

EMERGING TRENDS

IN INSTITUTIONAL SOCIAL RESPONSIBILITY

In order to understand what is happening in institutional social responsibility today and how it is likely to evolve in the near future, PNC's Institutional Asset Management® (IAM) group commissioned a study with C-suite and financial executives in large for-profit and nonprofit organizations.*

This research suggests that internal and external pressures are playing a central role in the social responsibility movement, and we don't expect that pressure to lessen anytime soon. Organizations are being asked to expand their missions and look beyond their balance sheets in how they measure success, and nonprofits and for-profit companies are listening.

The rapid rise in social responsibility programs is a game changer. Nonprofit and for-profit organizations alike express a commitment to their social responsibility goals, as well as confidence that they can make a difference on large-scale issues like climate change and workplace diversity through their social responsibility programs and environmental, social and governance investing (ESG).

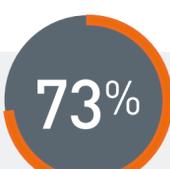
SOCIAL RESPONSIBILITY IS A HIGH PRIORITY FOR ORGANIZATIONS

Nearly all executives surveyed (92%) say that social responsibility is a priority for their organization.



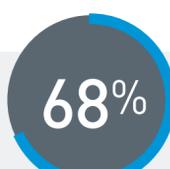
THE ENVIRONMENT AND DIVERSITY, EQUITY AND INCLUSION (DEI) ARE THE GREATEST PRIORITIES FOR COMPANIES AND NONPROFITS

When it comes to specific social responsibility initiatives, organizational priorities run the gamut — from reducing their environmental impact to improving employee wages and benefits, to promoting racial justice.



■ Social responsibility programs today prioritize the environment and DEI initiatives.

■ Sustainability programs are widespread. Nearly three in four organizations (73%) currently have an environmental sustainability program.



■ DEI programs are nearly as prevalent, with 68% of organizations saying that they have one.

ORGANIZATIONS ARE COMMITTED TO SUSTAINABILITY



Organizations are holding themselves accountable in their sustainability programs.



Among those who have an environmental sustainability program, the majority (71%) say that they have target metrics or key performance indicators (KPIs) so they can track their progress.



And, seven in 10 (72%) are very confident that they will meet their sustainability goals.

DEI PROGRAMS HAVE PROLIFERATED IN RECENT YEARS

Most DEI programs are new, with two-thirds (68%) of those with a diversity, equity and inclusion initiative saying that they launched it in the past 3 years.



As they are with sustainability, organizations are also holding themselves accountable on diversity, equity and inclusion.

Among those with a DEI program, the majority say that they have target metrics or KPIs so they can track their progress.



And, seven in 10 (72%) are very confident that they will meet their DEI goals.



ORGANIZATIONS ALSO DEMONSTRATE COMMITMENT TO THEIR EMPLOYEES



In addition to their commitment to broader issues like the environment, most employers believe they have a responsibility to the health and financial well-being of their own employees, which they express through things like living wages, retirement benefits and financial education.

The vast majority offer employee retirement plans and contribute to those plans.

99% are committed to helping employees save for retirement

90% offer employee retirement plans

86% make contributions to their employee retirement plans

Slightly over half of nonprofits (52%) and six in 10 for-profits (62%) also offer financial education to their employees.



But financial education is underutilized.

The majority of respondents say that less than 50% of their employees take advantage of their financial education programs.

ESG INVESTING IS ALSO ON THE RISE



Along with a rise in social responsibility, this study also finds a growing interest in ESG investing — investing with a lens toward environmental, social and governance factors.

Four in ten executives (40%) say that their company or organization currently does at least some investing with an ESG lens, and nearly as many (39%) aren't currently doing ESG investing but are in the planning process.

40% CURRENTLY

39% PLANNING

These executives view ESG investing as supporting and reinforcing their corporate values and social responsibility efforts. They believe that ESG investing can make a difference and have a positive impact on society.

91% agree that "the growth in ESG investing can have a positive influence on corporate behavior."



Overall, these executives believe they can make a difference on issues like climate change and diversity through their social responsibility programs, and nearly all expect a continued emphasis on social responsibility in their organizations specifically and in the country in general.

91% believe that they can make a real impact through their social responsibility programs

94% say that social responsibility programs are here to stay



READY TO HELP

To learn more about how PNC Institutional Asset Management® can help your organization invest according to its values, visit pnc.com/iam.

*This information comes from a national survey of C-suite and financial executives at for-profit and nonprofit organizations with annual revenues over \$25 million, conducted by PNC Institutional Asset Management (PNC IAM) in December 2021. The survey was conducted online and on an anonymous basis. Survey results represent responses from 240 individuals. The study was conducted by Willow Research, LLC, a custom market research firm and certified woman-owned business.

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