



**PNC**

**Green Bond Framework**

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## Introduction and Background

The PNC Financial Services Group, Inc. and PNC Bank NA (“PNC”) recognizes that environmental issues, including climate change, are impacting our business, our clients and the communities in which we operate. 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.

PNC supports the transition to a low-carbon economy by:

- Actively managing our own internal operations;
- Managing capital for our clients in responsible ways, with environmental and social considerations a factor;
- 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

The PNC Green Bond Framework supports our existing initiatives outlined above, and represents an opportunity to increase our support of a future low-carbon economy.

PNC’s Green Bond Framework is consistent with the current Green Bond Principles (“GBP”), as published by the International Capital Market Association (“ICMA”), of which PNC is a signatory.

The PNC Green Bond Framework applies to PNC Bank Green Bonds issued after September 2019. The PNC Green Bond Framework will be updated as applicable to align with industry best practices.

For more information about PNC’s Green Bonds, please visit PNC’s designated Green Bond [webpage](#).

## Use of Proceeds for PNC Green Bonds

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 Projects must adhere to PNC’s Green Bond Eligibility Criteria as outlined below.

### *PNC Green Bond Eligibility Criteria*

Categories	General Description	Eligible Projects
<b>Renewable Energy</b>	Investments that support the generation and production of renewable energy	<ul style="list-style-type: none"> <li>Construction or new solar and wind energy facilities</li> <li>Maintenance of solar and wind facilities</li> </ul>
<b>Energy Efficiency</b>	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 results in 25% energy efficiency improvements</li> </ul>
<b>Green Buildings</b>	Investments in new and refurbished certified buildings	<ul style="list-style-type: none"> <li>LEED Platinum and Gold Certified buildings</li> </ul>

PNC’s look-back period for Eligible Projects will be 36 months prior to the Green Bond issuance date.

Proceeds from PNC’s Green Bond issuance will be applied to an Eligible Project in one of the categories listed above. PNC reserves the right to update its Eligible Projects criteria for future Green Bond issuances so long as the criteria align with PNC’s Sustainable Finance Pillars and the GBP.

## 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 Green Bond Approval Committee ("GBAC"), a subset of the SFWG which includes individuals from PNC's Corporate Social Responsibility 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 GBAC for consideration as an Eligible Project for PNC's Green Bond. The GBAC will review the proposed Eligible Projects and respond with an approval or rejection. A standardized form has been created to document proposals, approvals and rejections.

## Management of Proceeds

PNC has established a Green Bond Asset Tracking ("GBAT") 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. Upon identification, proposal, and approval, the funds will be allocated to the Eligible Project.

PNC GBAT will track any unallocated balance of Green Bonds, and the GBAC will provide annual updates on its Green Bond [webpage](#). Unallocated funds will be held in cash and cash equivalents.

## Reporting

PNC understands its obligation to provide information regarding the use of proceeds. Descriptions of the projects and expected environmental benefits will be made available on the Green Bond [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 Green Bond is outstanding, PNC will publish an annual Green Bond Report on the Green Bond [webpage](#) that includes the following information:

- Description of projects
- Environmental impacts of funded projects (including KPI metrics, installed capacity, emissions reductions, and building certifications when available)
- Amount allocated by use of proceeds category

- Unallocated balances

## External Review

PNC has engaged Sustainalytics to provide an opinion on this framework and reserves the right to engage external auditors to verify the use of proceeds on an annual basis until the proceeds are spent.

The external opinion and external attestation will be made available on the Green Bond [webpage](#).

## Disclaimer

*The information contained in this Green Bond 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 Green Bond 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 Green Bond Framework.*

*You should not assume that the information appearing in this Green Bond 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 Green Bond 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 Green Bond Framework contains statements regarding PNC's plans with respect to its Green Bond issuances. 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 Green Bond issuances or result in changes to the terms of PNC's Green Bond Framework. Thus, there can be no assurance that the financing for any Eligible Projects will be implemented in the manner set forth in this Green Bond Framework or achieve the results or outcome (environmental or otherwise) originally expected or anticipated by PNC or as contemplated by this Green Bond Framework. Applicable*

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*Offering Documents may describe other or more specific risks to accomplishment of PNC's plans as set forth in this Green Bond Framework. PNC's activities in general, which may affect any Green Bonds that it issues, are also subject to certain risks and uncertainties that are described in PNC's Annual Report on Form 10-K for the year ended December 31, 2018 and its subsequent Quarterly Reports on Form 10-Q.*