Ethics & Morality · GS - IV

There is a technological company named ABC Incorporated which is the second largest worldwide, situated in the Third World. You are the Chief Executive Officer and the majority shareholder of this company. The fast technological improvements have raised worries among environmental activists, regulatory authorities, and the general public over the sustainability of this scenario. You confront substantial issues about the business's environmental footprint. In 2023, your organization had a significant increase of 48% in greenhouse gas emissions compared to the levels recorded in 2019. The significant rise in energy consumption is mainly due to the surging energy requirements of your data centers, fuelled by the exponential expansion of Artificial Intelligence (AI). AI-powered services need much more computational resources and electrical energy compared to conventional online activities, notwithstanding their notable gains. The technology's proliferation has led to a growing concern over the environmental repercussions, resulting in an increase in warnings. AI models, especially those used in extensive machine learning and data processing, exhibit much greater energy consumption than conventional computer tasks, with an exponential increase.

Although there is already a commitment and goal to achieve net zero emissions by 2030, the challenge of lowering emissions seems overwhelming as the integration of AI continues to increase. To achieve this goal, substantial

investments in renewable energy use would be necessary. The difficulty is exacerbated by the competitive environment of the technology sector, where rapid innovation is essential for preserving market standing and shareholders' worth. To achieve balance between innovation, profitability and sustainability, a strategic move is necessary that is in line with both business objectives and ethical obligations.

(a) What is your immediate response to the challenges posed in the above case?

(b) Discuss the ethical issues involved in the above case.

(c) Your company has been identified to be penalized by technological giants. What logical and ethical arguments will you put forth to convince about its necessity?

(d) Being a conscience being, what measures would you adopt to maintain balance between AI innovation and environmental footprint?

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EXAM YEAR	PAPER	SUBJECT
2024	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
20	~250 words

Answer Hint

AI and ethics, environmental sustainability, corporate responsibility, stakeholder interest, climate justice, intergenerational equity, renewable energy, sustainable innovation, transparency, accountability, ethical leadership

Model Answer

Introduction

As CEO and majority shareholder, I have a dual responsibility towards **shareholders and wider stakeholders**, including employees, consumers, regulators and future generations. The 48% rise in emissions indicates that AI-led growth has created a serious conflict between innovation, profitability and environmental sustainability.

Body

(a) Immediate Response

My immediate response would be to undertake an independent **environmental and energy audit** of all data centres and identify major sources of emissions. I would constitute a sustainability task force with technical, financial and environmental experts and publish a transparent emission-reduction roadmap. Simultaneously, I would freeze avoidable high-energy expansion and accelerate procurement of renewable energy without compromising essential innovation.

(b) Ethical Issues

The case involves several ethical dilemmas:

Corporate responsibility: Profit maximisation cannot justify environmental harm.

Intergenerational justice: Present technological gains should not impose disproportionate ecological costs on future generations.

Stakeholder justice: Decisions must balance shareholders' interests with those of communities, consumers, employees and the environment.

Transparency: The company has an obligation to honestly disclose its environmental footprint.

Principle of stewardship: Technological resources should be developed without undermining ecological sustainability.

Innovation versus sustainability: Rapid AI development must be reconciled with responsible resource consumption.

(c) Arguments Regarding Penalty

I would argue that penalties are necessary because:

Logical argument: A credible financial consequence creates incentives for industries to internalise environmental costs rather than transferring them to society. It also creates a level playing field for companies investing in clean technologies.

Ethical argument: The polluter should bear the cost of environmental damage. Regulatory accountability protects citizens who may otherwise bear health, ecological and climate-related costs without having contributed proportionately.

However, penalties should be **proportionate, transparent and linked to measurable violations**, rather than arbitrary punishment.

(d) Balancing AI Innovation and Environment

I would adopt:

1. Renewable-energy-powered data centres and long-term clean-energy procurement.
2. Energy-efficient chips, cooling systems and AI models requiring fewer computational resources.
3. Carbon accounting for every major AI product and data-centre expansion.
4. Research into low-energy and smaller AI models.
5. Circular-economy practices for electronic equipment and responsible e-waste management.
6. Internal carbon pricing to incorporate environmental costs into business decisions.
7. Periodic independent sustainability audits and public disclosure.
8. Executive incentives linked to both innovation and emission-reduction targets.
9. Collaboration with governments and research institutions on green AI.
10. Continuous monitoring to ensure the **2030 net-zero commitment** remains credible.

Conclusion

As a conscience-driven leader, I would adopt the principle of **“responsible innovation”**: technological progress should create value without transferring unacceptable environmental costs to society and future generations. Sustainable AI can simultaneously protect ecological interests, preserve long-term shareholder value and strengthen public trust.