**Incentives to adopt CSR and CSD**

**Media attention**

Being socially responsible attracts good public relations and free publicity. The company is seen as a good corporate citizen. Socially irresponsible acts like unethical practices and activities that harm the environment can bring on negative media attention and a boycott of their products.

**Self-regulation rather than enforcement**

CSR as a form of self-regulation (initiative) to forestall government intervention and pre-empts government regulation. If CSD does not meet expectations of stakeholders, government may step in and regulate with more stringent requirements which may be involve penalties for non-compliance.

**Pressure from non–governmental bodies.**

As pre-empt action by environmental /social groups. These groups can be very powerful and influential. Examples of these groups are consumer associations, trade unions and environmental groups. Greenpeace is an example of an environmental organization that campaigns against issues like global warming and climate change, deforestation and over fishing. Public awareness of these issues has impacted businesses.

**Economic aspect**

Financial benefit. Being seen in a good light through CSD brings benefits. It attracts investment, suppliers, employees and customers. Governments may use a company’s CSR record in deciding whether to grant licenses, mining rights and exploration permits. Insurance companies and banks are likely to impose higher charges (premiums and interests) on companies that fail to maintain a satisfactory benchmark for social and environmental requirements.

**CSR success stories**

The success stories of companies which have adopted CSR, will encourage other companies to follow suit e.g. The Body Shop which used its stores to communicate environmental issues, human rights and animal rights, grew from a small business to a public company with 2045 stores.

**Long term consequences**

The cost of resources will increase if natural resources become increasingly scarce because of poor sustainability practices. E.g. prices of wood products have appreciated because of deforestation.

**Benefits of CSR & CSD to Company**

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| • | CSR improves the perception of a company among its employees, leading to improved morale and higher productivity and improved staff retention. A lower labour turnover reduces recruitment and training costs. |
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| • | It helps in the recruitment of quality staff, particularly graduates who are more aware of CSR and are known to ask about CSR during an interview. |
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| • | * Production costs are reduced because of conscious efforts to lower energy and water consumption, reduce wastage and recycle. |