Ethics for sustainable AI adoption:
Connecting AI and ESG

Artificial intelligence (AI) is relevant to accountancy and finance professionals because it is moving from the experimental stage to adoption at scale over the decade of the 2020s. In doing so, it will transform every aspect of our lives. AI presents considerations across all three of the environmental, social and governance (ESG) dimensions. Managing the transition to mass adoption of AI in an ethical, responsible manner is essential if we are to derive sustainable long-term value from it.

> **THE ACCOUNTANCY PROFESSION, WITH ITS EXPLICIT AND LONG-STANDING COMMITMENT TO ETHICAL PRACTICES, IS WELL PLACED TO GUIDE ORGANISATIONS ALONG A RESPONSIBLE PATH FOR AI ADOPTION.**

To enable this, accountancy and finance professionals can play their part in various ways as noted below (drawing among other sources from a global survey of over 5,700 respondents commissioned for this report):

1. **Set tone at the top on AI adoption:** prioritise an AI approach that is consistent with organisational values such as diversity and inclusion (eg consider the impact of AI on under-represented groups), fairness (eg when using AI for recruitment or surveillance of employees) and transparency (eg appropriately disclosing AI use to customers).

2. **Deliver sustainable value:** when evaluating the business case for AI, consider long-term value and alignment with organisational strategy, beyond an immediate, narrow use case. Consider the reputational risk from mishandling adoption, and the public interest, in addition to immediate costs. Align 'value' to Sustainable Development Goals (SDGs) where appropriate (ACCA 2020a).

3. **Exercise professional judgement:** AI may create previously unseen situations; avoid over-reliance on simplistic checklist-based approaches which don't give the full picture or leave room for unintended consequences.

4. **Challenge greenwashing:** seek insights from AI tools to aid professional scepticism in examining whether the organisation's claims about sustainability, eg on net zero requirements, are matched by its performance; and challenge suspect claims ('greenwashing') through this bottom-up view of the data, the preparation of statements and what is eventually reported.

5. **Comply with regulation and ethics policies:** push for regulatory requirements and AI-specific ethics policies to be adhered to.

6. **Prioritise data management:** recognise the fundamental role of data as the raw material that feeds AI; focus on data confidentiality and the improvement of data quality.

7. **Take a strategic approach to oversight and delivery:** embed collaboration across siloes with cross-functional teams to ensure that a breadth of perspectives is represented in the approach. Establish mechanisms for contesting decisions made via AI, and for whistleblowing on inappropriate use of AI.

8. **Understand the vendor landscape:** build awareness of how AI is used within the industry and of the providers of AI solutions. Work with vendors who demonstrate a responsible approach, eg who have credible mechanisms for correcting for unfair bias or unintended consequences and/or who recognise and mitigate the energy consumption of complex algorithms.

9. **Build knowledge and skills:** create avenues (eg training courses, on-the-job opportunities) to build awareness and understanding of issues pertaining to AI ethics and sustainability.[1] Establish processes to document and share lessons learned from AI adoption.

FIGURE 2.1: AI adoption, by use case

| 19% | 15% | 7% |
| Accountancy and finance related tasks or functions (preparing financial statements, management reporting, to inform decision making etc) | Outside the accountancy and finance function | Audit and assurance |

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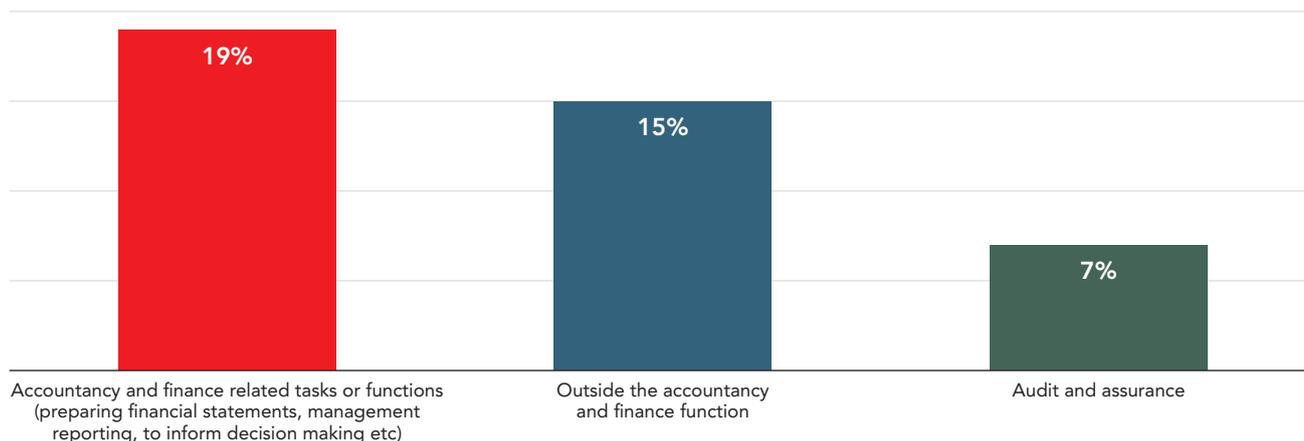
1 CA ANZ offers an Ethics and Business Module, and various courses in AI including Artificial intelligence and machine learning applications for business and Data is the new oil, so avoid an oil spill! And Data privacy, digital ethics and AI. ACCA offers an Ethics and Professional Skills Module, CPD courses in AI ((i) Machine learning – an Introduction for Finance Professionals – see ACCA n.d.a. – and (ii) Machine Learning with Python for Finance Professionals – see ACCA 2021a) and is launching courses in sustainability in Q4 2021.

'I agree that leaders in my organisation prioritise ethics as highly as generating profits'.

66%

LIVING WITH AI: *The impact of AI is positive/very positive on…*

43% My rights as an INDIVIDUAL
(eg safety and personal security, discriminatory treatment, lack of choice, lack of transparency)

35% My rights as a CONSUMER
(eg how my data is used by a company, discriminatory treatment, lack of transparency)

47% My rights as an EMPLOYEE
(eg fair and transparent hiring and remuneration practices)

51% My ability to live according to my values

64% The overall standard of living in society

32% Levels of inequality within society

USING AI:

48% I have a basic understanding of how an AI algorithm works

19% My organisation uses AI for accountancy and finance related tasks or functions
(eg preparing financial statements, management reporting, to inform decision making etc)
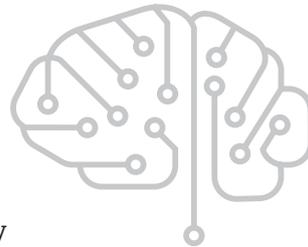
7% My organisation uses AI in audit and assurance

15% My organisation uses AI outside of the accountancy and finance function

GOVERNING AI:

21% My organisation has implemented an ethical framework for AI use

35% My organisation has considered relevant regulatory requirements for AI use

64% My organisation is effective in managing DATA QUALITY

72% My organisation is effective in managing DATA CONFIDENTIALITY

DATA QUALITY – My organisation's biggest challenge within the data life cycle is:

44%	**33**%	**27**%	**19**%	**9**%
Collection	Use	Secure storage	Dissemination/Spread	Lawful destruction

DATA CONFIDENTIALITY – My organisation's biggest challenge within the data life cycle is:

16%	**23**%	**46**%	**26**%	**17**%
Collection	Use	Secure storage	Dissemination/Spread	Lawful destruction

Discover the full report: **https://www.accaglobal.com/gb/en/ professional-insights/technology/ai_ethics.html**