

Appendix 2: Performance Review Tool

This tool can be used by board directors to pose questions to management and evaluate their answers. It follows the same broad topics as the knowledge assessment tool.

Judge the answers received by management using the SCEPTIC framework.

The tool also suggests related modules for additional analysis.

The SCEPTIC framework:

Specificity: Are the answers precise and do they show depth of knowledge?

Candour: Do the answers cover up issues, exaggerate benefits or steer towards one course of action?

Evidence: Are there data, KPIs and other support to back the opinion?
Is the evidence unbiased, complete and sound?

Planning: Are answers drawn from an effective internal process?

Thoroughness: Are the answers based on a rigorous search for information from diverse sources?

Involvement: Are the answers based on real-world experience?

Consistency: Are the answers logical and free from contradictions and gaps?

	Ask management	Related modules:
AI and sustainable development		
Identification of new transformation and improvement opportunities	<p>Is management familiar with sustainability-orientated innovation (SOI) to make deliberate changes to products, processes, services, organizations or wider systems to deliver environmental and social as well as economic value?</p> <p>How are we developing a culture that simultaneously supports SOI and the responsible use of AI and data?</p> <p>How is management targeting AI to support sustainability driven business models for a better world?</p> <p>What are the most important AI opportunities we should pursue to:</p> <ul style="list-style-type: none"> • Solve environmental, social, and economic problems we were unable to solve before? • Address demands from customers, business partners and regulators? • Deal transparently and systemically with risk, uncertainty and irreversibility? • Ensure appropriate valuation, appreciation and restoration of nature? • Conserve biodiversity and ecological integrity? • Ensure inter-generational equity? • No net loss of human capital or natural capital? • Augment our workforce's skills, abilities and decision-making? <p>How do we know these are the most important opportunities?</p> <p>What is the prize of aligning business strategies with AI and sustainable development?</p> <p>How much will doing nothing cost?</p> <p>What companies should we follow for ideas on how to use AI to transform processes into cleaner/greener states?</p> <p>How are we applying the principle of continuous improvement?</p> <p>How well does management understand ecosystem thinking?</p>	<ul style="list-style-type: none"> • Governance • Risk • Technology • Operations • Competitive • Brand • Customer • People and Culture

	Ask management	Related modules:
AI and sustainable development		
Ethical, legal and other AI responsibilities	<p>How management judges initiatives' value, risks, compliance with core mission and values, and the responsibilities and legal requirements to be met?</p> <p>Have we consulted with our legal staff and unions about the impact on jobs and skills from our AI plans?</p> <p>How might new sustainability-orientated processes create conflicts with our core values and principles?</p> <p>What are the risks and responsibilities of committing to sustainability-orientated business model strategies?</p>	<ul style="list-style-type: none"> • Ethics • Risk • Governance • Audit • Cybersecurity • Operations • Technology
Other questions	<p>Who advises us on AI? Are we satisfied with the advice?</p> <p>Whether establishing an AI task force or committee will help the management review the company's AI activities?</p> <p>Whether providing an educational programme on AI and/or sustainability (either internally or externally) will help top management?</p> <p>Variance in national AI policies.</p> <p>Rate of tech obsolescence.</p> <p>Leapfrog strategies.</p> <p>Greening of IT Vs. Greening through IT.</p> <p>Renewable energy sources and providers.</p> <p>Jevons paradox.</p> <p>Furthering the understanding of climate change, and modelling of its possible impact.</p>	
Competitors', customers' and partners' use of AI and sustainable development		
Competitors	<p>How are our competitors' and other companies:</p> <ul style="list-style-type: none"> • Using AI-enabled processes and principles of sustainable development to enhance their business strategy and operating models? • Using unique intellectual property – patents, proprietary data – to capitalize on and improve their environmental and operational stewardship processes? • Managing fairness, data guardianship, explainability and other AI responsibilities? • Investing in AI-enabled sustainability driven enhancements? How does that compare with our investments? • Creating a culture that supports sustainable development? How well is it working? • Addressing the ethical issues and AI responsibilities they are encountering as they transform processes? <p>How is management learning from other companies' sustainable development strategies? Does AI have a role? Why or why not?</p> <p>What are the results of benchmark comparisons against competitors inside our industry?</p>	<ul style="list-style-type: none"> • Governance • Risk • Competitive • People and culture • Operations • Technology
Customers and business partners	<p>How are the expectations and preferences for interacting with our company changing? Can we use AI to meet those expectations?</p> <p>How are we sustaining trust with customers? With business partners?</p> <p>Are our suppliers and partners' practices for using AI responsibly consistent with ours? If not, what are we doing to reconcile them?</p> <p>What are the most promising opportunities for partnering with companies in the ecosystem?</p> <p>How 'ready' are our partners' to share data and use shared AI learnings for the collective?</p> <p>How are we leveraging AI-enabled sharing and circular economies?</p>	<ul style="list-style-type: none"> • Customer • Brand

	Ask management	Related modules:
AI-enabled sustainable development		
Climate Change	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Clean power? • Smart cities and homes? • Sustainable land-use? • Sustainable production and consumption? • Smart transportation systems? • Preventing pollution? 	
Biodiversity and conservation	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Habitat protection and restoration? • Protecting land and marine species? • The realization of natural capital? • Invasive species and disease control? • Pollution control? • Sustainable trade? 	
Healthy Oceans	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Sustainable fishing? • Impact from climate change (including acification)? 	
Water Security	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Water supply and efficiency? • Drought planning? • Adequate sanitation? 	
Clean air	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Monitoring and prevention? • Filtering and capture? • Clean fuels? • Early warning? 	
Weather and disaster resilience	<p>Does our business model address:</p> <ul style="list-style-type: none"> • Prediction and forecasting? • Resilience planning? • Financial instruments? • Resilient infrastructure? • Early warning systems? 	
Internal response		
Investment in AI	<p>What AI investments are we making to pursue sustainability-orientated development opportunities?</p> <p>Does our software development platform have the capabilities we need to create and test AI systems? If not, what investments are we making to upgrade it? What is our plan for acquiring companies to boost our AI process capabilities?</p> <p>What investments are we making in skills and talent? Are we making them in a way that is consistent with our diversity goals?</p> <p>How is management leveraging the open-source software and data community? Open source algorithms and machine learning standards, accelerating the democratization of AI.</p> <p>Has management considered outsourcing AI implementation needs to a third-party?</p>	<ul style="list-style-type: none"> • Governance • Technology • People and culture

	Ask management	Related modules:
Internal response		
Identification of implementation requirements	<p>Are our sustainability-orientated process improvement plans consistent with our core values? Are these initiatives well aligned with our strategic priorities and business needs?</p> <p>What are the technology requirements and migration challenges that our company must meet to successfully implement AI-enabled processes for sustainability? How ready is our company to meet these challenges?</p> <p>What are the implementation and ethics requirements for successfully pursuing these opportunities – e.g. cultural changes; support and incentives for sustainability-orientated innovation; talent needs; cross-functional cooperation; obtaining, managing and protecting data?</p> <p>How will our data science and analytics teams support our AI process improvement strategies?</p> <p>What is our strategy for training and retaining our employees for the new skills, roles and jobs required for AI?</p> <p>When will the technology to create these new AI-enabled sustainability-orientated innovations be mature and scalable enough for us to use it? How did we determine that?</p>	<ul style="list-style-type: none"> • Ethics • Risk • Governance • Audit • Technology • Operations • Cybersecurity
Initiation	<p>What major AI initiatives are underway for sustainability-orientated developments? What are our plans for prototypes, initial implementations and scaling up these processes?</p> <p>What is their potential value to our business? Their brand reputation, legal and other risks? How did we evaluate this?</p> <p>How are we measuring success? What are the KPIs?</p> <p>How are we reporting on our sustainability?</p> <p>Which executives are responsible for driving the technical, process and cultural/human resource management changes?</p> <p>Who from outside our company is participating in our initiative, and what role will they play? (vendors, consultants, ecosystem partners)</p> <p>How will we move from a pilot to a full-scale system?</p> <p>What internal data will we use to train and operate the model? What data are we acquiring from outside the company? How will we ensure data quality, and collect, use and store the data responsibly?</p> <p>How are we designing for sustainability?</p> <ul style="list-style-type: none"> • Are components derived from scarce resources? • What is the content of recycled material? • What levels of waste or pollution are generated in production? • Could the production process use less energy or water? • At end of life, can product components be recycled, re-used, disassembled? • Is packaging and distribution optimised for sustainability? • Do suppliers subscribe to your sustainability principles • Is the workforce assured a safe and healthy work environment? • Are workers in the supply chain equally assured? 	<ul style="list-style-type: none"> • Brand • Risk • Audit • Operations • Technology
Progress	<p>What progress has been made to date in our major AI-enabled sustainability stewardship process transformation and improvement activities?</p> <p>How are we ensuring our employees and partners are complying with responsible AI and other ethics practices?</p> <p>How are we addressing concerns and resistance from managers and other employees?</p> <p>Is coordination across organizational silos going well? If not, how will problems be addressed?</p>	<ul style="list-style-type: none"> • Governance • Audit • Risk • People and culture

	Ask management	Related modules:
Internal response		
Evaluation	<p>Have we met our goals and KPIs? Why?</p> <p>What value have we received? Did it meet expectations? Do we have the business capabilities we expected?</p> <p>Does the new process outperform the previous process on a sustainability standpoint? By what metrics?</p> <p>Have we completely met legal and responsibility requirements? If not, how will we meet them?</p> <p>How will we sustain our success?</p> <p>Have there been any negative outcomes?</p> <p>How are they being mitigated?</p> <p>Are the outcomes accepted by the employees, customers and partners who use them?</p>	<ul style="list-style-type: none"> • Governance • Audit • People and culture
For companies affecting EU citizens	Are we compliant with GDPR?	