Diligent Entities

Using Secure File-Sharing Technology For Entity Management

The Reason Organizations Use Secure File-Sharing For Entity Management

- Provides an organization a way to share files electronically
- Creates digital copies of every corporate document
- Allows for faster communication practices
- Reduces the need for paper or any sort of filing cabinets

Why Free File-Sharing Systems Put Your Organization At Risk

- Third-Party Risks: Researchers found in the leading public cloud applications that **2,000+** files are stored in the cloud and **20%** of those that were broadly shared contain some sort of private and regulated data (this is out of 100 million files analyzed) [1]
- **80%** of file sharing was shared accidentally without any malicious intent [2]
- **85%** of the risks began with only 5% of the users [3]
- **~7%** of the incidents could be traced to malicious acts that were perpetuated by employees within the company [4]

Advantages To Securing Your Corporate Record

- **Hacking:** Bad actors will find a way in if given the opportunity and entity data is some of the most valuable there is
- **Data Corruption:** Prevents corporate hacking, situations where links between platforms can fail, human error leading to mistakes being made in data calculations or files becoming corrupted by passing through so many hands
- **Insecure Application User Interfaces (APIs):** Most cloud service providers do not have strict security measures, that include encryption and authentication, leaving all your files open to risk
- **Malware Attacks:** Without strict security protocols as mentioned above, your files will be open to malicious attacks – if one file gets accessed, it will expose your entire ecosystem
- **The Impact of the Internet of Things (IoT):** Without proper access points and robust and secure integrations for your Bring Your Own Device (BYOD) policy, your employees create constant risk as they can access files in real-time from any location and device

Why Diligent Entities

- Seamless integration between your entity management solution and your secure file sharing solution
- Provides a secure environment for the top 5% of confidential and sensitive information with the necessary security precautions and controls
- Increases end-to-end security and productivity by creating a highly secure environment that only provides access to those specific individuals who have been granted access
- Links protected with a password or a pin
- 256-bit AES-GCM encryption on the server, mobile apps and desktop and 256-bit SSL/TLS during data transmission

[1] https://digitalguardian.com/blog/what-file-sharing-security
[2] https://digitalguardian.com/blog/what-file-sharing-security
[3] https://digitalguardian.com/blog/what-file-sharing-security
[4] https://digitalguardian.com/blog/what-file-sharing-security

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Using Secure File-Sharing Technology For Entity Management

The move to the cloud and the digitization of the corporate record has been great news for corporate secretaries and compliance teams in general – good news because it not only makes their jobs easier thanks to less manual handling, but also because it, in turn, allows the time and space for them to take a more proactive approach to compliance and governance. There is less reactive jumping at deadlines, more strategic planning and getting ahead for growth once technology is embedded in an organization's processes.

Digital records are also much easier to work with; there is less need to use traditional mail to get documents to directors and signatories, and less physical paperwork to store. Those miles of filing cabinets at HQ can become a thing of the past. It also means there's theoretically no limit to the size of files you can share – an end to those pesky messages about the attachment being too large to send.

However, as with all things digital, this ease of doing business does not come risk-free. Without a means of secure file sharing for entity management, entities risk exposing confidential business information and having that information fall into the wrong hands.

What is File-Sharing Security?

Sharing files electronically – that is, sending files by email or via a cloud-based server – has become an everyday occurrence in modern business. We don't think twice about attaching a file to an email, or sending a link to an online folder to share information. However, file sharing can introduce risks into an organization's infrastructure. It can result in malware infections, expose the organization to hacking attempts, or result in a loss or exposure of sensitive information.

This is where secure file sharing becomes important for an organization's data. Secure file sharing, also known as protected file sharing, refers to the process of sharing one or more files between different users or organizations securely, privately or within a protected mode by using encryption algorithms.

File transfer encryption helps to prevent an outside party from being able to read and understand what's being transferred. The encryption scrambles data for transfer, then decrypts it back to a readable form once it's reached its destination. It's essential for organizations storing and sharing files via the cloud, as it helps to protect confidential and sensitive information.

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What Are You Risking When You Share Files Electronically?

Research that analyzed 100 million files shared on the leading public cloud applications showed sensitive enterprise data is leaving company networks via web-based file-sharing services at a staggering rate, according to Digital Guardian. The survey found employees store an average of 2,037 files in the cloud; 20% of those that were "broadly shared" through file-sharing services included some form of regulated data.

Employees may not be purposely sharing regulated or confidential information via these platforms, but it happens easily and often. The bulk of documents that form the corporate record are sensitive or confidential in nature – especially when we're talking about board documents – so these files must be handled carefully. Finding a way forward with secure file sharing helps to mitigate the following risks.

Data Leaks

Data leaks aren't just about malicious acts; information can accidentally be sent to the wrong people quite easily. How many times have you thought you sent an email to Jim in sales, but you actually sent it to your brother Jim, whom you email from your work account? Now think of the number of times that happens on an organizational level, and the sorts of files that might accidentally find their way outside the business.

While most of the receivers of that information will delete and move on, the risk is that confidential and sensitive business plans or information that could impact investors could easily be leaked outside the company. Using secure file-sharing technology for entity management helps to ensure regulatory information remains tightly controlled and accessible only to those who should see it.

Corporate Hacking

As soon as anything goes online, it's at risk of being found by hackers – and hackers know that getting their hands on sensitive corporate information can be very lucrative indeed. Cybersecurity best practices don't just involve setting a firewall around your own entity's infrastructure, they also cover how you transmit data and files to and from your own network. The fact is that, without security measures in place, any files in the cloud are among the most susceptible to being hacked. Experts advise the best form of security against the threat of hacking into files stored in the cloud is to ensure data is both encrypted and transmitted over a secure connection to prevent outsiders from accessing the cloud's metadata as well.

No Control Over Your Own Data

Essentially, without setting up secure file sharing for entity management, your organization places its entire information system at risk. Relying on external security practices means you don't have any control over your own data because you sign over the terms to the cloud-based storage facility. It's best to take control of your own information by deploying secure file-sharing technology for entity management, and help to mitigate these and many more of the risks of sharing files online.

Secure File-Sharing Technology for Entity Management Elevates Compliance

Even with these security risks, secure file sharing for entity management is an essential step in the digitization of the corporate record and compliance activities. It helps to mitigate risk and enhance collaboration in board meeting preparation and other highly sensitive communications by keeping that information safe from prying eyes – its benefits outweigh its costs in most instances. Take, for example, preparing for board meetings. Good board governance depends on robust communications, security, compliance and efficiency. Combining a secure entity management system and board portal with secure file-sharing technology helps the corporate secretary to secure and automate the collation, distribution and management of board meeting materials.

Diligent's secure file-sharing and secure meeting workflow technology enables organizations to take secure file sharing for entity management to the next level. By integrating seamlessly with both Diligent Entities and Diligent Boards, the ecosystem creates the Governance Cloud, an enterprise governance management solution enabling best-in-class governance. Get in touch and schedule a demo to see how Diligent's secure file-sharing technology for entity management can help your organization to create a data feedback and sharing loop that elevates your governance and compliance processes.

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Diligent
Entities

Diligent Integrations: Entities & Secure File-Sharing

Protect your most sensitive information when sharing with third parties and internal stakeholders.

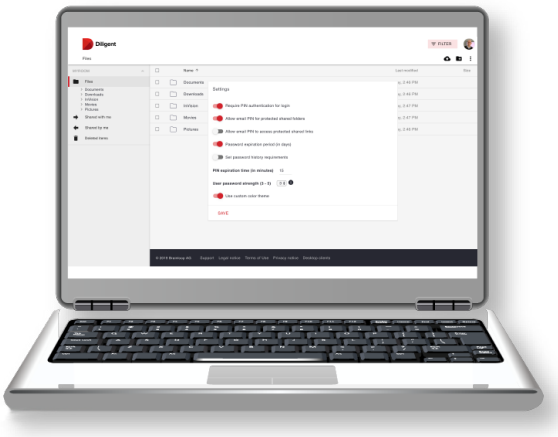
Diligent, a modern governance company, provides an integrated suite of SaaS applications that ensure secure data management and enable the best people in your organization to function at the top of their game.

Diligent Entities is the single source of truth for your organization's entity information. In order to demonstrate compliance, entity-related information is often shared with auditors, regulators as well as with internal stakeholders. Often, this includes sensitive information and personal data.

Mishandling sensitive information can have devastating consequences to the value and reputation of your company. It is imperative that you put the systems in place to lock down access and sharing capabilities. Diligent's solution for Secure File Sharing provides the leading end-to-end secure data storage, sharing and collaboration solution for your most sensitive information. When integrated with Diligent Entities, you can ensure end-to-end security and control of your entity information.

Diligent Secure File-Sharing in action:

- Share sensitive entity data and documents securely with external users, such as auditors or regulators via an encrypted link and 2-factor authentication.
- Protect confidential information such as restructuring plans, M&A proposals, sensitive salary data, nomination and other legal information, and other documents that shouldn't be saved to a local drive or insecure cloud service.
- Collaborate across internal teams focused on tax, litigation, M&A, sensitive IP, crisis management, restructuring and other ongoing sensitive projects.



- **256-bit AES-GCM encryption on the server, mobile apps and desktop as well as 256-bit SSL/TLS 1.2 during data transmission; ISO 27001 certified**
- **Secure, completely traceable document delivery**
- **Document versioning**
- **Dynamic watermarking—user details, date & time stamp**
- **Secure storage for individuals, teams and boards**
- **Works with any current browser**
- **Two-factor authentication**
- **Connection to Active Directory**

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Find out more information about our Modern Governance solutions.
https://diligent.com/modern-governance