

EY Thought Leadership considerations for DIAA

April 2024

How Artificial Intelligence can help us accelerate the pace of change the world needs.

Realising AI's potential for sustainable value creation requires building confidence, taking a holistic approach and augmenting people potential. In brief;

1. Stakeholders must have confidence in AI as an exponential technology for good, and not experience it as an accelerator of unsustainable practices.

Recent survey data reveals public unease. In the US, 52% of adults say they are more concerned than excited about AI's role in daily life, according to a recent study. Another survey of people in 10 European countries and the US finds that 72% of respondents believe AI must be managed carefully. *The EY CEO Outlook Pulse shows 65% of chief executives globally see AI is a force for good, but more work is needed to address risks and potential unintended consequences.*

To help address these concerns and build needed confidence, AI development and deployment must demonstrate its contribution to environmental sustainability and remain centred on human values.

2. With AI, business leaders can address the pace, scale and complexity of change and take bold steps on sustainability with confidence.

For business leaders facing the increasing pace, scale and complexity of change, the challenge becomes one of data and decision-making: How can teams arrive at insight more quickly (context, content and access) to support faster and more responsible decisions? How can they leverage data to create new sustainability solutions in the timeframe that we need them?

Applying AI to detection, prediction and generation can help leaders create the timely insights needed to take bold steps with confidence on sustainability and unlock exponential natural, social and economic value, (see *figure 1 overleaf*).



3. GenAI democratises access to data and insights, giving everyone augmented potential to drive and accelerate sustainable change.

Sustainability is everyone's business, and GenAI gives people new potential to act. Business leaders have new abilities to ask better questions of their organisational data, giving them the insights they need to make decisions faster and more responsibly. GenAI can also help teams catalyse the creativity and passion of each employee to create sustainability solutions for their organisations and their clients.

► The full article can be accessed here: [How AI can help accelerate the pace of change | EY UK](#)

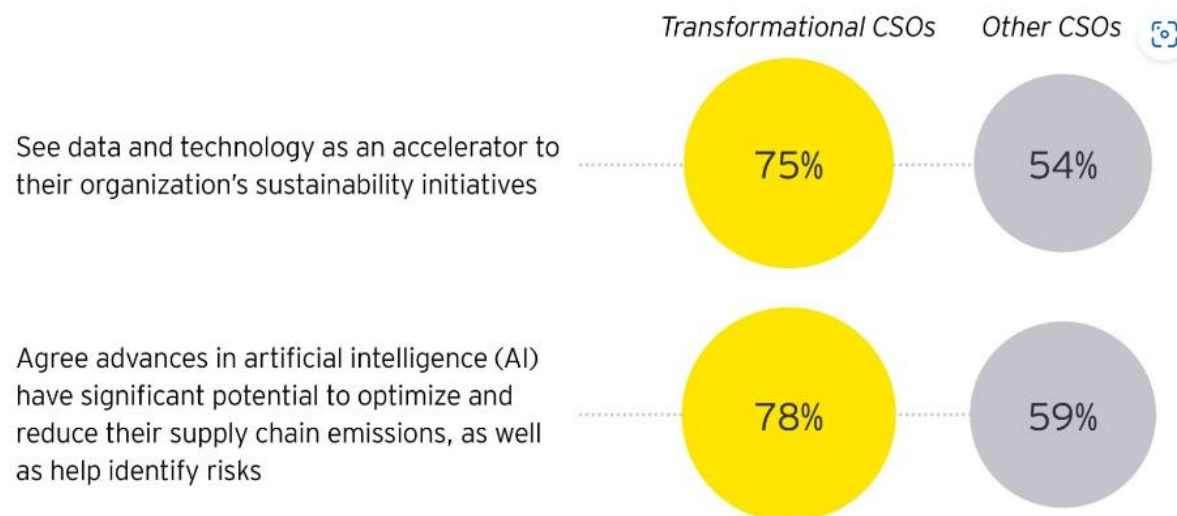
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Figure 1:

Differences in responses between two groups of participants in the 2023 EY Sustainable Value Study survey.

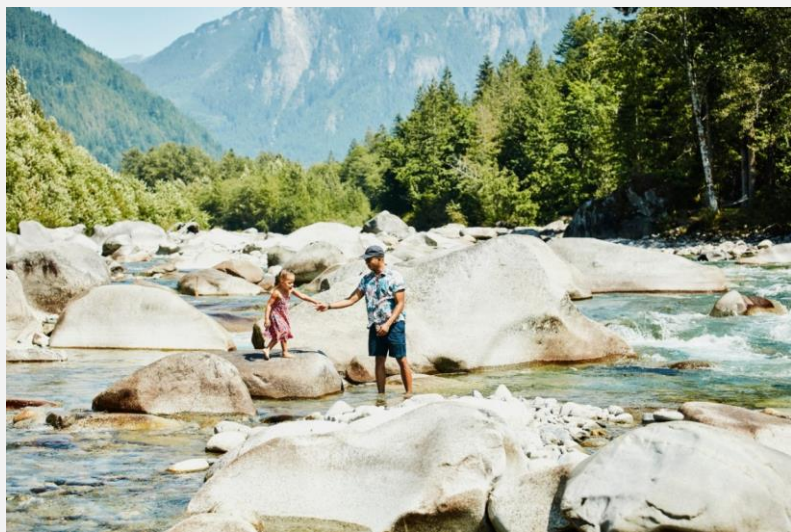
2023 EY Sustainable Value Study insight

Transformational chief sustainability officers (CSOs) are more likely to see data, technology and AI as value accelerators.



EY global survey of 520 CSOs or executives with equivalent responsibilities.

How do you teach AI the value of trust?



The need to build trust

Within the organisation, leaders must have confidence that their AI systems are functioning reliably and accurately, and they need to be able to trust the data being used. Yet this remains an area of concern; in our recent survey, nearly half (48%) of the respondents cited a lack of confidence in the quality and trustworthiness of data as a challenge for enterprise-wide AI programs.

In our ongoing dialogues with clients, regulators and academia – as well as in our experience in developing early uses and risk assessments for AI initiatives – we have observed three core principles that can help guide AI innovation in a way that builds and sustains trust:

1. Purposeful design: Design and build systems that purposefully integrate the right balance of robotic, intelligent and autonomous capabilities to advance well-defined business goals, mindful of context, constraints, readiness and risks.
2. Agile governance: Track emergent issues across social, regulatory, reputational and ethical domains to inform processes that govern the integrity of a system, its uses, architecture and embedded components, data sourcing and management, model training and monitoring.
3. Vigilant supervision: Continuously fine-tune, curate and monitor systems to achieve reliability in performance, identify and remediate bias, promote transparency and inclusiveness.

The transformative potential of AI is high – but so are its risks. Can embedding trust from the start help your company reap AI's rewards?

As has been proven time and again in recent high-profile catastrophes, there are serious operational risks of using AI without a robust governance and ethical framework around it. Data technologies and systems can malfunction, be deliberately or accidentally corrupted and even adopt human biases. These failures have profound ramifications for security, decision-making and credibility, and may lead to costly litigation, reputational damage, customer revolt, reduced profitability and regulatory scrutiny.

Five generative AI initiatives leaders should pursue now

It's time to move beyond quick efficiency gains to a cohesive AI strategy that is actionable and provides options in a fast-changing space.

- Generative artificial intelligence brings huge potential – but many are stymied by significant uncertainty and organisational constraints.
- Prioritise a small number of cross-cutting initiatives to bridge gaps and move up the AI maturity curve.
- Within each initiative, determine where to act now versus decide later – while identifying the criteria and thresholds used to trigger future activities.



To accelerate the adoption of AI in all regions and sectors, senior leaders should explore five key initiatives to build AI-ready enterprises of the future. These offer a roadmap for building confidence in AI to drive more equitable innovation and growth across the UK:

1. **Establish an AI 'control tower'** - To develop a strategic vision and ensure alignment with it, your AI strategy needs a control tower, charged with defining your organisation's strategy and ensuring that your resources and the other four initiatives are aligned to this vision.
2. **Reimagine your future business model and functions** - Preparing your organisation for the era of AI requires anticipating and preparing for the wide-ranging disruptions it is likely to unleash.
3. **Ensure confidence in AI** - As the use of AI increases across the enterprise, so will the risks and stakeholder expectations
4. **Address talent and technology gaps** - Companies face their biggest gaps in two functions: Talent and IT. Almost two-thirds (62%) of companies agree that their ability to maximize the value of GenAI is hampered by their data structures, legacy technology, or key skill gaps – a challenge that is consistent across sectors.
5. **Develop an ecosystem of alliances** - These unlock tremendous value. They can drive double-digit revenue growth and cost efficiencies, while increasing access to a wider pool of talent and capabilities. In a 2021 EY study of 300 CEOs from the Forbes 2000, only 29% had a strategy that included an ecosystem of external alliances – meaning many companies are relatively inexperienced with this approach.