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Bharath S
Assistant Professor, Department of Commerce and Management, Yenepoya Deemed To Be University, Bangalore, Karnataka, India

Farha Jabeen
Assistant Professor, Department of Commerce and Management, Yenepoya Deemed To Be University, Bangalore, Karnataka, India

Corresponding Author:
Bharath S
Assistant Professor, Department of Commerce and Management, Yenepoya Deemed To Be University, Bangalore, Karnataka, India

Sustainable business in the digital age: The role of AI

Bharath S and Farha Jabeen

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Abstract
This study investigates the convergence of artificial intelligence (AI) and sustainable business, emphasizing the ways in which AI can improve environmentally friendly business practices and aid in the realization of Sustainable Development Goals (SDGs).The research commences by detailing the objectives, research inquiries, importance, and constraints of the study. Following this, it explores the theoretical underpinnings, addressing topics such as Artificial Intelligence, sustainable development, sustainable business, green business practices, the Technology Acceptance Model, and the Triple Bottom Line theory. Additionally, the impact of digitalization on business and the incorporation of AI as an essential element of this transformation are analysed. A thorough literature review emphasizes the Technology Acceptance Model along with the particular uses of AI in fostering sustainable business and environmentally friendly business practices. This research seeks to offer insights into how effectively AI can promote sustainable business by enhancing resource utilization, minimizing environmental effects, and supporting the attainment of Sustainable Development Goals (SDGs).

Keywords: Sustainable business, sustainable development Goals, artificial intelligence

Introduction
In contemporary fast-paced societies, effective decision-making necessitates extensive data collection. Enterprises serve as vital elements within operational societies that are progressively dependent on data and digital technologies. The management of enterprise operations involves considering societal members, environments, and economies, all of which must operate cohesively as a system. Different components of society create intricate and dynamic ecosystems. For businesses, this signifies the ability to collect and assess data. Artificial Intelligence has played a significant role in these analytics. Regrettably, studies focusing on AI in management, particularly regarding sustainability, have been limited. Moreover, worries about sustainability challenges are increasing. These elements have created a need for research into the implementation of AI in sustainable business practices. To address this void, the present study explored and elaborated on the advantages of AI applications in promoting sustainability in ecological, social, and economic terms, which represent the three critical dimensions of sustainability necessary for future societies. (Juha Sipola 2023) [5] Organizations are progressively depending on AI models to facilitate decision-making and comprehend intricate systems. (Sestino and De Mauro, 2022) [3] Consequently, humanity is experiencing a pivotal moment in the business sector, where elements such as data, automation, and e-commerce are taking on significant roles. Nevertheless, this pivotal moment represents a broader transformation process. Operating systems, transportation, lifestyles, and consumption patterns are currently undergoing this transformation. (Lindgren *et al*., 2019) [2] Different kinds of AI systems have been developed to enhance interpersonal communication. AI can assist in overseeing work and enhancing human abilities. Nevertheless, AI systems are linked to adverse effects, such as the anxiety of persistent underemployment and the transition of leadership from employees i.e., from humans to machines. (Aaltonen, 2019) [1] AI technologies provide three distinct advantages. Firstly, through the utilization of AI, individuals can free themselves from significant yet tedious and time-consuming tasks, thereby increasing the time available to focus on more challenging responsibilities. Secondly, AI enables the extraction of insights that would otherwise remain hidden within extensive unstructured data sets. Thirdly, AI allows for the integration of the capabilities of thousands of computers and other resources to address the most intricate issues, such as the climate crisis and environmental degradation, which necessitate the most sophisticated and innovative solutions. AI is revolutionizing the norms

of business operations and industries, and it holds the potential to tackle major societal challenges, including the urgent need to develop sustainable solutions for contemporary issues. (Nishant *et al*., 2020) [4].

Objectives of the study

1. To study the role of AI in environmental sustainability for businesses.
2. To study the role of AI in business governance.

AI in environmental sustainability for businesses

As industries around the globe encounter increasing pressure to implement more sustainable practices, artificial intelligence presents innovative solutions that can greatly diminish environmental footprints while improving operational efficiency. A key application of AI in promoting environmental sustainability is in the realm of energy management. Companies are progressively depending on AI-powered systems to enhance energy consumption and minimize waste. Sophisticated algorithms are capable of analyzing energy usage trends and forecasting future demand, which facilitates more effective energy distribution. For example, AI can amalgamate data from weather predictions, past usage trends, and real-time information from smart meters to make accurate adjustments in energy consumption. This approach not only curtails waste but also lowers costs, resulting in a mutually beneficial situation for both businesses and the environment. Furthermore, AI has a profound effect on optimizing supply chains. Conventional supply chains frequently exhibit inefficiencies that contribute to excessive waste and increased carbon emissions. AI can refine these operations by more accurately predicting demand, enhancing route planning, and managing inventory with greater efficiency. Machine learning algorithms can process extensive datasets to uncover patterns and trends that may elude human analysts, empowering businesses to make more informed and sustainable choices. For instance, by optimizing delivery routes, AI can assist in decreasing fuel consumption and emissions, thus reducing the overall environmental footprint.

AI in manufacturing industry

In the manufacturing industry, artificial intelligence (AI) significantly improves the sustainability of production processes. AI-driven predictive maintenance systems are capable of anticipating equipment failures prior to their occurrence, thereby minimizing downtime and the necessity for emergency repairs, which are frequently more resource-intensive. Moreover, AI can enhance the utilization of raw materials, ensuring that production processes operate with maximum efficiency. This leads to a reduction in waste and a decrease in resource consumption, thereby fostering more sustainable manufacturing practices. Additionally, AI can assist in the design of products that are simpler to recycle or repurpose, thereby supporting a circular economy. Waste management is yet another domain where AI demonstrates its value. AI-powered systems can enhance the efficiency of waste sorting and recycling operations. For example, AI-enabled robots that utilize computer vision technology can accurately differentiate recyclable materials from waste streams, thereby decreasing contamination and boosting recycling rates. Furthermore, AI can aid businesses in tracking and managing their waste more effectively, pinpointing opportunities to diminish waste generation and enhance recycling practices. This not only aids businesses in adhering to environmental regulations but also improves their standing as responsible corporate citizens.

AI in social sustainability for businesses

In the realm of corporate social responsibility (CSR), artificial intelligence (AI) empowers organizations to gain a deeper understanding of and respond effectively to stakeholder concerns regarding environmental sustainability. AI-driven sentiment analysis tools are capable of examining social media and other public data to assess public opinion on environmental matters. This capability enables businesses to customize their CSR initiatives to tackle the most urgent issues faced by their stakeholders, thereby enhancing their reputation and fostering trust among consumers and investors. Additionally, AI plays a crucial role in the creation of sustainable business models. For instance, AI can aid in the transition towards a sharing economy by optimizing the utilization of shared resources and services. Platforms that utilize AI to align supply and demand for shared assets, such as ride-sharing or co-working spaces, can decrease overall resource consumption and encourage more sustainable consumption habits. As AI technologies continue to evolve, their capacity to promote environmental sustainability within businesses will only increase. Nevertheless, it is imperative for businesses to adopt AI in a responsible and ethical manner. This entails ensuring transparency in AI decision-making processes, safeguarding data privacy, and addressing potential biases present in AI algorithms. By embracing a responsible approach to AI, businesses can fully leverage the advantages of these technologies while mitigating any adverse effects.

AI in business governance

In the current business landscape, artificial intelligence (AI) is becoming essential to governance strategies. Its abilities in data analysis, trend forecasting, and process automation render AI a vital instrument for enhancing business governance. This transformation is evident across numerous sectors, where AI-driven solutions are refining decision-making, ensuring adherence to regulations, mitigating risks, and fostering transparency.

Improved Decision-Making

AI's most significant impact on business governance lies in its capacity to enhance decision-making processes. Sophisticated AI algorithms can scrutinize large datasets, uncovering patterns and insights that would be difficult for humans to identify. This data-centric approach empowers businesses to make better-informed decisions, lessening reliance on intuition and speculation. For example, AI-driven analytics platforms provide real-time insights into market trends, customer behavior, and operational performance, enabling executives to make strategic choices with increased assurance. This ability is especially vital in unstable markets, where prompt and precise decision-making can dictate success or failure.

Regulatory Compliance and Risk Management

Navigating a constantly evolving regulatory environment presents a considerable challenge for businesses. Artificial Intelligence (AI) can streamline compliance procedures by

automating the monitoring and reporting of regulatory obligations. AI systems are capable of continuously scanning regulatory databases and updating compliance protocols, thereby minimizing the risk of non-compliance and the penalties that accompany it. Moreover, AI improves risk management by detecting potential risks before they arise. Machine learning models can evaluate historical data to forecast future risks, facilitating proactive mitigation strategies. For instance, in the financial industry, AI-driven tools identify fraudulent transactions, ensuring compliance with anti-money laundering regulations.

Fostering Transparency and Accountability

Transparency and accountability are vital components of effective business governance. AI supports these principles by delivering objective and impartial analyses of business operations. AI-driven auditing tools can automatically scrutinize financial transactions, pinpointing discrepancies and ensuring that financial statements accurately represent the company's financial status. Furthermore, AI bolsters accountability by keeping comprehensive records of decision-making processes. This level of transparency is essential for cultivating trust with stakeholders, including investors, regulators, and customers.

Automating Governance Processes

The capacity of AI to automate governance processes is another notable advantage. Routine activities such as data entry, document examination, and compliance verification can be automated through AI, allowing human resources to focus on more strategic tasks. This automation not only enhances efficiency but also diminishes the chances of human error. For example, AI-powered contract management systems can automatically review and oversee contractual obligations, ensuring compliance and lowering the risk of legal conflicts. Likewise, AI-driven policy management tools can guarantee that organizational policies are consistently enforced and updated.

Conclusion

The incorporation of Artificial Intelligence (AI) into Environmental, Social, and Governance (ESG) criteria signifies a major leap forward in sustainable business practices. This review emphasizes the transformative capabilities of AI-driven methodologies in improving the accuracy, efficiency, and breadth of ESG initiatives. The most recent developments in AI technologies, including machine learning, natural language processing, and advanced analytics, are increasingly being employed to tackle intricate ESG challenges, thus allowing businesses to achieve and surpass sustainability objectives. A key contribution of AI to ESG lies in the realm of environmental sustainability. AI technologies are utilized to optimize resource utilization, decrease waste, and lower carbon emissions. Moreover, AI-driven environmental monitoring systems can identify and address pollution levels in real time, ensuring adherence to environmental regulations and fostering a healthier ecosystem.

Social sustainability is also being significantly improved by AI. AI algorithms are now used to enhance workplace safety, labor conditions, and promote diversity and inclusion. Sophisticated AI models can process large datasets to uncover patterns of inequality or discrimination within organizations, offering insights for corrective actions. Additionally, AI-driven platforms support enhanced community engagement and stakeholder communication, ensuring that social sustainability objectives are in line with broader societal expectations. Governance, a vital component of ESG, is experiencing considerable advancements through AI integration. AI tools improve transparency, accountability, and compliance within corporate governance frameworks. Furthermore, AI-driven risk management solutions can detect potential governance risks and suggest mitigation strategies, thereby reinforcing the overall governance structure of organizations. The intersection of AI and ESG does pose challenges, such as data privacy, algorithmic bias, and the ethical ramifications of AI deployment.

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