

GEP SPEARHEADING WORLD ECONOMIC FORUM'S AI TASK FORCE TO ENSURE AI IS APPLIED ETHICALLY AND COMPASSIONATELY IN BUSINESSES' PROCUREMENT AND SUPPLY CHAINS

- **GEP to Provide Companies with Guidance and Tools to Evaluate and Use AI in Procurement Responsibly**

Clark, N.J., Oct. 19, 2021 – [GEP®](#), a leading provider of AI-driven procurement and supply chain software and services to Global 2000 enterprises, is leveraging its expertise to lead the World Economic Forum's initiative to provide businesses with clear guidelines and tools to apply artificial intelligence (AI) responsibly in commercial procurement.

The next three to five years are pivotal in how AI and machine learning (ML) will transform companies' procurement to source suppliers and manage their complex, multi-tier global supply chains, which were built to be cost-optimized. Today, as a direct result of the disruptions, cyberattacks, price volatility and tariffs, every global company is increasing its investment in data and AI in procurement to build resilient global supply chains. Without proactive private-public leadership to inform companies about evaluating and utilizing AI in procurement responsibly, the juxtaposition — where AI dehumanizes decisions and rewards the lowest-cost suppliers by default, ignoring waste, CO₂ emissions and inequality — will be accelerated.

"We need to build compassion into the algorithms companies use in procurement to source suppliers and run the world's supply chains," said Subhash Makhija, chief executive officer and co-founder, GEP.

A survey by the American Center for Productivity and Quality found that only 13% of executives foresee a major impact from AI in their supply chains over the coming year due to a lack of significant adoption in procurement.¹ "Currently, most companies do not know

¹ <https://www.apqc.org/resource-library/resource-listing/2021-supply-chain-challenges-and-priorities-survey-report>

what AI solutions exist, don't mind how to use them to assess suppliers, identify risk, predict disruptions, optimize costs, *and* help meet their stated environmental and social goals," explained Mudit Kumar, vice president, GEP, and lead Fellow with the World Economic Forum. "Companies are in dire need of research-driven guidance and tools to create a holistic AI strategy, and to evaluate and future-proof their AI investments in procurement."

Kay Firth-Butterfield, head of AI and machine learning at the World Economic Forum explains, "we are seeing growing numbers of major businesses buying and integrating AI solutions built by third-party vendors, instead of or in addition to developing them in-house. The goal of this exciting new collaboration is to support companies in ensuring that they do so not just effectively, but also responsibly." By providing global leaders with a set of recommended guidelines, GEP and the World Economic Forum's task force will be able to contribute to the positive role AI will play in the future.

While value and cost of supply is an elemental consideration, GEP will leverage the World Economic Forum's leadership in the public sector to shape the ethics of AI in private sector procurement as well as optimize cost to drive commercial advantage. The guidance will enable businesses to evaluate and implement AI solutions to source materials and select suppliers that also prioritize sustainable and ethical practices. The task force will deliver their recommended guidelines in 2023, providing commercial organizations with:

1. Strategic guidelines for AI in procurement
2. Starting points and solution paths to make informed decisions for responsible AI-driven procurement
3. A toolkit to evaluate AI|ML technologies holistically, encompassing risk, equity, and environmental impact as well as business and technology considerations

About The World Economic Forum

The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business, and other leaders of society to shape global, regional and industry agendas. (www.weforum.org)

About GEP

GEP delivers transformative supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value.

Fresh thinking, innovative products, unrivaled domain expertise, smart, passionate people — this is how GEP SOFTWARE™, GEP STRATEGY™ and GEP MANAGED SERVICES™ together deliver supply chain solutions of unprecedented scale, power and effectiveness. Our customers are the world's best companies, including hundreds of Fortune 500 and Global 2000 industry leaders who rely on GEP to meet ambitious strategic, financial and operational goals.

A leader in multiple Gartner Magic Quadrants, GEP's cloud-native software and digital business platforms consistently win awards and recognition from industry analysts, research firms and media outlets, including Gartner, Forrester, IDC and Spend Matters. GEP is also regularly ranked a top supply chain consulting and strategy firm, and a leading managed services provider by ALM, Everest Group, NelsonHall, IDC, ISG and HFS Research, among others.

Headquartered in Clark, New Jersey, GEP has offices and operations centers across Europe, Asia, Africa and the Americas. To learn more, visit www.gep.com.

Media Contact

Derek Creevey
Director, Public Relations
GEP
Phone: +1 732-382-6565
Email: derek.creevey@gep.com