#### **AI PLAYBOOK 18**

### Sustainable AI Selection: 3 Questions for Vendors

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Content partially generated by artificial intelligence, refined by human expertise.

This Playbook is part of the CMA's AI Mastery Series, empowering marketers to Implement AI in ways that earn regulatory confidence, maintain strong brand reputation, and foster consumer trust

# Why now? The strategic imperative

While marketers focus on AI capabilities like content generation and customer segmentation, the environmental footprint of AI applications creates both significant risks and competitive opportunities that demand immediate attention.

Al's environmental impact is substantial and growing. Training large language models can consume thousands of megawatt-hours of electricity, while everyday Al inference operations contribute significantly to rising carbon emissions. Every API call consumes energy through server infrastructure, and the cumulative impact of billions of daily Al interactions is reshaping global electricity demand.

For Canadian marketers, sustainable AI vendor selection extends beyond environmental responsibility to maintaining competitive advantages through reduced operational costs, stronger brand differentiation, improved stakeholder relationships, and proactive regulatory compliance. Buyers now have significant influence over AI's environmental impact through strategic vendor selection criteria, including model efficiency requirements, computational optimization standards, and transparent environmental reporting.

This playbook equips marketers with a strategic framework to evaluate Al vendors based on controllable environmental factors, moving beyond technical specifications to sustainability assessment that creates measurable business value while positioning Canadian organizations as leaders in responsible Al adoption



# Your strategic vendor evaluation methodology

To cut through the clutter, this playbook centers on three strategic questions to assess genuine vendor sustainability commitment. These aren't checkbox items, they're strategic levers that expose vendor practices, accountability mechanisms, and future readiness.

Question 1 focuses on model efficiency and optimization practices, demanding transparent data on computational resource usage, model selection options, and optimization techniques that buyers can directly control. This reveals vendors' commitment to providing efficient solutions and environmental stewardship which can provide competitive advantage through reduced operational costs and brand differentiation.

Question 2 examines transparency, accountability, and sustainability reporting practices. It uncovers vendor willingness to share performance data, recognized certifications, goal-setting methodologies, and communication practices that support authentic brand messaging. This builds consumer trust, strengthens marketing credibility, and has investor appeal.

Question 3 evaluates optimization efforts and future roadmap commitments, identifying vendors actively reducing their impact through innovation rather than vague corporate sustainability statements. This demonstrates future preparedness.



# Question 1: Energy efficiency and resource stewardship

What specific model optimization techniques do you implement, and how do you help buyers minimize computational resource consumption through efficient model selection and deployment?

This question focuses on environmental factors buyers can directly influence through vendor selection, avoiding infrastructure elements outside their control. Model efficiency dramatically impacts environmental footprint - smaller, specialized models often achieve comparable performance while significantly reducing energy consumption during both training and inference.

| •                                     |   |
|---------------------------------------|---|
| Evaluation criteria                   | What to look for  |
| Model optimization techniques         | Specific approaches like model compression, distillation, and quantization (converting weights to lower precision like FP16 to INT8) that reduce computational demands without sacrificing performance quality. |
| Model size and specialization options | Vendors offering smaller, task-specific models rather than defaulting to the largest general-purpose options, allowing you to match model capabilities to actual business needs.                                |
| Inference optimization                | Technical strategies that reduce computational costs during model deployment, including efficient batching capabilities and request optimization features.  |
| Usage pattern guidance                | Vendors that educate buyers on efficient usage patterns, such as batching requests and optimizing API calls to minimize unnecessary computational overhead.   |
| Transparent efficiency metrics        | Standardized environmental impact reporting that allows comparison between different models and deployment options, including computational efficiency scores and estimated carbon footprint per operation.     |

Takeaway: Prioritize vendors who offer granular control over model selection and provide clear guidance on optimizing usage patterns to minimize environmental impact through your purchasing decisions.



# Question 2: Transparency and accountability assessment

What sustainability data and reporting can you provide, and how do you track and communicate your environmental and social performance to help us meet our brand commitments?

This question focuses on practical transparency elements that marketing teams can use to support brand claims and customer expectations. Mid-market businesses are increasingly pressured by larger clients to provide sustainability data due to regulations like the EU's Corporate Sustainability Reporting Directive (CSRD), making vendor transparency a strategic necessity.

| Evaluation criteria                | What to look for   |
|------------------------------------|--|
| Simple, accessible reporting       | Clear documentation of basic sustainability metrics like carbon footprint, energy consumption, waste diversion rates, and renewable energy percentage that your marketing team can understand and potentially reference in communications. |
| Recognized certifications          | Third-party validated standards like ISO 14001 (environmental management), Fair Trade, or SA8000 (social accountability) that provide credible proof points for your sustainability messaging.   |
| Willingness to share data          | Vendors who are open about their sustainability practices and performance data, rather than treating it as proprietary information, demonstrate genuine commitment and accountability.   |
| Goal-setting and progress tracking | Evidence of measurable sustainability goals with timelines and regular progress reporting that shows continuous improvement rather than static compliance.   |
| Alignment with your brand values   | Vendor practices that support your marketing messaging around sustainability, whether that's ethical labor practices, environmental stewardship, or responsible sourcing.  |

Takeaway: Choose vendors who provide clear, verifiable sustainability information that strengthens rather than undermines your brand's credibility and supports authentic customer communications about your environmental and social commitments.



# Question 3: Future roadmap and optimization commitment

### How are you actively reducing your environmental impact, and what concrete commitments do you have for future improvements?

This question separates genuine partners from vendors treating sustainability as marketing theatre. Examine vendor innovation in algorithm optimization, specialized hardware adoption, and renewable energy transition plans with specific timelines and accountability measures.

| Evaluation criteria              | What to look for   |
|----------------------------------|--|
| Algorithm optimization           | Specific initiatives to improve model efficiency with documented timelines and performance metrics, such as reducing computational requirements by X% within 12 months, implementing newer architectures that require less energy, or adopting quantization techniques that maintain accuracy while reducing resource consumption. |
| Model reuse<br>strategies        | Concrete approaches to minimize redundant training through transfer learning, fine-tuning existing models for new applications, implementing model versioning systems, or creating shared libraries of pre-trained components that can be adapted .  |
| Efficiency research investment   | Active investment in R&D for sustainable AI practices, including dedicated engineering resources, partnerships with academic institutions, published research contributions, or participation in industry efficiency initiatives that demonstrate genuine commitment.  |
| Industry standards contributions | Leadership in developing or adopting industry sustainability standards, contribution to open-source efficiency tools, or involvement in creating benchmarks and best practices that advance the entire industry.   |
| Measurable reduction targets     | Specific, time-bound commitments with clear accountability mechanisms, regular progress reporting, third-party validation, and consequences for not meeting targets .  |

Takeaway: Forward-looking vendors future-proof your marketing operations against regulatory changes, avoid retrofitting costs, and position your brand for leadership in the sustainable digital economy.



### Scorecard for vendor comparison

#### **Quick Scoring Guide: 1-5 Scale for Each Question**

#### **Question 1: Model efficiency and optimization**

- 5 = Detailed optimization techniques + specialized model options + efficiency guidance
- **3** = Basic efficiency features + standard optimization + some guidance
- 1 = No optimization data or refuses to share

#### **Question 2: Transparency and sustainability**

- **5** = Clear sustainability reporting + recognized certifications + goal tracking
- **3** = Basic sustainability data + internal tracking + standard practices
- **1** = No sustainability reporting or transparency

#### **Question 3: Future commitment**

- **5** = Specific targets + R&D investment + published roadmap
- **3** = General commitments + basic initiatives + high-level plans
- **1** = No commitments or improvement efforts

Total score =  $(Q1 + Q2 + Q3) \div 3$ 

Decision guidelines: 4.0-5.0 = Excellent partner

3.0 - 3.9 = Good choice **∧** 

2.0 - 2.9 = Requires monitoring 🛕

1.0 - 1.9 = Do not proceed **※** 



### Four-phase implementation plan

#### **Phase 1: Internal preparation**

- Assess current Al usage and environmental impact.
- Define sustainability priorities aligned with marketing objectives.
- Form cross-functional team (Marketing, IT, Legal, Sustainability)
- Establish weighted criteria based on business priorities.

#### **Phase 2: Vendor evaluation**

- Deploy three-question framework with scoring matrix.
- Request documentation and sustainability-focused demos.
- Compare vendors against minimum thresholds and each other.
- · Document responses for comparative analysis.

#### **Phase 3: Decision and contracting**

- Calculate total cost-benefit including energy savings and brand value.
- Integrate sustainability KPIs directly into vendor contracts.
- Set periodic reporting requirements and performance metrics.
- Document baseline for future improvement measurement.

#### **Phase 4: Ongoing governance**

- · Monitor sustainability KPIs quarterly.
- Conduct annual vendor accountability reviews.
- · Identify continuous optimization opportunities.
- · Update requirements as regulations and technologies evolve.



Are you building a sustainable advantage?



# Energy-smart marketing AI : Top implementation tips

Whether your vendors are fully optimized or not, these practices can reduce your Al energy footprint today.

#### **Content creation & campaigns:**

- Batch Al content requests (create 10 social posts together, not separately).
- Set clear parameters to reduce unnecessary iterations.
- Use smaller, task-specific models for simple tasks (headlines, short copy).
- Pre-generate A/B test variations instead of creating them in real-time.
- · Compress images and videos before AI processing.

#### **Customer engagement:**

- Enable response caching for chatbots and customer service Al.
- Implement conversation limits for AI chatbots.
- Use progressive customer profiling instead of processing all data at once.
- Focus AI analysis on high-value segments rather than entire databases.

#### For operations & governance:

- Schedule heavy processing during off-peak hours.
- Turn off non-essential AI features during low-activity periods.
- Audit Al tool usage quarterly to eliminate redundancies.
- Monitor energy metrics and set consumption budgets.



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### Recommended reading and references

#### **CMA Resources**

- CMA Guide on Al for Marketers
- Setting the Stage on Artificial Intelligence: A CMA Primer on AI for Marketers
- CMA Accountability Checklists for AI In Marketing
- CMA Mastery Series: Al Playbooks
- CMA Transparency for Consumers Guide
- CMA Application of Law 25 to Marketing Activities Guide

#### References

- Eastgate Software: <u>Environmental Impact of AI Uncovering the hidden costs</u>
- Aiclude: <u>Sustainable AI Transform Your Environmental Impact While Saving</u>
  Costs
- UST: Why are business leaders advocating Green Al?
- ESG Today: <u>Companies Already Seeing Major Impact, Financial Benefits from Use of AI in Decarbonization Efforts BGC Survey</u>
- Scope3: <u>Measuring the carbon footprint of AI matters (especially in marketing)</u>



### The CMA

This playbook is developed with guidance by the CMA AI Committee and is part of the CMA's comprehensive AI initiative designed to empower Canadian marketers with the knowledge, skills, and ethical frameworks needed to implement AI responsibly and effectively.

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