



## Aligning Your Extended Enterprise to Evolving ESG Demands

Increasing market demands for simple and consistent environmental impact and social governance measures, standards, and reporting requires a proactive approach to ESG.



## **Evolving Expectations**

While more organizations have invested in initiatives to better assess and disclose their environmental, social, and governance (ESG) practices over the last decade, escalating regulatory requirements, stakeholder pressure, and market expectations for accurate and defensible environmental and social impact reporting has increased. Many organizations seek to better capture and report on their ESG programs across their extended enterprise to more transparently and accurately align to market expectations.

# Optimize Environmental Reporting Effectiveness

Capturing accurate environmental impact assessments, reporting on social practices, and demonstrating effective environmental, social, and governance practices across multiple entities in your extended enterprise can be a serious endeavor. Depending on your industry, location, regulatory environment, and public pressure, not knowing how to optimize ESG programs complicates an already challenging situation. Software systems designed and built to optimize reporting that captures, integrates, and delivers up-to-date ESG reporting and disclosures helps organizations across industries meet sustainability and reporting goals.

## Enabling Comprehensive Assessments

Aravo's off-the-shelf ESG applications are designed in anticipation of evolving reporting requirements and are built to scale and diversify as your needs change. With Al-powered decision making and process automation, real-time analytics, and accessible, visual dashboards, the Aravo ESG solution simplifies tracking and managing relevant business risks across the enterprise. As the Aravo solution enables the collection of ESG compliance data across your third parties, it natively integrates reporting into our market leading TPRM platform, from which third party ESG data can be extracted and aligned to common reporting standards. This helps ensure that organizations can accurately capture, configure, integrate, and report on third-party ESG data consistently, repeatedly, and transparently.

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The Aravo ESG solution allows customers to deliver critical reporting to address regulatory, financial, and investor requirements, with the right data, timing, and structure to align with disclosure standards. The Aravo ESG application:

- Applies internal assessment, third-party assessment, and risk intelligence to enable further clarification of third-party environmental, social, and governance impact risks
- Enables configurable risk assessment, management, and mitigation workflows that streamline processes, reporting, and compliance with commonly adopted standards and applicable regulations
- Connects to trusted environmental and sustainability risk and reporting providers to help customers better assess and validate third-party ESG data
- Delivers third-party data and reporting that aligns to common global regulations (LkSG) and standards (SASB, TCFD, CPD, GRI-RMI) in analytics and dashboards

### Capture What Matters for ESG Reporting

The Aravo ESG solution is aligned to program and reporting requirements outlined in evolving global regulations, including the German Supply Chain Act (LkSG), the California Transparency in Supply Chains Act, and the UK Modern Slavery Act. These laws are often developed to apply to any business operating within a defined jurisdiction, including through their partnerships, suppliers, and third parties, effectively expanding their reach beyond their immediate jurisdiction. Accordingly, many organizations are resetting their ESG reporting requirements to align to developing standards and getting ahead of market expectations.

Designed in anticipation of evolving customer demands to capture additional supplier environmental impact details, Aravo's ESG solution helps clarify a third party's ESG activities. The associated surveys and analysis capture details that identify past, present, and future environmental, governance, and social practices, allowing for deeper assessments, evaluations, and scoring.

Individual applications designed for a diversity of priorities and focus within the Aravo ESG solution include eight environmental, four social, and four governance focus areas. Further information is available for each element. Aravo customers can acquire solutions as required for their organizations.

#### **Available Aravo ESG Risk Domain Applications**

#### **ENVIRONMENTAL**

- · Environmental Standards
- · Responsible Water Management
- Responsible Forestry Management
- · Climate Related Financial Disclosure
- Climate Change Reporting
- · Responsible Mineral Management
- Responsible Waste Management

#### SOCIAL

- Social Standards
- Occupational Health & Safety (OHS)
- · Ethical Labor Practices
- Human Rights Protection

#### **GOVERNANCE**

- · Governance Standards
- · Responsible Investing
- Responsible Accounting- Pharma & Biotech
- Responsible Accounting- IT & E-Commerce

### All You Need in One Solution

With the ability to centralize your Scope 1, 2, and 3 environmental impact assessments, social dignity reporting, and governance, Aravo helps you demonstrate compliance with regulations and standards while delivering on key stakeholder expectations. Aravo is designed to enable you to build ESG competency and trust across your extended enterprise and your third-party risk management environment.

