



Appian for Financial Services: Managing ESG in Enterprise Risk Management

The current environment.

Financial institutions are jumping onto the environmental, social, and governance (ESG) train in droves, increasingly driven by investors, public stakeholders and state and regulatory institutions. Companies offering ESG-friendly products is nothing new, but the momentum has dramatically accelerated. Investors are increasingly considering supply chain sustainability and business relationships in their decision-making, which has spurred demand for tailor-made investment products. This in turn forces financial institutions to take a closer look at themselves and how they compare with their peers in terms of ESG criteria.

In the financial services industry, ESG impacts nearly all areas of an organization, particularly risk management. Risk management teams must consistently prioritize and manage ESG-related risks within the company's limits while providing the executive team, the board, and stakeholders with an accurate, aggregated, and timely view of risks and their impacts across the business.

Enterprise risk management challenges ahead.

Risk management teams must deal with a high volume of complex risks related to ESG criteria, coming at a high velocity. These risks are typically managed across different business silos using separate methodologies, measurements, and data.

Teams are also increasingly being asked to help evaluate companies' ESG maturity level, answering questions like "How green are our business practices and investment policies?" and "How sustainable are our business partner relationships and their supply chain practices?"

How low-code helps integrate ESG into enterprise risk management.

Financial institutions use Appian to swiftly develop and implement tailor-made software solutions, enabling enterprise risk management compliance processes and procedures to include and monitor ESG requirements.

Users can import, create, map, assign, and manage risks, controls, and associated standards and assets on a central platform while leveraging the flexibility of Appian business process management and case management.

Here are some examples of how the Appian Low-Code Platform has helped solve these ESG-related challenges:

- Risk teams can minimize oversight errors and risk through the Appian platform's ability to efficiently and transparently manage service provider sourcing and oversight activities and monitor ESG-relevant service level agreements and key performance indicators.
- Risk teams can leverage a fully configurable user interface designer and decision rules engine to create risk and control questionnaires. These questionnaires use built-in logic to enable answer-dependent follow-up questions, rating scales, and weighting parameters. Users can assign risks and controls to the Three Lines of Defense as needed, either permanently or on an ad hoc basis.
- With the Appian platform's visual object-oriented process flows, risk teams can enhance their visibility into ESG procedures, allowing for correct governance and the ability to audit outcomes or potential weaknesses in the controls environment. Automation enables risk teams to rapidly create frameworks that evaluate risk and control maturity according to chosen industry and internal guidelines. Risk managers can also initiate, assign, escalate, and recertify exemptions through the Appian platform's visual process designer and case management capabilities.
- Because the platform seamlessly interfaces with existing systems, databases, and third-party providers via existing integration connectors, APIs, or robotic process automation functions, risk teams can generate ESG reports based on processed information, key figures determined by the system, or manually recorded figures. This creates visibility into key performance and key risk indicators.

Discover how the Appian Low-Code Platform supports ESG:

- **Fast integration** with external information providers, regulatory organizations, and governmental agencies for managing ESG updates, ratings, and certifications directly through Appian as a central hub.
 - **Flexibility** in addressing constantly changing and evolving ESG criteria and by managing changes to taxonomy content, questions, or industry designations.
 - **Intelligent automation** through intelligent document processing (IDP) that combines document extraction with Google AutoML and built-in retraining to improve accuracy.
 - **Low-code data** to view ESG data from different sources in one place for enhanced data modeling and to stay on top of all security features
 - **Process mining** to accelerate the discovery of ESG relevant processes, data and performance across structured and unstructured environments.
- **Powerful native-mobile adoption** on-the-go so applications can be used immediately on any device, with the confidence of the highest-rated security certifications.
 - **Reporting and auditing** of processes both internal and external, public and private that yields full visibility into all records, historical information, and current activities and provides exceptional insights into ESG-relevant processes, performance indicators, and risk parameters.
 - **Seamless records and information access** for managing internal and external data related to ESG criteria and, delivering a 360-degree, single-pane-of-glass view to determine the ESG conformity of products, services and relationships.
 - **Speed** for quickly changing or enhancing existing applications with ESG-related components and assessment criteria.
 - **Visual process flows** that give a comprehensive view into all ESG-related workflows and their dependencies across the entire organization.

Leaders in financial services trust Appian.

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