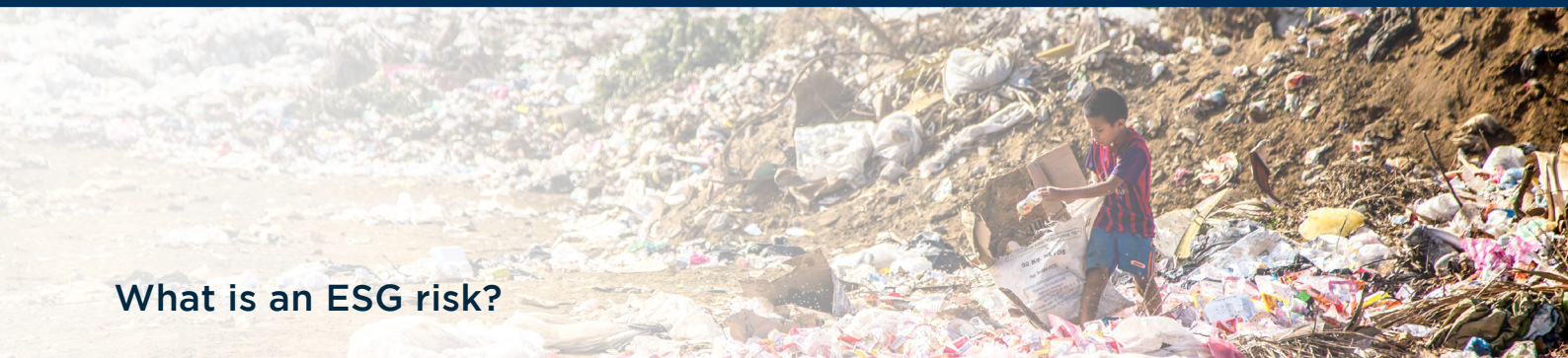


ESG Risk Module

ESG stands for Environmental, Social, and Governance. It's a framework used to evaluate a company's performance in these three key areas, assessing its impact on the environment, its relationships with society, and its governance practices. Investors often consider ESG factors to make more informed and responsible investment decisions.

Conducting an ESG risk assessment is not universally mandated by regulations. However, there has been a growing trend towards increased disclosure and transparency regarding ESG matters. Some jurisdictions and stock exchanges have started to introduce or are considering regulations that require companies to disclose their ESG practices and risks.



What is an ESG risk?

ESG risk refers to the potential negative impacts on a company or investment related to Environmental, Social, or Governance factors. These risks can include environmental challenges like climate change or pollution, social issues such as labour practices or community relations, and governance issues like board structure and executive compensation. Managing and mitigating ESG risks is crucial for companies and investors aiming for sustainable and responsible business practices.

What is an ESG Risk Assessment?



An ESG risk assessment involves evaluating a company's exposure to Environmental, Social, and Governance risks. This process helps identify potential challenges that may impact the company's performance or reputation. It typically involves analysing factors such as carbon footprint, labour practices, diversity policies, board structure, and other ESG-related aspects. The goal is to provide a comprehensive view of how well a company is managing and addressing ESG risks, aiding investors and stakeholders in making informed decisions.

The ESG risk assessment involves examining various risk factors across the three main risk groups - environmental, social and governance risks.

Who should consider conducting an ESG risk assessment?

 Agriculture/Agribusiness

 Automotive

 Arms, Defence and Military

 Banking and Financial Services

 Biotechnology

 Building and Construction

 Chemicals and Plastics

 Civil Aerospace

 Consumer Services

 Education

 Electronic and Electrical

 Fisheries and Forestry

 General Industries

 Global Hotel Chains

 Government

 Heavy Manufacturing

 Industrial Engineering

 Industrial Metals

 Information & Communications

 Information Technology

 Light Manufacturing

 Mining

 Oil and Gas

 Oil Equipment and Services

 Pharmaceuticals & Healthcare

 Power Generation/Transmission

 Printing and Publishing

 Professional Services

 Public Works Contracts

 Real Estate and Property

 Retail

 Legal and Business Services

 Support Services

 Telecommunications

 Textiles, Clothing and Footwear

 Transportation and Storage

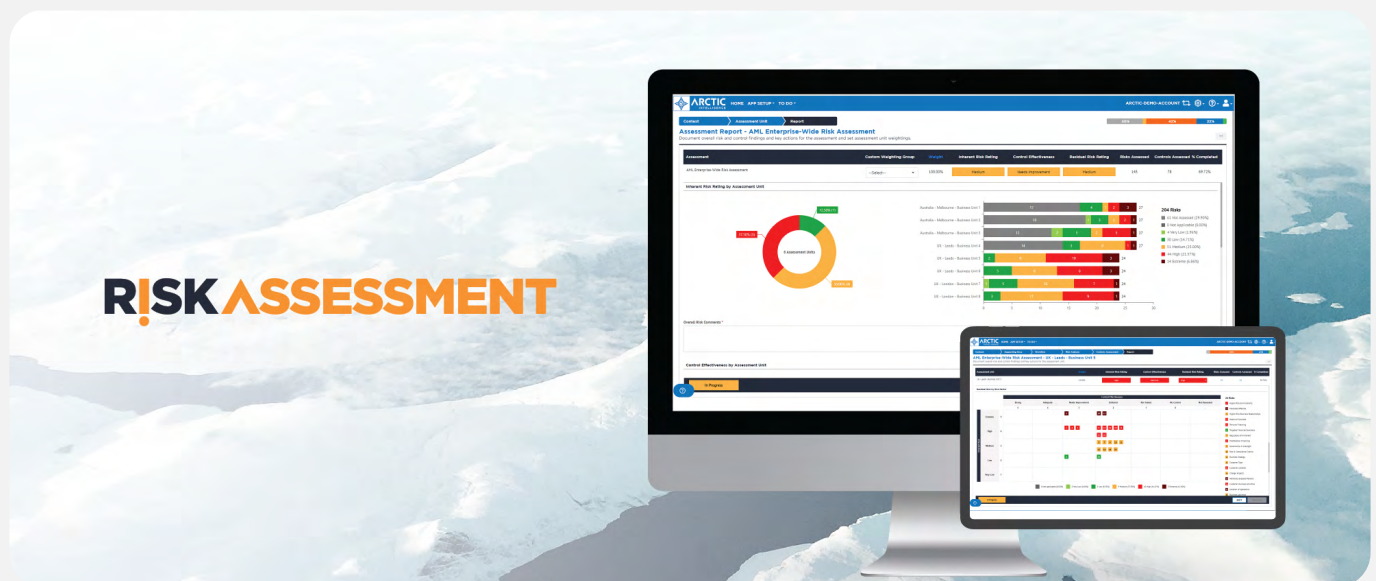
 Utilities

 Waste Management

About Arctic Intelligence's Risk Assessment Platform

Arctic Intelligence's Risk Assessment Platform has been designed for larger companies to conduct risk assessments for financial crime and other risk domains. The platform is highly-configurable and can be tailored to your organisation's risk assessment methodology, risk and control libraries relevant to your business and execute these across multiple countries, operating groups or business units. This process produces real-time dashboards and reports aggregated across the organisation.

The Risk Assessment Platform is commonly used to digitise manual spreadsheet-based models and also to automate the inherent risk assessment process by ingesting data from file uploads or API feeds.



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Digitisation

[Play Video Demo](#)
Automation

[Download Brochure](#)

Key Features

To help manage your enterprise-wide risks, whatever the risk domain you're assessing



Highly configurable so you can tailor the platform to suit your needs



Import your own risk and controls or use our expert-built risk domains



Flexible risk methodology, tailored to your risk-based approach



Auditable workflow process for conducting risk analysis and controls assessment



Digitise and automate by ingesting data via API or file upload



Track, monitor and report on actions, issues and incidents



Real-time dashboards and analytics, with exportable reports



Fully hosted in a secure cloud with dedicated support

Why choose the Risk Assessment Platform?



Fully configurable risk analysis and controls assessment platform



Automate risk assessments by ingesting data, improving efficiency



Expert-built content modules with hundreds of risks and controls



Real-time analytics, approval workflows and fully auditable



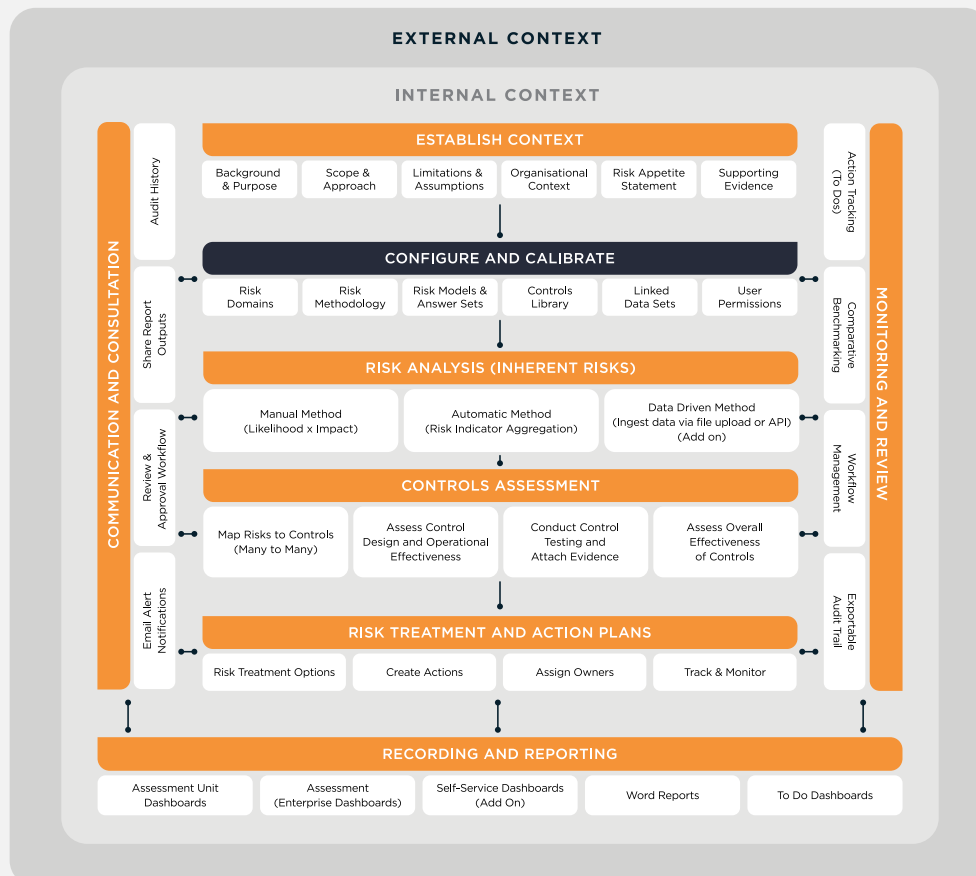
Digitise spreadsheet-based approaches, improving quality



Save time and money, reducing compliance costs

How it works

The diagram below visualises recognised industry best risk assessment practices overlaid against the features within the Risk Assessment Platform that supports these processes.



What is the structure of Arctic Intelligence's ESG risk and control module?

We've developed an ESG risk and control module based around the following risk areas:

1. Environmental Risk

Environmental risks relate to potential adverse impacts due to the natural environment, such as climate change, pollution, resource scarcity, and other ecological challenges that may affect financial performance, reputation, and long-term sustainability.

Within the Environmental Risk Group are five risk factors:

- Biodiversity and Habitat Conservation Risks
- Climate Change Risks
- Pollution and Emissions Risks
- Regulatory and Compliance Risks
- Resource Scarcity and Management Risks

2. Social Risk

Social risks relate to potential adverse impacts and challenges related to an organisation's relationships with its employees, customers, communities, shareholders, and other stakeholders.

Within the Social Risk Group are five risk factors:

- Community Relations Risks
- Diversity and Inclusion Risks
- Employee Health and Safety Risks
- Labour Practices Risks
- Supply Chain Risks

3. Governance Risk

Governance risks relate to potential adverse impacts and challenges related to governance structures, practices, and overall corporate conduct to ensure ethical behaviour, transparency, accountability, and compliance with laws and regulations.

Within the Governance Risk Group are five risk factors:

- Board Governance Risks
- Executive Compensation Risks
- Risk Management and Compliance Risks
- Shareholder Rights Risks
- Transparency and Disclosure Risks

About Arctic Intelligence

Arctic Intelligence is a multi-award winning, RegTech firm that specialises in audit, risk and compliance software related to financial crime compliance and risk management.

We've helped hundreds of clients in over 20 industry sectors and multiple countries strengthen their defences against financial crime.

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