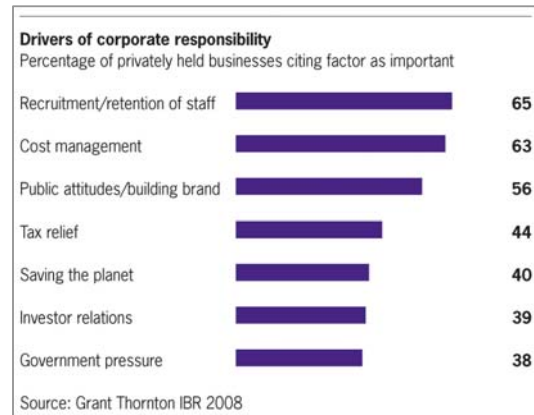


Corporate Social Responsibility- a necessity not a choice for privately held businesses

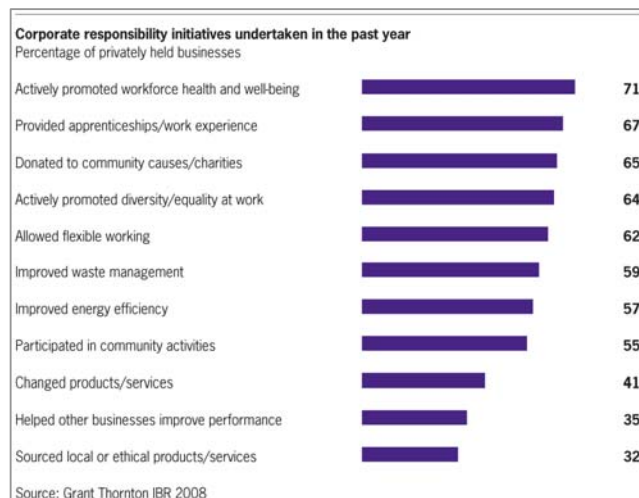
Privately held businesses (PHBs) are adopting corporate social responsibility (CSR) policies not just to save the planet but because they are having to in order to survive and prosper. According to the latest Grant Thornton International Business Report, 65% of PHBs cite recruitment and retention pressures as their main CSR driver, closely followed by cost management concerns (63%), suggesting that controlling costs is not only good for business but also good for business ethics.



While multinational companies may engage in CSR activities to manage their reputation, PHBs are ignoring expensive PR campaigns and focusing on the basics - making themselves more attractive as employers and suppliers. 71% actively promote workforce health, 64% promote equality and diversity and 62% have flexible working practices, benefits that have previously been associated with large employers. These statistics show that the individual's choice in where they are employed is influencing company behaviour at PHB level. As significantly, 56% of PHBs report having formally adopted transparent CSR policies, a measure of the influence companies higher up the supply chain are having on potential suppliers.

Jay Ramesh , Managing Partner of Grant Thornton in Botswana comments “The business community in Botswana has gone through a drastic positive change in their attitude towards Corporate Social Responsibility in the last 3 years. Major organisations have pledged a percentage of their profits towards this cause. The pressure created by this has filtered down effectively into Privately Held Businesses who have willingly embraced this responsibility. The private sector as a whole have now eased the pressure on government in this respect earning the government’s respect.

Alex MacBeath, global leader of privately held businesses says: "PHBs should be applauded for the advances they are making in the CSR field. While less accountable to multiple stakeholders than listed companies, and despite their lack of resources, experience and peer pressure to develop best practice, the



sheer critical mass of the PHB sector means their collective efforts will have a significant impact on the global CSR picture. PHBs are putting substance before style in their CSR activities and rightly focusing on their bottom line but their efforts are in danger of being drowned out by the noise of the multinationals."

He added: "The individuals who own PHBs have a speed advantage over the multinationals, however, as their ethical policies can be adopted much more quickly than within the more complex structure of larger companies. The PHBs that introduce ethical business practices quickly and efficiently will survive and prosper, as they will secure the skilled workers and the future contracts with the multinationals."

Further enquiries, please contact:

Jay Ramesh –Managing Partner

Grant Thornton

Notes to editors:

Leading statistics

- the top drivers for CSR are:
 - recruitment and retention (65 per cent)
 - cost management (63 per cent)
 - and brand building (56 per cent)
- four out of the five CSR initiatives under taken in the last year relate to people and the work place, these include:
 - actively promoting health and well being (71 per cent)
 - providing apprenticeships (67 per cent)
 - donating to community causes or charities (65 per cent)
 - actively promoting equality and diversity (64 per cent)
 - allowing flexible working (62 per cent)
- globally 56 per cent of PHBs report having formal CSR strategies
- globally 59 per cent have improved waste management
- globally 57 per cent have improved energy efficiency

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