract from the value of the insights gained but rather highlight areas for future research to expand upon.

## **CHAPTER 4 - INTERVIEW STUDY**

This chapter presents the results of our interview study on the deployment and strategic alignment of AI tools within the framework of sustainability and Corporate Social Responsibility across three industry-leading companies. The chapter is structured into two main sections: detailed company profiles and the core findings from our research questions.

### **4.1. Interviews Design**

The interview design in this research follows a structured and methodical approach to gather comprehensive data on the integration of AI technologies within companies, specifically in the context of sustainability and Corporate Social Responsibility. The design comprises several key elements, each contributing to the reliability and depth of the insights gained.

#### **4.1.2. Recruitment and Participants**

Participants were recruited by directly approaching them through email or LinkedIn after reviewing their profile to make sure they would be a good fit to be a part of this study. This



strategy ensured a diverse and relevant sample, including individuals with knowledge of both sustainability, internal company operations and technology. All the participants were in senior positions either with the sustainability or the AI department within the company.

#### **4.1.3. Interview Format**

The study utilized individual interviews conducted in a semi-structured format. This format allowed for both guided discussions based on prepared questions and the flexibility to explore topics in depth as they arose during the conversation. Interviews were conducted using online teleconferencing tools like Zoom or Google Meet, ensuring accessibility and convenience for participants from various geographical locations. In order to make sure that less data was being consumed, only the audio was being recorded with the consent of the interviewees.

#### **4.1.4. Interview Guide and Questions**

The interview sessions were guided by a set of pre-prepared questions, which were carefully designed to align with the research questions. The interview guide approach by [Cohen et al. \(2017\)](#) was adopted, ensuring that the questions covered the necessary topics comprehensively while allowing for conversational and situational flexibility. This approach helped to maintain consistency across interviews and provided a systematic method for data collection.

#### **4.1.5. Data Collection and Recording**

Interviews were conducted and were recorded with the consent of the participants. Each interview began with an explanation of the interview goals, followed by the questions asked one by one. Individual interviews lasted between 1 hour to 1.5 hours. The recorded interviews were transcribed using automated tools like Microsoft Office 365, with manual corrections to ensure accuracy.

#### **4.1.6. Data Analysis**

Thematic data analysis was employed to analyze the interview data, following the approach proposed by [Vaismoradi et al., 2016](#). The data analysis process involved importing transcripts into a qualitative data analysis application, NVivo, which facilitated

coding, labeling, and categorization of the transcripts. An initial codebook was created based on the interview questions, and this was refined.

## **4.2 Interviews Results**

### **4.2.1. Company Profiles**

#### ***4.2.1.1 Company A: Global Automotive Services and Solutions Leader***

Company A is in the sustainable mobility / automotive services industry, renowned for its commitment to innovation, sustainability, and customer satisfaction. With a diverse portfolio of brands and startups, Company A offers a wide range of services including vehicle maintenance, repair, distribution, and digital technologies. Operating in multiple countries, the company strives to enhance the driving experience for customers through high-quality services and environmentally responsible practices. Company A encourages entrepreneurship, offering opportunities for individuals to become franchisees of its various networks, allowing them to assert their independence while benefiting from the support of a strong and dynamic network. Their focus on integrating advanced technologies and sustainable solutions underscores their dedication to driving forward in the ever-evolving automotive sector.

#### ***4.2.1.2. Company B: Telecommunication and Digital Services Provider***

Company B is a foremost provider of telecommunications and digital services, known for its innovative solutions and strong commitment to sustainability. Operating extensively in various regions, the company offers a comprehensive range of services including mobile and fixed network services, digital services, and ICT solutions. Company B's mission is centered around harnessing the power of digitalization to drive sustainability, evident in its efforts to reduce its environmental footprint and promote eco-friendly practices throughout its operations. Through its initiatives, the company actively works towards creating positive environmental and social impacts, showcasing its dedication to using digitalization as a force for good. Their focus on leveraging cutting-edge technologies and promoting sustainable practices reflects their vision of creating a digitally inclusive and environmentally responsible future.

#### ***4.2.1.3. Company C: Global Manufacturing Company***

Company C is a leading global manufacturing company, recognized for its innovative solutions and commitment to excellence. With a rich history of engineering and technological advancements, the company designs, manufactures, and delivers a wide range of high-quality products. Company C is dedicated to advancing manufacturing technology while upholding the highest standards of safety, efficiency, and sustainability. At the heart of its mission is a strong focus on environmental sustainability and community engagement, leveraging its technologies to address pressing global challenges. The company's dedication to pushing the boundaries of engineering and integrating environmentally responsible practices underscores its mission to shape the future of manufacturing. With a global presence and a diverse workforce, Company C is a dynamic and innovative company that is constantly pioneering sustainable solutions and driving positive change in the industry.

#### **4.2.2. AI Technologies Used**

**Research Question 1: What AI tools and systems are currently deployed by the companies?**

##### ***4.2.2.1 Company A***

Company A employs a variety of AI technologies across different departments to enhance its operations. AI is utilized to assess product pricing and adjust it according to current market conditions, ensuring competitiveness and market alignment. For customer service and internal IT support, AI-powered chatbots interact with customers and manage IT-related issues, providing efficient responses and support.

In logistics, AI automates logistics routes, a function outsourced to streamline operations and reduce costs. Additionally, AI through Tableau, a business intelligence tool, helps collect and visualize sales data, turnover, and responsible turnover—products with a positive environmental impact. Responsible turnover refers to the revenue generated from products or services that have a positive impact on the environment. This metric helps the company gauge its commitment to sustainability and its effectiveness in integrating environmentally friendly practices into its business model. Positive environmental impact

includes various factors such as reduced carbon emissions, energy efficiency, sustainable materials, water conservation, waste reduction, and biodiversity protection. This enhances decision-making by providing comprehensive business insights.

Moreover, Company A is transitioning from manual data collection for sustainability efforts to implementing AI tools for corporate sustainability reporting. This move aims to simulate data and analyze trajectories for their sustainability targets, reflecting their commitment to integrating AI into their sustainability initiatives. The integration of AI in sustainability reporting not only enhances accuracy but also enables real-time tracking and forecasting of environmental impacts, aiding in the continuous improvement of their sustainability efforts.

#### ***4.2.2.2 Company B***

Company B utilizes AI technologies extensively to drive efficiency and innovation. AI tools like the autonomous network operations system optimize network infrastructure and significantly reduce energy usage. AI automates reporting processes, data collection, and mapping, making these procedures more efficient and reducing manual effort.

AI also processes invoice data to calculate scope 3 emissions, scanning invoices to identify products and quantities and using emission factors to estimate emissions. Although still under development, this tool aims to provide real-time emissions data and develop emissions trajectories. Also as a future innovation, AI chatbots are being tried out to enhance engagement by providing sustainability information to customers and employees. Furthermore, AI tools improve supply chain transparency by identifying environmental risks, human rights issues, and emission reduction opportunities. For sustainability reporting, AI generates reports in various languages and formats, streamlining the reporting process and ensuring consistency across standards.

#### ***4.2.2.3 Company C***

Company C integrates AI into every aspect of its business functions, collaborating with major tech vendors and developing its own AI tools for specific use cases. AI supports engineering design efforts, forecasts procurement and logistics needs, and enhances customer engagement through a data services platform.

AI technologies are embedded in Company C's products, particularly in autonomous and semi-autonomous systems. These include computer vision systems that improve operational processes and satellite imagery used for environmental conservation. The company has developed an operations platform for secure AI algorithm development, emphasizing data governance and performance transparency.

AI helps optimize operations to reduce fuel consumption, such as by optimizing operational paths and timing. AI analyzes satellite imagery for a wide range of environmental monitoring and conservation efforts. Specifically supporting the study of environmental events like fires, floods, and climate change by providing detailed data on distances, surfaces, and activity levels. Additionally, they help in sustainable economy initiatives by offering statistical data, mapping human practices, and supporting the development of sustainable policies. For instance, they help monitor the impact of agricultural practices, urban growth, and the progress of sustainable practices in various regions. Looking ahead, Company C is exploring AI applications for forecasting needs and developing sustainable technologies.

Furthermore, Company C ensures compliance with AI and GDPR regulations through rigorous documentation and data privacy frameworks. These include data privacy tools like a classification system and a data privacy questionnaire to ensure data usage complies with regulations and extensive documentation for safety and regulatory compliance.

#### ***4.2.2.4 Research Question 1 Summary***

The current landscape of AI applications across the three companies reveals a diverse and innovative use of technology to enhance various aspects of their operations. AI is extensively deployed for optimizing logistics, enhancing customer service, improving business intelligence, and supporting sustainability initiatives.

Collectively, the companies use AI for pricing analysis, customer service via chatbots, and logistics optimization. These applications ensure competitiveness, efficiency, and streamlined operations. AI-powered business intelligence tools, such as Tableau, are used to collect and visualize sales data, turnover, and products with positive environmental impacts, aiding in comprehensive decision-making.

In network operations, AI is leveraged for optimization and energy efficiency, significantly reducing energy usage and enhancing infrastructure management. AI tools also automate data collection and reporting processes, making these procedures more efficient and accurate. Additionally, AI-driven supply chain transparency tools help identify environmental risks and opportunities for emission reduction, ensuring responsible sourcing and environmental protection..

AI is integrated into various products and processes, including autonomous and semi-autonomous systems, computer vision for operational processes, and satellite imagery analysis for environmental conservation. These applications highlight AI's role in driving innovation and supporting sustainability goals across different sectors.

#### **4.2.3 Alignment of AI Tools with CSR and Sustainability Strategies**

**Research Question 2: How do AI tools and systems align with the companies' stated sustainability and corporate social responsibility strategies?**

##### **4.2.3.1 *Company A***

Company A is dedicated to embedding sustainability at the core of its business strategy with a mission of "Opening Sustainable Mobility to All." Their sustainability targets include a 30% reduction in CO2 emissions by 2025 and achieving carbon neutrality by 2050. The company is focused on developing products and services that support a circular economy, reduce particle emissions, and enhance road safety. Socially, Company A emphasizes diversity, inclusion, health, safety, and employee well-being. Their governance practices uphold transparency, accountability, and ethical conduct.

The alignment between Company A's AI tools and their sustainability and CSR goals is multifaceted. For instance, AI-driven logistics optimization helps reduce fuel consumption and operational costs, directly supporting CO2 emission reduction targets. AI in corporate sustainability reporting enhances transparency and accountability, essential for meeting carbon neutrality goals. Business intelligence tools like Tableau track and visualize responsible turnover, promoting environmentally positive products. AI applications in pricing analysis ensure competitive, responsible practices, while AI chatbots in customer

service and IT support improve efficiency and employee well-being by reducing workload and response times.

However, Company A faces challenges that conflict with its sustainability and CSR strategies. Firstly, the lack of transparency and documentation regarding their AI tools and usage can lead to accountability issues. Without formal processes for documenting or sharing information, stakeholders may find it difficult to assess the ethical and operational impacts of AI systems. Secondly, cybersecurity risks are significant, as highlighted by a past cyberattack. Ensuring robust security measures for AI systems is crucial to maintaining data integrity and customer trust. Thirdly, there are data privacy concerns, particularly regarding the use of customer data by AI tools. The limitation of unexplainable AI can impact the effectiveness and fairness of AI applications. Lastly, the lack of standardization and harmonization in AI development and deployment can lead to inconsistencies and inefficiencies, misaligning with their goals of operational efficiency and sustainable practices.

#### ***4.2.3.2 Company B***

Company B has set ambitious goals for environmental sustainability, aiming to achieve carbon neutrality in its operations by 2025 and across its entire value chain by 2030. Their initiatives include transitioning to 100% renewable electricity, enhancing energy efficiency, implementing circular economy principles, and developing digital solutions to reduce environmental impacts. Socially, Company B focuses on promoting gender equality, providing comprehensive employee training, ensuring work-life balance, and supporting local community initiatives. Governance practices at Company B ensure transparency, accountability, and adherence to ethical standards.

AI tools at Company B are strategically aligned with these sustainability and CSR goals in several impactful ways. For instance, AI-driven network optimization and energy efficiency efforts reduce energy consumption and emissions, directly supporting their carbon neutrality objectives. Automated reporting and data management enhance the efficiency and accuracy of sustainability reporting. Additionally, AI for invoice data processing calculates scope 3 emissions, providing real-time data to develop emissions reduction trajectories. AI chatbots improve customer and employee engagement by providing sustainability information and support. Furthermore, AI tools for supply chain

transparency identify environmental risks and opportunities for emission reduction, aligning with Company B's commitment to responsible sourcing and environmental stewardship.

Despite these advancements, Company B faces challenges that conflict with its sustainability and CSR strategies. The lack of transparency and documentation regarding their AI tools can lead to accountability issues. Without clear documentation and sharing processes, stakeholders might find it difficult to assess the ethical and operational impacts of AI systems. Significant cybersecurity risks are present, as highlighted by past incidents. Ensuring robust security measures for AI systems is crucial for maintaining data integrity and customer trust. Additionally, data privacy concerns, particularly regarding customer data usage by AI tools, need to be addressed. The limitation of unexplainable AI can affect the effectiveness and fairness of AI applications. Lastly, the lack of standardization and harmonization in AI development can lead to inconsistencies and inefficiencies, potentially misaligning with their goals of operational efficiency and sustainable practices.

#### ***4.2.3.3 Company C***

Company C aims to reduce its environmental footprint and achieve net carbon neutrality by 2050. Their strategy includes developing sustainable manufacturing practices, improving resource efficiency, and supporting environmental conservation efforts. Socially, the company focuses on safety, innovation, and engaging with stakeholders to support global sustainability goals.

AI technologies play a pivotal role in Company C's sustainability and CSR strategies. These tools optimize production processes, reducing material waste and enhancing resource efficiency. AI-driven lifecycle assessments minimize environmental impacts throughout product lifecycles, while just-in-time manufacturing enabled by AI reduces inventory costs and waste. Additionally, AI tools for monitoring and reporting ensure compliance with sustainability goals and regulatory standards.

Despite these advancements, Company C faces several challenges. A lack of transparency and documentation regarding AI tools can lead to accountability issues. Significant cybersecurity risks, as highlighted by past incidents, necessitate robust security measures to maintain data integrity and customer trust. Data privacy concerns, especially regarding



customer data usage by AI tools, must be addressed. The limitations of unexplainable AI can impact the effectiveness and fairness of applications, and a lack of standardization in AI development can lead to inconsistencies and inefficiencies. Moreover, the need for confidentiality and protection of intellectual property limits the disclosure of AI tools, potentially hindering collaboration and transparency. Complex regulations and necessary security clearances can slow AI adoption and innovation, challenging Company C's commitment to transparency and stakeholder engagement.

#### ***4.2.2.4 Research Question 2 Summary***

The alignment of AI tools with the sustainability and CSR strategies of the companies shows a strategic integration of technology to support their environmental and social goals. AI tools are used to enhance operational efficiency, reduce environmental impact, and ensure transparency and accountability in reporting.

AI-driven logistics optimization reduces fuel consumption and operational costs, directly supporting the companies' goals of reducing CO<sub>2</sub> emissions and achieving carbon neutrality. The implementation of AI for corporate sustainability reporting enhances transparency and accountability, which are crucial for meeting sustainability targets and regulatory requirements.

Business intelligence tools powered by AI help track and visualize responsible turnover, supporting the promotion of environmentally positive products. AI applications in network optimization and energy efficiency contribute to reducing energy consumption and emissions, aligning with the companies' carbon neutrality objectives.

However, there are challenges that need to be addressed to fully align AI with CSR and sustainability strategies. These include the lack of transparency and documentation regarding AI tools, cybersecurity risks, data privacy concerns, and the need for standardization and harmonization in AI development and deployment. Addressing these challenges is essential for ensuring that AI tools are used responsibly and effectively to support sustainability and CSR goals.

#### 4.2.4 Potential Enhancements of AI Tools for Sustainability and CSR

##### **Research Question 3: In what ways might AI tools and systems be enhanced to better support sustainability/CSR objectives?**

This section explores potential enhancements and future developments in AI tools and systems that could better support the sustainability and CSR objectives of the companies studied. By identifying areas for improvement and innovation, we aim to highlight how AI can be leveraged more effectively to achieve better sustainability outcomes. The insights provided are based on the perceptions and recommendations of the interviewees, reflecting their experiences and expectations for future advancements of how the AI Systems can align more closely with sustainability and CSR goals.

##### **4.2.4.1 Company A**

Company A has demonstrated a strong commitment to embedding sustainability within its business strategy. However, there are several ways in which their AI tools and systems could be enhanced to further support their sustainability and CSR objectives. The insights extracted from the interviews provide a roadmap for potential future developments.

One significant area of focus for Company A is the enhancement of AI capabilities for carbon footprint analysis and sustainability reporting. Currently, the company is benchmarking AI tools to better understand their potential in tracking and reporting carbon emissions. By implementing advanced AI models, Company A could achieve more accurate and real-time tracking of emissions, facilitating the effective monitoring and attainment of its reduction targets. These models could also simulate different scenarios to predict the impacts of various sustainability initiatives, thereby offering valuable insights for strategic planning.

In addition to carbon footprint analysis, the development of more advanced chatbots represents another promising area for Company A. While the company already uses chatbots for customer service, future iterations could integrate natural language processing and machine learning to handle more complex queries and provide personalized support. These enhanced chatbots could offer proactive sustainability advice to customers, such as tips on eco-friendly driving practices or information about environmentally friendly products and services.

Company A's current use of Tableau for business intelligence and analytics could also be expanded to include more sophisticated AI-driven analytics. This expansion would enhance the company's ability to conduct trend analysis and forecasting, identify inefficiencies, and uncover opportunities for sustainability improvements across various business processes. By leveraging AI-driven analytics, Company A could gain deeper insights into its operations and make more informed decisions that align with its sustainability goals.

Predictive maintenance is another area where AI could be beneficial for Company A. By analyzing data from vehicle sensors and maintenance records, AI tools could predict when components are likely to fail, enabling proactive maintenance. This approach would reduce downtime, extend the lifespan of vehicles, and minimize waste, all of which are aligned with the company's sustainability objectives.

The optimization of supply chain operations through AI is also an area with significant potential for Company A. Enhanced AI systems could optimize inventory management, reduce transportation emissions, and improve supplier collaboration. Additionally, AI-driven supply chain transparency could ensure that all partners adhere to environmental and ethical standards, supporting the company's broader CSR objectives.

Company A's focus on sustainability reporting and carbon footprint analysis suggests an opportunity to enhance ESG reporting with AI. Advanced AI tools could automate the collection and analysis of ESG data, providing comprehensive and real-time insights into the company's environmental, social, and governance performance. This would enhance transparency and accountability, helping Company A to meet stakeholder expectations and regulatory requirements.

Finally, the responsible development of AI is crucial for Company A. The company's emphasis on transparency, ethics, and accountability in AI development highlights the importance of prioritizing ethical considerations in future AI projects. This includes mitigating bias, ensuring data privacy, and maintaining transparency in AI decision-making processes. Establishing robust governance frameworks and conducting regular audits will help ensure that AI tools align with the company's CSR commitments.

#### **4.2.4.2 Company B**

The insights from the interview suggest several areas where AI tools and systems could be further developed to support these sustainability and CSR objectives more effectively.

One key area is the optimization of networks and energy efficiency. Company B is already using AI to enhance network operations and energy efficiency, and there is potential to expand these efforts. By leveraging AI for more advanced automation and reporting, Company B can optimize energy consumption further and reduce emissions, aligning with their carbon neutrality goals. The development of autonomous network operations represents a significant step towards achieving these objectives.

Another area of potential enhancement is the automation of sorting processes and data collection. AI is currently being used to automate these tasks, but expanding its application to include more sophisticated reporting capabilities could provide real-time insights into the company's sustainability performance. This would help streamline reporting processes and ensure more accurate and timely data collection.

Company B is also exploring the integration of AI with their sustainability goals. By developing advanced AI tools that align directly with their environmental and social sustainability objectives, the company can enhance its impact. For example, AI-driven analytics can be used to identify inefficiencies and opportunities for improvement in various business processes, supporting the company's broader sustainability strategy.

The development of principles, policies, and guidelines for AI use is another critical area for Company B. Ensuring responsible AI development and deployment is essential for maintaining ethical standards and aligning with CSR commitments. By establishing clear guidelines and conducting regular audits, Company B can mitigate risks such as bias and data privacy concerns, ensuring that AI tools are used responsibly and transparently.

Inclusion and accessibility are also important considerations for Company B. By ensuring that AI systems are accessible and usable by all employees, the company can promote inclusivity and reduce potential inequalities. This includes developing AI tools that are user-friendly and cater to diverse needs, supporting the company's social responsibility goals.

The integration of AI with sustainability goals presents an opportunity for Company B to enhance its environmental and social impact. By using AI to support sustainability initiatives, such as optimizing resource use and reducing waste, the company can achieve more robust sustainability outcomes. This includes leveraging AI for environmental monitoring and analysis, helping the company to track progress towards its sustainability targets and make informed decisions.

#### ***4.2.4.3 Company C***

Company C has shown a strong commitment to integrating AI into its business operations to support sustainability and CSR objectives. There are several areas where their AI tools and systems could be further developed to enhance these efforts, as derived from the interview insights.

One of the key areas of focus for Company C is the development of autonomous and semi-autonomous systems. The company is working towards autonomous and semi-autonomous operations, which could lead to significant advancements in AI-assisted functionalities. These advancements can improve operational efficiency, reduce human error, and enhance safety, all of which align with sustainability goals.

The use of computer vision technology is another area with substantial potential. Currently, Company C uses computer vision to improve operational processes such as operational efficiencies. This technology could be further enhanced and applied to other areas, such as surveillance, object detection, and image recognition. Enhancing computer vision applications could lead to better monitoring and management of operations, contributing to improved safety and efficiency.

Company C is also leveraging AI for satellite imagery analysis, particularly for environmental conservation efforts. Enhancing AI capabilities in this area could lead to more sophisticated remote sensing and environmental monitoring. This would support the company's sustainability objectives by providing detailed insights into environmental conditions and helping to develop more effective conservation strategies.

The development of chatbots for customer service is another promising area. While Company C is currently using chatbots for HR and service desk support, there is potential to develop more advanced chatbots that provide personalized and efficient customer

service. Advanced chatbots could integrate natural language processing and machine learning to handle complex queries and offer proactive support, improving customer satisfaction and operational efficiency.

AI-powered product development is a significant focus for Company C. By exploring AI as a product or integrating AI into their products, the company can innovate and develop new AI-infused solutions. These products could drive advancements in various sectors and support the company's commitment to sustainability by improving resource efficiency and reducing environmental impact.

Furthermore, the application of AI in specific operational areas, such as systems for various complex products, presents opportunities for significant advancements. AI-assisted systems can enhance operational efficiency, improve safety, and reduce resource consumption, aligning with the company's sustainability goals.

Company C's use of AI for conservation efforts highlights the potential for further development in AI-powered environmental monitoring and conservation. By enhancing these AI applications, the company can contribute to global sustainability efforts, supporting biodiversity and environmental health.

By enhancing AI tools and systems in these areas, Company C can further integrate sustainability into its operations and achieve its CSR objectives more effectively. These potential developments supports the company's commitment to sustainability and demonstrates the broader potential of AI to drive positive environmental and social outcomes.

#### ***4.2.4.4 Research Question 3 Summary***

Enhancing AI tools and systems to better support sustainability and CSR objectives involves expanding their capabilities and addressing current limitations. The companies can benefit from advanced AI models for real-time and accurate tracking of carbon emissions, enhancing sustainability reporting and strategic planning.

Developing more sophisticated chatbots with natural language processing and machine learning can provide personalized sustainability advice and improve customer and employee engagement. Expanding AI-driven analytics for trend analysis, forecasting, and

identifying inefficiencies can uncover opportunities for sustainability improvements across various business processes.

AI for predictive maintenance can reduce downtime, extend the lifespan of equipment, and minimize waste, aligning with sustainability objectives. Enhanced AI systems for supply chain optimization can improve inventory management, reduce transportation emissions, and ensure ethical standards across the supply chain.

Integrating AI with ESG reporting can automate the collection and analysis of environmental, social, and governance data, providing comprehensive insights into performance and enhancing transparency and accountability. Responsible AI development, prioritizing ethics, transparency, and data privacy, is essential for aligning AI tools with CSR commitments.

### **4.3 Conclusion from the Interview study**

The findings from the interviews with Companies A, B, and C offer valuable insights into the deployment, alignment, and potential enhancement of AI tools within their sustainability and CSR frameworks. Regarding the first research question, "What AI tools and systems are currently deployed by the companies?", it is evident that each company leverages a diverse array of AI technologies. Company A utilizes AI for pricing analysis, customer service chatbots, logistics optimization, and business intelligence through tools like Tableau, which aids in tracking environmentally positive products. Company B employs AI for network optimization, energy efficiency, automated reporting, and supply chain transparency. Meanwhile, Company C integrates AI across engineering design, procurement forecasting, autonomous systems, and environmental monitoring through satellite imagery, reflecting a comprehensive use of AI to support operational and sustainability objectives.

In addressing the second research question, "How do AI tools and systems align with the companies' stated sustainability and corporate social responsibility strategies?", the analysis reveals a strong alignment in various aspects. Company A's AI tools contribute to their CO<sub>2</sub> reduction targets and carbon neutrality goals by optimizing logistics and enhancing sustainability reporting. Company B's AI applications in network optimization and energy efficiency directly support their carbon neutrality objectives, while their use of

AI for invoice data processing and supply chain transparency aligns with their commitment to responsible sourcing and environmental stewardship. Company C's AI-driven optimization of production processes and environmental conservation efforts align closely with their net carbon neutrality goal, showcasing AI's role in achieving their sustainability targets. However, challenges such as the lack of transparency, cybersecurity risks, and data privacy concerns highlight areas that need further attention to fully align AI with CSR strategies.

The third research question, "In what ways might AI tools and systems be enhanced to better support sustainability/CSR objectives?", is addressed through the interviewees' perceptions and recommendations. Potential enhancements include advanced AI models for real-time tracking of carbon emissions, more sophisticated chatbots with natural language processing, and AI-driven analytics for trend analysis and forecasting. AI for predictive maintenance and supply chain optimization can further improve efficiency and reduce environmental impact. Additionally, integrating AI with ESG reporting can enhance transparency and accountability, while prioritizing ethical AI development ensures alignment with CSR commitments. These enhancements underscore the need for responsible AI innovation that balances technological advancement with ethical considerations, transparency, and inclusivity.

In conclusion, the interview study underscores the strategic integration of AI tools in supporting sustainability and CSR goals across the three companies. The insights gathered highlight the current capabilities of AI technologies, their alignment with sustainability objectives, and the potential areas for future development. Key themes such as resource optimization, frugal AI development, adaptive management, innovation for sustainability, data integration and interoperability, and compliance and beyond were uncovered. Addressing the identified challenges and leveraging the proposed enhancements can further align AI with corporate sustainability strategies, driving positive environmental and social outcomes. This comprehensive analysis not only provides a roadmap for companies to optimize their AI applications but also contributes to the broader academic and practical discourse on the role of AI in sustainable business practices.



## CHAPTER 5 - SUSTAINABILITY STUDY

This chapter presents a comprehensive sustainability study conducted on three AI tools, referred to as Tool A, Tool B, and Tool C, each implemented by the respective companies interviewed for this research. The primary objective is to evaluate these tools using the Sustainability Awareness Framework (SusAF) ([Betz et al., 2022](#)) to identify potential threats and opportunities related to their deployment.

Each tool was analyzed through the SusAF, which facilitated the identification of sustainability-related threats and opportunities. Unlike the original SusAF methodology, where effects are classified as threats and opportunities based on the likelihood and impact being high, this study extends the approach by classifying all identified effects as threats or opportunities, regardless of their likelihood and impact, to provide a more comprehensive analysis.

Insights from the research article "The Rise of AI under the Lens of Sustainability" by [Khakurel et al. \(2018\)](#) were integrated, providing additional perspectives and suggesting modifications to the initial assessments, influencing the likelihood and impact ratings of potential effects. Additionally, sustainability reports from the three companies were reviewed to assess how well the identified effects align or misalign with their existing sustainability strategies. The alignment of these effects (threats and opportunities) with the companies' sustainability strategies was classified as high, medium, or low alignment, or misalignment. This classification was derived through a detailed analysis of the sustainability reports and expert judgment.

This extension to the original SusAF methodology includes an alignment evaluation with the companies' sustainability strategies, which was not present in the original framework. Furthermore, while the original SusAF specifies actions right after classifying threats and opportunities, our study defers the development of actions to Chapter 7. In Chapter 6, we synthesize the findings to derive categories for these actions, setting the stage for the development of detailed guidelines.

This sustainability study aims to provide a detailed analysis of each AI tool's sustainability impacts and derive actionable insights and guidelines to help organizations align their AI systems more effectively with their CSR and sustainability strategies. For each AI tool, the

chapter includes a brief description of the tool and its key components, identification of threats and opportunities derived from the SusAF and complemented by [Khakurel et al.'s \(2018\)](#) research, evaluation of how these effects align or misalign with the company's sustainability strategies based on their sustainability reports, and in further chapters would act as recommendations for aligning AI systems with CSR and sustainability goals.

## 5.1 Company A - Tool A

### 5.1.1 Overview

Tool A is a responsible turnover tool (pricing tool) used by the automotive services company A, integrates sustainability into pricing strategies. It measures and manages the carbon intensity of net margins, ensuring environmentally friendly products are priced competitively without compromising profit margins. The goal is to offer pricing that reflects both economic and environmental considerations.

### 5.1.2 Key Components

#### 1. Carbon Intensity Measurement:

- Measures CO<sub>2</sub> per euro of net margin to adjust prices based on environmental impact.
- Promotes products with lower carbon footprints, supporting sustainability goals.

#### 2. Data Collection and Integration:

- Integrates data from sales and environmental impact for a holistic pricing analysis.
- Analytical dashboards visualize pricing data, trends, and market conditions to help stakeholders understand the impact on profitability and sustainability.

### 5.1.3 Insights from Sustainability Report

#### 5.1.3.1 Environmental Goals

##### 1. Reducing Carbon Footprint:

- **Objective:** Achieve carbon neutrality by 2050.
- **Targets:** Reduce the carbon footprint by 5% per year for scopes 1 and 2, and by 2.5% per year for scope 3, using the Net Zero Initiative methodology based on the GHG Protocol.

- **Initiatives:** Implementation of a low-carbon trajectory, investments in eco-design resources, and an internal carbon pricing project.

## 2. **Circular Economy:**

- **Objective:** Develop a more circular economy across the product range.
- **Targets:** Reach 60% recycled material in private-label tyres by 2026.
- **Initiatives:** Launch of a brand of reconditioned tyres, and a business unit focused on integrating waste from auto centres into high-recycled content products.

## 3. **Reducing Environmental Impact:**

- **Objective:** Minimize the environmental impact of activities on natural resources and biodiversity.
- **Targets:** Optimized water use, and increased share of renewable energy in total energy consumption.
- **Initiatives:** Initiatives to reduce electricity and gas consumption, and projects to green commercial sites and produce renewable energy.

### **5.1.3.2 Social Goals**

#### 1. **Employee Development and Well-being:**

- **Objective:** Enhance the attractiveness of the company and build employee loyalty.
- **Targets:** Increase the percentage of employees who have received development plans or annual performance reviews to 100%.
- **Initiatives:** Investment in employee training and development, implementation of health and safety measures, and promotion of diversity and inclusion.

#### 2. **Community Engagement:**

- **Objective:** Strengthen the company's commitment to the community.
- **Targets:** Increase the involvement of employees in community and public-interest projects.
- **Initiatives:** A Foundation that supports various public-interest projects, including education, employment, and health through sustainable mobility solutions.

### **5.1.3.3 Governance Goals**

#### **1. Ethical Business Practices:**

- **Objective:** Integrate ethics into all practices.
- **Targets:** Ensure transparent governance that includes sustainability.
- **Initiatives:** Establishment of a Sustainable Trajectory Committee and regular updates to the materiality matrix to reflect evolving priorities.

#### **2. Stakeholder Engagement:**

- **Objective:** Foster transparent and open dialogue with stakeholders.
- **Targets:** Maintain high levels of stakeholder satisfaction and engagement.
- **Initiatives:** Continuous consultation with internal and external stakeholders to reassess and prioritize issues.

### **5.1.3.4 Prioritizations**

#### **1. Environmental Prioritizations:**

- **High Priority:** Reducing carbon footprint, developing circular economy practices, and reducing pollution.
- **Medium Priority:** Optimizing water use and increasing the use of renewable energy.
- **Low Priority:** Specific initiatives like voluntary recycling schemes for car bulbs.

#### **2. Social Prioritizations:**

- **High Priority:** Employee health, safety, and well-being; diversity and inclusion; employee development.
- **Medium Priority:** Enhancing company attractiveness and employee satisfaction.
- **Low Priority:** Community engagement through various partnerships and the Foundation.

#### **3. Governance Prioritizations:**

- **High Priority:** Ethical business practices and transparent governance.
- **Medium Priority:** Stakeholder engagement and consultation processes.
- **Low Priority:** Specific regulatory compliance initiatives.

#### ***5.1.3.5 Strategic Initiatives***

- **Circular Economy:** The company's significant move towards circular economy practices includes launching reconditioned tyre brands and integrating waste into high-recycled content products.
- **Carbon Reduction:** Continuous efforts to reduce the carbon footprint through eco-design, internal carbon pricing, and investment in renewable energy.
- **Employee Focus:** Ongoing initiatives to improve employee training, development, health, safety, and well-being, alongside strengthening diversity and inclusion.
- **Community and Stakeholder Engagement:** Active engagement in public-interest projects through the Foundation and consistent stakeholder consultations to align business strategies with sustainability goals.

#### **5.1.4 Sustainability Analysis**

##### ***5.1.4.1 Social Dimension***

##### **Sense of Community:**

- Tool A may foster a sense of community by promoting environmentally friendly products that align with community values on sustainability.
- This can lead to stronger community ties and support for the company, enhancing local engagement and trust.

##### **Trust:**

- Transparent pricing based on carbon intensity can increase trust between customers and the company.
- Higher trust can lead to increased customer loyalty and positive word-of-mouth.

##### **Inclusiveness and Diversity:**

- Ensuring fair pricing for all customer segments can promote inclusiveness.
- This can attract a more diverse customer base and enhance the company's reputation as socially responsible.

**Equity:**

- The tool ensures fair pricing by considering environmental impacts without compromising profit margins.
- It promotes equity by providing affordable sustainable options to all customers, reducing the environmental impact across different socio-economic groups.

**Participation and Communication:**

- Customers are informed about the environmental impact of their purchases through transparent pricing.
- This encourages informed decision-making and fosters open communication about sustainability efforts.

**5.1.4.2 Individual Dimension****Health:**

- By promoting products with lower carbon footprints, the tool indirectly supports better air quality.
- This can contribute to improved public health, especially in urban areas.

**Lifelong Learning:**

- The tool can educate customers on the environmental impacts of their purchases.
- This promotes lifelong learning about sustainability and responsible consumption.

**Privacy:**

- Ensures customer data is protected while using AI for pricing adjustments.
- Maintaining high privacy standards can prevent data misuse and build customer confidence.

**Safety:**

- Promoting products with better environmental impacts can lead to safer product options.
- Customers feel safer using products that are sustainably sourced and produced.

**Self-Awareness and Free Will:**

- Customers are given clear information about the environmental impacts of their choices.
- This empowers customers to make informed decisions, reinforcing their autonomy and self-awareness regarding sustainable consumption.

**5.1.4.3 Environmental Dimension****Material and Resources:**

- Promotes the use of products with lower resource consumption and better environmental impacts.
- Reduces the overall environmental footprint of products and encourages sustainable resource use.

**Waste & Pollution:**

- Encourages the purchase of products that generate less waste and pollution.
- This can significantly reduce the company's and customers' environmental impact, contributing to cleaner air and water.

**Biodiversity:**

- Supports products that have a lower impact on biodiversity.
- Helps protect ecosystems by reducing the demand for products that harm biodiversity.

**Energy:**

- Promotes products that require less energy to produce and use.
- Reduces overall energy consumption and encourages the use of renewable energy sources.

**Logistics:**

- Optimizes logistics by promoting local and sustainable products.
- Reduces transportation emissions and supports local economies.

#### ***5.1.4.4 Economic Dimension***

##### **Value:**

- Creates economic value by aligning pricing strategies with sustainability goals.
- Enhances the company's market position and attracts environmentally conscious consumers.

##### **Customer Relationship Management:**

- Strengthens customer relationships through transparent and responsible pricing.
- Leads to higher customer satisfaction and retention.

##### **Supply Chain:**

- Promotes a more sustainable supply chain by encouraging the use of environmentally friendly products.
- Enhances the resilience and sustainability of the supply chain, reducing risks associated with environmental regulations.

##### **Governance:**

- Influences governance by setting a precedent for responsible pricing and sustainability.
- Can drive industry-wide changes in pricing strategies and sustainability practices.

##### **Innovation:**

- Encourages innovation in product development and business practices to meet sustainability goals.
- Fosters a culture of continuous improvement and innovation within the company.

#### ***5.1.4.5 Technical Dimension***

##### **Maintainability:**

- The tool must be maintained to ensure accurate pricing adjustments based on up-to-date environmental data.



- Ensures long-term reliability and effectiveness of Tool A.

**Usability:**

- User-friendly interfaces are essential for both customers and company staff to utilize the tool effectively.
- High usability enhances the tool's adoption and effectiveness.

**Adaptability:**

- The tool needs to adapt to changing market conditions and environmental data.
- Ensures the tool remains relevant and effective in promoting sustainable pricing.

**Security:**

- Robust security measures are required to protect sensitive pricing and customer data.
- Prevents data breaches and maintains customer trust.

**Scalability:**

- The tool should be scalable to handle increasing data volumes and expanding market needs.
- Supports the company's growth and ensures the tool can handle larger datasets and more complex analyses.

Table 3. Order of Effects - Tool A

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>First-Order (Immediate) Effects</b>							
Energy consumption for running the AI system	Environmental	Increased energy use for servers and GPUs	High	Medium	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.
Resource use for AI model training and updates	Environmental	Intensive computational resources required for AI	High	Medium	Threat	Medium Misalignment	Resource intensiveness of AI systems is not specifically addressed.
Data center expansion to support AI operations	Environmental, Economic	Increased physical infrastructure for AI systems	Medium	Medium	Threat	Low Misalignment	Expanded data centers aren't explicitly addressed in sustainability goals.
<b>Second-Order (Enabling) Effects</b>							
More accurate pricing reflecting environmental costs	Economic, Environmental	AI-driven analysis for better price-impact alignment	High	High	Opportunity	High Alignment	Supports the internal carbon pricing project and carbon footprint reduction goals.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Pricing errors due to AI biases or data quality issues	Economic, Social	Potential for incorrect sustainability-based pricing	Medium	High	Threat	Medium Alignment	Relates to ethical business practices and transparent governance.
Increased reliance on AI for decision-making in pricing	Technical, Economic	Reduced human oversight in pricing decisions	High	High	Threat	Low Alignment	AI-driven decision-making is not mentioned, indicating a gap in strategy.
Promotion of more sustainable products in company offerings	Environmental, Economic	AI recommends greener product mix	Medium	High	Opportunity	High Alignment	Supports the goal of developing circular economy practices and reducing impact.
Market share loss due to sustainability-focused pricing	Economic	Potential customer loss if competitors don't follow suit	Low	High	Threat	Medium Alignment	Implicitly acknowledged in the balanced approach to sustainability and business.
<b>Third-Order (Structural) Effects</b>							
Increased consumer adoption of sustainable products	Social, Environmental	Long-term shift in consumer behavior towards greener choices	Medium	High	Opportunity	High Alignment	Aligns with goals of circular economy practices and reducing environmental impact.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
AI manipulation of consumer choices	Social, Individual	Potential for AI to influence consumer behavior unethically	Low	High	Threat	Low Alignment	Emphasizes ethical business practices but doesn't address AI ethics specifically.
Sector-wide improvement in sustainability practices	Environmental, Economic	Broader adoption of AI-driven sustainability pricing in the industry	Medium	High	Opportunity	High Alignment	Aligns with the company's leadership role in sustainability and stakeholder engagement.
Contribution to climate change mitigation	Environmental	Cumulative effect of AI-driven decisions reducing carbon footprint	Low	High	Opportunity	High Alignment	Supports the goal of achieving carbon neutrality by 2050.
Risk of "greenwashing"	Social, Environmental	Use of AI to create false appearance of sustainability	Medium	High	Threat	Medium Misalignment	Extensive AI use in sustainability efforts could lead to unintended greenwashing.

### 5.1.5 Complementary Insights

**Individual Dimension:** Our analysis highlighted AI's potential to enhance personal freedom and agency by automating routine tasks and providing personalized services. This aligns with [Khakurel et al.'s\(2018\)](#) discussion of AI augmenting human capabilities. However, both sources raise concerns about privacy and human dignity. The paper's emphasis on "holding on ever tighter to human values and ethics" in the face of AI

advancements echoes our identified third-order effects on individual values. The combined perspective underscores the need to design AI systems that empower individuals without compromising their autonomy or well-being. Furthermore, increased emphasis on AI ethics and value alignment is crucial to ensure that AI-driven decision-making processes align with human values and ethics in sustainability-focused decision-making.

**Social Dimension:** In the social sphere, our analysis pointed to AI's capacity to enhance decision-making and improve public services, which [Khakurel et al.\(2018\)](#) corroborate, particularly in healthcare and education. Both sources flag potential negative impacts, such as privacy concerns and the risk of algorithmic bias. The paper's emphasis on ethical considerations in AI development resonates with our identified third-order effects on social structures and values. This combined insight highlights the importance of developing AI systems that promote social equity and cohesion. Moreover, the lack of transparency in AI-driven decision-making processes may lead to opaque pricing and sustainability-based decisions, exacerbating existing social inequalities.

**Economic Dimension:** Our analysis highlighted AI's potential for increased productivity and efficiency, corresponding with [Khakurel et al.'s\(2018\)](#) discussion of AI's transformative effects on various industries. Both sources emphasize the double-edged nature of this impact, noting concerns about job displacement and economic inequality. The paper's mention of AI's potential to "grow the world's prosperity through automation" aligns with our first-order economic effects, while the potential for widening economic gaps reflects our identified second-order effects. This integrated view emphasizes the need for strategies to ensure that the economic benefits of AI are equitably distributed. Additionally, new business models and revenue streams from sustainability-focused products may emerge, providing opportunities for companies to create value while promoting environmental sustainability.

**Technical Dimension:** In the technical dimension, our analysis emphasized the need for robust, adaptable AI systems, which [Khakurel et al.\(2018\)](#) support through their discussion of AI's evolving capabilities. The paper's exploration of different levels of AI (narrow, general, and super intelligence) provides additional context to our assessment of technical sustainability challenges. This combined perspective underscores the importance of developing AI technologies that are not only advanced but also sustainable, secure, and

capable of evolving alongside human needs and values. Furthermore, the energy consumption for running the AI system and resource use for AI model training and updates may have significant environmental implications, highlighting the need for sustainable AI development and deployment practices.

**Environmental Dimension:** Both our tool analysis and [Khakurel et al.\(2018\)](#) recognize AI's potential to address climate change and resource management. The paper's mention of AI helping to "undo the damage humans have done to the planet through industrialization" aligns with our identified positive environmental impacts. However, our analysis also highlighted the energy consumption of AI systems, a concern that the paper doesn't explicitly address. This combined insight emphasizes the need to balance AI's potential environmental benefits with its own ecological footprint. Moreover, more accurate pricing reflecting environmental costs may be facilitated by AI, but risks of pricing errors due to AI biases or data quality issues, increased reliance on AI for decision-making in pricing, AI manipulation of consumer choices, and the risk of "greenwashing" must be mitigated through careful design and implementation of AI systems.

The complementary insights derived from [Khakurel et al.\(2018\)](#) propose several changes to the initial assessment. These proposed changes are presented in Table 4, which builds upon the original findings summarized in Table 3.

Table 4. Updated Order of Effects - Tool A

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>First-Order (Immediate) Effects</b>							
<b>Increased energy consumption for AI-driven network operations</b>	Environmental	Higher energy use for AI processing and data centers	<b>Very High</b>	<b>High</b>	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>Resource use for AI model training and updates</b>	Environmental	Intensive computational resources required for AI	<b>Very High</b>	<b>High</b>	Threat	Medium Misalignm ent	Resource intensiveness of AI systems is not specifically addressed.
Data center expansion to support AI operations	Environmental, Economic	Increased physical infrastructure for AI systems	Medium	Medium	Threat	Low Misalignm ent	Expanded data centers aren't explicitly addressed in sustainability goals.
<b>Second-Order (Enabling) Effects</b>							
<b>More accurate pricing reflecting environmental costs</b>	Economic, Environmental	AI-driven analysis for better price-impact alignment	<b>Very High</b>	<b>Very High</b>	Opportunity	High Alignment	Supports the internal carbon pricing project and carbon footprint reduction goals.
<b>Pricing errors due to AI biases or data quality issues</b>	Economic, Social	Potential for incorrect sustainability-based pricing	<b>High</b>	High	Threat	Medium Alignment	Relates to ethical business practices and transparent governance.
<b>Increased reliance on AI for decision-making in pricing</b>	Technical, Economic	Reduced human oversight in pricing decisions	<b>Very High</b>	<b>Very High</b>	Threat	Low Alignment	AI-driven decision-making is not mentioned, indicating a gap in strategy.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Promotion of more sustainable products in company offerings	Environmental, Economic	AI recommends greener product mix	Medium	High	Opportunity	High Alignment	Supports the goal of developing circular economy practices and reducing impact.
Market share loss due to sustainability-focused pricing	Economic	Potential customer loss if competitors don't follow suit	Low	High	Threat	Medium Alignment	Implicitly acknowledged in the balanced approach to sustainability and business.
<b>Lack of transparency in AI-driven decision-making</b>	Technical, Social	Potential risks of opaque AI decision-making processes	High	High	Threat	Medium Misalignment	Opaque decision-making processes could undermine stakeholder trust.
<b>Third-Order (Structural) Effects</b>							
Increased consumer adoption of sustainable products	Social, Environmental	Long-term shift in consumer behavior towards greener choices	Medium	High	Opportunity	High Alignment	Aligns with goals of circular economy practices and reducing environmental impact.
<b>New business models and revenue streams from sustainability-focused products</b>	Economic	Potential creation of new business opportunities and revenue streams	Medium	High	Opportunity	High Alignment	Aligns with goals of developing sustainable business practices and generating new revenue streams.
<b>Increased emphasis on AI ethics and value alignment</b>	Social, Individual	Emphasizing the need for AI systems to align with human values and ethics	Medium	High	Opportunity	High Alignment	Aligns with ethical business practices and transparent governance.



Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>AI manipulation of consumer choices</b>	Social, Individual	Potential for AI to influence consumer behavior unethically	<b>Medium</b>	High	Threat	Low Alignment	Emphasizes ethical business practices but doesn't address AI ethics specifically.
Sector-wide improvement in sustainability practices	Environmental, Economic	Broader adoption of AI-driven sustainability pricing in the industry	Medium	High	Opportunity	High Alignment	Aligns with the company's leadership role in sustainability and stakeholder engagement.
Contribution to climate change mitigation	Environmental	Cumulative effect of AI-driven decisions reducing carbon footprint	Low	High	Opportunity	High Alignment	Supports the goal of achieving carbon neutrality by 2050.
<b>Risk of "greenwashing"</b>	Social, Environmental	Use of AI to create false appearance of sustainability	<b>High</b>	<b>Very High</b>	Threat	Medium Misalignm ent	Extensive AI use in sustainability efforts could lead to unintended greenwashing.

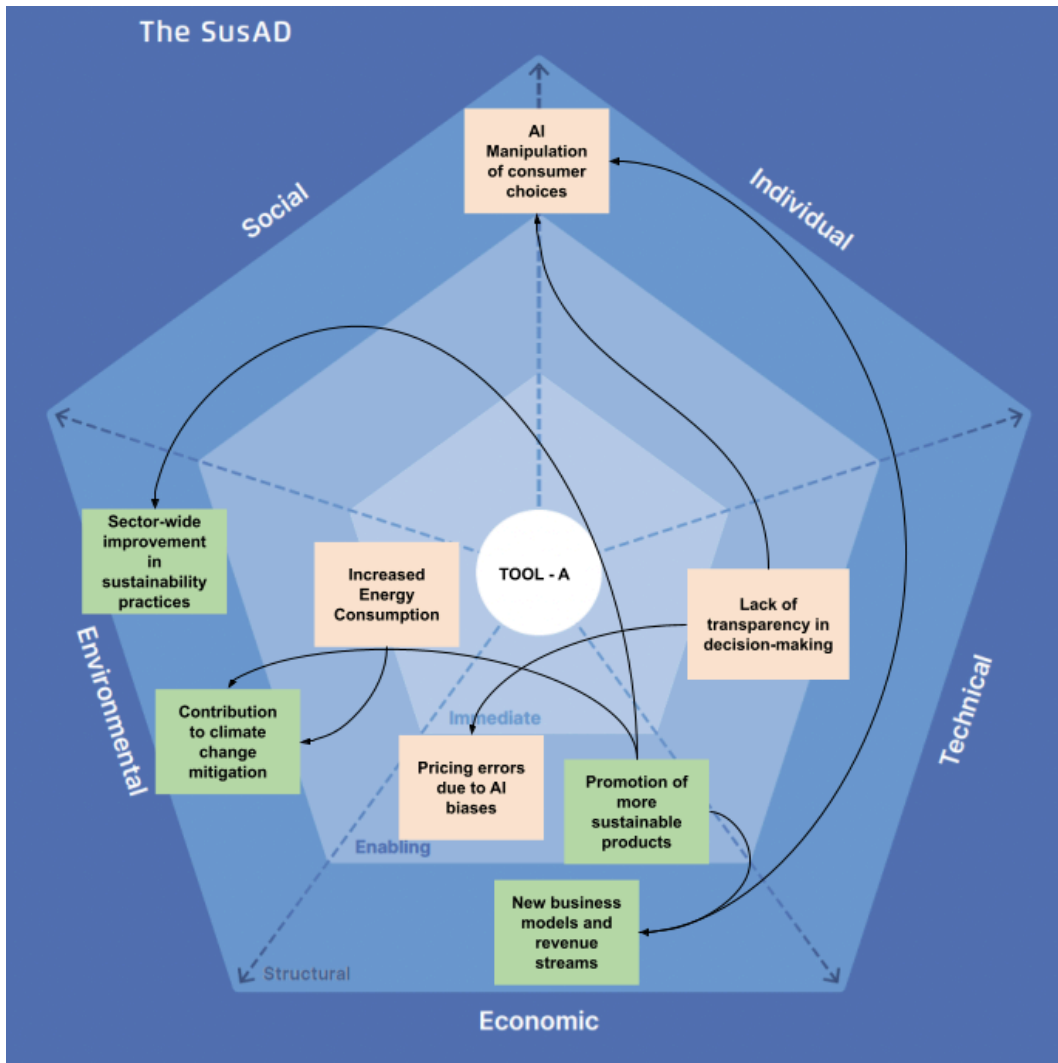


Figure 1. SusAF Diagram for Tool A

## 5.2 Company B - Tool B

### 5.2.1 Overview

Tool B is an AI-driven network automation platform designed to enhance the performance, reliability, and operational efficiency of communication service providers (CSPs). It leverages advanced data analytics, real-time insights, and machine learning to optimize network operations, improve customer experience, and enable proactive management. By automating routine tasks and providing predictive maintenance capabilities, the tool reduces operational costs and enhances network reliability, aligning with Company B's sustainability and business objectives.

### 5.2.2 Key Components

1. **Customer Experience Assurance:** Ensures delivery of expected service quality by monitoring user experiences and network performance, enhancing customer satisfaction.
2. **Performance Management:** Monitors and analyzes network performance to ensure service quality and reliability, identifying and resolving performance bottlenecks.
3. **Transport Network Automation:** Automates network operations and management tasks, reducing manual intervention and improving operational efficiency.
4. **Autonomous NOC (Network Operations Center):** Fully automates network operations monitoring and management, minimizing the need for human intervention, and improving network reliability and responsiveness.
5. **Data Cloud Movement:** Facilitates real-time data collection, processing, and storage from various network sources, providing a solid foundation for advanced analytics and decision-making.

### 5.2.3 Insights from CSR/Sustainability Report

#### 5.2.3.1 Environmental Goals

##### Reducing Carbon Footprint:

- **Objective:** Achieve carbon neutrality by 2040.
- **Targets:** Reduce the carbon footprint with science-based targets approved by the SBTi, aiming for net-zero emissions by 2040.
- **Initiatives:** Investments in renewable energy, adoption of energy-efficient technologies, implementation of digital solutions to monitor and reduce emissions, and continuous improvements in energy and material efficiency.

##### Circular Economy:

- **Objective:** Promote a circular economy within operations and product offerings.
- **Targets:** Increase the proportion of recycled materials in products and extend the lifecycle of electronic devices.

- **Initiatives:** Device recycling programs, refurbishment and resale of electronics, offering leasing options for devices to corporate customers, and development of high-recycled content products.

#### **Reducing Environmental Impact:**

- **Objective:** Minimize the environmental impact of operations.
- **Targets:** Optimize water use, increase the share of renewable energy in total energy consumption, and reduce overall environmental footprint.
- **Initiatives:** Energy efficiency projects, water conservation measures, transitioning to renewable energy sources, and detailed carbon footprint calculations based on the Greenhouse Gas Protocol.

#### **5.2.3.2 Social Goals**

##### **Employee Development and Well-being:**

- **Objective:** Foster a supportive and engaging work environment.
- **Targets:** Achieve high employee engagement scores and ensure comprehensive development plans and performance reviews for all employees.
- **Initiatives:** Regular employee surveys, investment in training and development programs, health and safety initiatives, and promoting values-based management and a coaching approach to supervisory work.

##### **Community Engagement:**

- **Objective:** Enhance the company's contribution to the community.
- **Targets:** Increase employee involvement in community projects and support initiatives that benefit society.
- **Initiatives:** Sponsorship of public-interest projects, volunteer programs, partnerships with community organizations, and improving digital inclusion and access to high-speed connections.

### **5.2.3.3 Governance Goals**

#### **Ethical Business Practices:**

- **Objective:** Ensure ethical conduct in all business operations.
- **Targets:** Maintain transparency in governance and integrate sustainability into business practices.
- **Initiatives:** Establishment of a sustainability committee, regular updates to the materiality matrix, adherence to global ethical standards, and receiving third-party assurances for ESG data calculations.

#### **Stakeholder Engagement:**

- **Objective:** Foster transparent and open dialogue with stakeholders.
- **Targets:** Achieve high stakeholder satisfaction and engagement.
- **Initiatives:** Continuous consultation with internal and external stakeholders, regular reporting on sustainability performance, and involvement in collaborative initiatives to enhance societal impact.

### **5.2.3.4 Prioritizations**

#### **Environmental Prioritizations:**

- **High Priority:** Reducing carbon footprint, promoting circular economy practices, and reducing pollution.
- **Medium Priority:** Optimizing water use and increasing the use of renewable energy.
- **Low Priority:** Specific voluntary recycling schemes.

#### **Social Prioritizations:**

- **High Priority:** Employee health, safety, and well-being; diversity and inclusion; employee development.
- **Medium Priority:** Enhancing company attractiveness and employee satisfaction.
- **Low Priority:** Community engagement through various partnerships and sponsorships.

#### **Governance Prioritizations:**

- **High Priority:** Ethical business practices and transparent governance.
- **Medium Priority:** Stakeholder engagement and consultation processes.
- **Low Priority:** Specific regulatory compliance initiatives.

#### **5.2.3.5 Strategic Initiatives**

##### **Circular Economy:**

- Launching reconditioned product brands and integrating waste into high-recycled content products.

##### **Carbon Reduction:**

- Continuous efforts to reduce the carbon footprint through investments in renewable energy, energy-efficient technologies, and comprehensive digital monitoring solutions.

##### **Employee Focus:**

- Ongoing initiatives to improve employee training, development, health, safety, and well-being, alongside promoting diversity and inclusion.

##### **Community and Stakeholder Engagement:**

- Active engagement in public-interest projects and consistent stakeholder consultations to align business strategies with sustainability goals.

#### **5.2.4 Sustainability Analysis**

##### **5.2.4.1 Social Dimension**

##### **Sense of Community:**

- **Enhanced Collaboration:** Tool B fosters collaboration among network operators and engineers by enabling shared data and insights across teams and departments.

- **Shared Goals:** Teams working towards common objectives like network optimization and customer satisfaction enhance their sense of belonging.
- **Reduced Personal Interactions:** Over-reliance on digital platforms might reduce personal interactions among team members, potentially affecting team dynamics.

#### **Trust:**

- **Data Transparency:** Provides transparent, real-time data analytics and insights, building trust among users regarding network performance and reliability.
- **Network Reliability:** Enhances trust in the network's reliability and the organization's commitment to maintaining high service standards.
- **System Failures:** If the system fails or provides incorrect data, it could significantly decrease trust in the platform and the organization.

#### **Inclusiveness and Diversity:**

- **Data-Driven Insights:** Promotes inclusiveness by providing unbiased, data-driven insights, helping mitigate human biases in network management decisions.
- **Accessibility:** Makes complex network data accessible to users with varying technical backgrounds, promoting inclusiveness.
- **Technical Expertise Requirement:** The need for specialized skills to operate and interpret data from the platform might exclude less tech-savvy employees.

#### **Equity:**

- **Fair Access to Data:** Ensures equitable access to network performance data, supporting fair decision-making across the organization.
- **Objective Decision-Making:** Supports impartial decision-making, promoting fairness in network operations and management.
- **Digital Divide:** Differences in access to advanced training and technology might create inequities within the workforce.

### **Participation and Communication:**

- **Enhanced Communication:** Facilitates robust communication networks by enabling data sharing and collaborative analysis among departments and partners.
- **Informed Decision-Making:** Comprehensive data fosters informed and constructive discussions, supporting evidence-based decision-making.
- **Over-reliance on Digital Tools:** Could reduce spontaneous, informal interactions that are also valuable for team cohesion.

### **5.2.4.2 Individual Dimension**

#### **Health:**

- **Reduced Workload:** By automating routine tasks and providing predictive insights, reduces stress and workload for network operators, improving mental health.
- **Dependence on Technology:** Over-reliance on the platform might make users feel undervalued if their expertise is perceived as less necessary.

#### **Lifelong Learning:**

- **Skill Enhancement:** Provides continuous learning opportunities by exposing users to advanced data analytics and AI-driven insights, improving their skills over time.
- **Constant Upskilling Required:** Rapid technological advancements might require constant upskilling, which could be overwhelming for some employees.

#### **Privacy:**

- **Data Protection:** Designed with stringent data privacy measures to protect user identities and sensitive information.
- **Data Breach Risks:** High risk of data breaches could expose personal and operational data if not properly managed.



**Safety:**

- **Network Safety:** Enhances network safety by predicting potential issues and automating responses to prevent failures.
- **System Reliability:** If the system fails to provide accurate predictions, it could pose safety risks.

**Agency:**

- **Empowerment:** Provides users with data-driven insights, empowering them to make informed and timely decisions.
- **Over-Reliance on Automation:** Might reduce users' confidence in their own decision-making abilities.

**5.2.4.3 Environmental Dimension****Material and Resources:**

- **Resource Optimization:** Optimizes network operations, reducing the need for excessive hardware replacements and material waste.
- **IT Infrastructure Environmental Impact:** The production and disposal of IT infrastructure required for Tool B can have significant environmental impacts.

**Soil, Atmospheric, and Water Pollution:**

- **Emission Reduction:** Optimized network operations reduce the need for emergency maintenance, leading to fewer emissions and waste.
- **Energy Consumption:** The energy consumption of data centers supporting Tool B contributes to environmental pollution.

**Biodiversity and Land Use:**

- **Optimized Infrastructure Use:** Indirectly supports better land use by optimizing network infrastructure and reducing the need for physical expansions.

- **Infrastructure Impact:** Limited direct impact on biodiversity and land use, but the infrastructure supporting the system could affect land use.

#### **Energy:**

- **Energy Efficiency:** Encourages energy-efficient practices, reducing overall energy consumption.
- **High Energy Demand:** Requires significant energy for data processing and analytics, increasing the carbon footprint.

#### **Logistics and Transport:**

- **Reduced Transport Needs:** Predictive maintenance reduces the need for emergency transport of parts and personnel.
- **Resource-Intensive Logistics:** Global logistics of maintaining and upgrading the system can be resource-intensive.

#### **5.2.4.4 Economic Dimension**

##### **Value:**

- **Cost Savings:** Generates significant economic value by reducing operational costs and enhancing network performance.
- **High Initial Costs:** High setup and integration costs might be a financial burden for smaller CSPs.

##### **Customer Relations Management:**

- **Enhanced Relationships:** Improves customer relations by ensuring reliable and high-quality service delivery.
- **Potential Customer Impact:** Any system failure or data inaccuracy can damage customer trust and relationships.

##### **Supply Chain:**

- **Optimized Supply Chain:** Streamlines the supply chain by predicting parts and materials needed, reducing costs.

- **Automation Risks:** Over-reliance on automated predictions might reduce flexibility in the supply chain.

#### **Innovation, Research & Development (R&D):**

- **Support for R&D:** Provides a robust data platform for R&D, driving future revenue growth.
- **Dependence on AI:** High dependence on AI may stifle human creativity and intuition in problem-solving.

#### **5.2.4.5 Technical Dimension**

##### **Maintainability:**

- **Modular Design:** Facilitates easier updates and bug fixes.
- **Maintenance Requirements:** Continuous need for updates and maintenance can be resource-intensive.

##### **Usability:**

- **User-Friendly Design:** Designed to be user-friendly, minimizing the need for specialized skills.
- **Resistance to Technology:** User resistance to adopting new technology might reduce overall usability.

##### **Extensibility and Adaptability:**

- **Flexible Architecture:** Built using a web application framework for easy addition of new features and integrations.
- **Integration Complexity:** Integrating with other systems might be complex and limit adaptability.

##### **Security:**

- **Data Security:** Advanced encryption ensures data integrity and confidentiality.

- **Cybersecurity Threats:** High risk of cyber-attacks due to the valuable data and critical nature of the system.

**Scalability:**

- **Scalable Infrastructure:** Can handle increasing workloads with cloud infrastructure.
- **Scalability Costs:** Expanding computational resources for scalability might be costly.

Table 5. Order of Effects - Tool B

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Justification
<b>First-Order (Immediate) Effects</b>							
Increased energy consumption for AI-driven network operations	Environmental	Higher energy use for AI processing and data centers	High	Medium	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.
Reduction in manual network management tasks	Social, Economic	Automation of routine network operations	High	High	Opportunity	Medium Alignment	Aligns with operational efficiency but may conflict with employee development goals if it leads to job displacement.
Enhanced data collection and processing	Technical, Economic	Real-time data gathering from various network sources	High	High	Opportunity	High Alignment	Supports goals of implementing digital solutions and improving operational efficiency.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>Second-Order (Enabling) Effects</b>							
Improved network performance and reliability	Technical, Economic	AI-driven optimization of network operations	High	High	Opportunity	High Alignment	Supports goals of enhancing service quality and customer satisfaction.
Enhanced customer experience and satisfaction	Social, Economic	Better service quality through AI-powered monitoring	Medium	High	Opportunity	High Alignment	Strongly aligns with focus on stakeholder engagement and improving service quality.
Potential job displacement in network operations	Social, Economic	Reduced need for human intervention in network management	Medium	Medium	Threat	Medium Misalignment	Could conflict with emphasis on employee development and well-being.
Increased cybersecurity risks	Technical, Social	Expanded attack surface due to AI integration	Medium	High	Threat	Medium Misalignment	Increased cybersecurity risks could undermine commitment to ethical business practices and stakeholder trust.
<b>Third-Order (Structural) Effects</b>							
Shift in workforce skills requirements	Social, Economic	Need for AI and data analytics expertise in telecom industry	High	Medium	Opportunity	High Alignment	Aligns with focus on employee development and training.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Improved resource allocation in telecom infrastructure	Environmental, Economic	Optimized network resource usage leading to reduced waste	Medium	High	Opportunity	High Alignment	Supports environmental goals of reducing carbon footprint and promoting a circular economy.
Potential over-reliance on AI for critical network decisions	Technical, Social	Reduced human oversight in network management	Low	High	Threat	Medium Misalignment	Could conflict with emphasis on ethical business practices and transparent governance.
Contribution to smart city development	Social, Environmental	Enhanced communication infrastructure supporting IoT and smart technologies	Medium	High	Opportunity	High Alignment	Aligns with goals of community engagement and reducing environmental impact through digital solutions.
Privacy concerns due to extensive data collection	Social, Individual	Increased gathering and analysis of user data	Medium	High	Threat	Medium Misalignment	Privacy concerns could conflict with commitment to ethical business practices and stakeholder trust.

### 5.2.5 Complementary Insights

**Individual Dimension:** The implementation of Tool B presents both opportunities and challenges for individual sustainability. On one hand, the enhanced customer experience and improved network performance align with Khakurel et al.'s assertion that AI can contribute to individual fulfillment and agency. Tool B's ability to optimize network operations could lead to more reliable communication services, enhancing individuals' ability to connect, learn, and participate in society. However, the paper warns of potential threats to individual privacy and autonomy due to AI's data collection capabilities. This

concern is mirrored in Tool B's extensive data gathering and analysis, which could raise privacy issues if not managed carefully. Balancing the benefits of personalized, efficient services with the protection of individual rights and freedoms is crucial. Our analysis suggests that the likelihood and impact of privacy concerns need to be reassessed to reflect the heightened risks in the telecom industry.

**Social Dimension:** The social impacts of Tool B reflect broader trends discussed in the paper. The potential for job displacement in network operations echoes the paper's concerns about AI's impact on employment structures. However, Tool B also creates opportunities for workforce development, aligning with the paper's suggestion that AI will necessitate new skills and roles. The tool's contribution to smart city development further exemplifies AI's potential to enhance social infrastructure and community well-being. Moreover, the increased transparency and accountability enabled by AI-driven network operations could promote more responsible decision-making processes. Yet, the paper cautions against over-reliance on AI for critical decisions, a concern also identified in Tool B's potential reduction of human oversight in network management. Additionally, the increased digital divide resulting from unequal access to AI-driven network services could exacerbate existing social inequalities. Balancing AI-driven efficiency with human judgment in social systems is essential. We propose updating the likelihood of job displacement to medium-high, given the significant automation capabilities of Tool B.

**Economic Dimension:** Economically, Tool B embodies many of the opportunities highlighted in the paper. The reduction in manual network management tasks and improved resource allocation align with the paper's discussion of AI's potential to drive economic efficiency and growth. Tool B's enhanced data processing capabilities could lead to new business models and revenue streams, as suggested in the paper. Additionally, the creation of new business opportunities and revenue streams through AI-driven network services could have a significant impact on the telecom industry. However, the economic benefits must be weighed against potential job displacements and the need for significant investments in AI technologies and workforce reskilling. The paper's call for a more equitable distribution of AI's economic benefits is relevant here, suggesting strategies to ensure that economic gains from tools like Tool B are shared across society. Given these insights, we recommend adjusting the impact of economic efficiency gains to high, reflecting their broad potential.

**Technical Dimension:** In the technical dimension, Tool B exemplifies both the promise and challenges of AI systems discussed in the paper. The improved network performance and reliability align with the paper's vision of AI enhancing technical systems' resilience and efficiency. However, increased cybersecurity risks and potential over-reliance on AI for critical decisions highlight the technical vulnerabilities warned against in the paper. Developing AI systems that are powerful yet robust, secure, and maintainable over time is crucial. The paper's emphasis on responsible AI development resonates strongly with the technical considerations surrounding Tool B's implementation and evolution. To address these vulnerabilities, we suggest increasing the likelihood and impact ratings for cybersecurity risks to medium-high, given the critical nature of telecom networks. Furthermore, the shift in workforce skills requirements towards AI and data analytics expertise could have a significant impact on the telecom industry.

**Environmental Dimension:** The environmental impacts of Tool B reflect AI's dual environmental effects discussed in the paper. On one hand, increased energy consumption for AI-driven operations aligns with the paper's concerns about AI exacerbating environmental challenges. However, Tool B's potential to optimize resource allocation in telecom infrastructure echoes AI's role in promoting environmental sustainability through improved efficiency and resource management. The paper's call for considering the full lifecycle environmental impacts of AI systems is particularly relevant here, suggesting a comprehensive assessment of Tool B's environmental footprint from development to deployment and maintenance. We propose increasing the impact rating for the environmental benefits of optimized resource allocation to high, reflecting its significant potential.

The complementary insights derived from [Khakurel et al.\(2018\)](#) propose several changes to the initial assessment. These proposed changes are presented in Table Y, which builds upon the original findings summarized in Table X.



Table 6. Updated Order of Effects - Tool B

Effect	Dimension	Brief	Likelihood	Impact	Threat /Opportunity	Alignment	Alignment Justification
<b>First-Order (Immediate) Effects</b>							
<b>Increased energy consumption for AI-driven network operations</b>	Environmental	Higher energy use for AI processing and data centers	<b>Very High</b>	<b>High</b>	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.
Reduction in manual network management tasks	Social, Economic	Automation of routine network operations	High	High	Opportunity	Medium Alignment	Aligns with operational efficiency but may conflict with employee development goals if it leads to job displacement.
Enhanced data collection and processing	Technical, Economic	Real-time data gathering from various network sources	High	High	Opportunity	High Alignment	Supports goals of implementing digital solutions and improving operational efficiency.
<b>Second-Order (Enabling) Effects</b>							
Improved network performance and reliability	Technical, Economic	AI-driven optimization of network operations	High	High	Opportunity	High Alignment	Supports goals of enhancing service quality and customer satisfaction.
Enhanced customer experience and satisfaction	Social, Economic	Better service quality through AI-powered monitoring	Medium	High	Opportunity	High Alignment	Strongly aligns with focus on stakeholder engagement and improving service quality.
<b>Potential job displacement in network operations</b>	Social, Economic	Reduced need for human intervention in network management	<b>High</b>	Medium	Threat	Medium Misalignment	Could conflict with emphasis on employee development and well-being.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>Increased cybersecurity risks</b>	Technical, Social	Expanded attack surface due to AI integration	Medium	<b>Very High</b>	Threat	Medium Misalignment	Increased cybersecurity risks could undermine commitment to ethical business practices and stakeholder trust.
<b>Increased digital divide</b>	Social, Economic	Potential exacerbation of existing social inequalities	Medium	High	Threat	Medium Misalignment	Unequal access to AI-driven network services could increase social inequalities.
<b>Enhanced transparency and accountability</b>	Technical, Social	Promoting transparent and accountable decision-making processes	Medium	High	Opportunity	High Alignment	AI-driven network operations can enhance transparency and accountability.
<b>Third-Order (Structural) Effects</b>							
Shift in workforce skills requirements	Social, Economic	Need for AI and data analytics expertise in telecom industry	<b>Very High</b>	<b>High</b>	Opportunity	High Alignment	Aligns with focus on employee development and training.
Improved resource allocation in telecom infrastructure	Environmental, Economic	Optimized network resource usage leading to reduced waste	Medium	High	Opportunity	High Alignment	Supports environmental goals of reducing carbon footprint and promoting a circular economy.
Potential over-reliance on AI for critical network decisions	Technical, Social	Reduced human oversight in network management	Low	High	Threat	Medium Misalignment	Could conflict with emphasis on ethical business practices and transparent governance.
<b>Contribution to smart city development</b>	Social, Environmental	Enhanced communication on infrastructure supporting IoT and smart technologies	<b>High</b>	<b>Very High</b>	Opportunity	High Alignment	Aligns with goals of community engagement and reducing environmental impact through digital solutions.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Privacy concerns due to extensive data collection	Social, Individual	Increased gathering and analysis of user data	Medium	High	Threat	Medium Misalignment	Privacy concerns could conflict with commitment to ethical business practices and stakeholder trust.
<b>New business models and revenue streams</b>	Economic	Potential creation of new business opportunities and revenue streams	Medium	High	Opportunity	High Alignment	AI-driven network services can create new business opportunities and revenue streams.

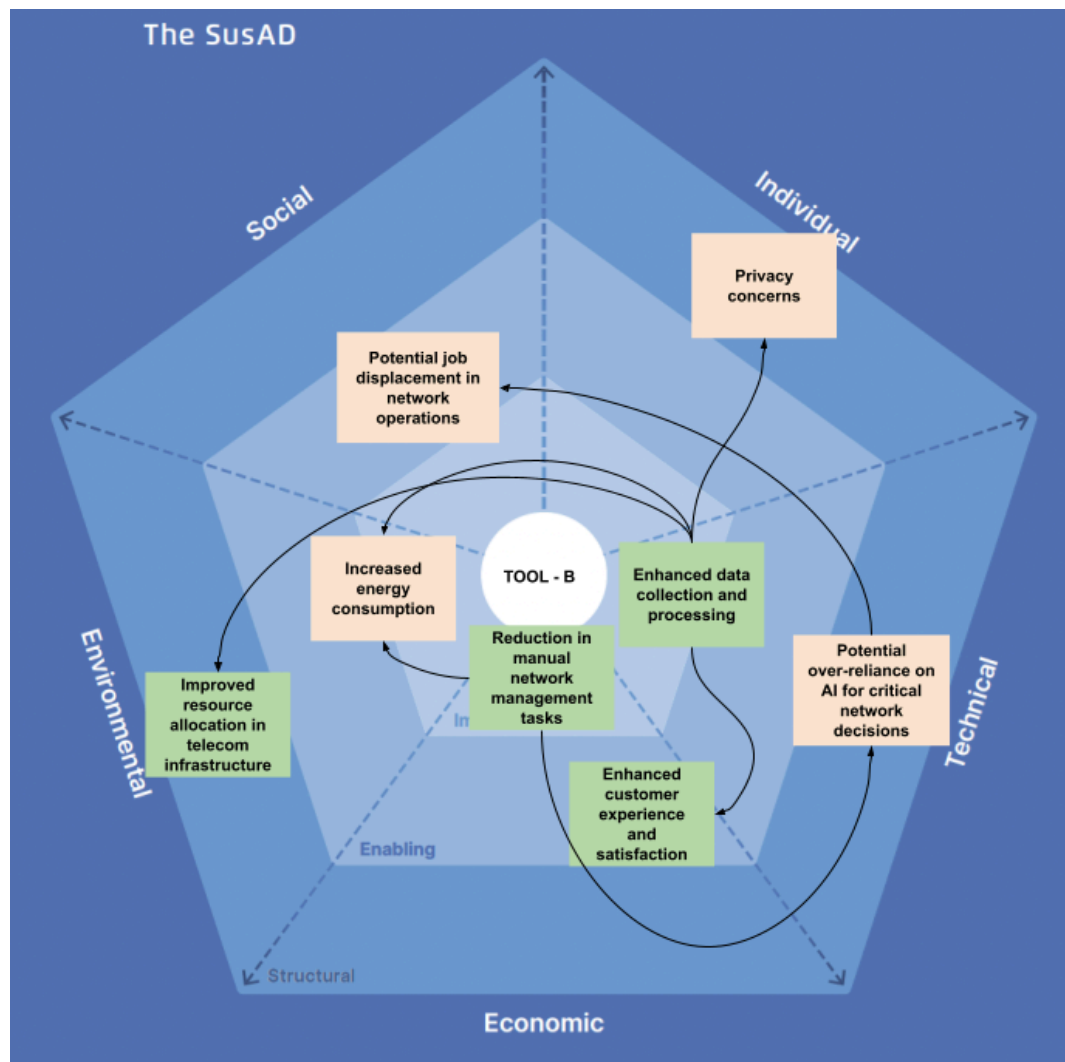


Figure 2. SusAF Diagram for Tool B

## 5.3 Company C - Tool C

### 5.3.1 Overview

Tool C is a comprehensive AI-driven platform that integrates various tools to enhance vehicle maintenance, reliability, and operational efficiency. It uses predictive analytics and real-time monitoring to optimize decision-making and reduce operational disruptions.

### 5.3.2 Key Components

#### 1. Predictive Maintenance:

- Anticipates component failures by analyzing abnormal behaviors through vehicle sensor data.
- Reduces operational risks, facilitates minor repairs over major ones, and improves spares inventory management efficiency.

#### 2. Health Monitoring:

- Manages events within the vehicle in real-time to minimize unscheduled maintenance impacts.
- Enhances vehicle fleet availability, reduces maintenance costs, and improves operational efficiency by prioritizing and handling in-service events.

#### 3. Vehicle Fleet Reliability:

- Integrates and benchmarks fleet performance data for better reliability reporting and analysis.
- Saves time on data aggregation, improves reliability analysis, and enhances overall fleet performance.

### 5.3.3 Insights from CSR/Sustainability Report

#### 5.3.3.1 Environmental Goals

#### Reducing Carbon Footprint:

- **Objective:** Achieve carbon neutrality by 2050.
- **Targets:** Commit to near-term science-based targets to reduce emissions on all scopes, in line with a 1.5°C temperature pathway, validated by SBTi.

- **Initiatives:** Investments in renewable energy, adoption of energy-efficient technologies, comprehensive digital monitoring solutions, and an internal carbon pricing mechanism set at €150/tCO<sub>2</sub> .

#### **Circular Economy:**

- **Objective:** Promote a circular economy within operations and product offerings.
- **Targets:** Increase the proportion of recycled materials in products, extend the lifecycle of vehicle components, and achieve up to 90% recovery of vehicle weight at end-of-life.
- **Initiatives:** Vehicle lifecycle services, selective dismantling processes, recycling projects, and integration of lifecycle assessments (LCA) .

#### **Reducing Environmental Impact:**

- **Objective:** Minimize the environmental impact of operations.
- **Targets:** Optimize water use, increase the share of renewable energy, and reduce overall environmental footprint.
- **Initiatives:** Energy efficiency projects, water conservation measures, transitioning to renewable energy sources, and deployment of an Environmental Management System based on ISO 14001:2015 .

#### **5.3.3.2 Social Goals**

##### **Employee Development and Well-being:**

- **Objective:** Foster a supportive and engaging work environment.
- **Targets:** Achieve high employee engagement scores and ensure comprehensive development plans and performance reviews for all employees.
- **Initiatives:** Regular employee surveys, investment in training and development programs, health and safety initiatives, and a leadership university providing extensive training opportunities .

##### **Community Engagement:**

- **Objective:** Enhance the company's contribution to the community.

- **Targets:** Increase employee involvement in community projects and support initiatives that benefit society.
- **Initiatives:** Sponsorship of public-interest projects, volunteer programs, partnerships with community organizations, and the company's Foundation's extensive community impact projects .

#### **5.3.3.3 Governance Goals**

##### **Ethical Business Practices:**

- **Objective:** Ensure ethical conduct in all business operations.
- **Targets:** Maintain transparency in governance and integrate sustainability into business practices.
- **Initiatives:** Establishment of the Ethics, Compliance and Sustainability Committee (ECSC), regular updates to the materiality matrix, adherence to global ethical standards, and comprehensive compliance training programs .

##### **Stakeholder Engagement:**

- **Objective:** Foster transparent and open dialogue with stakeholders.
- **Targets:** Achieve high stakeholder satisfaction and engagement.
- **Initiatives:** Continuous consultation with internal and external stakeholders, regular reporting on sustainability performance, and organized events to discuss sustainability topics with a wide range of stakeholders .

#### **5.3.3.4 Prioritizations**

##### **Environmental Prioritizations:**

- **High Priority:** Reducing carbon footprint, promoting circular economy practices, and reducing pollution .
- **Medium Priority:** Optimizing water use and increasing the use of renewable energy .
- **Low Priority:** Specific voluntary recycling schemes .

#### **Social Prioritizations:**

- **High Priority:** Employee health, safety, and well-being; diversity and inclusion; employee development .
- **Medium Priority:** Enhancing company attractiveness and employee satisfaction .
- **Low Priority:** Community engagement through various partnerships and sponsorships .

#### **Governance Prioritizations:**

- **High Priority:** Ethical business practices and transparent governance .
- **Medium Priority:** Stakeholder engagement and consultation processes .
- **Low Priority:** Specific regulatory compliance initiatives .

#### **5.3.3.5 Strategic Initiatives**

##### **Circular Economy:**

- **Initiatives:** Launching reconditioned product brands, integrating waste into high-recycled content products, and the establishment of the vehicle lifecycle services center .

##### **Carbon Reduction:**

- **Initiatives:** Continuous efforts to reduce the carbon footprint through investments in renewable energy, energy-efficient technologies, and comprehensive digital monitoring solutions .

##### **Employee Focus:**

- **Initiatives:** Ongoing initiatives to improve employee training, development, health, safety, and well-being, alongside promoting diversity and inclusion .

##### **Community and Stakeholder Engagement:**

- **Initiatives:** Active engagement in public-interest projects, consistent stakeholder consultations to align business strategies with sustainability goals, and extensive community support projects through the company's Foundation .

### **5.3.4 Sustainability Analysis**

#### **5.3.4.1 Social Dimension**

##### **Sense of Community:**

- Tool C fosters collaboration by enabling data sharing across departments and with partners, enhancing a sense of community and shared goals.
- Over-reliance on digital platforms may reduce face-to-face interactions and the personal touch in teamwork.

##### **Trust:**

- Improves trust through transparent, real-time data analytics, enhancing reliability and safety perceptions.
- If the system fails or provides incorrect data, trust in technology and the organization can significantly decrease.

##### **Inclusiveness and Diversity:**

- Promotes inclusiveness through unbiased, data-driven insights and accessible data visualization tools.
- Advanced technology may require specialized skills, potentially excluding less tech-savvy employees.

##### **Equity:**

- Ensures equitable access to critical data, supporting fair decision-making.
- Disparities in access to the platform across different regions or departments may create inequities.

##### **Participation and Communication:**

- Facilitates robust communication networks and informed discussions.
- Potential over-reliance on digital communication can hinder spontaneous, informal interactions that are also valuable.

#### **5.3.4.2 Individual Dimension**

##### **Health:**

- Reduces stress and workload through predictive maintenance, improving mental health.
- Dependence on the platform might make users feel undervalued if their expertise is perceived as less necessary.



**Lifelong Learning:**

- Provides continuous learning opportunities by exposing users to advanced data analytics.
- Rapid technological advancements might require constant upskilling, which could be overwhelming for some employees.

**Privacy:**

- Designed with stringent data privacy measures to protect user identities.
- High risk of data breaches could expose personal and operational data.

**Safety:**

- Enhances safety by predicting maintenance needs, preventing mechanical failures.
- Improper use or system failures might lead to safety risks.

**Agency:**

- Empowers users with data-driven insights for informed decision-making.
- Over-reliance on automated systems might reduce users' confidence in their decision-making abilities

**5.3.4.3 Environmental Dimension****Material and Resources:**

- Optimizes maintenance schedules, reducing the need for excessive spare parts and material waste.
- The production and disposal of IT infrastructure required for the tool can have significant environmental impacts.

**Soil, Atmospheric, and Water Pollution:**

- Reduces emissions through optimized maintenance schedules and operational efficiency.
- The energy consumption of data centers supporting Tool C contributes to environmental pollution.

**Biodiversity and Land Use:**

- Indirectly supports better land use by optimizing routes and reducing fuel consumption.
- Minimal direct impact, but the infrastructure supporting the system could affect land use.

**Energy:**

- Encourages energy-efficient practices, reducing overall energy consumption.
- High computational power requirements for AI and data analytics increase energy consumption.

**Logistics and Transport:**

- Reduces emergency transport needs by predicting maintenance requirements.
- The global logistics of maintaining and upgrading the tool system itself can be resource-intensive.

**5.3.4.4 Economic Dimension****Value:**

- Generates monetary value by reducing maintenance costs and minimizing downtime.
- High initial setup and maintenance costs might be a financial burden for some partners.

**Customer Relations Management:**

- Strengthens customer relationships through reliable data analytics.
- Any system failure or data inaccuracy can damage customer trust and relationships.

**Supply Chain:**

- Streamlines supply chain by predicting parts and materials needed, reducing costs.
- Over-reliance on automated predictions might reduce flexibility in the supply chain.

**Innovation, Research & Development (R&D):**

- Provides a good data platform for R&D, driving future revenue growth.
- High dependence on AI may stifle human creativity and intuition in problem-solving.

**5.3.4.5 Technical Dimension****Maintainability:**

- Modular design facilitates easier updates and bug fixes.
- Continuous need for updates and bug fixes can be resource-intensive.

**Usability:**

- Designed to be intuitive, minimizing the need for specialized skills.
- User resistance to adopting new technology might reduce overall usability.

**Extensibility and Adaptability:**

- Easily add new features due to web application framework and microservices architecture.
- Complexity in integrating with other systems might limit adaptability.

**Security:**

- Advanced encryption ensures data integrity and confidentiality.
- High risk of cyber-attacks due to the valuable data and critical nature of the system.

**Scalability:**

- Designed to scale horizontally with cloud infrastructure.
- Scalability might be limited by the high costs associated with expanding computational resources.

Table 7. Order of Effects - Tool C

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
<b>First-Order (Immediate) Effects</b>							
Increased data processing and storage requirements	Environmental , Technical	Higher energy consumption for AI-driven analytics	High	Medium	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.
Reduced unscheduled maintenance and vehicle downtime	Economic, Environmental	Improved operational efficiency through predictive maintenance	High	High	Opportunity	High Alignment	Supports goals of reducing carbon footprint and promoting operational efficiency.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Enhanced real-time monitoring of vehicle health	Technical, Economic	Immediate detection and response to potential issues	High	High	Opportunity	High Alignment	Aligns with focus on improving operational efficiency and reducing environmental impact.
Increased cognitive load on maintenance personnel	Individual, Technical	Need to understand and interpret AI-driven analytics	High	Medium	Threat	Medium Misalignment	Immediate cognitive challenges posed by new AI systems might not be fully addressed.
<b>Second-Order (Enabling) Effects</b>							
Extended lifecycle of manufactured vehicle components	Environmental , Economic	Timely maintenance reducing need for replacements	High	Medium	Opportunity	High Alignment	Supports circular economy objectives and goal of extending lifecycle of components.
Potential over-reliance on AI-driven decisions	Social, Technical	Reduced human oversight in maintenance decisions	Medium	High	Threat	Low Misalignment	Could conflict with emphasis on employee development and ethical business practices.
Improved fleet reliability and performance	Economic, Environmental	Enhanced operational efficiency across entire fleets	High	High	Opportunity	High Alignment	Aligns with goals of reducing environmental impact and improving operational efficiency.
Potential job displacement in traditional maintenance roles	Social, Economic	Shift in workforce needs due to AI adoption	Medium	Medium	Threat	Medium Misalignment	Potential job displacement isn't explicitly addressed, indicating a possible oversight.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Enhanced job satisfaction for maintenance staff	Individual, Social	More efficient problem-solving and reduced stress from unexpected issues	Medium	Medium	Opportunity	High Alignment	Aligns with focus on employee well-being and development.
Skill development and upskilling opportunities	Individual, Economic	Need for new skills in data analysis and AI interpretation	High	Medium	Opportunity	High Alignment	Supports emphasis on employee development and adaptation to new technologies.
<b>Third-Order (Structural) Effects</b>							
Industry-wide shift towards predictive maintenance	Economic, Environmental	Broader adoption of AI-driven maintenance in industry	Medium	High	Opportunity	High Alignment	Aligns with leadership role in sustainability and engagement with stakeholders.
Reduced overall carbon footprint	Environmental	Cumulative effect of optimized operations across all customers	Medium	High	Opportunity	High Alignment	Supports goal of achieving carbon neutrality by 2050.
Increased data privacy and security concerns	Social, Technical	Growing reliance on extensive data collection and analysis	High	Medium	Threat	Medium Misalignment	Challenges of data privacy in AI-driven systems aren't explicitly addressed.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Evolution of regulatory frameworks for AI in industry	Governance, Technical	Development of new standards for AI-driven maintenance	Medium	High	Opportunity	Medium Alignment	Aligns with commitment to ethical business practices and transparent governance.
Shift in career paths and professional identities	Individual, Social	Long-term changes in how maintenance professionals view their roles and careers	Medium	High	Both (Threat and Opportunity)	Medium Alignment	Long-term impacts on career paths may not be fully addressed in current strategy.

### 5.3.5 Complementary Insights

**Individual Dimension:** [Khakurel et al.\(2018\)](#) emphasize the impact of AI on individual freedom, dignity, and personal development. In Tool C's context, this relates to how the system affects the decision-making processes of pilots, maintenance crews, and other industry professionals. Our analysis highlights that while the tool enhances decision-making through real-time data, there are concerns about the increased cognitive load on personnel due to AI-driven analytics. The potential for AI biases and the need for human-centered AI design suggests careful consideration of integrating Tool C's AI-driven insights with human expertise. To address this, we propose enhancing training programs for staff to better interpret AI outputs, ensuring that human oversight remains integral to decision-making processes. Furthermore, we must also be mindful of unintended biases in AI decision-making, which could lead to unfair treatment of certain groups or individuals in maintenance decision-making.

**Social Dimension:** The tool's ability to enhance safety and passenger experience aligns with [Khakurel et al.'s\(2018\)](#) emphasis on AI's potential to improve quality of life. However, both our analysis and the paper raise concerns about AI's impact on privacy and

data security, particularly given the sensitive nature of the industry's data. The social implications of AI extend beyond immediate benefits, necessitating broader consideration of long-term societal impacts, including potential changes in social structures and interactions within the industry's ecosystem. We propose implementing more robust data privacy measures and enhancing transparency to mitigate these concerns, ensuring that the benefits of AI do not come at the expense of privacy and social cohesion. Additionally, we must also consider the risk of increased vulnerability to AI-driven cybersecurity threats, which could compromise sensitive data and disrupt operations.

**Economic Dimension:** Tool C's potential for cost reduction and improved operational efficiency aligns with [Khakurel et al.'s\(2018\)](#) discussion of AI's capacity to transform industries and create new economic opportunities. Our analysis concurs with the potential for significant economic benefits but also notes the risk of job displacement due to AI automation. This tension between economic growth and potential workforce disruption highlights the need for careful consideration of AI's economic impacts. We recommend developing programs for reskilling and upskilling employees to mitigate the adverse effects of job displacement, ensuring that the workforce can adapt to new roles created by AI advancements. Moreover, we must also acknowledge the risk of dependence on AI vendors and supply chain risks, which can create potential disruptions to operations.

**Technical Dimension:** Its advanced predictive maintenance capabilities reflect [Khakurel et al.'s\(2018\)](#) discussion of AI's potential to enhance technical systems and infrastructure. Both our analysis and the paper emphasize the importance of responsible AI development, including considerations of system resilience and long-term maintainability. To ensure sustained effectiveness and adaptability, we propose ongoing technical support and regular updates to the tool's AI systems. Additionally, enhancing documentation and creating robust governance frameworks will support the responsible deployment of AI technologies. We must also consider the environmental costs of AI systems themselves, such as increased energy consumption, and invest in energy-efficient AI infrastructure and explore green computing techniques to balance the environmental benefits of AI applications with their ecological footprint.

**Environmental Dimension:** The tool's potential for fuel efficiency and reduced emissions aligns with [Khakurel et al.'s\(2018\)](#) discussion of AI's role in addressing environmental

challenges. The authors highlight AI's potential to optimize resource use and mitigate climate change impacts, which is directly applicable to Tool C's environmental benefits. However, we must also acknowledge the high impact of increased data processing and storage requirements, which could exacerbate the environmental effects of AI-driven analytics. By investing in sustainable infrastructure and exploring green computing techniques, we can mitigate these effects and ensure that the benefits of AI are environmentally sustainable.

The complementary insights derived from [Khakurel et al.\(2018\)](#) propose several changes to the initial assessment. These proposed changes are presented in Table 8, which builds upon the original findings summarized in Table 7.

Table 8. Updated Order of Effects - Tool C

Effect	Dimension	Brief	Likelihood	Impact	Threat /Opportunity	Alignment	Alignment Justification
<b>First-Order (Immediate) Effects</b>							
<b>Increased data processing and storage requirements</b>	Environmental, Technical	Higher energy consumption for AI-driven analytics	High	<b>Very High</b>	Threat	Medium Misalignment	Increased energy consumption could counteract efforts to reduce carbon footprint.
<b>Reduced unscheduled maintenance and vehicle downtime</b>	Economic, Environmental	Improved operational efficiency through predictive maintenance	<b>Very High</b>	High	Opportunity	High Alignment	Supports goals of reducing carbon footprint and promoting operational efficiency.
<b>Enhanced real-time monitoring of vehicle health</b>	Technical, Economic	Immediate detection and response to potential issues	High	<b>Very High</b>	Opportunity	High Alignment	Aligns with focus on improving operational efficiency and reducing environmental impact.



Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Increased cognitive load on maintenance personnel	Individual, Technical	Need to understand and interpret AI-driven analytics	Medium	Medium	Threat	Medium Misalignment	Immediate cognitive challenges posed by new AI systems might not be fully addressed.
<b>Second-Order (Enabling) Effects</b>							
Extended lifecycle of manufactured components	Environmental, Economic	Timely maintenance reducing need for replacements	High	Medium	Opportunity	High Alignment	Supports circular economy objectives and goal of extending lifecycle of components.
Potential over-reliance on AI-driven decisions	Social, Technical	Reduced human oversight in maintenance decisions	Medium	High	Threat	Low Misalignment	Could conflict with emphasis on employee development and ethical business practices.
Improved vehicle fleet reliability and performance	Economic, Environmental	Enhanced operational efficiency across entire fleets	High	High	Opportunity	High Alignment	Aligns with goals of reducing environmental impact and improving operational efficiency.
<b>Potential job displacement in traditional maintenance roles</b>	Social, Economic	Shift in workforce needs due to AI adoption	High	Medium	Threat	Medium Misalignment	Potential job displacement isn't explicitly addressed, indicating a possible oversight.
Enhanced job satisfaction for maintenance staff	Individual, Social	More efficient problem-solving and reduced stress from unexpected issues	Medium	Medium	Opportunity	High Alignment	Aligns with focus on employee well-being and development.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Skill development and upskilling opportunities	Individual, Economic	Need for new skills in data analysis and AI interpretation	High	Medium	Opportunity	High Alignment	Supports emphasis on employee development and adaptation to new technologies.
<b>Increased vulnerability to AI-driven cybersecurity threats</b>	Technical, Social	Risk of AI-driven cybersecurity threats	High	High	Threat	Medium Misalignment	Growing reliance on AI increases cybersecurity risks, which could compromise data and disrupt operations.
<b>Dependence on AI vendors and supply chain risks</b>	Economic, Technical	Potential dependence on AI vendors and related supply chain risks	High	Medium	Threat	Medium Misalignment	Dependence on vendors could create supply chain risks and disrupt operations.
<b>Unintended biases in AI decision-making</b>	Social, Technical	AI perpetuating biases present in training data	Medium	High	Threat	Medium Misalignment	AI systems could lead to unfair treatment of certain groups if not properly managed.
<b>Third-Order (Structural) Effects</b>							
Industry-wide shift towards predictive maintenance	Economic, Environmental	Broader adoption of AI-driven maintenance in industry	Medium	High	Opportunity	High Alignment	Aligns with leadership role in sustainability and engagement with stakeholders.
Reduced overall carbon footprint	Environmental	Cumulative effect of optimized operations across all customers	Medium	High	Opportunity	High Alignment	Supports goal of achieving carbon neutrality by 2050.
Increased data privacy and security concerns	Social, Technical	Growing reliance on extensive data collection and analysis	High	Medium	Threat	Medium Misalignment	Challenges of data privacy in AI-driven systems aren't explicitly addressed.

Effect	Dimension	Brief	Likelihood	Impact	Threat/ Opportunity	Alignment	Alignment Justification
Evolution of regulatory frameworks for AI in industry	Governance, Technical	Development of new standards for AI-driven maintenance	Medium	High	Opportunity	Medium Alignment	Aligns with commitment to ethical business practices and transparent governance.
Shift in career paths and professional identities	Individual, Social	Long-term changes in how maintenance professionals view their roles	Medium	High	Both (Threat and Opportunity)	Medium Alignment	Long-term impacts on career paths may not be fully addressed in current strategy.

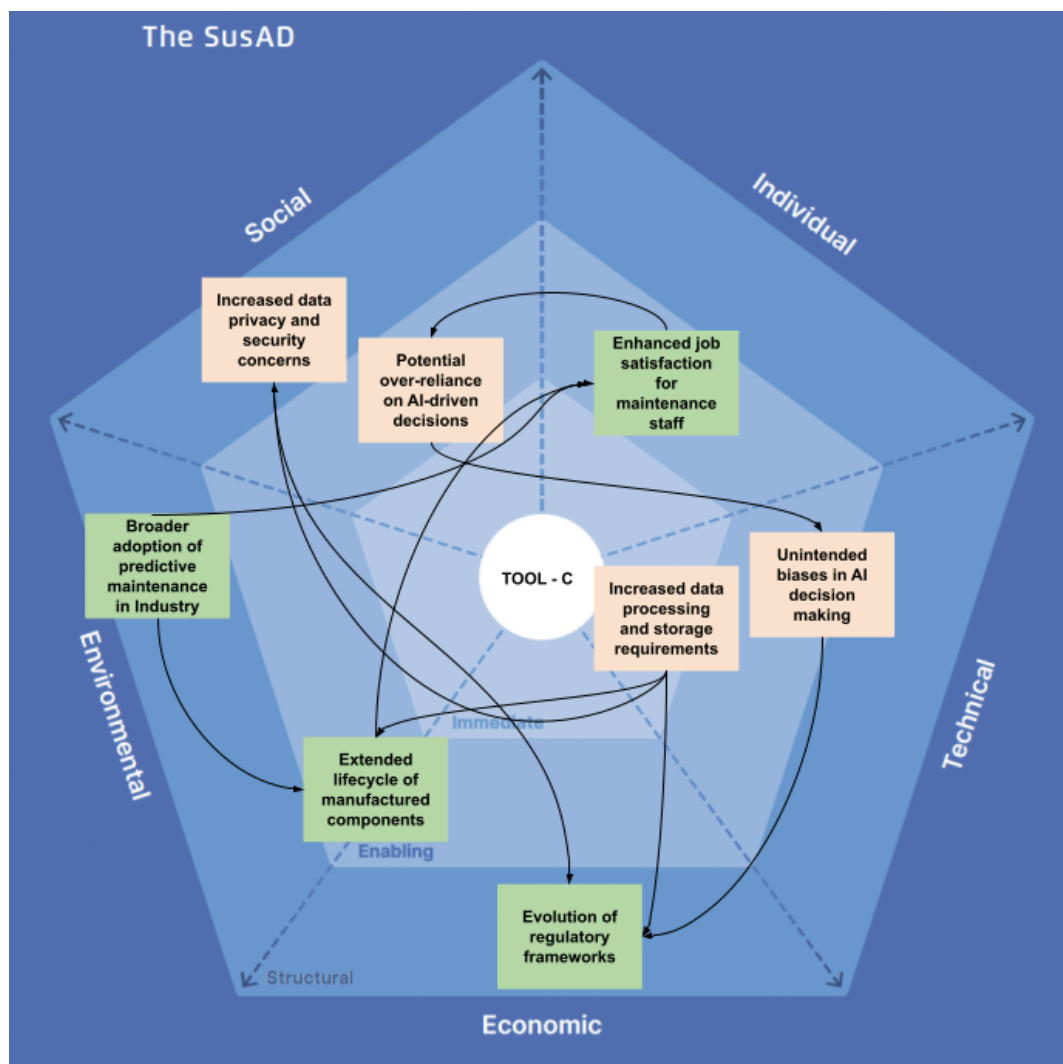


Figure 3. SusAF Diagram for Tool C

## CHAPTER 6 - DISCUSSIONS

This chapter synthesizes the key findings from the literature review, interview study, and sustainability study to provide a comprehensive understanding of how Artificial Intelligence systems align with Corporate Social Responsibility and sustainability strategies. By integrating insights from these diverse sources, we aim to identify the challenges and opportunities AI presents in the context of sustainability and set the stage for developing actionable guidelines.

We will begin by summarizing the key themes and insights from the literature review, followed by the main findings from the interview study, highlighting practical applications and integration challenges. Next, we will discuss the major outcomes of the sustainability study, focusing on the identified threats and opportunities and their alignment with sustainability strategies.

Following this synthesis, we use a similar thematic analysis as conducted in the interview study and analyse common themes and insights across all sources to understand the current use of AI in supporting sustainability and CSR initiatives. We will then explore the rationale for developing practical guidelines based on these findings, highlighting the necessity and scope of the guidelines, which will be presented in the next chapter.

### 6.1 Summary of Key Findings

The literature review, interview study, and sustainability study collectively provide a comprehensive understanding of how AI tools and systems are currently deployed and aligned with sustainability and Corporate Social Responsibility (CSR) strategies.

**From the Literature Review:** The literature review reveals that companies deploy a diverse range of AI technologies, such as machine learning, robotics, and specialized AI tools. These technologies are integrated into business operations to optimize energy use, enhance supply chain transparency, and ensure ethical and sustainable practices. The studies emphasize AI's potential for social good, its role in promoting sustainable business practices, and its capacity to drive innovation and ethical business practices. Key applications include AI in supply chain management, circular economy practices, and upholding ethical considerations.

**From the Interview Study:** The interview study provides practical insights into the application of AI across different industries. Company A utilizes AI for pricing analysis, customer service chatbots, logistics optimization, and sustainability reporting. Company B employs AI for network optimization, energy efficiency, automated reporting, and supply chain transparency. Company C integrates AI into engineering design, procurement forecasting, autonomous systems, and environmental monitoring. These applications are instrumental in achieving CO2 reduction targets, carbon neutrality goals, and fostering responsible sourcing and environmental stewardship.

**From the Sustainability Study:** The sustainability study identifies how AI tools align with companies' sustainability and CSR strategies. AI technologies enhance operational efficiency, reduce environmental impact, and ensure transparency and accountability in reporting. However, challenges such as a lack of transparency, cybersecurity risks, and data privacy concerns are highlighted, indicating areas that require further attention.

## 6.2 Synthesis of Findings

The synthesis of findings from the literature review, interview study, and sustainability study reveals several key insights into the alignment of AI tools with sustainability and CSR strategies, highlighting both current capabilities and potential enhancements.

**Integration and Alignment:** AI tools are strategically integrated into various business processes to support sustainability and CSR goals. Both the literature review and interview study emphasize the importance of AI in optimizing resource use, enhancing transparency, and driving ethical business practices. For example, AI-driven logistics optimization and sustainability reporting tools directly support CO2 reduction targets and carbon neutrality goals.

**Challenges and Limitations:** Despite the benefits, significant challenges and limitations exist in deploying AI tools. The literature review points to issues such as the precision of AI algorithms for long-term planning and the need for comprehensive evaluation frameworks. The interview study highlights challenges like lack of transparency, cybersecurity risks, and data privacy concerns. Addressing these challenges is crucial to fully realize the potential of AI in supporting sustainability and CSR objectives.

**Potential Enhancements:** Enhancing AI tools involves improving predictive analytics, fostering greater transparency and accountability, and promoting ethical AI development. Future research should focus on developing adaptable frameworks, optimizing AI for better resource efficiency, and creating AI applications that address global challenges such as poverty, health, and education. The interview study suggests potential enhancements like advanced AI models for real-time tracking of emissions, more sophisticated chatbots, and AI-driven analytics for trend analysis and forecasting.

**Emergence of Key Themes:** Through the synthesis of these findings, several recurring themes emerged that encapsulate the critical areas for aligning AI with sustainability and CSR strategies. These themes were derived by separately identifying commonalities in the insights from the literature review, interviews, and sustainability studies, and then combining them. The recurring themes, which stem from the threats and opportunities highlighted in these sources, led to the formulation of the following 12 key themes:

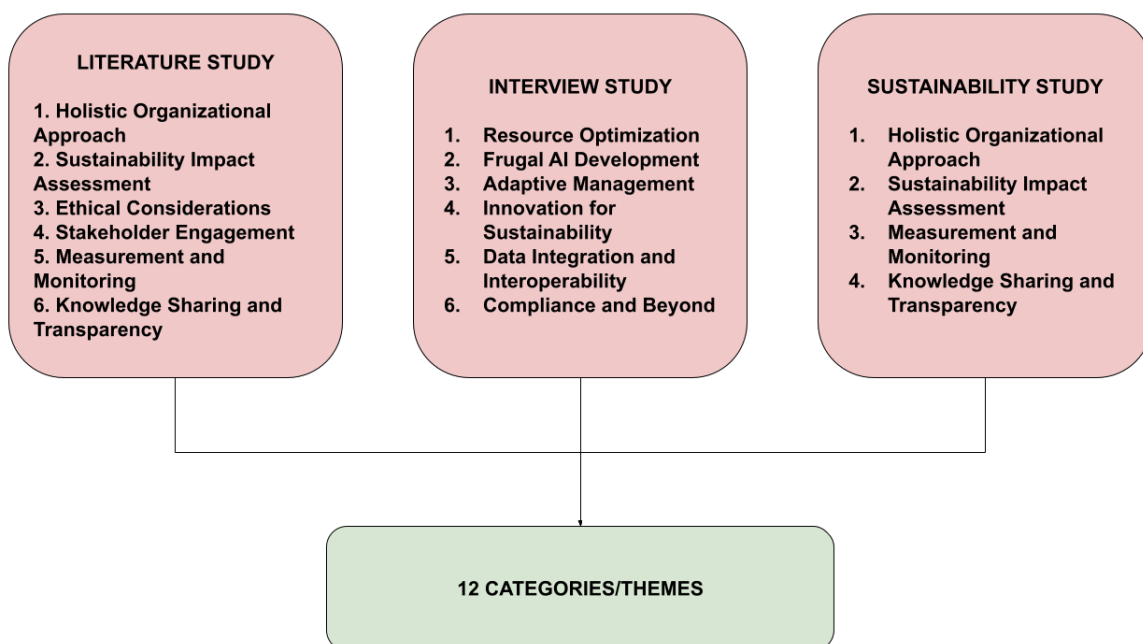


Figure 4. Formulation of themes for Guidelines

1. **Holistic Organizational Approach:** The Interview Study shows AI use across departments, and the Sustainability Study's mention of a "responsible turnover tool"

suggests integrating sustainability into core business practices, indicating the need for a broader organizational approach.

2. **Sustainability Impact Assessment:** The Interview Study highlights impact assessment through reporting and emissions tracking. The Literature Review provides context on existing AI tools and systems, implying an awareness of their impact on sustainability that companies would be assessing.
3. **Frugal AI Development:** The Interview Study focuses on cost reduction and resource optimization. The Literature Review offers examples of cost-effective AI tools already deployed, supporting the need for frugal AI development.
4. **Ethical Considerations:** This theme is prominent in the Interview Study, and the Literature Review further strengthens it by touching on ethical considerations as a key aspect of AI deployment.
5. **Stakeholder Engagement:** While direct evidence is scant, the Interview Study's emphasis on transparency and the likely discussion of stakeholder perspectives in the Literature Review support the importance of engaging all stakeholders in AI projects.
6. **Measurement and Monitoring:** Strongly supported by the Interview Study, the Sustainability Study implies a need for continuous measurement and monitoring of sustainability-related data.
7. **Adaptive Management:** From the Interview Study, it is understood that the constantly evolving landscape of AI necessitates adaptive management, especially when tackling complex sustainability challenges, as hinted at in the Literature Review.
8. **Knowledge Sharing and Transparency:** The Interview Study highlights transparency concerns, and the Literature Review, as an academic document, likely emphasizes the importance of knowledge sharing and transparency within the field of AI and sustainability.
9. **Resource Optimization:** Well-supported by the Interview Study's examples, the Sustainability Study's focus on "responsible turnover" implies resource optimization as a key aspect of sustainability.
10. **Compliance and Beyond:** Grounded in the Interview Study's GDPR example, the Literature Review provides a broader regulatory context for AI and sustainability, suggesting companies strive for compliance and beyond.

11. **Innovation for Sustainability:** Evident in the Interview Study's AI tool examples, the Literature Review explores current AI systems, setting the stage for understanding how companies innovate for sustainability.
12. **Data Integration and Interoperability:** Implied by the Interview Study's cross-departmental AI use, the Sustainability Study likely requires integrated data for its "responsible turnover tool," supporting the need for data integration and interoperability.

These themes represent the areas where AI can have a substantial impact, providing a foundation for developing actionable guidelines to align AI systems with CSR and sustainability strategies. These insights set the stage for the next chapter, which will delve into the development of these guidelines.

## CHAPTER 7 - GUIDELINES FOR AI ALIGNMENT

Following the identification of the 12 key themes in the previous chapter, this chapter will go into the development of actionable guidelines to help organizations align their AI systems with CSR and sustainability strategies. Building on the insights gathered from the literature review, interviews, and sustainability studies, each theme will be explored in detail, providing a structured approach to address both opportunities and threats. These guidelines, inspired by [Kitchenham et al. \(2007\)](#), provide practical steps, highlight potential challenges, and outline measurable outcomes. They are designed to equip organizations with the necessary tools to effectively implement sustainable AI practices. By following these guidelines, businesses can better integrate AI into their sustainability frameworks, driving positive environmental, social, and economic impacts.

### 7.1 Holistic Organizational Approach

#### **Environmental Dimension:**

**Action:** Develop and implement energy-efficient AI processes.

#### **Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** AI systems, particularly those involving machine learning and big data, require substantial



computational power, leading to higher energy consumption and increased carbon footprint.

- **Threat: Resource use for AI model training and updates:** The continuous need for training and updating AI models consumes significant computational resources and energy, leading to higher operational costs and environmental impact.
- **Opportunity: Improved resource allocation:** By optimizing the use of resources such as energy and computational power, companies can reduce waste, lower costs, and minimize their environmental impact.

**Explanation:** Implementing energy-efficient AI processes minimizes the environmental footprint and operational costs by reducing energy consumption and optimizing resource use.

#### **Steps:**

1. Conduct an energy audit of AI operations.
2. Optimize AI algorithms for energy efficiency.
3. Implement energy-efficient hardware and cooling systems for AI data centers.
4. Regularly review and update energy policies to incorporate the latest advancements.

**Challenges & Mitigation:** Resistance to change can be mitigated by showcasing cost savings.

**Measurable Outcomes:** Reduction in energy consumption by X% in Y months.

#### **Economic Dimension:**

**Action:** Optimize resource allocation in AI projects to maximize cost efficiency and sustainability.

#### **Threats/Opportunities:**

- **Opportunity: More accurate pricing reflecting environmental costs:** Integrating environmental costs into pricing strategies can lead to more sustainable pricing models that reflect the true cost of resource use and environmental impact.

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Developing sustainable AI solutions can open up new market opportunities and revenue streams, as consumers and businesses increasingly prioritize sustainability.

**Explanation:** Efficient resource allocation ensures financial stability and sustainability in AI initiatives by minimizing waste and maximizing the value derived from available resources.

#### **Steps:**

1. Analyze current resource allocation practices in AI projects.
2. Develop a resource optimization framework specific to AI.
3. Implement AI tools for real-time resource monitoring and optimization.
4. Continuously evaluate the financial impact and adjust strategies.

**Challenges & Mitigation:** High initial costs can be spread through phased implementation.

**Measurable Outcomes:** Improved cost efficiency and resource utilization by X%.

#### **Social Dimension:**

**Action:** Foster an inclusive culture that promotes sustainable AI practices across all departments.

#### **Threats/Opportunities:**

- **Opportunity: Increased emphasis on AI ethics and value alignment:** Emphasizing ethical AI practices can align company values with societal expectations, enhancing brand reputation and stakeholder trust.
- **Threat: AI manipulation of consumer choices:** AI systems can potentially manipulate consumer behavior, leading to ethical concerns and loss of consumer trust.
- **Threat: Increased digital divide:** AI advancements can widen the gap between those with access to technology and those without, exacerbating social inequalities.

**Explanation:** An inclusive culture ensures that all employees are engaged in sustainable AI initiatives, fostering a collaborative environment that supports ethical and responsible AI development.

**Steps:**

1. Develop and communicate a clear sustainability vision for AI projects.
2. Create cross-departmental teams to champion sustainable AI initiatives.
3. Conduct regular training and workshops on sustainable AI.
4. Recognize and reward departments and individuals for their contributions to sustainable AI.

**Challenges & Mitigation:** Cultural resistance can be mitigated through leadership support and incentives.

**Measurable Outcomes:** Increased employee engagement and participation in sustainable AI programs.

**Technical Dimension:**

**Action:** Integrate sustainable technologies and practices in AI development and deployment.

**Threats/Opportunities:**

- **Opportunity: Enhanced data collection and processing:** Sustainable technologies can improve the efficiency of data collection and processing, leading to better decision-making and reduced environmental impact.
- **Opportunity: Improved performance and reliability:** Sustainable practices often lead to more robust and reliable AI systems that perform better under various conditions.
- **Threat: Increased cybersecurity risks:** As AI systems become more complex, they can be more vulnerable to cyber attacks, necessitating robust security measures.

**Explanation:** Leveraging sustainable technology can enhance the environmental and operational efficiency of AI systems, leading to improved performance and reduced environmental impact.

**Steps:**

1. Identify and assess sustainable technologies relevant to AI operations.
2. Develop a roadmap for technology integration in AI projects.
3. Pilot selected technologies and scale up based on results.
4. Continuously monitor and improve technology use in AI systems.

**Challenges & Mitigation:** Technological adoption can be slow; pilot programs can demonstrate benefits.

**Measurable Outcomes:** Successful integration and scaling of sustainable technologies in AI.

**Individual Dimension:**

**Action:** Provide training and development to ensure employees understand and contribute to sustainable AI goals.

**Threats/Opportunities:**

- **Opportunity: Shift in workforce skills requirements:** The growing focus on sustainable AI requires new skills and competencies, providing opportunities for workforce development and upskilling.
- **Opportunity: Skill development and upskilling opportunities:** Investing in training programs enhances employees' skills, making them more competent in developing and managing sustainable AI solutions.

**Explanation:** Educated employees are more likely to support and drive sustainable AI initiatives, ensuring that the workforce is equipped with the necessary skills and knowledge.

**Steps:**

1. Conduct a training needs assessment specific to AI sustainability.

2. Develop tailored training programs focused on sustainable AI practices.
3. Implement training sessions, workshops, and e-learning modules.
4. Evaluate training effectiveness and iterate as needed.

**Challenges & Mitigation:** Time constraints can be mitigated by offering flexible learning options.

**Measurable Outcomes:** Improved employee knowledge and skills related to sustainable AI practices.

## 7.2 Sustainability Impact Assessment

### **Environmental Dimension:**

**Action:** Assess and mitigate the environmental impact of AI systems.

### **Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** AI systems, particularly those involving intensive data processing, can significantly increase energy consumption, leading to higher operational costs and environmental impact.
- **Threat: Data center expansion to support AI operations:** Scaling up AI capabilities often requires expanding data center infrastructure, which can contribute to habitat disruption, increased energy use, and higher emissions.
- **Opportunity: Extended lifecycle of components:** Implementing sustainable practices can extend the lifespan of AI hardware components, reducing waste and environmental footprint.

**Explanation:** Understanding and reducing the environmental impact of AI is crucial for developing sustainable AI systems that contribute positively to environmental goals.

### **Steps:**

1. Develop an environmental impact assessment framework specific to AI.
2. Conduct assessments during the planning phase of AI projects.
3. Identify potential environmental impacts and develop mitigation strategies.
4. Regularly review and update assessments to reflect new data and technologies.

**Challenges & Mitigation:** Data gaps can be filled by leveraging external expertise and data sources.

**Measurable Outcomes:** Reduced environmental impact as measured by key indicators.

#### **Economic Dimension:**

**Action:** Evaluate the economic benefits and costs of sustainable AI initiatives.

#### **Threats/Opportunities:**

- **Threat: Market share loss due to sustainability-focused pricing:** Pricing AI services and products to reflect sustainability efforts may increase costs, potentially leading to reduced market competitiveness.
- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Sustainable AI practices can open new markets and create revenue streams by attracting eco-conscious customers and partners.

**Explanation:** Economic evaluation ensures that AI sustainability initiatives are financially viable and can contribute to long-term business success.

#### **Steps:**

1. Develop a cost-benefit analysis framework for AI sustainability projects.
2. Conduct economic evaluations for proposed AI initiatives.
3. Prioritize AI projects based on economic and sustainability impacts.
4. Monitor and report on the economic performance of implemented AI initiatives.

**Challenges & Mitigation:** Financial constraints can be mitigated by securing external funding or partnerships.

**Measurable Outcomes:** Positive ROI on AI sustainability projects.

#### **Social Dimension:**

**Action:** Analyze the social implications of AI deployment on various communities.

**Threats/Opportunities:**

- **Threat: AI manipulation of consumer choices:** AI systems can influence consumer behavior, raising ethical concerns about manipulation and loss of autonomy.
- **Threat: Increased digital divide:** Advanced AI technologies can widen the gap between those with access to technology and those without, exacerbating social inequalities.

**Explanation:** Ensuring social equity in AI deployment builds trust and acceptance, fostering a positive relationship between companies and communities.

**Steps:**

1. Develop a social impact assessment framework for AI.
2. Engage with affected communities to gather input and feedback on AI projects.
3. Identify potential social impacts and develop mitigation strategies.
4. Regularly review and update assessments to address emerging social issues.

**Challenges & Mitigation:** Community resistance can be mitigated through transparent communication and engagement.

**Measurable Outcomes:** Positive social outcomes as indicated by community feedback and social metrics.

**Technical Dimension:**

**Action:** Implement technical assessments to ensure AI systems meet sustainability criteria.

**Threats/Opportunities:**

- **Threat: Increased cybersecurity risks:** AI systems can introduce new vulnerabilities, making robust cybersecurity measures essential.
- **Threat: Dependence on AI vendors and supply chain risks:** Relying heavily on external vendors for AI solutions can create dependencies and supply chain vulnerabilities.

**Explanation:** Technical assessments ensure that AI systems are designed and operated sustainably, addressing both environmental and operational concerns.

**Steps:**

1. Develop technical sustainability criteria for AI systems.
2. Conduct technical assessments during the design and deployment phases.
3. Implement necessary technical adjustments to meet sustainability criteria.
4. Continuously monitor technical performance against sustainability benchmarks.

**Challenges & Mitigation:** Technical complexity can be managed by involving cross-disciplinary expertise.

**Measurable Outcomes:** AI systems meeting established sustainability benchmarks.

**Individual Dimension:**

**Action:** Conduct assessments on the impact of AI on individual roles and workloads.

**Threats/Opportunities:**

- **Threat: Potential job displacement:** Automation and AI can lead to job displacement, necessitating strategies for workforce reskilling and transition.
- **Threat: Increased cognitive load on personnel:** AI systems can increase the complexity of tasks, leading to higher cognitive demands on employees.

**Explanation:** Understanding individual impacts ensures that AI enhances, rather than burdens, employees, leading to higher job satisfaction and productivity.

**Steps:**

1. Develop an assessment framework for individual impacts of AI.
2. Conduct surveys and focus groups to gather employee feedback.
3. Identify potential negative impacts and develop mitigation strategies.
4. Regularly review and update assessments based on ongoing feedback.

**Challenges & Mitigation:** Employee concerns can be addressed through proactive communication and support.



**Measurable Outcomes:** Improved employee satisfaction and productivity.

### 7.3 Frugal AI Development

**Environmental Dimension:**

**Action:** Design AI systems that minimize resource use and environmental impact.

**Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** Intensive data processing and continuous learning algorithms can lead to significantly higher energy consumption, resulting in a larger carbon footprint and increased operational costs.
- **Opportunity: Promotion of more sustainable products in company offerings:** Developing AI systems that prioritize sustainability can enhance a company's product portfolio, making it more attractive to eco-conscious consumers and stakeholders.
- **Opportunity: Improved resource allocation:** Efficient AI development can optimize the use of natural resources, reducing waste and ensuring that resources are utilized in the most effective manner.

**Explanation:** Efficient AI systems reduce environmental degradation and operational costs, promoting sustainability and responsible resource use.

**Steps:**

1. Identify resource-intensive components of current AI systems.
2. Develop and implement more efficient algorithms and models.
3. Use sustainable hardware and optimize data storage practices.
4. Monitor and report on resource usage and environmental impact.

**Challenges & Mitigation:** Balancing performance with efficiency can be addressed through iterative testing and optimization.

**Measurable Outcomes:** Reduced resource consumption and environmental footprint.

**Economic Dimension:**

**Action:** Develop cost-effective AI solutions that do not compromise on sustainability.

**Threats/Opportunities:**

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Creating AI solutions that emphasize sustainability can lead to innovative business models and open up new revenue streams, attracting customers who value environmental responsibility.
- **Threat: Dependence on AI vendors and supply chain risks:** Over-reliance on external AI vendors can pose risks, such as supply chain disruptions and increased costs, which can undermine sustainability efforts.

**Explanation:** Balancing cost and sustainability ensures long-term viability and financial health of AI initiatives.

**Steps:**

1. Conduct a cost analysis of current AI systems.
2. Identify opportunities for cost savings without sacrificing sustainability.
3. Implement cost-saving measures and monitor their impact.
4. Report on cost savings and sustainability improvements.

**Challenges & Mitigation:** Initial investment costs can be offset by demonstrating long-term savings.

**Measurable Outcomes:** Achieving cost savings while maintaining or enhancing sustainability.

**Social Dimension:**

**Action:** Ensure AI development processes are socially responsible.

**Threats/Opportunities:**

- **Threat: Increased digital divide:** Advanced AI technologies can exacerbate the digital divide, leaving behind communities that lack access to the necessary technology and resources.

- **Opportunity: Increased emphasis on AI ethics and value alignment:** Emphasizing ethical AI development can align the company's values with societal expectations, building trust and promoting social equity.

**Explanation:** Social responsibility in AI development builds trust and ethical integrity, fostering positive relationships with stakeholders.

**Steps:**

1. Develop a social responsibility framework for AI development.
2. Engage stakeholders and communities in the development process.
3. Implement policies to ensure fair and ethical AI practices.
4. Monitor and report on social impacts and improvements.

**Challenges & Mitigation:** Social backlash can be mitigated through continuous engagement and transparency.

**Measurable Outcomes:** Positive social impact metrics and stakeholder feedback.

**Technical Dimension:**

**Action:** Utilize efficient coding and hardware to reduce the carbon footprint of AI systems.

**Threats/Opportunities:**

- **Threat: Resource use for AI model training and updates:** Training and updating AI models can be resource-intensive, requiring significant computational power and energy.
- **Opportunity: Enhanced real-time monitoring of equipment health:** Implementing efficient AI systems can improve the monitoring and maintenance of equipment, leading to better performance and reduced environmental impact.

**Explanation:** Technical efficiency in AI development reduces environmental impact and operational costs, promoting sustainability.

**Steps:**

1. Identify inefficiencies in current coding practices and hardware usage.

2. Develop and implement more efficient coding standards.
3. Use sustainable and energy-efficient hardware.
4. Continuously monitor and optimize technical performance.

**Challenges & Mitigation:** Balancing efficiency with performance can be managed through iterative development and testing.

**Measurable Outcomes:** Reduced carbon footprint and improved technical efficiency.

**Individual Dimension:**

**Action:** Train developers in sustainable coding practices and tools.

**Threats/Opportunities:**

- **Opportunity: Shift in workforce skills requirements:** The increasing emphasis on sustainability in AI development necessitates a shift in skills, requiring developers to be proficient in sustainable coding practices.
- **Opportunity: Skill development and upskilling opportunities:** Training programs can provide developers with the necessary skills to implement sustainable AI solutions, enhancing their career prospects and contributing to the company's sustainability goals.

**Explanation:** Educated developers are crucial for sustainable AI development, ensuring that AI systems are built with sustainability in mind.

**Steps:**

1. Conduct a training needs assessment for developers.
2. Develop training programs focused on sustainable coding practices.
3. Implement training sessions, workshops, and e-learning modules.
4. Evaluate training effectiveness and iterate as needed.

**Challenges & Mitigation:** Time constraints can be mitigated by offering flexible learning options.

**Measurable Outcomes:** Improved developer knowledge and skills related to sustainable coding.

## 7.4 Ethical Considerations

### Environmental Dimension:

**Action:** Incorporate environmental ethics into AI development and deployment.

### Threats/Opportunities:

- **Threat: Increased energy consumption for AI-driven operations:** High energy consumption can lead to a larger carbon footprint and higher operational costs, undermining sustainability efforts.
- **Opportunity: Contribution to climate change mitigation:** AI can be leveraged to develop innovative solutions for climate change, such as optimizing energy use and reducing emissions.

**Explanation:** Ensuring AI practices consider environmental impacts fosters long-term sustainability by minimizing negative effects and promoting eco-friendly solutions.

### Steps:

1. Develop guidelines for incorporating environmental ethics into AI projects.
2. Train AI teams on these guidelines and their importance.
3. Implement environmental ethical reviews at key stages of AI projects.
4. Regularly update guidelines based on new environmental standards and practices.

**Challenges & Mitigation:** Resistance can be mitigated through education and leadership support.

**Measurable Outcomes:** Reduced environmental impact of AI projects.

### Economic Dimension:

**Action:** Ensure fair economic practices in AI-related business models.

### Threats/Opportunities:

- **Threat: Market share loss due to sustainability-focused pricing:** Higher costs associated with sustainable practices can lead to competitive disadvantages if not managed properly.

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Ethical economic practices can lead to the development of innovative products and services that attract a growing market of sustainability-conscious consumers.

**Explanation:** Ethical economic practices support fairness and sustainability, ensuring that AI development aligns with broader societal goals.

**Steps:**

1. Develop a fair economic practices framework for AI.
2. Ensure transparency in AI pricing and business models.
3. Monitor and report on economic fairness in AI projects.
4. Regularly review and update economic practices to maintain fairness.

**Challenges & Mitigation:** Ensuring transparency and fairness can be achieved through regular audits.

**Measurable Outcomes:** Increased trust and fairness in AI-related economic practices.

**Social Dimension:**

**Action:** Develop AI systems that are fair and transparent, avoiding social biases.

**Threats/Opportunities:**

- **Threat: Unintended biases in AI decision-making:** AI systems can perpetuate existing biases, leading to unfair outcomes and social inequalities.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** Focusing on ethical AI development can enhance social trust and align AI practices with societal values.

**Explanation:** Ethical AI systems build social trust and avoid negative social impacts by ensuring fairness and transparency in decision-making processes.

**Steps:**

1. Conduct bias audits on AI systems to identify and mitigate biases.

2. Implement fairness guidelines and standards in AI development.
3. Engage diverse stakeholders to review AI systems for fairness.
4. Regularly update AI systems to address new biases and fairness issues.

**Challenges & Mitigation:** Mitigating bias can be challenging but is essential for social trust.

**Measurable Outcomes:** Reduced biases and increased fairness in AI systems.

**Technical Dimension:**

**Action:** Implement explainable AI to enhance transparency and accountability.

**Threats/Opportunities:**

- **Threat: Lack of transparency in AI-driven decision-making:** Opaque AI models can lead to mistrust and misuse, as stakeholders may not understand or trust the decisions made by AI systems.
- **Opportunity: Enhanced transparency and accountability:** Explainable AI can improve stakeholder trust and ensure that AI systems are used responsibly and ethically.

**Explanation:** Explainable AI helps stakeholders understand and trust AI decisions, promoting accountability and transparency in AI operations.

**Steps:**

1. Develop methodologies for creating explainable AI models.
2. Implement visualization tools to illustrate AI decision processes.
3. Train staff on using and interpreting explainable AI.
4. Regularly review and update explainable AI practices.

**Challenges & Mitigation:** Complexity can be managed through continuous training and iterative improvements.

**Measurable Outcomes:** Improved transparency and accountability in AI decision-making.

**Individual Dimension:**

**Action:** Protect individual privacy and data security in all AI processes.

**Threats/Opportunities:**

- **Threat: Privacy concerns due to extensive data collection:** Extensive data collection can lead to privacy breaches and loss of trust among users.
- **Opportunity: Improved data privacy and security:** Robust privacy measures can enhance user trust and ensure compliance with regulations.

**Explanation:** Protecting privacy and data security is crucial for ethical AI, ensuring that user data is handled responsibly and securely.

**Steps:**

1. Develop robust data privacy policies.
2. Implement data anonymization techniques where possible.
3. Ensure transparency with users about data collection and usage.
4. Conduct regular privacy and security audits.

**Challenges & Mitigation:** Balancing transparency with security can be managed through careful planning.

**Measurable Outcomes:** Improved data privacy and security.

## 7.5 Stakeholder Engagement

**Environmental Dimension:**

**Action:** Engage stakeholders in discussions about the environmental impact of AI.

**Threats/Opportunities:**

- **Opportunity: Increased consumer adoption of sustainable products:** Engaging stakeholders can help identify and promote AI solutions that are environmentally friendly, thus appealing to eco-conscious consumers.
- **Opportunity: Sector-wide improvement in sustainability practices:** Collaborative discussions can lead to the development of best practices that improve sustainability across the industry.



**Explanation:** Stakeholder engagement ensures diverse perspectives and buy-in, fostering collaborative efforts to minimize environmental impacts.

**Steps:**

1. Identify key environmental stakeholders.
2. Organize regular forums and workshops to discuss AI's environmental impact.
3. Incorporate stakeholder feedback into AI development and deployment.
4. Provide regular updates on AI's environmental performance.

**Challenges & Mitigation:** Ensuring ongoing engagement can be managed through regular communication.

**Measurable Outcomes:** Increased stakeholder involvement and improved environmental practices.

**Economic Dimension:**

**Action:** Collaborate with stakeholders to develop economically sustainable AI solutions.

**Threats/Opportunities:**

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Collaboration can lead to the creation of innovative business models and new revenue streams that focus on sustainability.

**Explanation:** Collaboration fosters innovative and economically viable AI solutions that align with sustainability goals.

**Steps:**

1. Identify and engage economic stakeholders (e.g., investors, partners).
2. Develop collaborative projects focused on sustainable AI solutions.
3. Share economic benefits and success stories with stakeholders.
4. Monitor and report on collaborative project outcomes.

**Challenges & Mitigation:** Managing diverse stakeholder interests can be achieved through clear communication and shared goals.

**Measurable Outcomes:** Successful collaborative projects and economic sustainability.

**Social Dimension:**

**Action:** Ensure diverse stakeholder representation in AI decision-making processes.

**Threats/Opportunities:**

- **Threat: Increased digital divide:** Without diverse representation, AI solutions may inadvertently widen the digital divide.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** Diverse representation helps ensure that AI development considers various social impacts and adheres to ethical standards.

**Explanation:** Diverse representation ensures that AI development considers various social impacts and promotes social equity.

**Steps:**

1. Identify underrepresented groups and stakeholders.
2. Include diverse stakeholders in decision-making committees.
3. Ensure that all voices are heard and considered in AI projects.
4. Regularly review and update stakeholder engagement practices.

**Challenges & Mitigation:** Ensuring diversity can be challenging but is essential for social equity.

**Measurable Outcomes:** Improved diversity and inclusion in AI decision-making.

**Technical Dimension:**

**Action:** Involve stakeholders in the technical development and implementation of AI systems.

**Threats/Opportunities:**

- **Opportunity: Enhanced data collection and processing:** Involving technical stakeholders ensures that AI systems are designed with comprehensive data collection and processing capabilities.

**Explanation:** Technical stakeholder involvement ensures practical and effective AI solutions that meet technical requirements and user needs.

**Steps:**

1. Identify technical stakeholders (e.g., engineers, IT professionals).
2. Engage stakeholders in technical workshops and development sessions.
3. Incorporate technical stakeholder feedback into AI system designs.
4. Provide regular updates on technical progress and challenges.

**Challenges & Mitigation:** Technical complexities can be managed through clear communication and collaboration.

**Measurable Outcomes:** Enhanced technical quality and stakeholder satisfaction.

**Individual Dimension:**

**Action:** Collect and incorporate feedback from employees and users regarding AI systems.

**Threats/Opportunities:**

- **Threat: Privacy concerns due to extensive data collection:** Collecting feedback should respect privacy and data security to maintain trust.
- **Opportunity: Enhanced job satisfaction for staff:** Involving employees in the feedback process can improve job satisfaction and system usability.

**Explanation:** Feedback ensures AI systems meet user needs and expectations, leading to better system performance and user satisfaction.

**Steps:**

1. Develop feedback mechanisms (e.g., surveys, focus groups).
2. Regularly collect and analyze feedback from employees and users.
3. Implement changes based on feedback to improve AI systems.
4. Communicate feedback outcomes and improvements to stakeholders.

**Challenges & Mitigation:** Managing and acting on feedback can be streamlined through systematic processes.

**Measurable Outcomes:** Improved user satisfaction and system performance.

## 7.6 Measurement and Monitoring

### **Environmental Dimension:**

**Action:** Develop KPIs to monitor the environmental impact of AI systems.

### **Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** AI systems can significantly increase energy consumption, leading to a larger carbon footprint.
- **Opportunity: Improved resource allocation:** Effective monitoring allows for better resource management, ensuring that AI operations are as energy-efficient as possible.

**Explanation:** KPIs ensure that AI systems contribute positively to environmental goals by providing measurable data to track progress and identify areas for improvement.

### **Steps:**

1. Identify key environmental metrics relevant to AI systems.
2. Develop and implement monitoring tools to track these metrics.
3. Regularly analyze and report on environmental performance.
4. Adjust strategies based on KPI outcomes to enhance sustainability.

**Challenges & Mitigation:** Ensuring accurate data collection can be addressed through robust systems and tools.

**Measurable Outcomes:** Achieving and maintaining environmental KPI targets.

### **Economic Dimension:**

**Action:** Implement economic performance indicators for sustainability projects.

### **Threats/Opportunities:**

- **Opportunity: More accurate pricing reflecting environmental costs:** Incorporating environmental costs into pricing can lead to more sustainable financial practices.

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Monitoring economic performance can help identify new opportunities for revenue generation through sustainability.

**Explanation:** Economic KPIs help measure the financial impact of AI sustainability initiatives, ensuring they are financially viable and contribute to long-term economic sustainability.

**Steps:**

1. Identify key economic metrics for AI sustainability projects.
2. Develop monitoring tools and systems to track these metrics.
3. Regularly analyze and report on economic performance.
4. Adjust strategies based on KPI outcomes to ensure financial sustainability.

**Challenges & Mitigation:** Economic fluctuations can be managed through regular reviews and adjustments.

**Measurable Outcomes:** Achieving positive economic KPI outcomes.

**Social Dimension:**

**Action:** Track social metrics to measure the impact of AI on communities and individuals.

**Threats/Opportunities:**

- **Threat: Increased digital divide:** AI systems might exacerbate the gap between those with and without access to technology.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** Tracking social metrics ensures AI systems are developed and deployed ethically and align with societal values.

**Explanation:** Social KPIs ensure that AI systems benefit society by providing data to assess and enhance their social impact.

**Steps:**

1. Identify key social metrics relevant to AI systems.

2. Develop tools to monitor and track these metrics.
3. Regularly analyze and report on social performance.
4. Adjust strategies based on KPI outcomes to enhance social benefits.

**Challenges & Mitigation:** Ensuring comprehensive social data can be addressed through community engagement.

**Measurable Outcomes:** Achieving and maintaining social KPI targets.

#### **Technical Dimension:**

**Action:** Monitor technical performance indicators related to sustainability.

#### **Threats/Opportunities:**

- **Opportunity: Enhanced real-time monitoring of equipment health:** Improved technical monitoring can lead to better maintenance and longer lifespan of AI equipment.

**Explanation:** Technical KPIs help measure the efficiency and effectiveness of AI systems, ensuring they operate sustainably and reliably.

#### **Steps:**

1. Identify key technical metrics relevant to sustainability.
2. Develop monitoring tools and systems to track these metrics.
3. Regularly analyze and report on technical performance.
4. Adjust strategies based on KPI outcomes to improve technical efficiency.

**Challenges & Mitigation:** Technical issues can be managed through continuous monitoring and adjustments.

**Measurable Outcomes:** Achieving positive technical KPI outcomes.

#### **Individual Dimension:**

**Action:** Measure the impact of AI on individual job satisfaction and performance.

**Threats/Opportunities:**

- **Opportunity: Skill development and upskilling opportunities:** Monitoring individual performance can highlight areas for skill development and provide upskilling opportunities.

**Explanation:** Individual KPIs ensure that AI systems positively affect employees, enhancing job satisfaction and performance.

**Steps:**

1. Identify key metrics related to job satisfaction and performance.
2. Develop tools to monitor and track these metrics.
3. Regularly analyze and report on individual performance.
4. Adjust strategies based on KPI outcomes to enhance job satisfaction.

**Challenges & Mitigation:** Ensuring accurate data collection can be managed through regular surveys and reviews.

**Measurable Outcomes:** Achieving positive individual KPI outcomes.

**7.7 Adaptive Management****Environmental Dimension:**

**Action:** Adapt AI systems to minimize their environmental impact over time.

**Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** AI systems can significantly increase energy consumption, leading to a larger carbon footprint if not properly managed.
- **Opportunity: Contribution to climate change mitigation:** By continuously improving AI systems, organizations can reduce their environmental footprint, contributing to broader climate change mitigation efforts.

**Explanation:** Continuous improvement helps reduce the environmental footprint of AI.

**Steps:**

1. Regularly review environmental performance data of AI systems.
2. Identify areas for improvement and develop action plans.
3. Implement changes and monitor their impact.
4. Report on improvements and adjust strategies as needed.

**Challenges & Mitigation:** Adapting to new technologies can be challenging but essential for improvement.

**Measurable Outcomes:** Continuous reduction in environmental impact.

**Economic Dimension:**

**Action:** Adjust economic strategies to ensure ongoing sustainability in AI projects.

**Threats/Opportunities:**

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Flexibility in economic strategies can open up new business models and revenue streams that focus on sustainability.

**Explanation:** Flexibility in economic strategies ensures long-term viability of AI initiatives.

**Steps:**

1. Regularly review economic performance data of AI projects.
2. Identify areas for improvement and develop action plans.
3. Implement changes and monitor their impact.
4. Report on improvements and adjust strategies as needed.

**Challenges & Mitigation:** Economic changes can be managed through proactive planning and adjustment.

**Measurable Outcomes:** Continuous economic sustainability in AI projects.



**Social Dimension:**

**Action:** Implement adaptive strategies to address changing social dynamics in AI deployment.

**Threats/Opportunities:**

- **Opportunity: Increased emphasis on AI ethics and value alignment:** Adapting strategies can ensure that AI deployment aligns with evolving ethical standards and societal values.
- **Opportunity: Enhanced job satisfaction for staff:** Adaptive management can improve job satisfaction by addressing employees' evolving needs and concerns.

**Explanation:** Adapting to social changes ensures ongoing social benefits of AI systems.

**Steps:**

1. Regularly review social performance data of AI projects.
2. Identify areas for improvement and develop action plans.
3. Implement changes and monitor their impact.
4. Report on improvements and adjust strategies as needed.

**Challenges & Mitigation:** Social changes can be managed through continuous engagement and adaptation.

**Measurable Outcomes:** Continuous social improvement in AI deployment.

**Technical Dimension:**

**Action:** Continuously improve AI technologies to enhance sustainability.

**Threats/Opportunities:**

- **Threat: Increased cybersecurity risks:** Ongoing technical improvements can also address emerging cybersecurity threats to ensure the security and integrity of AI systems.

**Explanation:** Technical adaptation ensures AI systems remain effective and sustainable.

**Steps:**

1. Regularly review technical performance data of AI systems.
2. Identify areas for improvement and develop action plans.
3. Implement changes and monitor their impact.
4. Report on improvements and adjust strategies as needed.

**Challenges & Mitigation:** Technical adaptation can be managed through iterative development and testing.

**Measurable Outcomes:** Continuous technical improvement and sustainability.

**Individual Dimension:**

**Action:** Provide ongoing training and support to help individuals adapt to new AI systems.

**Threats/Opportunities:**

- **Opportunity: Skill development and upskilling opportunities:** Continuous learning ensures employees can effectively use and benefit from AI systems, leading to skill development and upskilling opportunities.

**Explanation:** Continuous learning ensures employees can effectively use and benefit from AI systems.

**Steps:**

1. Identify ongoing training needs for employees.
2. Develop and implement continuous learning programs.
3. Provide regular support and resources for learning.
4. Monitor and report on training effectiveness.

**Challenges & Mitigation:** Ensuring continuous engagement can be managed through flexible learning options.

**Measurable Outcomes:** Improved employee adaptability and satisfaction.

## 7.8 Knowledge Sharing and Transparency

### Environmental Dimension:

**Action:** Share best practices for reducing the environmental impact of AI.

### Threats/Opportunities:

- **Opportunity: Contribution to climate change mitigation:** Sharing best practices for reducing AI's environmental impact can help mitigate climate change by encouraging broader adoption of sustainable practices.

**Explanation:** Knowledge sharing promotes wider adoption of sustainable AI practices.

### Steps:

1. Identify and document best practices for environmental sustainability in AI.
2. Share best practices through internal and external channels.
3. Organize workshops and seminars to disseminate knowledge.
4. Encourage feedback and continuous improvement.

**Challenges & Mitigation:** Ensuring participation can be managed through incentives and recognition.

**Measurable Outcomes:** Increased adoption of best practices in AI.

### Economic Dimension:

**Action:** Promote transparency in the economic benefits of AI sustainability initiatives.

### Threats/Opportunities:

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Transparent communication about the economic benefits of AI sustainability initiatives can foster the development of new business models and revenue streams focused on sustainability.

**Explanation:** Transparency builds trust and support for AI sustainability projects.

**Steps:**

1. Document economic benefits of AI sustainability initiatives.
2. Share economic outcomes through regular reports and updates.
3. Engage stakeholders in discussions about economic impacts.
4. Encourage feedback and continuous improvement.

**Challenges & Mitigation:** Ensuring accuracy in reporting can be managed through robust data verification processes.

**Measurable Outcomes:** Increased stakeholder trust and support for AI sustainability.

**Social Dimension:**

**Action:** Foster a culture of openness about the social impacts of AI.

**Threats/Opportunities:**

- **Opportunity: Enhanced transparency and accountability:** Openness about the social impacts of AI can build trust and ensure accountability, enhancing the overall social responsibility of AI projects.

**Explanation:** Transparency in social impacts builds trust and social responsibility in AI.

**Steps:**

1. Document social impacts of AI projects.
2. Share social outcomes through regular reports and updates.
3. Engage stakeholders in discussions about social impacts.
4. Encourage feedback and continuous improvement.

**Challenges & Mitigation:** Ensuring comprehensive reporting can be managed through stakeholder engagement.

**Measurable Outcomes:** Increased social responsibility and stakeholder trust.

**Technical Dimension:**

**Action:** Ensure technical transparency in AI development and deployment.

**Threats/Opportunities:**

- **Opportunity: Enhanced transparency and accountability:** Technical transparency helps stakeholders understand AI systems and trust their decisions, fostering greater accountability.

**Explanation:** Technical transparency promotes understanding and trust in AI systems.

**Steps:**

1. Document technical processes and decisions in AI development.
2. Share technical information through reports and presentations.
3. Engage technical stakeholders in discussions about AI systems.
4. Encourage feedback and continuous improvement.

**Challenges & Mitigation:** Ensuring technical accuracy can be managed through thorough documentation.

**Measurable Outcomes:** Increased technical transparency and stakeholder trust.

**Individual Dimension:**

**Action:** Encourage employees to share insights and knowledge about sustainable AI practices.

**Threats/Opportunities:**

- **Opportunity: Enhanced job satisfaction for staff:** Encouraging knowledge sharing among employees can improve job satisfaction and foster a culture of continuous improvement.

**Explanation:** Knowledge sharing fosters a culture of continuous improvement in AI.

**Steps:**

1. Develop platforms for employees to share knowledge and insights about AI sustainability.
2. Encourage knowledge sharing through incentives and recognition.
3. Organize regular forums and workshops for knowledge exchange.

4. Monitor and report on knowledge sharing outcomes.

**Challenges & Mitigation:** Ensuring participation can be managed through engagement strategies.

**Measurable Outcomes:** Increased knowledge sharing and continuous improvement in AI sustainability.

## 7.9 Resource Optimization

### Environmental Dimension:

**Action:** Optimize the use of natural resources in AI development and deployment.

### Threats/Opportunities:

- **Threat: Resource use for AI model training and updates:** The extensive computational power required for AI training can lead to significant resource consumption, impacting the environment.
- **Opportunity: Improved resource allocation:** Efficiently allocating resources can lead to more sustainable operations and reduced environmental impact.

**Explanation:** Efficient resource use in AI reduces environmental impact.

### Steps:

1. Conduct a resource use assessment for AI projects.
2. Identify opportunities for resource optimization.
3. Implement changes to reduce resource use in AI.
4. Monitor and report on resource optimization outcomes.

**Challenges & Mitigation:** Resistance to change can be managed through education and incentives.

**Measurable Outcomes:** Reduced resource use and environmental impact in AI projects.

### Economic Dimension:

**Action:** Improve financial efficiency while maintaining sustainability standards in AI projects.

**Threats/Opportunities:**

- **Threat: Dependence on AI vendors and supply chain risks:** Relying heavily on specific vendors can introduce financial and operational risks, affecting sustainability.
- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Developing AI systems with sustainability in mind can open up new markets and revenue opportunities.

**Explanation:** Financial efficiency ensures the long-term viability of sustainable AI projects.

**Steps:**

1. Conduct a financial efficiency assessment for AI projects.
2. Identify opportunities for cost savings in AI.
3. Implement changes to improve financial efficiency.
4. Monitor and report on financial efficiency outcomes.

**Challenges & Mitigation:** Financial constraints can be managed through phased implementation.

**Measurable Outcomes:** Improved financial efficiency and sustainability in AI projects.

**Social Dimension:**

**Action:** Ensure equitable distribution of resources in AI projects.

**Threats/Opportunities:**

- **Threat: Increased digital divide:** Unequal access to AI technologies can exacerbate existing social inequalities.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** Promoting fair resource distribution can enhance ethical standards and align AI projects with social values.

**Explanation:** Equitable resource distribution promotes social fairness in AI.

**Steps:**

1. Conduct an assessment of resource distribution in AI projects.
2. Identify and address any inequities in AI resource allocation.
3. Implement changes to ensure equitable distribution in AI projects.
4. Monitor and report on resource distribution outcomes.

**Challenges & Mitigation:** Ensuring equity can be managed through continuous engagement and monitoring.

**Measurable Outcomes:** Improved equity in AI resource distribution.

**Technical Dimension:**

**Action:** Develop AI systems that use computational resources efficiently.

**Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** High computational demands of AI systems can lead to significant energy consumption.
- **Opportunity: Improved resource allocation:** Efficient use of computational resources can reduce energy use and associated costs.

**Explanation:** Efficient computational resource use in AI reduces costs and environmental impact.

**Steps:**

1. Conduct an assessment of computational resource use in AI systems.
2. Identify opportunities for optimization in AI resource use.
3. Implement changes to improve computational efficiency in AI.
4. Monitor and report on computational resource use in AI.

**Challenges & Mitigation:** Ensuring efficiency can be managed through continuous monitoring and adjustment.

**Measurable Outcomes:** Improved computational efficiency and reduced costs in AI systems.



**Individual Dimension:**

**Action:** Train staff to use resources effectively and sustainably in AI projects.

**Threats/Opportunities:**

- **Opportunity: Shift in workforce skills requirements:** As AI systems evolve, there is a growing need for staff to adapt to new skills and competencies.
- **Opportunity: Skill development and upskilling opportunities:** Providing training on resource optimization can enhance employees' skills and contribute to sustainable practices.

**Explanation:** Training ensures that employees contribute to resource optimization in AI.

**Steps:**

1. Conduct a training needs assessment for AI sustainability.
2. Develop training programs focused on resource optimization in AI.
3. Implement training sessions and workshops for AI sustainability.
4. Monitor and report on training outcomes in AI resource optimization.

**Challenges & Mitigation:** Ensuring engagement can be managed through flexible learning options.

**Measurable Outcomes:** Improved staff knowledge and resource optimization in AI projects.

**7.10 Compliance and Beyond****Environmental Dimension:**

**Action:** Ensure compliance with environmental regulations in AI projects and strive to exceed them.

**Threats/Opportunities:**

- **Threat: Increased energy consumption for AI-driven operations:** The high energy demands of AI systems can lead to significant environmental impacts if not properly managed.

- **Opportunity: Contribution to climate change mitigation:** By adhering to and exceeding environmental regulations, AI projects can significantly reduce their carbon footprint and contribute to broader climate goals.

**Explanation:** Compliance ensures legal adherence and promotes environmental leadership in AI.

**Steps:**

1. Identify relevant environmental regulations for AI.
2. Develop compliance strategies and plans for AI projects.
3. Implement compliance measures and monitor outcomes in AI.
4. Report on compliance and strive to exceed regulatory requirements in AI.

**Challenges & Mitigation:** Keeping up with regulations can be managed through continuous monitoring and updates.

**Measurable Outcomes:** Achieving and exceeding compliance standards in AI projects.

**Economic Dimension:**

**Action:** Adhere to economic guidelines that support sustainable AI development.

**Threats/Opportunities:**

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Adhering to economic guidelines can open up new opportunities for business models that prioritize sustainability, leading to additional revenue streams.

**Explanation:** Economic adherence ensures the financial viability of sustainable AI projects.

**Steps:**

1. Identify relevant economic guidelines for AI projects.
2. Develop adherence strategies and plans for sustainable AI.
3. Implement measures and monitor outcomes in AI sustainability.

4. Report on adherence and strive to exceed economic guidelines in AI projects.

**Challenges & Mitigation:** Ensuring adherence can be managed through continuous monitoring and updates.

**Measurable Outcomes:** Achieving and exceeding economic guidelines in AI projects.

**Social Dimension:**

**Action:** Comply with social responsibility standards in AI projects.

**Threats/Opportunities:**

- **Threat: Increased digital divide:** Without proper compliance, AI initiatives may exacerbate social inequalities, particularly in access to technology.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** Adhering to social responsibility standards ensures that AI projects align with ethical values and promote social good.

**Explanation:** Social compliance ensures that AI projects benefit society.

**Steps:**

1. Identify relevant social responsibility standards for AI.
2. Develop compliance strategies and plans for AI projects.
3. Implement measures and monitor outcomes in AI social compliance.
4. Report on compliance and strive to exceed social standards in AI.

**Challenges & Mitigation:** Ensuring social compliance can be managed through continuous monitoring and updates.

**Measurable Outcomes:** Achieving and exceeding social responsibility standards in AI projects.

**Technical Dimension:**

**Action:** Follow technical standards and best practices for sustainable AI.

**Threats/Opportunities:**

- **Threat: Increased cybersecurity risks:** As AI systems become more integrated, they may be more vulnerable to cyber-attacks.
- **Opportunity: Enhanced real-time monitoring of equipment health:** Adhering to technical standards can improve the reliability and monitoring capabilities of AI systems, ensuring sustainable operations.

**Explanation:** Technical adherence ensures the reliability and sustainability of AI systems.

**Steps:**

1. Identify relevant technical standards and best practices for AI.
2. Develop adherence strategies and plans for sustainable AI.
3. Implement measures and monitor outcomes in AI technical compliance.
4. Report on adherence and strive to exceed technical standards in AI projects.

**Challenges & Mitigation:** Ensuring technical compliance can be managed through continuous monitoring and updates.

**Measurable Outcomes:** Achieving and exceeding technical standards in AI projects.

**Individual Dimension:**

**Action:** Maintain individual accountability and ethical standards in AI practices.

**Threats/Opportunities:**

- **Threat: AI manipulation of consumer choices:** There is a risk that AI could be used unethically to manipulate consumer behavior.
- **Threat: Privacy concerns due to extensive data collection:** AI systems often require large amounts of data, raising concerns about privacy and data protection.

**Explanation:** Individual adherence ensures that ethical standards are upheld in AI projects.

**Steps:**

1. Develop and communicate ethical standards for AI practices.
2. Train individuals on these standards and their importance in AI projects.

3. Monitor and enforce individual adherence to ethical standards in AI.
4. Report on adherence and strive to exceed ethical standards in AI projects.

**Challenges & Mitigation:** Ensuring individual accountability can be managed through continuous training and monitoring.

**Measurable Outcomes:** Achieving and exceeding ethical standards in AI projects.

## 7.11 Innovation for Sustainability

### Environmental Dimension:

**Action:** Innovate AI solutions that address environmental challenges.

### Threats/Opportunities:

- **Opportunity: Contribution to climate change mitigation:** AI innovations can significantly reduce carbon emissions and contribute to broader climate goals.
- **Opportunity: Improved resource allocation:** Advanced AI solutions can optimize the use of resources, reducing waste and environmental impact.

**Explanation:** Innovation drives the development of sustainable AI solutions.

### Steps:

1. Identify key environmental challenges that AI can address.
2. Develop and test innovative AI solutions for environmental issues.
3. Implement successful AI solutions and monitor their impact on the environment.
4. Share results and scale up successful innovations in AI sustainability.

**Challenges & Mitigation:** Ensuring innovation can be managed through continuous R&D and collaboration.

**Measurable Outcomes:** Successful development and implementation of innovative AI solutions for the environment.

### Economic Dimension:

**Action:** Develop new AI-driven business models that promote economic sustainability.

**Threats/Opportunities:**

- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Innovative AI solutions can open new market opportunities and generate revenue through sustainable products and services.

**Explanation:** Sustainable AI business models ensure long-term economic viability.

**Steps:**

1. Identify opportunities for new AI-driven business models.
2. Develop and test new AI business models for sustainability.
3. Implement successful AI business models and monitor their economic impact.
4. Share results and scale up successful AI sustainability business models.

**Challenges & Mitigation:** Ensuring economic sustainability can be managed through continuous monitoring and adjustment.

**Measurable Outcomes:** Successful development and implementation of new AI-driven business models for sustainability.

**Social Dimension:**

**Action:** Encourage social innovation through AI technologies.

**Threats/Opportunities:**

- **Opportunity: Increased consumer adoption of sustainable products:** AI innovations can drive consumer interest and adoption of sustainable products.
- **Opportunity: Increased emphasis on AI ethics and value alignment:** AI-driven social innovations can align with ethical values and promote societal benefits.

**Explanation:** Social innovation ensures that AI technologies benefit society.

**Steps:**

1. Identify opportunities for social innovation using AI.
2. Develop and test innovative AI solutions for social issues.

3. Implement successful AI solutions and monitor their social impact.
4. Share results and scale up successful AI social innovations.

**Challenges & Mitigation:** Ensuring social impact can be managed through continuous monitoring and engagement.

**Measurable Outcomes:** Successful development and implementation of socially innovative AI solutions.

**Technical Dimension:**

**Action:** Invest in R&D for sustainable AI technologies.

**Threats/Opportunities:**

- **Opportunity: Enhanced data collection and processing:** Advanced AI technologies can improve data collection and processing capabilities, leading to better decision-making and sustainability outcomes.
- **Opportunity: Improved performance and reliability:** Investing in sustainable AI R&D can enhance the overall performance and reliability of AI systems.

**Explanation:** R&D drives the development of sustainable AI technologies.

**Steps:**

1. Identify key areas for R&D investment in AI sustainability.
2. Develop and test new AI technologies for sustainability.
3. Implement successful AI technologies and monitor their impact.
4. Share results and scale up successful AI sustainability innovations.

**Challenges & Mitigation:** Ensuring continuous R&D can be managed through sustained investment and collaboration.

**Measurable Outcomes:** Successful development and implementation of sustainable AI technologies.

**Individual Dimension:**

**Action:** Foster a culture of innovation among employees in AI projects.

**Threats/Opportunities:**

- **Opportunity: Shift in workforce skills requirements:** Encouraging innovation can help employees develop new skills that are essential for future AI projects.
- **Opportunity: Skill development and upskilling opportunities:** Fostering innovation leads to continuous learning and professional growth for employees.

**Explanation:** An innovative culture encourages employees to develop sustainable AI solutions.

**Steps:**

1. Develop programs to encourage employee innovation in AI.
2. Provide resources and support for innovative AI projects.
3. Recognize and reward innovative contributions in AI sustainability.
4. Share successful AI innovations and encourage continuous improvement.

**Challenges & Mitigation:** Ensuring continuous innovation can be managed through incentives and support.

**Measurable Outcomes:** Increased employee innovation and successful project implementation in AI sustainability.

**7.12 Data Integration and Interoperability****Environmental Dimension:**

**Action:** Integrate environmental data across AI systems to enhance sustainability.

**Threats/Opportunities:**

- **Opportunity: Improved resource allocation:** Integrating environmental data allows for more precise allocation of resources, reducing waste and optimizing usage.
- **Opportunity: Extended lifecycle of components:** Effective data integration can help predict maintenance needs and extend the lifecycle of AI system components.



**Explanation:** Data integration ensures comprehensive environmental monitoring and action in AI projects.

**Steps:**

1. Identify key environmental data sources for AI.
2. Develop a data integration framework for AI environmental data.
3. Implement data integration and monitor outcomes in AI projects.
4. Share integrated data and encourage collaborative action in AI sustainability.

**Challenges & Mitigation:** Ensuring data accuracy can be managed through robust data management practices.

**Measurable Outcomes:** Improved environmental data integration and action in AI projects.

**Economic Dimension:**

**Action:** Ensure economic data interoperability to support AI sustainability initiatives.

**Threats/Opportunities:**

- **Opportunity: More accurate pricing reflecting environmental costs:** Integrating economic and environmental data can help in developing pricing strategies that reflect true environmental costs.
- **Opportunity: New business models and revenue streams from sustainability-focused products/services:** Data interoperability can lead to innovative business models that capitalize on sustainability trends.

**Explanation:** Data interoperability ensures that economic data supports sustainability goals in AI projects.

**Steps:**

1. Identify key economic data sources for AI.
2. Develop a data interoperability framework for AI economic data.
3. Implement data interoperability and monitor outcomes in AI projects.
4. Share integrated data and encourage collaborative action in AI sustainability.

**Challenges & Mitigation:** Ensuring data accuracy can be managed through robust data management practices.

**Measurable Outcomes:** Improved economic data integration and support for AI sustainability.

**Social Dimension:**

**Action:** Share social impact data across AI departments for cohesive action.

**Threats/Opportunities:**

- **Opportunity: Increased emphasis on AI ethics and value alignment:** Sharing social impact data can help align AI initiatives with ethical values and societal expectations.

**Explanation:** Sharing social impact data ensures coordinated and effective action in AI projects.

**Steps:**

1. Identify key social impact data sources for AI.
2. Develop a data sharing framework for AI social data.
3. Implement data sharing and monitor outcomes in AI projects.
4. Share integrated data and encourage collaborative action in AI sustainability.

**Challenges & Mitigation:** Ensuring data accuracy can be managed through robust data management practices.

**Measurable Outcomes:** Improved social impact data sharing and coordinated action in AI projects.

**Technical Dimension:**

**Action:** Develop interoperable AI systems that support sustainability goals.

**Threats/Opportunities:**

- **Opportunity: Enhanced data collection and processing:** Interoperable systems improve the efficiency of data collection and processing, leading to better decision-making.
- **Opportunity: Enhanced real-time monitoring of equipment health:** Improved interoperability allows for real-time monitoring, enhancing the maintenance and reliability of AI systems.

**Explanation:** Interoperable AI systems ensure seamless integration and collaboration for sustainability.

**Steps:**

1. Identify key technical data sources and requirements for AI.
2. Develop an interoperability framework for AI systems.
3. Implement interoperability and monitor outcomes in AI projects.
4. Share integrated AI systems and encourage collaborative action in sustainability.

**Challenges & Mitigation:** Ensuring technical compatibility can be managed through continuous monitoring and adjustment.

**Measurable Outcomes:** Improved technical interoperability and collaboration in AI projects.

**Individual Dimension:**

**Action:** Train staff on the importance of data integration and interoperability for AI sustainability.

**Threats/Opportunities:**

- **Opportunity: Shift in workforce skills requirements:** Training in data integration can prepare the workforce for evolving roles in AI sustainability.
- **Opportunity: Skill development and upskilling opportunities:** Continuous training provides opportunities for professional growth and development in data management and AI integration.

**Explanation:** Training ensures that staff understand and support data integration efforts in AI projects.

**Steps:**

1. Develop training programs focused on data integration and interoperability in AI.
2. Implement training sessions and workshops for AI sustainability.
3. Monitor and report on training outcomes in AI data integration.
4. Encourage continuous learning and improvement in data integration practices.

**Challenges & Mitigation:** Ensuring engagement can be managed through flexible learning options.

**Measurable Outcomes:** Improved staff knowledge and support for data integration and interoperability in AI projects.

## CHAPTER 8 - THREATS TO VALIDITY

As with any qualitative research study, it is essential to acknowledge and address potential threats to the validity of the findings. In this section, we discuss the steps taken to mitigate these threats and the limitations that should be considered when interpreting the results.

### 8.1 Internal Validity

Internal validity refers to the extent to which a study's design and methodology allow for causal inferences to be made about the relationships between variables. It addresses whether the observed effects are due to the independent variable or other factors.

**Researcher Bias:** To minimize the potential for researcher bias, the interview questions were carefully designed to be open-ended and neutral, allowing participants to share their perspectives freely without undue influence. Furthermore, deliberate steps were taken to maintain a neutral stance during the interviews, avoiding leading questions, tone, or body language that could influence participants' responses. Additionally, no judgments or assumptions were made about the participants' answers, instead, focusing on capturing their perspectives accurately and objectively.

**Participant Bias:** While efforts were made to recruit a diverse range of participants, the limited sample size may have limited the diversity of perspectives represented. Furthermore, it is possible that some participants may have provided socially desirable responses or withheld certain information due to concerns about confidentiality or the potential impact on their organizations. To address this, participants were assured of anonymity and confidentiality, and the informed consent process clearly outlined the ethical safeguards in place.

## 8.2 External Validity

External validity concerns the extent to which the study's findings can be generalized to other populations, settings, and contexts. It involves assessing whether the results can be applied beyond the specific sample and research environment.

**Sample Size and Representativeness:** The study involved interviews with professionals from only three companies, which may limit the generalizability of the findings. While these companies were selected to represent different industries and sizes, the small sample size may not capture the full range of experiences and practices across various sectors and geographical regions. To mitigate this limitation, the findings from the interviews were corroborated and triangulated with existing research and literature in the field of AI, sustainability, and corporate social responsibility. By situating the primary data within the broader academic discourse, the study aimed to enhance the transferability of the insights to other contexts.

**Industry-specific Factors:** As the research focused on the integration of AI in corporate sustainability and CSR initiatives, the findings may not be directly applicable to organizations operating in different contexts or industries with distinct sustainability challenges and priorities.

## 8.3 Construct Validity

Construct validity deals with whether the measures used in the study accurately reflect the theoretical constructs or concepts being investigated. It involves evaluating whether the operational definitions of variables truly capture the underlying concepts.

**Operationalization of Concepts:** The study relied on participants' subjective interpretations and understandings of key concepts, such as "sustainability," "corporate social responsibility," and "AI integration." While efforts were made to clarify these terms before and during the interviews, variations in their interpretations may exist, potentially impacting the consistency of the findings.

**Qualitative Data Limitations:** Qualitative data analysis, while providing rich insights, is inherently interpretive and may be influenced by the researchers' backgrounds and perspectives. To mitigate this, the coding and analysis processes were documented in detail, and regular discussions among the research team ensured consistent interpretations.

## 8.4 Reliability

Reliability involves the consistency and dependability of the study's findings, and whether the results can be reproduced by other researchers using similar methods and procedures.

**Replicability:** While the qualitative nature of the study allows for in-depth exploration, replicating the exact conditions and participant responses may be challenging. Detailed documentation of the research process, including the literature review protocols, interview protocols, and coding procedures, was maintained to enhance the transparency and potential for future replication or extension of the study.

# CHAPTER 9 - CONCLUSION

From our study, it is evident that AI holds potential for enhancing modern business practices. It has shown that AI can contribute to operational efficiency, support sustainability goals, and drive innovation. However, these benefits come with challenges that require thoughtful consideration and strategic planning.

## 9.1 Summary of the Study and Key Findings

Reflecting on the experiences documented in our research, AI's role in sustainability and CSR is multifaceted and transformative. The adoption of AI technologies across various domains - from logistics optimization and predictive maintenance to customer engagement and sustainability reporting - demonstrates its versatility and potential to revolutionize business operations. These applications highlight AI's ability to enhance decision-making

processes and stakeholder interactions, ultimately driving more sustainable business practices.

AI's utility in systems thinking underscores its potential in addressing complex sustainability challenges. By enabling comprehensive data analysis and predictive modeling, AI helps organizations understand the interdependencies within their operations and across their value chains. This holistic perspective is vital for developing effective sustainability strategies that consider the environmental, social, and economic dimensions of business activities. Through systems thinking, AI can facilitate more informed decision-making, enhance resource efficiency, and promote long-term sustainability.

However, the potential of AI is accompanied by significant ethical implications and risks. Challenges such as data silos, transparency, and accountability are critical issues that need to be addressed to align AI with CSR and sustainability goals effectively. A comprehensive approach that integrates technological advancements with ethical frameworks and robust governance structures is essential. This alignment is not only strategically beneficial but also crucial to ensuring that AI contributes positively to society and the environment.

Our developed guidelines emphasize the importance of integrating AI with sustainability practices. These guidelines outline steps for enhancing energy efficiency in AI operations, optimizing resource allocation, fostering an inclusive culture, and incorporating ethical considerations into AI development. They also stress the importance of stakeholder engagement, continuous innovation, and rigorous measurement and monitoring to ensure AI's positive impact on sustainability and CSR objectives.

Key findings from the study highlight the diverse applications of AI. The companies studied have integrated AI across various functions, showcasing its broad applicability. From optimizing supply chains to enhancing customer service, AI tools are being leveraged to improve efficiency and effectiveness in numerous areas. The AI tools deployed by these companies align well with their sustainability and CSR strategies. For instance, AI-driven logistics optimization helps reduce fuel consumption, while AI-powered sustainability reporting enhances transparency and accountability.

Despite these benefits, significant challenges remain, including issues of transparency, data privacy, and the need for ethical AI deployment. Ensuring that AI systems are transparent

and accountable is critical for maintaining trust and achieving sustainability objectives. The potential for further enhancement of AI tools to better support sustainability and CSR objectives includes developing advanced AI models for real-time tracking of carbon emissions, integrating AI with ESG reporting, and ensuring responsible AI development that prioritizes ethics and data privacy.

## **9.2 Future Research Directions**

Several promising avenues for future research and development have emerged from this study. These directions aim to harness AI's potential to meet pressing business needs while advancing sustainability and CSR objectives.

One critical area for future focus is the enhancement of integrated data management systems to better integrate AI across the different verticals of an organization. Developing more sophisticated data integration platforms that support real-time data exchange and comprehensive sustainability assessments will help organizations break down data silos and make more informed decisions. Such systems will enable more holistic decision-making processes and foster transparency across departments and organizations.

Future research should also emphasize the development of robust ethical AI frameworks, particularly through the creation of key performance indicators (KPIs) that align AI systems with a company's sustainability strategy. These KPIs must ensure that AI systems are transparent, accountable, and fair. Developing methodologies for auditing AI algorithms, mitigating biases, and ensuring compliance with data privacy regulations will help build trust among stakeholders and align AI applications with broader societal values. Establishing clear, measurable KPIs will facilitate the continuous monitoring and improvement of AI systems, ensuring they support and enhance corporate sustainability efforts.

Another pivotal direction is the development of frugal and explainable AI. By focusing on cost-effective and resource-efficient AI solutions, organizations can reduce the environmental impact of AI technologies and make them more accessible to a broader range of businesses, including SMEs. Moreover, integrating explainable AI ensures that AI systems are not only efficient but also transparent and understandable, allowing stakeholders to trust and effectively utilize AI-driven insights. This combination of frugal



and explainable AI can democratize access to advanced AI capabilities while maintaining ethical standards and operational transparency.

AI technologies can significantly support the transition to a circular economy by optimizing material use, enabling product lifecycle assessments, and promoting resource reuse and recycling. Advancing circular economy principles through AI can minimize waste and maximize resource efficiency, aligning with global sustainability goals and fostering sustainable production and consumption patterns.

Finally, considering the broader sociopolitical and socioeconomic implications of AI is essential. AI's influence on job markets, privacy norms, and societal structures necessitates the creation of regulatory frameworks that support ethical AI development and mitigate potential negative impacts. Governments, businesses, and communities must collaborate to ensure that AI contributes positively to social equity and economic stability.

In conclusion, this study underscores the strategic integration of AI tools in supporting sustainability and CSR goals. The insights gathered highlight the current capabilities of AI technologies, their alignment with sustainability objectives, and the potential areas for future development. Addressing the identified challenges and leveraging the proposed enhancements can further align AI with corporate sustainability strategies, driving positive environmental and social outcomes. This comprehensive analysis provides a roadmap for companies to optimize their AI applications and contributes to the broader academic and practical discourse on the role of AI in sustainable business practices.

### **9.3 Final Remarks**

To realize the full potential of AI in fostering sustainable practices, it is crucial for organizations to actively engage with these findings. Businesses should prioritize the development and implementation of ethical, efficient, and transparent AI systems. This comprehensive analysis offers a clear roadmap for optimizing AI applications, and it is imperative that industry leaders take decisive steps to integrate these strategies into their organizational processes.

We encourage industry stakeholders, policymakers, and the academic community to collaborate and continue advancing the field of sustainable AI. By doing so, we can ensure

that AI not only drives business efficiency but also contributes to a more sustainable and equitable future. This collective effort will be essential in transforming AI into a powerful tool for achieving long-term sustainability goals.

## REFERENCES

1. Mazzi, F., 2023. Concerted Actions to Integrate Corporate Social Responsibility with AI in Business: Two Recommendations on Leadership and Public Policy, in: CSR, Sustainability, Ethics & Governance. pp. 251–266.  
[https://doi.org/10.1007/978-3-031-09245-9\\_13](https://doi.org/10.1007/978-3-031-09245-9_13)
2. Mhlanga, D., 2021. Artificial Intelligence in the Industry 4.0, and Its Impact on Poverty, Innovation, Infrastructure Development, and the Sustainable Development Goals: Lessons from Emerging Economies? Sustainability 13, 5788.  
<https://doi.org/10.3390/su13115788>
3. Ryan, M., Antoniou, J., Brooks, L., Jiya, T., Macnish, K., Stahl, B., 2019. Technofixing the Future: Ethical Side Effects of Using AI and Big Data to Meet the SDGs. <https://doi.org/10.1109/smartworld-uic-atc-scalcom-iop-sci.2019.00101>
4. Sætra, H.S., 2021. A Framework for Evaluating and Disclosing the ESG Related Impacts of AI with the SDGs. Sustainability 13, 8503.  
<https://doi.org/10.3390/su13158503>
5. Tomašev, N., Cornebise, J., Hutter, F., Mohamed, S., Picciariello, A., Connelly, B., Belgrave, D.C.M., Ezer, D., Van Der Haert, F.C., Mugisha, F., Abila, G., Arai, H., Almiraat, H., Proskurnia, J., Snyder, K., Otake-Matsuura, M., Othman, M., Glasmachers, T., De Wever, W., Teh, Y.W., Khan, M.E., De Winne, R., Schaul, T., Clopath, C., 2020. AI for social good: unlocking the opportunity for positive impact. Nature Communications 11. <https://doi.org/10.1038/s41467-020-15871-z>

6. Chen, P., Chu, Z., Zhao, M., 2024. The Road to corporate sustainability: The importance of artificial intelligence. *Technology in Society* 76, 102440.  
<https://doi.org/10.1016/j.techsoc.2023.102440>
7. Di Vaio, A., Palladino, R., Hassan, R., Escobar, O., 2020. Artificial intelligence and business models in the sustainable development goals perspective: A systematic literature review. *Journal of Business Research* 121, 283–314.  
<https://doi.org/10.1016/j.jbusres.2020.08.019>
8. Sipola, J., Saunila, M., Ukko, J., 2023. Adopting artificial intelligence in sustainable business. *Journal of Cleaner Production* 426, 139197.  
<https://doi.org/10.1016/j.jclepro.2023.139197>
9. Vinuesa, R., Azizpour, H., Leite, I., Balaam, M., Dignum, V., Domisch, S., Felländer, A., Langhans, S.D., Tegmark, M., Nerini, F.F., 2020. The role of artificial intelligence in achieving the Sustainable Development Goals. *Nature Communications* 11. <https://doi.org/10.1038/s41467-019-14108-y>
10. Attard-Frost, B., De Los Ríos, A., Walters, D.R., 2022. The ethics of AI business practices: a review of 47 AI ethics guidelines. *AI And Ethics* 3, 389–406.  
<https://doi.org/10.1007/s43681-022-00156-6>
11. Nishant, R., Kennedy, M., Corbett, J., 2020a. Artificial intelligence for sustainability: Challenges, opportunities, and a research agenda. *International Journal of Information Management* 53, 102104.  
<https://doi.org/10.1016/j.ijinfomgt.2020.102104>
12. Acemoglu, D., Restrepo, P., 2018. The Race between Man and Machine: Implications of Technology for Growth, Factor Shares, and Employment. *The American Economic Review* 108, 1488–1542.  
<https://doi.org/10.1257/aer.20160696>

13. Marinagi, C., Reklitis, P., Trivellas, P., Sakas, D., 2023. The Impact of Industry 4.0 Technologies on Key Performance Indicators for a Resilient Supply Chain 4.0. *Sustainability* 15, 5185. <https://doi.org/10.3390/su15065185>
14. Ali, S.M., Rahman, A.U., Kabir, G., Paul, S.K., 2024. Artificial Intelligence Approach to Predict Supply Chain Performance: Implications for Sustainability. *Sustainability* 16, 2373. <https://doi.org/10.3390/su16062373>
15. Dumitrascu, O., Dumitrascu, M., Dobrotă, D., 2020. Performance Evaluation for a Sustainable Supply Chain Management System in the Automotive Industry Using Artificial Intelligence. *Processes* 8, 1384. <https://doi.org/10.3390/pr8111384>
16. Vrontis, D., Chaudhuri, R., Chatterjee, S., 2023. Role of ChatGPT and Skilled Workers for Business Sustainability: Leadership Motivation as the Moderator. *Sustainability* 15, 12196. <https://doi.org/10.3390/su151612196>
17. Zhao, J., Fariñas, B.G., 2022. Artificial Intelligence and Sustainable Decisions. *European Business Organization Law Review* 24, 1–39. <https://doi.org/10.1007/s40804-022-00262-2>
18. Rusch, M., Schögl, J., Baumgartner, R.J., 2022. Application of digital technologies for sustainable product management in a circular economy: A review. *Business Strategy and the Environment* 32, 1159–1174. <https://doi.org/10.1002/bse.3099>
19. Sjödin, D., Parida, V., Kohtamäki, M., 2023. Artificial intelligence enabling circular business model innovation in digital servitization: Conceptualizing dynamic capabilities, AI capacities, business models and effects. *Technological Forecasting & Social Change/Technological Forecasting and Social Change* 197, 122903. <https://doi.org/10.1016/j.techfore.2023.122903>

20. Ardito, L., 2023. The influence of firm digitalization on sustainable innovation performance and the moderating role of corporate sustainability practices: An empirical investigation. *Business Strategy and the Environment* 32, 5252–5272. <https://doi.org/10.1002/bse.3415>
21. Chaudhuri, R., Chatterjee, S., Vrontis, D., Chaudhuri, S., 2022. Innovation in SMEs, AI Dynamism, and Sustainability: The Current Situation and Way Forward. *Sustainability* 14, 12760. <https://doi.org/10.3390/su141912760>
22. Zheng, L., Dong, Y., Chen, J., Li, Y., Li, W., Su, M., 2022. Impact of Crisis on Sustainable Business Model Innovation—The Role of Technology Innovation. *Sustainability* 14, 11596. <https://doi.org/10.3390/su141811596>
23. Bolesnikov, M., Stijačić, M.P., Keswani, A.B., Brkljač, N., 2022. Perception of Innovative Usage of AI in Optimizing Customer Purchasing Experience within the Sustainable Fashion Industry. *Sustainability* 14, 10082. <https://doi.org/10.3390/su141610082>
24. Arunmozhi, M., Venkatesh, V.G., Arisian, S., Shi, Y., Sreedharan, V.R., 2022. Application of blockchain and smart contracts in autonomous vehicle supply chains: An experimental design. *Transportation Research. Part E, Logistics and Transportation Review* 165, 102864. <https://doi.org/10.1016/j.tre.2022.102864>
25. Chauhan, C., Parida, V., Dhir, A., 2022. Linking circular economy and digitalisation technologies: A systematic literature review of past achievements and future promises. *Technological Forecasting & Social Change/Technological Forecasting and Social Change* 177, 121508. <https://doi.org/10.1016/j.techfore.2022.121508>
26. Weber-Lewerenz, B., 2021. Corporate digital responsibility (CDR) in construction engineering—ethical guidelines for the application of digital transformation and

- artificial intelligence (AI) in user practice. SN Applied Sciences/SN Applied Sciences 3. <https://doi.org/10.1007/s42452-021-04776-1>
27. Damoah, I.S., Ayakwah, A., Tingbani, I., 2021. Artificial intelligence (AI)-enhanced medical drones in the healthcare supply chain (HSC) for sustainability development: A case study. Journal of Cleaner Production 328, 129598. <https://doi.org/10.1016/j.jclepro.2021.129598>
  28. Çetin, S., De Wolf, C., Bocken, N., 2021. Circular Digital Built Environment: An Emerging Framework. Sustainability 13, 6348. <https://doi.org/10.3390/su13116348>
  29. Goralski, M.A., Tan, T.K., 2020. Artificial intelligence and sustainable development. International Journal of Management Education 18, 100330. <https://doi.org/10.1016/j.ijme.2019.100330>
  30. Magas, M., Kiritsis, D., 2021. Industry Commons: an ecosystem approach to horizontal enablers for sustainable cross-domain industrial innovation (a positioning paper). International Journal of Production Research 60, 479–492. <https://doi.org/10.1080/00207543.2021.1989514>
  31. Heldal, R., Nguyen, N.-T., Moreira, A., Lago, P., Duboc, L., Betz, S., Coroamă, V.C., Penzenstadler, B., Porras, J., Capilla, R., Brooks, I., Oyediji, S., Venters, C.C., 2024. Sustainability competencies and skills in software engineering: An industry perspective. Journal of Systems and Software/the æJournal of Systems and Software 211, 111978. <https://doi.org/10.1016/j.jss.2024.111978>
  32. Cohen, L., Manion, L., Morrison, K., 2017. Research Methods in Education, Routledge eBooks. <https://doi.org/10.4324/9781315456539>
  33. Vaismoradi, M., Jones, J., Turunen, H., Snelgrove, S., 2016. Theme development in qualitative content analysis and thematic analysis. Journal of Nursing Education and Practice 6. <https://doi.org/10.5430/jnep.v6n5p100>

34. Khakurel, J., Penzenstadler, B., Porras, J., Knutas, A., Zhang, W., 2018. The Rise of Artificial Intelligence under the Lens of Sustainability. *Technologies* 6, 100.  
<https://doi.org/10.3390/technologies6040100>
35. Betz, S., Duboc, L., Penzenstadler, B., Porras, J., Chitchyan, R., Seyff, N., Venters, C.C., Brooks, I., 2022. SusAF Workbook 6.0, Zenodo (CERN European Organization for Nuclear Research). <https://doi.org/10.5281/zenodo.7342575>
36. Kitchenham, B., Al-Khilidar, H., Babar, M.A., Berry, M., Cox, K., Keung, J., Kurniawati, F., Staples, M., Zhang, H., Zhu, L., 2007. Evaluating guidelines for reporting empirical software engineering studies. *Empirical Software Engineering* 13, 97–121. <https://doi.org/10.1007/s10664-007-9053-5>

## APPENDIX

All supplementary materials related to this research, including ethics documents, qualitative analysis, interview transcripts, and additional documentation, can be accessed via the following GitHub repository:

[GitHub Repository Link](#)

The repository contains the following folders:

1. **Analysis:** Contains files and references which were used for the analysis of interviews and the sustainability studies.
2. **Ethics:** Documents detailing agreements made between the researcher and the ethics committee and the descriptions of how the interview data will be utilised.
3. **Interview:** Contains documents which detail the collaboration invite, consent requested from the participants and the interview questions asked.

The repository is structured to provide easy access to all supplementary materials. Please refer to the README file included in the repository for more details about each file.