

The Role of Ethical Generative AI in Third-Party Management

Danny Thompson
Chief Product Officer
apexanalytix.



Flow

Traditional AI "Classifier"	Generative AI "Generator"
interprets unstructured data and triggers a hard-coded or preconfigured response.	interprets unstructured data and generates an original response.
"If a news article sounds negative, score the sentiment and alert the risk manager."	"If a news article sounds negative, write a summary and recommend a next best action based on everything you know from your training."
Generative AI generates original responses based on its training:	

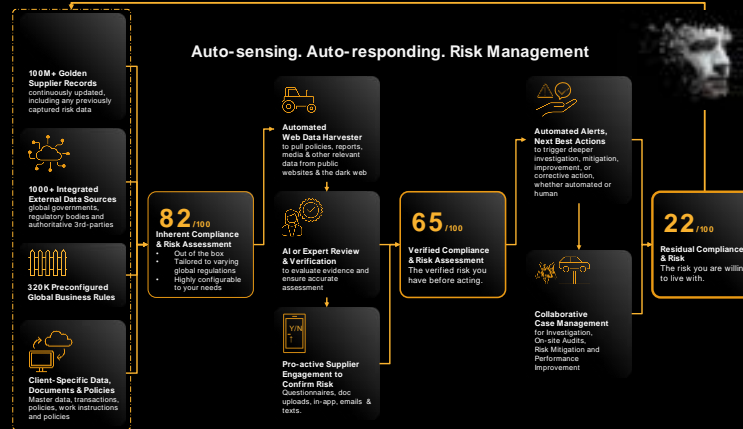
Data Privacy Protection Ensure your data doesn't become public data.	Match the data source to the use case. Especially for critical data (like bank account holder), if a definitive source of data is available, use it. Where the client has policies to govern responses, the AI should follow those policies rather than general guidelines or policies of other companies.
Accuracy Provide backup. Cite sources. Include "Human in the Loop" review, where appropriate, until confidence in the AI is established (maybe forever for certain critical decisions).	Responsibility Create guardrails on the AI so it can be used only for good. Be fair (allow third parties to correct the record).



More than AI.

Trained on your business with deep P2P expertise that consumes unlimited information and takes immediate action on your behalf.

- Sense & remediate risk.
- Correct errors.
- Ensure compliance.
- Improve performance.
- Eliminate friction.



What is Generative AI?

Traditional AI “Classifier”

interprets unstructured data and triggers a hard-coded or preconfigured response.

“If a news article sounds negative, score the sentiment and alert the risk manager.”

Generative AI ”Generator”

interprets unstructured data and *generates* an original response.

“If a news article sounds negative, write a summary and recommend a next best action based on everything you know from your training.”

Generative AI generates original responses based on its training:



Predefined Guardrails



Training Documents



Work Instructions



Policies



Help Desk Logs



Transaction History



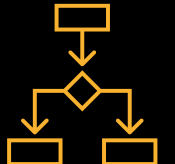
Financial Performance



Risk Data



Disruptions



Prior Actions & Outcomes

What do we mean by “ethical” Generative AI

Data Privacy Protection

Ensure your data doesn't become public data.

Match the data source to the use case.

Especially for critical data (like bank account holder), if a definitive source of data is available, use it. Where the client has policies to govern responses, the AI should follow those policies rather than general guidelines or policies of other companies.

Accuracy

Provide backup.

Cite sources.

Include “Human in the Loop” review, where appropriate, until confidence in the AI is established (maybe forever for certain critical decisions).

Responsibility

Create guardrails on the AI so it can be used only for good. Be fair (allow third parties to correct the record).



apex Neural Engine

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apex Neural Engine

Auto-sensing. Auto-responding. Risk Management.



100M+ Golden Supplier Records
continuously updated,
including any previously
captured risk data



1000+ Integrated External Data Sources
global governments,
regulatory bodies and
authoritative 3rd-parties



320K Preconfigured Global Business Rules



Client-Specific Data, Documents & Policies
Master data, transactions,
policies, work instructions
and policies



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- Tailored to varying global regulations
- Highly configurable to your needs

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to pull policies, reports, media & other relevant data from public websites & the dark web



AI or Expert Review & Verification
to evaluate evidence and ensure accurate assessment

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Pro-active Supplier Engagement to Confirm Risk
Questionnaires, doc uploads, in-app, emails & texts.

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The verified risk you have before acting.



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Collaborative Case Management
for Investigation, On-site Audits, Risk Mitigation and Performance Improvement

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Residual Compliance & Risk
The risk you are willing to live with.



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Supply Chain-Related Regulatory Compliance

Region-Specific Assessment and Enforcement



CSRD
Transparency

CSRDDD
Supply Chain
Due Diligence



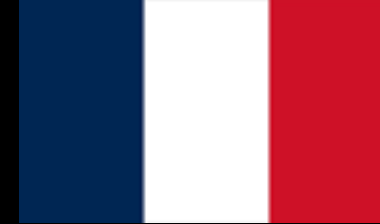
German
Supply Chain Due
Diligence Act



Norway
Transparency and
Human Rights Act



Netherlands
Child Labor Due
Diligence Act



France
Duty of Vigilance
Law



US
Uyghur Forced
Labor Prevention
Act (UFLPA)



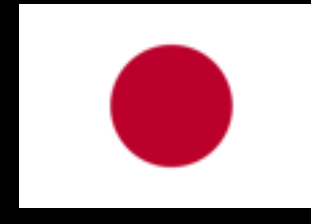
UK
Modern Slavery
Act



Australia
Modern Slavery
Act



Canada
Fighting Against
Forced Labour
and Child Labour
in Supply Chains
Act



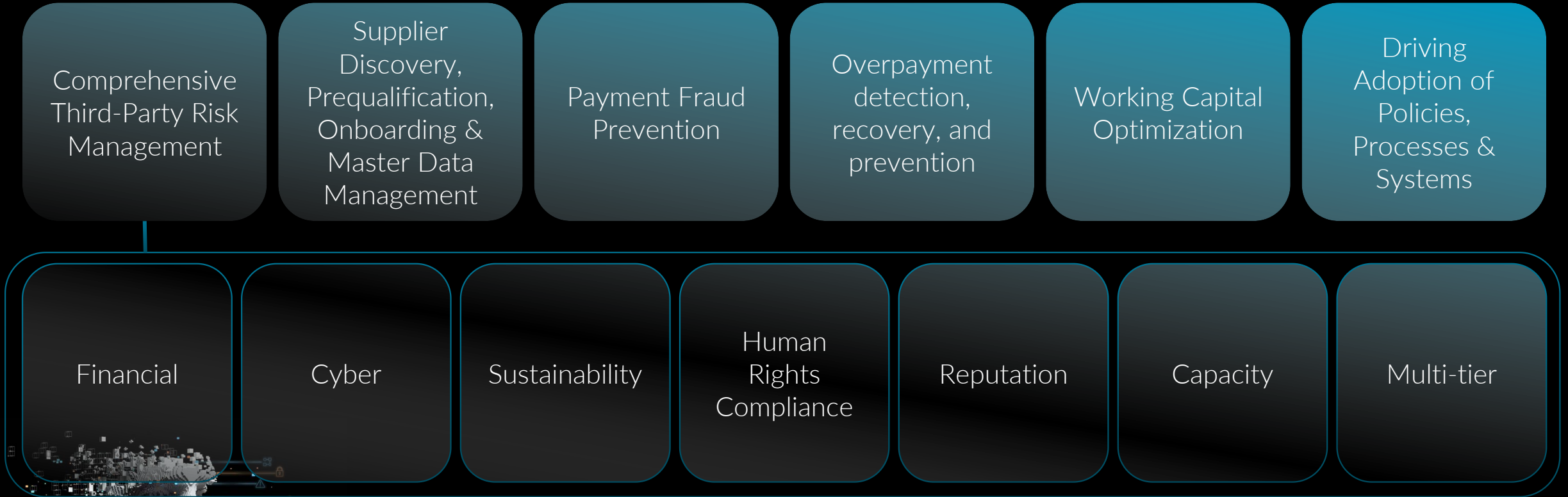
Japan
Respect for
Human Rights in
Responsible
Supply Chains
Guidelines

SEC
Reporting Rule
**Approved
yesterday,
3 March 2024*

+36
Global
"Standard"
Sustainability
Frameworks



Applied to Broad Supplier Management Use Cases



Q&A

