



Sustainable Financing Bond Framework

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Introduction and Background

As a Main Street Bank, PNC is committed to delivering on each of our strategic priorities while looking out for the best interests of all our stakeholders, including our customers, communities, employees and shareholders. We believe that our success will be proportional to the prosperity we help to create for each of these stakeholders. This belief, along with our corporate values, shapes how we do business.

At PNC, we are committed to making a positive difference by leveraging the power of our resources to help all move forward financially. We recognize that environmental, social and governance (ESG) issues are impacting our business, our clients and the communities in which we operate. This Sustainable Financing Bond Framework (Framework) will guide PNC's future issuances of Green Bonds, Social Bonds and Sustainability Bonds (collectively referred to as Sustainable Financing Bonds), in accordance with the International Capital Market Association's (ICMA) Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, and in support of the United Nations Sustainable Development Goals (UN SDGs). PNC is a registered member of the Green and Social Bond Principles.

For purposes of this Framework, "Sustainable Financing Bonds" refers only to PNC's issuance of Green Bonds, Social Bonds and/or Sustainability Bonds, and does not include other sustainable finance activities of PNC.

Use of Proceeds

Guided by ICMA's documentation around sustainable financing, and its associated Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG), the use of proceeds from PNC's Sustainable Financing Bonds will align with PNC's Corporate Responsibility commitments and the UN SDGs, specifically:

- ▶ **Goal 3:** Good health and wellbeing
- ▶ **Goal 4:** Quality education
- ▶ **Goal 7:** Affordable and clean energy
- ▶ **Goal 8:** Decent work and economic growth
- ▶ **Goal 9:** Industry, innovation and infrastructure
- ▶ **Goal 10:** Reduced inequalities
- ▶ **Goal 11:** Sustainable cities and communities
- ▶ **Goal 13:** Climate action

Proceeds from PNC's Sustainable Financing Bonds will be applied to, as applicable, Eligible Green Projects or Eligible Social Projects (each as described below), or in the case of Sustainability Bonds, a combination of Eligible Green Projects and Eligible Social Projects. PNC reserves the right to update its Eligible Green Projects and Eligible Social Projects (collectively, Eligible Projects) criteria for future Sustainable Financing Bond issuances so long as the criteria align with PNC's ESG focus areas and the GBP, SBP, and SBG as applicable. PNC's look-back period for Eligible Projects will be 36 months prior to the Sustainable Financing Bond issuance date.

Green Bonds

We acknowledge that the transition to a low-carbon economy presents both risks and opportunities, and are committed to balancing financial priorities, responsible risk management and environmental considerations in ways that benefit our varied stakeholders. One of the ways PNC supports the transition to a low-carbon economy is by helping our clients finance their sustainable operations.

Sustainable Finance Pillars

Our commitment to enabling our clients' sustainable operations takes the form of providing financing and underwriting debt with an environmentally sustainable use of proceeds. Areas of focus include:

- ▶ Renewable energy
- ▶ Energy efficiency
- ▶ Green building
- ▶ Brownfield remediation
- ▶ Sustainable transportation
- ▶ Waste management and pollution control
- ▶ Water quality and conservation
- ▶ Air quality

PNC's Green Bond issuances will support our existing initiatives outlined above, and represent an opportunity to increase our support of a future low-carbon economy.

Proceeds from PNC's Green Bond issuances will be used to finance or re-finance Eligible Green Projects that promote a transition to a low-carbon economy and offer environmentally sustainable benefits.



Eligible Green Projects must adhere to PNC's Green Bond Eligibility Criteria as follows:

UN SDG Alignment	Categories of Eligible Green Projects	General Description	Eligible Green Projects
 	Renewable Energy	Investments that support the generation and production of renewable energy	<ul style="list-style-type: none"> Construction of new solar and wind energy facilities Maintenance of solar and wind facilities
	Energy Efficiency	Investments that support a reduction in energy consumption	<ul style="list-style-type: none"> Energy efficient heating (excluding those powered by fossil fuels), ventilation, air conditioning, refrigeration, lighting, and electrical equipment that result in at least 25% energy savings Projects that enable energy optimization and smart building technologies, including smart meters, load control systems, sensors or building information systems Businesses with at least 90% of revenue focused on the development and deployment of clean technologies resulting in greenhouse gas reduction or avoidance
	Green Buildings	Investments in new and refurbished certified buildings	Buildings that meet regional, national or internationally-recognized standards or certifications (e.g., LEED Gold or Platinum)
 	Clean Transportation	Investments that support low-carbon transport assets	<ul style="list-style-type: none"> Lending to finance zero and low (less than 75gCO₂/km) emissions vehicles through direct consumer lending or for corporate or municipal fleets Lending to finance zero and low (less than 50gCO₂/km) busses and public transportation Lending to finance zero and low passenger (less than 50gCO₂e/p-km) or freight/rolling stock (less than 25gCO₂/t-km), with the exception of the transportation of fossil fuels Associated infrastructure such as charging stations

PNC's framework for Green Bond issuances is consistent with the current GBP, as published by ICMA.

Social Bonds

PNC is committed to advancing and improving the communities we serve and building a more equitable and inclusive future for all. For many years, our commitment to diversity, equity and inclusion has helped to guide our efforts around economic empowerment, ending systemic racism, enhancing education and enabling entrepreneurship. Most recently, PNC has demonstrated this commitment through our \$88 billion, four-year Community Benefits Plan, which pledges:

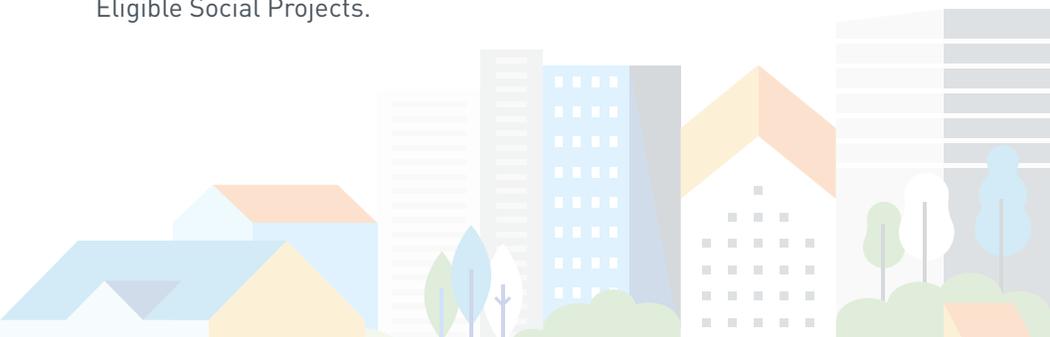
- ▶ **\$47 billion in residential mortgage and home equity loans to low- and moderate-income (LMI) and minority borrowers and in LMI and majority-minority census tracts;**
- ▶ **\$26.5 billion in loans to small businesses in LMI communities and majority-minority census tracts, businesses with less than \$1 million in revenue and small farms; and**
- ▶ **\$14.5 billion in community development loans and investments across all PNC markets, including increased support for Community Development Financial Institutions and affordable housing.**

PNC's Social Bond issuances will support our existing initiatives outlined above, and represent an opportunity to increase our efforts in helping all move forward financially.

Proceeds from PNC's Social Bond issuances will be used to finance or re-finance Eligible Social Projects that promote positive social outcomes, and that benefit LMI individuals and communities, majority-minority census tracts, and/or vulnerable or underserved populations.

Sustainability Bonds

Proceeds from PNC's Sustainability Bond issuances will be used to finance or re-finance a combination of Eligible Green Projects and Eligible Social Projects.



Eligible Social Projects must adhere to PNC's Social Bond Eligibility Criteria as follows:

UN SDG Alignment	Categories of Eligible Social Projects	General Description	Eligible Social Projects
 	Affordable Housing	Projects eligible for Low-Income Housing Tax Credits and lending to individuals and families with income less than 80% of area median income (120% in high-cost areas)	<ul style="list-style-type: none"> Acquisition, construction, rehabilitation or preservation of multi-family and single-family homes Financing of non-profit organizations dedicated to addressing housing affordability
   	Access to Essential Services	Investments and loans that support access to and enhancement of education, healthcare, and other basic societal needs	<ul style="list-style-type: none"> Construction, rehabilitation or enhancement of facilities Support for accredited public or private Historically Black Colleges and Universities and Tribal Colleges and Universities Apprenticeships and vocational training in LMI communities or majority-minority census tracts Nonprofit or public sector emergency healthcare facilities that provide free or subsidized service to vulnerable or under-served populations Businesses providing broadband services and outreach designed to reduce or eliminate the digital divide
 	Socioeconomic Advancement and Empowerment	Investments that support job creation and retention in LMI communities and majority-minority census tracts, or that reduce income inequality	<ul style="list-style-type: none"> 51% or greater minority-owned or operated small and medium businesses Small businesses in majority-minority census tracts Small businesses in LMI communities Investments to Minority Deposit Institutions, Community Development Corporations, Community Development Financial Institutions and New Market Tax Credits

PNC's framework for Social Bond issuances is consistent with the current SBP, as published by ICMA.

Process for Project Evaluation and Selection

PNC's Sustainable Finance Working Group (SFWG) has been created to help govern the process for project evaluation and selection. The SFWG includes employees from business segments that are key to the success of PNC's sustainable finance initiatives and programs, including our Sustainable Finance Practice, Renewable Energy Finance Group, Real Estate Finance, Corporate Responsibility, Community Development Banking, Corporate Treasury and other key internal business groups. The working group is responsible for defining PNC's sustainable finance commitments and influencing strategies to ensure that PNC meets its sustainable finance goals.

The Sustainability Bond Approval Committee (SBAC), a subset of the SFWG that includes individuals from PNC's ESG and Debt Capital Markets teams, will act as the governance committee for project evaluation and selection.

Line of business representatives will present potential eligible projects to the SBAC for consideration as an Eligible Project for a PNC Sustainable Financing Bond under this Framework.

The SBAC will review the proposed Eligible Projects in accordance with both the criteria outlined in the Framework and with PNC's Environmental and Social Risk Management (ESRM) process and respond with an approval or rejection. A standardized form has been created to document proposals, approvals and rejections.

PNC applies a multi-layered ESRM process to all corporate lending, which includes a Rapid Risk Screen that subjects every Corporate & Institutional Banking transaction to a baseline environmental and human rights risk assessment. This assessment is industry-agnostic, and is applied to every transaction – no matter the size. It is designed to be modular, so that as PNC's business changes, PNC can quickly develop and communicate enhancements to the tool. Such changes could occur when PNC enters new markets or new industries, or as the external risk landscape shifts, to ensure PNC's practices continue to take into consideration pertinent risks, including emergent risks. Transactions identified by the screening are escalated to leaders in the business and underwriting groups, who determine whether to pass on the transaction, do enhanced due diligence alongside PNC's ESG team, or proceed as requested.

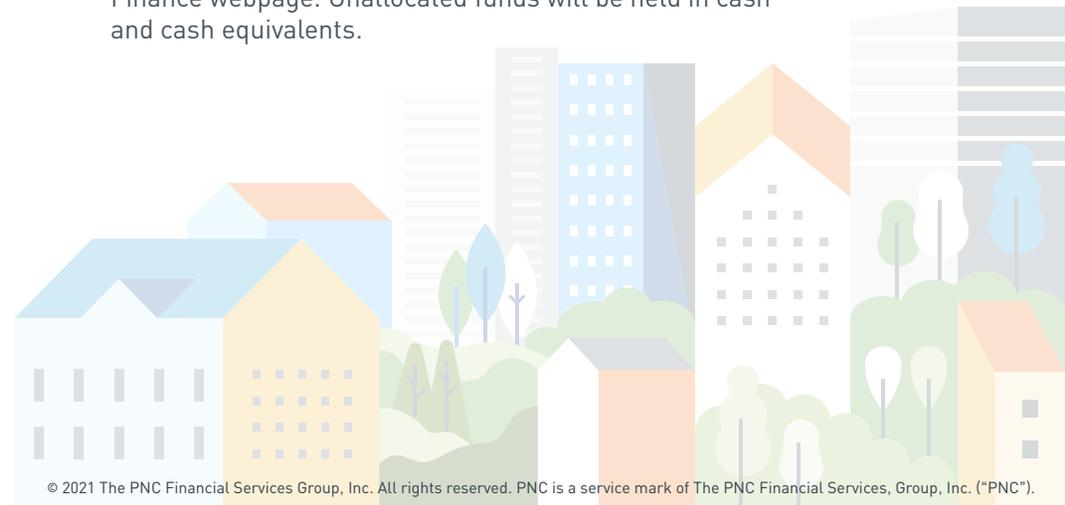
Exclusions

PNC has developed exclusionary criteria for the Eligible Social Projects and Eligible Green Projects covered under this Framework. PNC commits to not intentionally include any of the following activities in the Eligible Social Projects or Eligible Green Projects portfolio:

- ▶ **Energy generation from fossil fuels**
- ▶ **Private prisons**
- ▶ **Alcohol**
- ▶ **Tobacco**
- ▶ **Weapons and arms trade**
- ▶ **Gambling**
- ▶ **Adult entertainment**
- ▶ **Predatory lending**
- ▶ **Loans or investments that have matured**
- ▶ **Loans or investments for projects outside of the United States and its territories**

Management of Proceeds

PNC has established a Sustainability Bond Asset Tracking (SBAT) group to track funds from Sustainable Financing Bonds using PNC's internal reporting system. All Green Bond funds will be earmarked at issuance for allocation to Eligible Green Projects, all Social Bond funds will be earmarked at issuance for allocation to Eligible Social Projects, and all Sustainability Bond funds will be earmarked at issuance for allocation to Eligible Projects. The funds will then be allocated within 24 months to the applicable Eligible Project upon identification and approval. The SBAT will track any unallocated balance of funds from PNC's Sustainable Financing Bonds, and the SBAC will provide annual updates on its Sustainable Finance webpage. Unallocated funds will be held in cash and cash equivalents.



Reporting

PNC understands its obligation to provide information regarding the use of proceeds from its Sustainable Finance activities. Descriptions of the projects and expected environmental and/or social benefits will be made available on the Sustainable Finance webpage.

Where confidentiality agreements and competitive considerations permit, PNC will be transparent with both qualitative and quantitative reporting on projects. At a minimum, while a Sustainable Financing Bond is outstanding, PNC will publish an annual Sustainable Financing Report on the Sustainable Finance webpage that includes the following information:

- ▶ **Description of projects;**
- ▶ **Amount allocated by use of proceeds category;**
- ▶ **Unallocated balances; and**
- ▶ **Impact reporting, including a mix of qualitative and quantitative environmental and/or social performance indicators, as available and appropriate.**



The Report may include some of the following data for projects financed where such data is available:

Eligible Category per ICMA Green/Social Bond Principles	Potential Impact Reporting Data
Renewable Energy	<ul style="list-style-type: none"> • Total renewable energy installed • Total renewable energy generated • GHG emissions avoided per year
Energy Efficiency	<ul style="list-style-type: none"> • Types and number of energy reduction projects • GHG emissions avoided per year
Green Buildings	<ul style="list-style-type: none"> • Number of units/square feet financed • Number and type of certifications achieved • GHG emissions avoided per year
Clean Transportation	<ul style="list-style-type: none"> • Transportation infrastructure financed, developed or improved • GHG emissions avoided per year
Affordable Housing	<ul style="list-style-type: none"> • Number of loans and/or investments • Number of units financed • Number of individuals and/or families benefitted
Access to Essential Services	<ul style="list-style-type: none"> • Number of organizations • Number of individuals/families benefitted
Socioeconomic Advancement & Empowerment	<ul style="list-style-type: none"> • Number of organizations • Number of loans and/or investments • Jobs created and/or retained

External Review

PNC has engaged Sustainalytics to provide an opinion on this Framework and reserves the right to engage external verifiers to confirm use of proceeds alignment on an annual basis until the proceeds are fully allocated.

The external opinion and external attestation will be made available on the Sustainable Finance webpage.

Disclaimer

The information contained in this Framework is provided as of the original date of this document (or the date of its most recent update, if applicable) and PNC does not assume any duty to update the information.

This Framework is provided for general informational purposes only and does not constitute or form a part of any offer, or an invitation on our behalf or on behalf of any underwriters, to subscribe for or purchase any securities of PNC, and may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (collectively, the "Offering Documents"). Any decision to subscribe for or purchase any securities of PNC pursuant to such offer or invitation should be made only after carefully reviewing such Offering Documents, including any documents incorporated by reference therein, and consulting with any legal, tax, financial and other advisors, as appropriate. No decision to subscribe for or purchase any securities of PNC should be made on the basis of the information contained in this Framework.

You should not assume that the information appearing in this Framework is accurate as of any date other than the date hereof, as PNC's business and prospects may have changed since that date. This Framework is not intended to provide the basis for any third-party evaluation of any PNC securities, and should not be considered as a recommendation that any investor should subscribe for or purchase any PNC securities, or as an assessment of the economic performance and creditworthiness of any PNC securities.

This Framework contains statements regarding PNC's plans with respect to its Sustainable Financing Bonds. Such statements are, by their nature, forward-looking, and accordingly are subject to numerous assumptions, risks and uncertainties, which may change over time. In particular, future events or circumstances may change PNC's approach to bond issuances or result in changes to the terms of this Framework. Thus, there can be no assurance that the financing for any Eligible Projects will be implemented in the manner set forth in this Framework or achieve the results or outcome (environmental, social or otherwise) originally expected or anticipated by PNC or as contemplated by this Framework. Applicable Offering Documents may describe other or more specific risks to accomplishment of PNC's plans as set forth in this Framework. PNC's activities in general, which may affect any Sustainable Financing Bonds that it issues, are also subject to certain risks and uncertainties that are described in PNC's most recent Annual Report on Form 10-K and its subsequent Quarterly Reports on Form 10-Q.

