PARAGON FINANCE
POTENTIAL MADE POSSIBLE

ABOUT ESG

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OVERVIEW

Businesses have a responsibility to ensure they operate by a set of philosophies that have a positive impact on people and the planet – through Environmental, Social and Governance (ESG) policies and practices.

The concept of ESG grew from socially responsible investment philosophies that initially sought to screen out businesses based on ESG concerns. This has now evolved to a focus on favouring companies that are making a positive contribution by treating environmental, social and governance issues as core elements of their strategic positioning.

In this way, investment firms like Paragon can make a tangible difference to the way in which businesses operate and the attitude of businesses towards ESG elements.

As investors, suppliers, manufacturers, government departments and everyday trading companies become more aware of ESG, they are increasingly looking to only do business with companies that are conscious of ESG and that incorporate ESG practices into their business policies, values, and operations.

UNPACKING ESG

Environmental

This speaks to the stewardship of nature – consideration is given to a company's impact regarding energy efficiency, carbon footprint, greenhouse gas emissions, deforestation, biodiversity, climate change and pollution mitigation, waste management and water usage.

Social

The social element addresses the management of relationships between the company, its employees, suppliers, customers, and the communities in which it operates. The elements considered within social are labour standards, wages and benefits, workplace and board diversity, racial justice, pay equity, human rights, talent management, community relations, privacy and data protection, health and safety, supply-chain management and other human capital and social justice issues.

Governance

This is the overriding way in which the companies govern themselves and includes elements such as corporate board composition and structure, strategic sustainability oversight and compliance, executive compensation, political contributions and lobbying, bribery, and corruption.

BENEFITS OF ESG TO BUSINESSES

- Stimulation of top line growth
- Cost reduction
- Minimisation of regulatory and legal interventions
- Talent attraction and increase in employee productivity
- Optimisation of investment and lower cost of capital

ESG | OPPORTUNITIES, ESPECIALLY FOR SMALLER COMPANIES

Businesses that can envision and seize the opportunities linked to becoming environmentally ’greener’, socially equitable and ethically responsible are undoubtedly tomorrow’s winners.

Paragon is committed to working with its clients, investors, and trading partners in improving ESG standards and practices within our industry and communities.

In this regard Paragon has a detailed and summary compliance checklist to assist clients with evaluating their ESG positions as well as trading partners and mechanisms to assist clients in helping formulate ESG plans to augment their businesses and company strategies. For more information and access our checklists, download our brochure.

FOR MORE INFORMATION
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