

# **PNC Green Bond Issuance**

## Overview Materials

The PNC Financial Services Group





# PNC's Green Bond Framework



## Use of Proceeds

- Proceeds from PNC's Green Bond issuances will be used to finance Eligible Projects that promote a transition to a low-carbon economy and offer sustainability benefits
- Eligible categories are aligned with the UN's Sustainable Development Goals, and include renewable energy, energy efficiency and green buildings

## Evaluation and Selection

- PNC's Sustainable Finance Working Group (SFWG) has been created to help govern the process for project evaluation and selection
- The Green Bond Approval Committee (GBAC) includes individuals from the SWFG with expertise in Corporate Social Responsibility and Debt Capital Markets
- Line of business representatives will present potential eligible projects to the GBAC for consideration for PNC's Green Bond

## Management of Proceeds

- PNC has established a Green Bond Asset Tracking group to track funds from Green Bond issuances using PNC's internal reporting system
- All Green Bond funds will be earmarked at issuance for allocation to Eligible Green Projects, and upon approval, will be allocated to the Eligible Project

## Reporting

- PNC will publish an annual Green Bond Report on its Green Bond webpage and will be transparent with both qualitative and quantitative reporting on projects
- Descriptions of the projects and expected environmental benefits will be made available on the Green Bond webpage

# Green Bond Framework – Eligibility Criteria Detail




Categories	Description	Eligible Projects	UN SDG Alignment
Renewable Energy	Investments that support the generation and production of renewable energy	<ul style="list-style-type: none"><li>Construction of new solar and wind energy facilities</li><li>Maintenance of solar and wind facilities</li></ul>	
Energy Efficiency	Investments that support a reduction in energy consumption	<ul style="list-style-type: none"><li>Energy efficient lighting improvements within PNC owned and operated real estate that result in a 25% energy efficiency improvement or higher</li></ul>	
Green Buildings	Investments in new and refurbished certified buildings	<ul style="list-style-type: none"><li>LEED Platinum and Gold Certified Buildings</li></ul>	

# Green Bond Framework – 2<sup>nd</sup> Party Opinion

## Key Highlights

- ✓ The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles
- ✓ Sustainalytics considers that the eligible projects funded relating to renewable energy, energy efficiency and green buildings will lead to positive environmental impacts and advance the UN Sustainable Development Goals
- ✓ PNC has a dedicated Sustainable Finance Working Group which will act as the governance committee for project evaluation and selection. The Green Bond Approval Committee will approve eligible projects
- ✓ All unallocated funds will be tracked by the Group and will be held in cash or cash equivalents
- ✓ PNC will publish information, including things such as project descriptions, allocated and unallocated balances and environmental KPIs on its green bond website

Second-Party Opinion  
**PNC Green Bond Framework**



**Evaluation Summary**

Sustainalytics is of the opinion that the PNC Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:

<b>Evaluation date</b>	September 2019
<b>PNC Location</b>	Pittsburgh, United States

**Report Sections**

Introduction.....	2
Sustainalytics' Opinion.....	3
Appendices.....	7

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**USE OF PROCEEDS** The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible projects funded relating to Renewable Energy, Energy Efficiency and Green Buildings will lead to positive environmental impacts and advance the UN Sustainable Development Goals, particularly goals 7 and 11.

**PROJECT EVALUATION / SELECTION** PNC has a dedicated Sustainable Finance Working Group (SFWG) which will act as the governance committee for project evaluation and selection. The Green Bond Approval Committee will approve eligible projects. This is in line with market practices.

**MANAGEMENT OF PROCEEDS** PNC has established the Green Bond Asset Tracking Group which will track funds from PNC's green bond issuance using its internal reporting system. All unallocated funds will be tracked by the Group and will be held in cash or cash equivalents. This is in line with market practice.

**REPORTING** PNC will publish an annual Green Bond Report on its Green Bond webpage which will provide both quantitative and qualitative information about the use of proceeds categories such as description of projects, allocated and unallocated balances to each eligible category, and environmental KPIs including installed capacity, emission reductions, etc. Sustainalytics views PNC's allocation and impact reporting as aligned with market practice.

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# Corporate Social Responsibility at PNC



## CSR Pillars

## 2018 / 2019 Highlights

### Banking Responsibly

- Issued inaugural green bond in 2019
- Joined **RE100**, committing to shift to **100% renewable energy by 2025**
- Joined **Ceres**, a nonprofit helping companies to take action on climate change
- **\$7bn+** in sustainable financing

### Building a Talent-Focused Culture

- Implemented **\$15 minimum pay rate**
- **Best Place to Work** award for **LGBTQ, Women, Veterans and New Dads**
- Grew **Employee Business Resource Groups +20%** to 81 chapters / ~17,000 members
- Signed **Business Coalition for Equality Act**

### Strengthening Our Communities

- **Outstanding CRA Rating** (41<sup>st</sup> straight year)
- **8% growth** in philanthropic giving to **\$78mm**
- **\$150mm incremental** commitment to **Grow Up Great** at its 15<sup>th</sup> anniversary
- Employees **volunteered 103,000 hours** of their time in their **communities**

### Delivering an Exceptional Client Experience

- Awarded the **Best Online Experience** for traditional mortgage by Nerd Wallet
- Introduced **PNC Express Funds, Denomination Choice & Card-Free Access** for ATMs
- Recognized by Greenwich Associates as a **Best Brand - Overall** and **Best Brand - Cash Management** for both the Middle Market and Small Business space

# Baking Responsibly – Focus on Sustainability

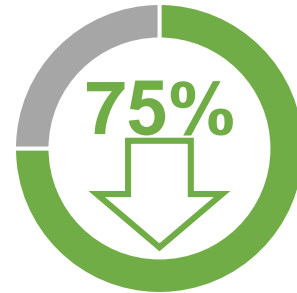
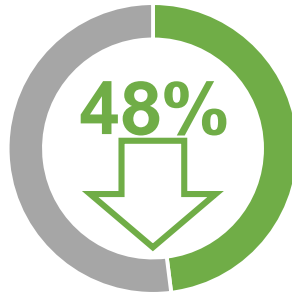


## Our Operations

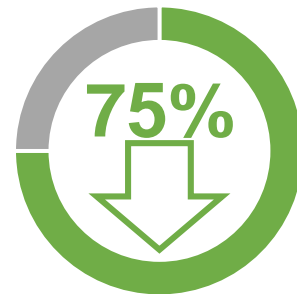
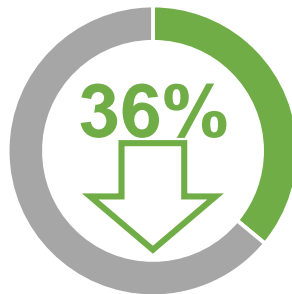
Since 2009

2035 Goal

Carbon Emissions

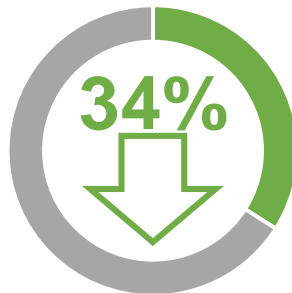


Energy



Water

(2012 Baseline)



## Commitments and Partnership



100% Renewable Power by 2025

## Our Clients

\$23bn

Sustainable Financing Since 2016

\$2.4bn

Sustainable Assets Under Management

For questions, contact [CSR@PNC.com](mailto:CSR@PNC.com)

The PNC Financial Services Group

