

Hope or hype

From COP28 to generative AI for sustainability

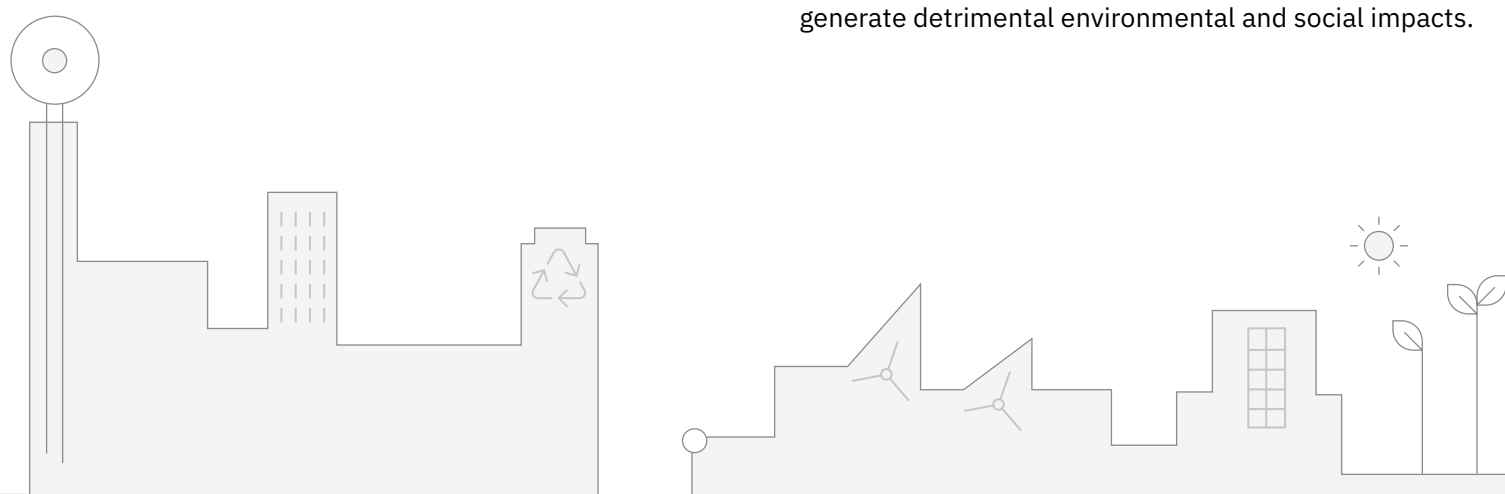
As the last delegates packed their bags and returned home from COP28, the members of the IBM Think Circle for Sustainability convened to discuss their experiences and look to the future of sustainability. This year’s COP took place against a backdrop of ongoing hype about generative AI and its transformative potential.

The Thinkers shared sentiments and discussed potential benefits generative AI might deliver for the sustainability function as well as the wider enterprise. The group also highlighted some of the necessary guardrails they would like to see in place for enterprises to take full advantage of this technology for a more sustainable future.

Sustainability is at an inflection point. With 86% of organizations indicating they have a sustainability strategy in place but only 35% executing on it, there is an important ambition-action gap.

Meanwhile, generative AI has emerged as a potentially transformative technology for converting sustainability ambition into action. 61% of executives think generative AI will be important for their sustainability efforts and 69% say they will increase their investment in generative AI for sustainability.

Chief Sustainability Officers—and their peers in the C-suite—see potential for generative AI to accelerate and scale sustainability efforts whilst advancing business outcomes. However, sustainable AI is not a given and the technology must be used responsibly so as not to generate detrimental environmental and social impacts.



The Thinkers discussed three main themes during the Circle.

1

COP28 showed the need for more collaboration to address climate change and highlighted the important role of business in advancing action. The criticality of financing the transition was also noted. The strong presence of industries such as health, agri-food, and energy were noteworthy, indicating the serious role that companies in these industries are now seeking to play in addressing climate change and advancing sustainable development.

“There is a desperate need for more collaboration between public, government, NGOs, and private sectors. None of these issues will get solved if we wait for regulators or policy makers alone.”

“You can’t blame the consumer. We as companies must figure out a way to help them, not only by designing more sustainable products, but products that are better and empower them.”

“This is hard, but there will be no action without financing.”

2

In the area of sustainability, some organizations are experimenting with the use of generative AI, but the Thinkers indicated that identifying the most relevant and impactful use cases is a top priority. Moreover, they expressed concerns about inadequate data and how the technology would be used to inform decision-making.

“I’m curious about the potential for generative AI to help us complete our carbon accounting.”

“I think this is going to be hugely valuable. But my concern is that I don’t think the data is good right now—it is a mix of data that’s good enough and data that’s not good at all.”

“Everything comes down to the credibility of the data.”

The Power of Many

The Thinkers expressed an interest in collaborating on identifying potential use cases and developing or fine-tuning models with appropriate data.

“It would be exciting if different groups could populate the generative AI model—eventually we’d have enough data to solve larger cross-industry challenges.”

“If we can collect data and track everything that’s required from CSRD or other directives in a quicker way, that would be helpful.”

“Keeping up to speed on the amount of regulations that are just coming at us fast and furious—and their nuances—and figuring out how we can bring it into our internal systems would be two things I’d love.”

3

The governance of generative AI will be critical for the technology to help advance the sustainability function within and between enterprises. The Thinkers identified governance, transparency, ethics, and trust as major concerns to be addressed for generative AI to be safely deployed.

“We obviously need to have all the conversations around ethical use of data and bias within data.”

“I will encourage us to think about what principles we are going to follow when we’re implementing this type of technology.”

Opportunities for sustainability leaders

Here are some actions that can help Chief Sustainability Officers manage the now, the new, and the next of technology disruption in order to embrace the opportunities while protecting against the risks:

- Change the enterprise mindset from “adding AI” to “starting with AI,” reinventing processes, workflows, and jobs to deliver sustainability improvements.
- Make sure use cases are easily explainable, that AI-generated artifacts are clearly identified, and that AI training is transparent and open to continual critique.
- To manage risk, document—with fact sheets—every instance of AI use in the organization and the current governance around it. Ensure AI-generated assets can be traced back to the foundation model, dataset, or other input, and be prepared to make adjustments based on regulation changes.
- Re-skill the employee base to understand AI and the proper (and improper) use of it. Build AI ethics and bias identification training programs for employees and partners to comply with AI ethics regulations.

Related data and resources

In the IBM Institute for Business Value CEO action guide on generative AI for sustainability, we found:

- **61%** of executives say generative AI will be important for their sustainability agenda.
- **69%** of organizations plan to increase their investment in generative AI for sustainability.
- **83%** of executives agree that high-quality data and transparency are necessary to achieve sustainability objectives.
- **65%** of organizations say they are co-creating generative AI capabilities for sustainability with ecosystem partners or suppliers.

For more data and insight

Seven bets

Our look at the trends shaping the world today—and the bets that can help propel business forward. [ibm.co/seven-bets](https://www.ibm.com/ibm.co/seven-bets)

The CEO action guide on generative AI for sustainability
[ibm.co/ceo-ai-sustainability](https://www.ibm.com/ibm.co/ceo-ai-sustainability)

The power of AI: Sustainability
[ibm.co/ai-data-sustainability](https://www.ibm.com/ibm.co/ai-data-sustainability)

Generating ROI with AI
[ibm.co/ai-capabilities](https://www.ibm.com/ibm.co/ai-capabilities)

What are generative AI models?
<https://www.youtube.com/watch?v=hfIUstzHs9A>