

AI and Sustainable Development: publication of the inaugural ESSCA AI for Sustainability Institute barometer with Forvis Mazars

- **55% of European companies consider the impact of AI on their development to be positive**
- **50% of heads questioned consider AI as having a positive impact on the performance of their company**
- **18% of French companies declare that they are ready to manage the upheaval and risks connected with AI versus 34% of British companies**
- **45% of problems encountered by European companies originate from issues relating to financial, strategic, innovation or staff shortage issues**

Paris, 20 June 2024 – The ESSCA School of Management and Forvis Mazars AI for Sustainability Research Institute has today published the findings of their first barometer dedicated to the incorporation of Artificial Intelligence into European companies and the link with sustainability.

400 heads of IT in France and the United Kingdom were questioned for this study, which explores themes such as the use and management of AI, data management, conformity, opportunities and risks relating to sustainability, ethical questions, and prospects for the future. For the majority of respondents, AI has a positive impact on sustainable development within their company.

The impact of AI on the sustainability of companies

According to the study, almost 8 heads of IT out of 10 consider that AI has a positive or neutral impact regarding the sustainable development of their companies. These results contrast with initial research into the matter, which underlined the negative impact of AI on the sustainability of companies, therefore revealing a more optimistic outlook from professionals working in the field. In fact, only 4% of heads of IT judge the impact of AI on the environment as being negative.

Sustainable use of AI within organisations

In addition, 9% of companies insist upon ethical working practices as figuring among their top priorities in terms of the use of AI for sustainable development, above such other considerations as carbon neutrality.

Dejan Glavas, Professor of Finance and Director of the ESSCA AI for Sustainability Institute underlines: *“the majority of companies have already begun using AI to reach sustainable development targets (only 15% are not doing so). It is nevertheless interesting to note that the use of AI to meet environmental targets is second in priority to societal challenges.”*

Ethical considerations and risks during AI implementation

As regards ethical considerations, the companies questioned place the main emphasis on the transparency of decision-making processes linked to AI (25%), the confidentiality of data (20%), and AI bias (15%). Certain issues figure lower down in terms of priority, such as the social impact linked to potential AI-related job losses (10%) and the direct impact on the climate via CO2 emissions (5 %).

The risks identified by heads of IT are often linked with pre-existing issues that have been magnified by AI, such as data management (29%). Companies continue to under-estimate the new challenges generated by AI, such as the bias of AI systems, the interaction between machines and users, and the need to plan human control over such systems. For example, it is revealing to note that 18% of companies questioned have already needed to adjust or halt an AI project due to ethical issues. The study also shows that a great many companies have still not developed ethical guidelines for AI usage (44%).

Laurent Inard, Partner and Head of R&D at Forvis Mazars in France declares: *“the findings of this barometer are even more interesting if you take into account the fact that only 18% of French companies consider themselves ready to manage the upheaval and risks connected with AI, versus 34% of British companies. In addition, 29% of French respondents consider their company to be completely unprepared, versus only 15% of British companies.”*

Uses of AI within companies

The final conclusion underlined by the barometer is the emerging consensus regarding the advantages of investing in AI. 50% of heads of IT questioned consider that AI has a positive impact on the performance of their company. However, a large number of companies have encountered hurdles in implementing AI (22%). Among those to have done so, the majority cite financial constraints (14%), challenges to incorporating AI into existing systems (12%), inappropriate strategies (11%), and a shortage of qualified staff (9%).

Methodology and profiles of respondents

This first AI barometer, conducted by ESSCA researchers and experts from Forvis Mazars, was carried out by questioning 422 heads of IT from the United Kingdom (51%), France (44%) and Belgium (5%) working in companies based in Europe (94%), North America (4%), Asia and Oceania (2%) and South America (1%). These companies belong to a range of sectors such as services (30%), finance, insurance and real estate (14%), transport, communications and energy (9%), manufacturing (7%), public administration (7%) and construction (5%), among others. 50% of respondents were female and 50% male.

Contacts

Madame Monsieur Agency (on behalf of ESSCA)

Stéphanie Masson - smasson@madamemonsieur.agency

Myriam Boukaia - mboukaia@madamemonsieur.agency

ESSCA

Marguerite Moulin – Head of External Communications – marguerite.moulin@essca.fr

Taddeo Agency (on behalf of Forvis Mazars)

Jeanne Spada – jeanne.spada@taddeo.fr

Camille Duchiron – camille.duchiron@taddeo.fr

Forvis Mazars

Nathalie Lagos – Director of Communications (France) – nathalie.lagos@mazars.fr

Aurore Angeli – Head of Communications (France) – aurore.angeli@mazars.fr

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A private higher education institution of common interest built upon a not-for-profit associative structure and a member of the Conférence des Grandes Ecoles, ESSCA School of Management delivers an officially recognised 5-year post-secondary Master degree and also offers a fully accredited Bachelor in International Management degree programme, an MBA Business & Technology, a Specialised Master, and Master of Science programmes. The school also offers a range of training programmes designed specifically for senior executives, managers, and operational teams, with degree-awarding training (including an Executive Master in Global Management) and inter-company programmes. ESSCA is also developing on-line designed by ESSCA online campus.

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Strengthened by a multicampus identity that helps consolidate its appeal to local regions and the showcasing of French expertise in the areas of higher education and research, ESSCA can call upon a network of almost 20,000 alumni working all across the world and currently welcomes over 500 faculty and administrative staff and 7,000 students on its campuses in France (Aix-en-Provence, Angers, Bordeaux, Lyon, Paris and Strasburg), Hungary, China and most recently in Spain and Luxembourg.

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