SOMEDAY STARTS today
We tell our customers that the choices they make right now matter tomorrow. But these words would ring hollow if we didn’t live by them ourselves.

That’s why, every day, we work to create a diverse, inclusive culture. It’s why we give our employees a strong voice in the direction of our company and ownership in their careers. It’s why we employ sustainable business practices. It’s why we’re constantly working to enhance data privacy and protect our clients’ information. And it’s why we strive to have a positive impact through philanthropy, from PNC Grow Up Great® to our community development loans and investments.

Someday starts today. For our employees. For our customers. For our communities. In the following pages, you’ll learn more about how we’re enabling tomorrow’s successes, today. EVERY DAY.
At PNC, we believe the measure of our success isn’t just found in our financial statements; it’s also in the value we create for all of the constituencies we serve – from our shareholders to our customers, communities and employees. And with each passing year, the story of our success and of the continual advancements we are making on behalf of all of our stakeholders is being told to greater and greater effect here in the pages of our annual Corporate Social Responsibility (CSR) report.

As a Main Street bank that organizes around its customers and communities – and which prides itself on the strength of the relationships we work to build and deepen through time – we recognize that success isn’t about whether we sold another deposit product or booked another loan so much as it is about whether we helped the people and institutions we serve to achieve their financial goals. It’s about whether the way we operate our business and the investments we make are helping our communities to thrive. It’s about whether our employees are achieving their career aspirations and whether we are collectively living our values in a way that makes us all proud to work for PNC. It’s about whether we are doing right by the people we serve. And we know that when we do, financial success follows.

By virtually every measure, 2017 was a successful year for PNC. We had a record year in terms of our net income and returned $3.6 billion in capital to our shareholders in the forms of both common stock dividends and repurchases of common shares. I invite you to read our annual report to shareholders for a detailed look at our financial performance and the progress we are making on our strategic priorities. And in the pages that follow here within our CSR report, we are excited to share with you a great deal more information about how our values come to life across our company and in the communities where we do business.

In 2017, we continued our work to offer more innovative products and services for an improved customer experience, and our efforts to do so in recent years earned PNC the No. 1 ranking in the J.D. Power 2017 National Bank Satisfaction Study. We took a number of steps to strengthen the governance of our CSR efforts and to further integrate them into our business practices. In addition to our Board of Directors adopting formal oversight of the company’s CSR program, in 2017 we announced ambitious new environmental goals, including our aim to reduce carbon emissions and energy consumption by 75 percent by 2035. We also revised our coal-fired power plant policy to prohibit the construction financing of single-site, coal-fired power plants and began work to design an environmental...
A MESSAGE FROM OUR CEO

Way. Across our markets, the PNC Foundation and PNC Bank provided $72 million in charitable giving and sponsorships in 2017, including $15.4 million in grants through Grow Up Great. We partnered with DonorsChoose.org to fund hundreds of pre-K classroom initiatives. And, PNC provided $2.9 billion in financing that benefited low- and moderate-income families and communities, including $2 billion in community development loans.

For the fifth year in a row, PNC was named one of the best places to work for LGBTQ equality by the Human Rights Campaign. Additionally, in our ongoing effort to create a diverse and inclusive work environment in which our employees are able to contribute, develop and grow, we worked throughout 2017 to promote performance and engagement.

Among the many steps we took during the year, we introduced formal leadership standards to chart the course for every PNC manager, setting clear expectations and holding managers accountable for both the performance and development of their teams. We launched unconscious bias training to provide leaders with the tools they need to identify the filters and biases through which they view and interpret themselves and others so that they might better navigate those biases in order to make even better hiring and development decisions. And we have been pleased to see our investments in our people paying dividends in terms of substantially reduced turnover, along with news from CareerBliss ranking PNC ninth on its list of the happiest companies based on employee survey data.

We have much to be proud of, but we also have a great deal of work ahead of us in 2018 and as we look toward the future. Throughout this report, you’ll see examples of both our achievements and our aspirations, and you will read about our commitment to working each day to become an even better company and corporate citizen.

Thank you for your interest in PNC.

Bill Demchak
Chairman, President, and Chief Executive Officer

IN 2017, PNC PROVIDED $2.9B IN FINANCING THAT BENEFITED LOW- AND MODERATE-INCOME FAMILIES AND COMMUNITIES.
## 2017 CSR SCORECARD

**Data current as of December 31, 2017**

### BANK RESPONSIBLY

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>METRIC</th>
<th>2016</th>
<th>2017</th>
<th>GOALS FOR 2018 AND BEYOND</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVERNANCE</td>
<td>Percent of Board of Directors, women</td>
<td>31%</td>
<td>36%</td>
<td>At least 30% of PNC’s Board of Directors will be comprised of women</td>
</tr>
<tr>
<td></td>
<td>Percent racial/ethnic diversity on Board of Directors</td>
<td>15%</td>
<td>14%</td>
<td>Maintain or improve racial/ethnic diversity on Board of Directors year-over-year</td>
</tr>
<tr>
<td>SUSTAINABLE FINANCE</td>
<td>Sustainable financing</td>
<td>$6 billion+</td>
<td>$10 billion+</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td></td>
<td>Responsible investing assets under management</td>
<td>$2 billion</td>
<td>$2.1 billion</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td>ETHICAL CONDUCT</td>
<td>Percent of employees (both part-time and full-time) completing mandatory annual ethics training</td>
<td>100%</td>
<td>100%</td>
<td>100% completion rate each year by all part- and full-time employees</td>
</tr>
<tr>
<td></td>
<td>Prospective clients subject to enhanced ESG due diligence</td>
<td>7</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Existing clients subject to enhanced ESG due diligence</td>
<td>125</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>SUSTAINABLE OPERATIONS</td>
<td>Scope 1 and 2 CO₂ emissions</td>
<td>-30%</td>
<td>-22%</td>
<td>75% reduction by 2035, compared to a 2009 baseline</td>
</tr>
<tr>
<td></td>
<td>Energy consumption</td>
<td>-28%</td>
<td>-32%</td>
<td>75% reduction by 2035, compared to a 2009 baseline</td>
</tr>
<tr>
<td></td>
<td>Water consumption</td>
<td>-25%</td>
<td>-29%</td>
<td>50% reduction by 2035, compared to a 2012 baseline</td>
</tr>
<tr>
<td></td>
<td>LEED certified buildings</td>
<td>289</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ENERGY STAR certifications</td>
<td>155</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal paper consumption</td>
<td>-15%</td>
<td>-15%</td>
<td>Year-over-year decrease</td>
</tr>
<tr>
<td>CUSTOMER RELATIONS</td>
<td>Customers and prospects surveyed</td>
<td>505,314 customers</td>
<td>577,071 customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average hold time for calls to PNC Customer Care</td>
<td>76 seconds</td>
<td>39 seconds</td>
<td>Year-over-year decrease</td>
</tr>
<tr>
<td></td>
<td>Client questions addressed on first Customer Care call</td>
<td>65.1%</td>
<td>66.6%</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td></td>
<td>Average response time to customer questions asked through PNC’s social media channels</td>
<td>22 minutes</td>
<td>16 minutes</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td>Total bankers certified as Women’s Business Advocates</td>
<td>1,888</td>
<td>1,629</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td>INNOVATION</td>
<td>Percent of customers who use non-branch channels for the majority of their transactions</td>
<td>60%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Branches converted to alternative models of banking</td>
<td>526</td>
<td>512</td>
<td>2/3 of branch network by 2021</td>
</tr>
</tbody>
</table>

### DELIVER AN EXCEPTIONAL CLIENT EXPERIENCE

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>METRIC</th>
<th>2016</th>
<th>2017</th>
<th>GOALS FOR 2018 AND BEYOND</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVERNANCE</td>
<td>Percent of workforce, women</td>
<td>60.6%</td>
<td>59.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of people managers, women</td>
<td>61.7%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of workforce, racial/ethnic minorities</td>
<td>26.8%</td>
<td>27.4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of people managers, racial/ethnic minorities</td>
<td>18.8%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of veterans hired</td>
<td>354 veterans</td>
<td>366 veterans</td>
<td>Hire at least 1,000 veterans in the three-year period from January 2018 through December 2020</td>
</tr>
<tr>
<td></td>
<td>Voluntary retention rate</td>
<td>79.80%</td>
<td>83.70%</td>
<td></td>
</tr>
<tr>
<td>EMPLOYEE ENGAGEMENT AND WELLNESS</td>
<td>401(k) plan participation</td>
<td>88%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Health Savings Account funds committed</td>
<td>$16.7 million</td>
<td>$17.8 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost of pension benefits</td>
<td>$102 million</td>
<td>$160 million*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of eligible PNC employees who are members of Employee Business Resource Groups</td>
<td>28%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of chapters across PNC’s 10 Employee Business Resource Groups</td>
<td>44</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Change in employee Net Promoter Score</td>
<td>9 point increase</td>
<td>7 point increase</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td></td>
<td>Total employee training hours</td>
<td>3.2 million hours</td>
<td>3 million hours</td>
<td></td>
</tr>
<tr>
<td>COMMUNITY ENGAGEMENT</td>
<td>Philanthropic giving</td>
<td>$72.7 million</td>
<td>$72.1 million</td>
<td>Increase by $1 million each year, using 2017 as a baseline</td>
</tr>
<tr>
<td></td>
<td>Annual Grow Up Great® employee volunteer hours</td>
<td>79,271 hours</td>
<td>88,600 hours</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td>COMMUNITY DEVELOPMENT BANKING</td>
<td>Participation in PNC financial education programs</td>
<td>175,000+ participants</td>
<td>276,000+ participants</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td></td>
<td>Value of investments and CRA-eligible loans that support low- and moderate-income communities</td>
<td>$2.3 billion+</td>
<td>$2.9 billion+</td>
<td>Year-over-year increase</td>
</tr>
<tr>
<td></td>
<td>Misting to small businesses</td>
<td>$210 million+</td>
<td>$220 million+</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small business loans</td>
<td>$968 million</td>
<td>$1.2 billion</td>
<td></td>
</tr>
<tr>
<td>SUPPLIER DIVERSITY</td>
<td>Percent of spend going to small, diverse and disadvantaged-owned business enterprises</td>
<td>15%</td>
<td>15.5%</td>
<td></td>
</tr>
</tbody>
</table>

*$7 million due to one-time investment of $7,000 per employee related to 2017 tax reform
** Tier 1 and Tier 2 suppliers
In 2015, PNC conducted a comprehensive materiality analysis to identify its priority issues while taking into account the concerns and expectations of internal and external stakeholders. This materiality analysis is a requirement of the Global Reporting Initiative’s (GRI) G4 framework and informed much of the content in this report.

As part of the materiality analysis, we worked with a sustainability consultant to conduct in-depth research, including surveying employees and conducting interviews with PNC executives, customers and suppliers, as well as public officials and community leaders. We selected each participant carefully, surveying employees whose roles are relevant to the company’s environmental, social and governance (ESG) priorities, and interviewing external stakeholders who are familiar with PNC’s strengths, opportunities and impacts.

### Priority Issues

Among other results, PNC’s analysis confirmed that financial performance, customer relations, data privacy and protection, community engagement, innovation and ethical conduct are the issues of greatest importance and impact to PNC and its stakeholders. Below is a materiality matrix that highlights these six issues, among others of varying significance.

### Priority Issues and Report Scope

PNC’s analysis confirmed that financial performance, customer relations, data privacy and protection, community engagement, innovation and ethical conduct are the issues of greatest importance and impact to PNC and its stakeholders.

### Why it’s Important to PNC

For more information about why these issues are important to PNC, please see the orange call-out boxes throughout our report.

<table>
<thead>
<tr>
<th>Priority Issues</th>
<th>GRI G4 Material Aspects</th>
<th>Materiality Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Performance</td>
<td>Economic performance</td>
<td>High</td>
</tr>
<tr>
<td>Customer Relations</td>
<td>Product and service labeling</td>
<td>High</td>
</tr>
<tr>
<td>Data Privacy and Protection</td>
<td>Customer privacy</td>
<td>High</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>Market presence</td>
<td>High</td>
</tr>
<tr>
<td>Ethical Conduct</td>
<td>Anti-corruption</td>
<td>High</td>
</tr>
<tr>
<td>Innovation</td>
<td>N/A — GRI does not have relevant aspects</td>
<td>High</td>
</tr>
</tbody>
</table>

### Report Scope

PNC publishes an annual Corporate Social Responsibility (CSR) report. This is our third GRI-based report and has been prepared in accordance with the Core GRI G4 Guidelines, including the Financial Services Sector Disclosure. PNC’s 2017 CSR report covers the period of January 1 through December 31, 2017. Our most recent, prior CSR report was published in March 2017, and all of PNC’s GRI reports are available online at www.pnc.com/csr.
Headquartered in Pittsburgh, Pennsylvania, we have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking and asset management, providing many of our products and services nationally. Our primary geographic markets are located in 19 states in the Mid-Atlantic, Midwest and Southeast, and we also provide certain products and services internationally. PNC bankers and financial consultants bring savvy, local knowledge and truly personal service to all of their banking relationships.

**AWARDS**

**HIGH-PERFORMANCE FRANCHISE**
- World's Most Admired Companies, FORTUNE magazine (2018)
- 100 Most Sustainable Companies, Barron's (2018)
- J.D. Power 2017 National Bank Satisfaction Study® (First-Place Ranking)

**EMPLOYER OF CHOICE**
- Top 50 Employers, CAREERS & the disABLED magazine (2018)
- Great Workplace Award, Gallup (2017)
- 50 Happiest Companies in America, CareerBliss (2017)

**DIVERSITY & INCLUSION**
- Bloomberg Financial Gender Equality Index (2018)
- Top Financial Companies, Professional Woman’s magazine (2018)
- The Most Powerful Women in Banking and Finance, American Banker (2017)
- Top 50 Companies for Executive Women, National Association for Female Executives (2017)
- 100 Best Companies for Working Mothers, Working Mother magazine (2017)
- Top Diversity Employer 2017, Professional Woman’s magazine (2017)
- Best of the Best for Top Disability-Friendly Companies, DIVERSEability magazine (2017)

**MILITARY & VETERAN SUPPORT**
- Sponsor of the Year, Guardian Angels Medical Service Dogs, Inc. (2017)
- Employee Business Resource Group Exemplar Award, Vibrant Pittsburgh (2017)
- Spotlight Impact Award, PRISM (2017)

**COMMUNITY**
- Outstanding Community Reinvestment Act Rating
- Corporate Social Responsibility Leadership Award, Financial Services Roundtable (2017)
- Corporate Citizenship Award, Pittsburgh Business Times (2017)

**ENVIRONMENTAL**

Our primary geographic markets are located in 19 states in the Mid-Atlantic, Midwest and Southeast, and we also provide certain products and services internationally. PNC bankers and financial consultants bring savvy, local knowledge and truly personal service to all of their banking relationships.

**Why It’s Important to PNC**
Our success is defined by how we help our customers achieve their goals, create value for our shareholders, strengthen our communities and empower our employees to grow. Maintaining a prosperous and sustainable business allows us to best serve all of our stakeholders.

**FINANCIAL PERFORMANCE Management Approach**
At PNC, we manage our company for the long term. We are focused on the fundamentals of growing customers, loans, deposits and revenue, and improving profitability, while investing for the future and managing risk, expenses and capital. We continue to invest in our products and services, markets and brand, and embrace our commitments to our customers, shareholders, employees and the communities where we do business. We strive to expand and deepen customer relationships by offering a broad range of deposit, credit and fee-based products and services. We are focused on delivering those products and services to our customers with the goal of addressing their financial objectives and putting customers’ needs first. Our business model is built on customer loyalty and engagement, understanding our customers’ financial goals and offering our diverse products and services to help them achieve financial well-being. Our approach is concentrated on organically growing and deepening client relationships across our business that meet our risk/return measures.

We are focused on our strategic priorities, which are designed to enhance value over the long term, and consist of:
- Expanding our leading banking franchise to new markets and digital platforms;
- Deepening customer relationships by delivering a superior banking experience and financial solutions; and
- Leveraging technology to innovate and enhance products, services, security and processes.

**PNC CORPORATE AND ECONOMIC PROFILE**

The PNC Financial Services Group, Inc. is one of the largest diversified financial services companies in the United States, with $381 billion in assets and $265 billion in deposits as of December 31, 2017. For 166 years, PNC has been a strong competitor, innovator and engaged corporate citizen.

**ECONOMIC PROFILE**

<table>
<thead>
<tr>
<th>Economic Value Distributed Amount (in millions for year ended 12.31.2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
</tr>
<tr>
<td>Operating Costs*</td>
</tr>
<tr>
<td>Employee Wages &amp; Benefits</td>
</tr>
<tr>
<td>Payments to Providers of Capital</td>
</tr>
<tr>
<td>Government Payments</td>
</tr>
<tr>
<td>Charitable Giving</td>
</tr>
</tbody>
</table>

*Operating Costs are calculated in accordance with GRI guidelines.

**BEST PLACES TO WORK FOR LGBTQ EQUALITY**
Human Rights Campaign (2017)

**HOME**
In 2017, we continued to build upon our talent-focused culture by investing in our people. This investment includes competitive compensation, increasingly generous benefits, internal mobility, a diverse and inclusive culture, the recognition and promotion of strong leadership, and valuable development opportunities.

**Required Goal Ratings**
Managing risk and providing a superior customer experience have always been core to PNC’s success, and every employee has established formal goals in these two areas.

In 2017, all employees were reviewed on their execution against their risk and ethics goal, and beginning in 2018, they will be reviewed on their execution against their customer focus goal. For the company’s senior leaders, ratings on all three enterprise-wide goals (leadership standards, risk and ethics, and customer focus) were required starting in 2017. These goals reflect our continued focus on leading with excellence, always doing what’s right and keeping our customers at the center of all we do.

Just as we strive to create a differentiated experience for our customers, it’s important that we do the same for our employees. To that end, we launched a number of important tools and initiatives in 2017.

**Leadership Standards**
PNC is committed to developing the best leaders in our industry. Our leadership standards chart the course for every PNC manager so we can put the best team on the field and win in the marketplace. The standards set clear expectations and hold managers accountable for certain behaviors that ensure PNC meets the demands of a dynamic business environment — and importantly, to model those behaviors for their teams.

**Required Goal Ratings**
Managing risk and providing a superior customer experience have always been core to PNC’s success, and every employee has established formal goals in these two areas.

In 2017, all employees were reviewed on their execution against their risk and ethics goal, and beginning in 2018, they will be reviewed on their execution against their customer focus goal. For the company’s senior leaders, ratings on all three enterprise-wide goals (leadership standards, risk and ethics, and customer focus) were required starting in 2017. These goals reflect our continued focus on leading with excellence, always doing what’s right and keeping our customers at the center of all we do.

The acronym I-LEAD helps make PNC’s leadership standards easy to remember:

**INCLUDES INTENTIONALLY**
Cultivates diverse teams and inclusive workplaces to expand thinking

**LIVES THE VALUES**
Models our values with transparency and courage

**ENABLES CHANGE**
Takes action to drive change and innovation that will transform our business

**ACHIEVES RESULTS**
Takes personal ownership to deliver results; empowers and trusts others in decision making

**DEVELOPS THE BEST**
 Raises the bar with every talent decision and guides the achievement of all employees and customers
LEAD BUSINESS SUMMIT
In 2017, PNC launched its first annual Leadership & Education for Advancing Diversity (LEAD) Summit. This summit convenes more than 50 undergraduate students who represent universities across the country and who are selected from among approximately 300 applicants. They visit the company’s corporate headquarters in Pittsburgh for a full-day event that includes resume building, one-on-one mentoring, panel discussions featuring PNC executives and mock client exercises. Through this summit, we aim to educate and develop students in preparation for their future careers, market PNC as an employer of choice and banking as an industry of interest, and build relationships with and develop a strong pipeline of diverse undergrads for our summer internship program.

WOMEN IN BUSINESS SUMMIT
Similar to our LEAD Summit, PNC’s annual Women in Business Summit was designed to raise awareness of the company’s culture and leadership, as well as career opportunities in the financial services industry. Launched in 2016, the Women in Business Summit attracts hundreds of female applicants, approximately 50 of whom receive an invitation to visit Pittsburgh for a day of networking, mentoring, case studies and employee presentations. Those who are selected to attend learn about career opportunities, such as those in technology, marketing and human resources, that they otherwise may not have been aware of. Furthermore, this summit allows PNC to meet female undergraduate students who have high potential and who may be strong candidates for the company’s internship and development programs.

Career Advisors
In 2017, a Career Advisor service was piloted in response to feedback that employees needed help navigating PNC’s various talent tools and systems. With Career Advisors’ assistance, employees can more easily control their development, identify new opportunities at PNC and grow in their current role. This service will be rolled out to all employees in 2018. Additionally, PNC Career Advisors act as internal placement recruiters (IPRs) when changes in business strategy result in displaced employees. IPRs work with employees to identify their strengths and skill sets, and then match them with other appropriate opportunities within the bank.

EARLY CAREER OPPORTUNITIES
PNC is committed to attracting, developing and retaining top talent. We have developed a robust internship program that brings approximately 400 undergraduate students into the company every summer to apply their academic knowledge while learning about the financial services industry, as well as PNC’s culture. For PNC, this program exposes us to diverse pools of emerging talent over the course of 10 weeks and allows us to make extremely informed employment decisions.

Approximately 71 percent of our interns receive an offer for full-time employment, including placement in PNC’s Early Career Development Programs, and 71 percent of these offers are accepted. This high conversion and acceptance rate is critical to building a strong talent pipeline and reflects PNC’s differentiated internship and development program opportunities.

PNC’s Early Career Development Programs help us build a more robust and diverse talent pipeline while exposing recent graduates to one of nine business areas, where they learn, network and develop professionally.

As they rotate through different business units and functions, analysts and associates receive hands-on experience that prepares them for placement into established roles. As of December 31, 2017, we had 513 development program associates, 39 percent of whom started as PNC interns. For more information about how PNC supports employees throughout their careers, visit www.pnc.com/careers.

PNC UNIVERSITY
PNC University (PNCU) continues to offer employee tools to learn, develop and support PNC’s business performance. As we build a talent-focused culture, we strive to deliver learning that is:

• Employee Owned – Provides “just enough, just in time, just for me” learning and development that enhances performance and career growth.
• Manager Guided – Develops the best by providing the right learning opportunities to inspire employee growth and development.
• PNC Enabled – Harnesses the collective thinking and expertise of the organization to provide easy, memorable and timely learning opportunities.

As they rotate through different business units and functions, analysts and associates receive hands-on experience that prepares them for placement into established roles. As of December 31, 2017, we had 513 development program associates, 39 percent of whom started as PNC interns. For more information about how PNC supports employees throughout their careers, visit www.pnc.com/careers.
and development experiences. Our learning opportunities focus on several key areas:
- New employee orientation and assimilation
- Job specific skill training
- Sales and product training
- Ethics and compliance
- Leadership development

PNC University offers training to all employees through 12,500 learning and development opportunities – 1,500 classroom based, 1,000 virtual and 10,000 online self-study resources.

ACCELERATOR PROGRAM

In addition to PNC University, PNC offers specific development opportunities for the company’s top talent. Through our Accelerator Program, for example, some of the company’s highest-performing employees receive leadership development training while networking and executing on enterprise-wide projects. Program participants help address critical business issues in partnership with executives from across the company. This networking and exposure create an opportunity for participants to take on leadership roles that they otherwise may not have been aware of and help PNC effectively move talent across our organization.

EMPLOYEE ENGAGEMENT

PNC realizes that finding meaningful ways to acknowledge employees’ contributions to the company’s success is critical to creating a workplace where employees are engaged, productive and happy.

In 2017, CareerBliss ranked PNC ninth on its list of the happiest companies based on employee survey data. From adjusting salaries, to extending leave time to new parents (both male and female) and creating real pathways to development and career advancement for every employee, we have made decisions and taken actions to create an environment where people are engaged and have an opportunity to thrive.

Additional highlights in 2017 include:
- For the ninth consecutive year, PNC was named a Gallup Great Workplace for excellence in employee engagement, specifically within the Retail Banking business.
- Eight employees were honored during PNC’s 25th Annual Performance Awards ceremony, a live-streamed event that recognizes an elite group of employees.
- 331 employees were inducted into PNC’s Quarter Century Club, which recognizes those with 25 years of service with the company. These employees joined more than 4,000 others who were already part of the Quarter Century Club and who have more than 26 years of service with the company.
- Spotlight, our employee recognition program, continued to extend its reach as employees distributed millions of recognition messages and award points across the company. The introduction of the Thanksgiving-themed #ThankfulThursdays increased the number of recognition messages sent in November 2017 by 40 percent compared to November 2016. Furthermore, #GreatKids, an ongoing program tying recognition to community support, continued to drive the donation of hundreds of iPads to children and teachers in low-to moderate-income communities.

PREPARE4LIFE

As a financial services company, PNC is committed to promoting financial well-being for our customers and our employees. In 2017, PNC introduced PREPARE4LIFE, a campaign to help employees understand how to get the most financial value from PNC’s benefits and programs. Initial outreach has included in-person seminars, webinars and articles on a range of benefits-related topics. In 2018, PREPARE4LIFE will work in partnership with MoneyWise and other internal and external partners to develop a comprehensive program that incorporates a broad range of financial well-being resources for employees across the organization.
EMPLOYEE BENEFITS

PNC’s benefits program is designed to reflect employee priorities and to deliver on one of our core values: quality of life. By focusing on three key areas – health, money and work/life – we can help employees better meet the demands of work and family, regardless of their role or the stage of their career.

Among other benefits changes in 2017, PNC increased the minimum paid vacation time for full-time employees to 15 days and added coverage for Applied Behavioral Analysis Therapy for autism under PNC’s medical coverage options. We also launched educational seminars on how employees can get the most value out of PNC’s benefits and programs. These changes, combined with PNC’s already competitive compensation and benefits package, allow PNC to attract and retain top talent and position the company for future growth. For more information about PNC’s employee benefits, visit www.pncbenefits.com.

DIVERSITY AND INCLUSION

PNC’s commitment to diversity and inclusion is focused around three drivers: WORKFORCE, WORKPLACE and MARKETPLACE.

WORKFORCE

We intentionally seek and develop top talent with varied experiences, skills and perspectives to build a workforce that generates innovative solutions to meet the needs of our growing and increasingly diverse customer base.

Employees with Disabilities

PNC is committed to supporting employees with disabilities and earned a score of 100 percent on the US Business Leadership Network/ American Association of People with Disabilities’ 2017 Disability Equality Index for its disability inclusion policies and practices. In 2017, PNC enhanced its support for employees with disabilities by:

- Establishing an enterprise-wide Disability Roundtable, a central forum for elevating and addressing specific opportunities and emerging
issues for employees and customers with disabilities.

- Completing a six-month research project to create a disability inclusion strategy.
- Hosting the Pennsylvania Office of Vocational Rehabilitation’s (VDR) annual Work Matters Summit.
- Providing closed captioning for all PNC livestream events.
- Launching the disABILITY Awareness campaign in Technology and Innovation, designed to better address accommodation needs and promote career opportunities among those with disabilities.

**People of Color**

PNC is committed to expanding opportunities for people of color.

- PNC’s African American, Asian American, Hispanic and Multicultural EBRGs provide opportunities for members to network, learn from one another and develop personally and professionally.
- Women

As part of its efforts to attract, promote and retain women, PNC oversees numerous programs and initiatives.

- PNC’s Women Connect Employee Business Resource Group provides opportunities for female employees to grow both personally and professionally through networking, mentoring, workshops, speaker series, community engagement and other events.
- The Women’s Leadership Development Program is a nine-month experience that provides an opportunity for nominated female leaders to grow their leadership skills through stretch assignments.
- PNC’s Annual “Women In Business” Summit is an all-day meeting that exposes a diverse group of female college students to various career paths in banking.

**LGBTQ Equality**

For the fifth consecutive year, PNC was named among the Best Places to Work for LGBTQ Equality by the Human Rights Campaign (HRC). With a perfect score on the HRC’s 2018 Corporate Equality Index, we earned top ratings on criteria related to policies and benefits for our LGBTQ workforce and their families.

**Military**

PNC is committed to attracting and retaining active military, reserves and veterans. In 2017, PNC continued its support by:

- Providing internal advisory and development groups, including a Military Advisory Council, a Veteran Young Professionals Resource Group and a Veteran Professional Leadership Program.
- Maintaining a dedicated talent acquisition team that offers guidance to veterans throughout the hiring process and their careers.
- Partnering with American Corporate Veterans, which allows PNC employees to mentor veterans in the areas of finance, wealth management, technology and operations, and retail banking.
- Launching Achievement, Serving with Integrity, a new military hiring initiative that matches military competencies and rank levels to PNC’s career levels and job competencies.

**Workplace**

We foster a workplace culture where employees are engaged and feel valued and appreciated for who they are and what they do.

In 2017, PNC launched unconscious bias training for 625 of our most senior managers, as well as all recruiters. This training provides participants with the tools they need to identify the filters and biases through which they view and interpret themselves and others; recognize personal biases; examine the impact of biases on decision making; and determine how to navigate bias while making hiring and development decisions. We plan to extend this offering to all people who manage others in 2018.

Our corporate values include a commitment to diversity and inclusion, and all employees are expected to conduct themselves in a way that respects and values our differences.

PNC makes training, seminars and workshops available to all employees on the following topics:

- (dis)Ability awareness
- Inclusive language
- Inclusive onboarding
- LGBTQ inclusion
- Leveraging a diverse team
- Managing generational differences
- Religious expression in the workplace

**Marketplace**

We serve the marketplace by connecting with our growing and increasingly diverse customer base in an authentic manner and by designing initiatives to meet these customers’ unique financial needs. PNC’s commitment to all diverse customers can be seen through its evolving approach to celebrating national heritage months, including Black History Month, Women’s History Month, Asian-Pacific Heritage Month, LGBTQ Pride Month, Hispanic Heritage Month, Disabilities Employment Awareness Month, and Native American Heritage Month. Beginning in 2018, PNC will launch digital advertising in support of each heritage month in all bank branches across our footprint. This new marketing approach reflects our desire to reach and strengthen our relationships with a broader and more diverse customer base.

**Workforce Diversity**

<table>
<thead>
<tr>
<th>EMPLOYEE CATEGORY</th>
<th>WOMEN</th>
<th>MEN</th>
<th>WHITE</th>
<th>PEOPLE OF COLOR</th>
<th>BLACK/AFRICAN AMERICAN</th>
<th>HISPANIC/LATINO</th>
<th>ASIAN</th>
<th>AMERICAN INDIAN</th>
<th>HAWAIIAN/PACIFIC ISLANDER</th>
<th>TWO OR MORE RACES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>35.7%</td>
<td>64.3%</td>
<td>85.7%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Executive/Senior Managers</td>
<td>30.1%</td>
<td>69.9%</td>
<td>86.9%</td>
<td>13.1%</td>
<td>3.9%</td>
<td>5.6%</td>
<td>0.4%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>First/Mid Level Managers</td>
<td>55.5%</td>
<td>44.5%</td>
<td>78.1%</td>
<td>21.9%</td>
<td>10.7%</td>
<td>5.5%</td>
<td>4.2%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Professional</td>
<td>52.4%</td>
<td>47.6%</td>
<td>75.7%</td>
<td>24.3%</td>
<td>10.0%</td>
<td>6.1%</td>
<td>6.1%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>All Other</td>
<td>77.2%</td>
<td>22.8%</td>
<td>63.7%</td>
<td>36.3%</td>
<td>23.3%</td>
<td>7.0%</td>
<td>4.0%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Full-Time</td>
<td>59%</td>
<td>41%</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Part-Time</td>
<td>82%</td>
<td>18%</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>PNC Total Workforce</td>
<td>59.9%</td>
<td>40.1%</td>
<td>72.6%</td>
<td>27.4%</td>
<td>13.8%</td>
<td>6.2%</td>
<td>5.2%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

*Data reflects our workforce as of Dec. 31, 2017*
In 2017, PNC continued to grow its customer-focused employee culture through numerous enhancements, including one to our recruiting and hiring process that will allow us to better assess an individual’s dedication to the customer. Also, our customer advocacy review process was expanded to incorporate a more robust customer impact assessment, and through enterprise-wide training, we reinforced behaviors and skills, such as empathy, that are critical for meeting and exceeding customer expectations. Furthermore, to ensure that we can quickly react to customers’ changing needs, we adopted an Agile approach to management within many of our digital and product teams, enabling greater project flexibility and responsiveness.

Our customer-focused culture can be seen in the sheer number of employees who submitted improvement opportunities through our Just Fix It! portal, more than triple the number compared to 2016. Employees use Just Fix It! to raise their hands about issues that they believe impact their ability to deliver an exceptional customer experience. Many of these submissions have led to significant process improvements, including extensive system enhancements to reduce employee processing time and expand customer online self-service capabilities.

Our employees’ dedication has been validated by several honors this past year. PNC ranked first in the inaugural J.D. Power 2017 National Bank Satisfaction Study℠, which provides a comprehensive view of customer experiences with all bank product lines at the six largest national banks. Also, PNC rose to fourth place among 10 traditional Retail Banks in Forrester’s 2017 U.S. Customer Experience Index.

In addition to third-party recognition, PNC uses the Net Promoter Score (NPS) to determine the likelihood of customers recommending our products and services to others. We apply a similar process internally for measuring an employee’s likelihood of recommending PNC as an employer.
the likelihood of customers recommending our products and services to others. We apply a similar process, the employee Net Promoter Score, to measure an employee’s likelihood of recommending PNC as an employer. Our ratings for both continue to increase annually, and we are constantly refining our questions and conclusions to ensure that we are creating a consistent, accurate and efficient approach to leveraging feedback.

In 2018, PNC is working to help all employees understand how the company’s customer focus goal specifically applies to them, embedding a stronger sense of customer experience accountability and ownership. We are redesigning and launching our new employee onboarding experience to be more comprehensive and to better instill our corporate values, especially customer focus, within the initial days of joining PNC.

CUSTOMER INFORMATION AND FRAUD PROTECTION

Data privacy and protection is one of the most important and impactful issues to PNC and its stakeholders. PNC’s ability to help customers achieve their financial goals is possible when the company can also safeguard a customer’s personal and financial information.

To remain competitive and earn and retain the trust of an increasingly discerning customer base, PNC continues to invest in systems and tools to detect, deter and prevent unauthorized access to customer information and accounts. In 2017, for example, PNC created a security organization that brings physical, fraud and cyber security into one cohesive team led by PNC’s first Chief Security Officer. We believe that the synergy of these critical functions will help to create a differentiated client experience.

Security and Privacy

PNC educates employees about the dangers of phishing by holding exercises that allow employees to hone their ability to identify phishing emails. Additionally, enterprise-wide exercises test and continually enhance the company’s ability to assess, communicate, respond to and recover from a cyber incident.

PNC’s comprehensive security program provides customers with account options that help them protect their accounts from fraudulent activity.

TECHNOLOGY AND INNOVATION

Customer preferences are rapidly evolving with more and more PNC customers using online, mobile and ATM channels to complete their financial transactions. As ongoing investments in technology are required to meet customers’ needs and remain competitive, PNC continues to focus on innovation and technology across its businesses and in communities where it operates. By driving innovation at a faster pace, we believe that we may fundamentally change the way banking is done. Among other actions, we are focused on:

• Creating an environment that allows for innovation in a secure, controlled manner through open application program interfaces, or APIs, to identify new ways of banking.
• Hosting internal APIFests, which encourage employees to use their creativity to develop new products and services for Retail Banking, Asset Management and Corporate & Institutional Banking customers.
• Partnering with FinTechs and other technology companies to learn and implement best practices so that we may improve the customer experience.

In 2017, and as part of its efforts to make banking easier and safer for its customers, PNC introduced three new digital tools:

• PNC was among the lead banks that developed and implemented Zelle®, a revolutionary service that empowers millions of U.S. consumers with a safer, more convenient way to send and receive person-to-person payments in real time.
• PNC introduced PNC Pay™, one of the first mobile wallet options offered by a U.S. bank for contactless payments at the point of purchase. By just waving a smartphone at a pay terminal, purchases are instantly paid for without needing to use plastic cards, thus enhancing customers’ security.
• The bank rolled out PNC Express Funds® for mobile. Customers who deposit checks remotely from their smartphone are given a choice of standard funds availability for free or immediate access for a nominal fee. This service has proved so popular with customers that Express Funds will be offered at ATMs in 2018. Also in 2017, we launched numo, a spinoff FinTech incubator that develops financial services technology targeted for use by PNC and potentially commercialized outside the company. numo, a creative model in corporate-led innovation that empowers PNC to build FinTech from inside the bank, identifies project opportunities by mining bank employees’ ideas and working with academic researchers and entrepreneurs to develop commercializable technologies.

Innovation Lab (iLab)

PNC’s iLab opened in 2015 to enhance PNC’s ability to design, test, refine and improve the PNC customer experience. The iLab’s primary function is to provide a space where we can choreograph PNC consumer experiences, including technology, process and operations, space design, sales and service scripts, and marketing material. The iLab has been successfully integrated into PNC’s product development culture and has become a place where new products, services and experiences are conceived and refined before launch.

Experience Design

PNC recognizes that to maintain a competitive advantage in the market, it must elevate its customer experiences to be more relevant, responsive and intuitive. Our experience design team ensures that the customer is always the main focus of any new product, solution, service or other banking experience and leverages design thinking as the foundation to approaching any solution.
RESPONSIBLE LENDING AND MORTGAGE PRACTICES

In 2017, PNC originated approximately $9 billion in residential mortgage loans to those purchasing a new home or financing a current home. We have helped tens of thousands of low- to moderate-income borrowers purchase, refinance or improve their homes.

We are committed to supporting home ownership for low- to moderate-income borrowers and offering mortgage products that are affordable, flexible and sustainable.

Among these products are those that adhere to Federal Housing Administration and Department of Veterans Affairs guidelines. Our portfolio mortgage product, PNC Community Mortgage, offers flexible underwriting guidelines and a reduced cost structure for prospective borrowers.

Home Lending Transformation

In 2017, PNC continued to make progress on its multi-year initiative to redesign the home lending process by integrating mortgage and home equity lending onto a common platform.

This transformation, which aims to enhance the customer experience by better aligning all of PNC’s home lending products, is designed to drive greater efficiencies and help us more easily comply with regulatory changes.

Mortgage Assistance

PNC is committed to understanding our customers and offering them a variety of products so that they can choose a mortgage option that best meets their needs. We understand, however, that life changes and other unexpected hardships may affect a borrower’s ability to repay a mortgage loan. PNC participates in several government- and investor-sponsored programs to assist homeowners who are unable to meet their obligations. The Home Affordable Modification Program (HAMP) is part of the federal Making Home Affordable (HFA) Program, which permanently changes the original terms of struggling homeowners’ mortgages to make monthly payments more affordable.

We also offer other MHA options for those who are unemployed or considering refinancing or selling their home for less than they owe.

We also maintain numerous loss-mitigation and payment modification options, including forbearance, repayment plans, modifications, partial claims, short sales, assumptions and deeds in lieu of payment. Distressed homeowners are encouraged to contact PNC directly to discuss the right option for their individual circumstances.

FAIR DESIGN AND SALE OF BANKING PRODUCTS AND SOLUTIONS

Recognizing the role we play in our customers’ financial lives, we design products and services that help them manage their day-to-day finances and achieve their financial goals. We also provide options and accurate, clear and meaningful information so that customers are informed and able to select the financial products and solutions that meet their needs.

Virtual Wallet® and Cash Flow Insight®

These products feature tools and calendars that allow customers to easily monitor their balances, conveniently move funds and plan for future cash flow.

• The SmartAccess® Prepaid Visa card is a reloadable prepaid card that provides customers with a practical alternative to a traditional bank account and that can be used to:
  > Create a budget for living expenses by loading a predetermined amount of money for groceries, bills, restaurant meals, etc.
  > Load children’s allowances or college spending money to teach financial literacy
  > Budget for travel and holiday spending
  > Pay babysitting expenses
  > Track spending with daily balance alerts via email or text

• The Student & Graduate Center provides students with information about deposit accounts, student loans, planning for college, military benefits and financial literacy.

• PNC’s HomeHQ features tools to help prospective homebuyers weigh the costs and benefits of home ownership.

Bank How and When You Like

PNC also promotes convenience by allowing customers to bank how and when they like – whether it is in person, over the phone, online or with a mobile device.

PNC’s products and services are reviewed for compliance with all applicable laws and regulations, including fair lending and anti-discrimination laws. They also undergo an assessment for credit, market, operational, legal and reputational risks.

IN 2017, PNC ORIGINATED APPROXIMATELY $9B in residential mortgage loans to those purchasing a new home or financing a current home.

PNC HOME INSIGHT PLANNER

In 2017, PNC launched its Home Insight® Planner, a tool that gives customers the power to create real life budgets, determine what kind of house they can afford and then view houses in their budget.

• The Student & Graduate Center provides students with information about deposit accounts, student loans, planning for college, military benefits and financial literacy.

• PNC’s HomeHQ features tools to help prospective homebuyers weigh the costs and benefits of home ownership.

Bank How and When You Like

PNC also promotes convenience by allowing customers to bank how and when they like – whether it is in person, over the phone, online or with a mobile device.

PNC’s products and services are reviewed for compliance with all applicable laws and regulations, including fair lending and anti-discrimination laws. They also undergo an assessment for credit, market, operational, legal and reputational risks.
SUCCESS STARTS WITH OUR COMMUNITIES

Understanding the importance of this connectivity, PNC is committed to making business decisions that positively impact its communities. This support is critical, as we recognize that we are only as strong as our communities. When they prosper, so does PNC. The corollary also is true in that a strong regional bank, such as PNC, can support the communities where it conducts business through job creation, local infrastructure, small business loans, financial education and sponsorships. These financial services, together with our philanthropic giving and volunteerism, create a series of benefits that strengthen communities.

THE PNC FOUNDATION

As a Main Street bank, PNC takes pride in being an active member of the communities it serves. Community involvement is at the heart of our civic engagement and an extension of our commitment to look out for the best interests of all of our stakeholders. At the center of PNC’s community involvement is the PNC Foundation. Through the PNC Foundation, PNC works with high-quality community-based nonprofit organizations to understand and address issues that best align with its philanthropic priorities of early childhood education and community and economic development.

Marsha Jones, PNC’s chief diversity officer, reads to students in a pre-K classroom in Pittsburgh Public Schools.

A PNC employee volunteer takes a selfie with a pre-K student at a Pittsburgh-based Head Start Center that became eligible for DonorsChoose.org funding in 2017.
In 2017, PNC supported its communities through $72 million in charitable giving, including both charitable sponsorships and PNC Foundation grants. Over the next five years, PNC plans to invest $375 million in funding and charitable sponsorships in its communities.

PNC Grow Up Great®
PNC Grow Up Great is the company’s $350 million, multi-year, bilingual initiative in early childhood education. Through a combination of philanthropic partnerships and employee volunteerism, Grow Up Great provides tools and resources that help children from birth through age 5 develop a passion for learning that sets them on a path to future success. New programs and initiatives implemented in 2017 include:

**DonorsChoose.org**
Among the most pressing needs in early childhood education are supplies and educational experiences to enhance classroom learning. Too many teachers reach into their own pockets to purchase books, art and science materials or to cover the cost of a field trip. In 2017, the PNC Foundation supported thousands of pre-K and Head Start classroom project requests as part of a new $5 million initiative with DonorsChoose.org, a crowd-funding platform that allows individuals to donate directly to public and private charter school classroom projects. PNC’s initiative was significant in that it allowed DonorsChoose.org to expand its platform to include project requests from teachers in Head Start programs, which promote school readiness and positive development outcomes for young children and their low-income families.

On April 4, 2017 a $504,000 donation from PNC funded 865 projects in nearly 200 early childhood education centers across the country. Christine Hines-McGee’s classroom was among the beneficiaries of $1.7 million in match funding from the PNC Foundation’s alliance with DonorsChoose.org.

**Vocabulary Building Initiative**
In 2014, PNC announced a multi-city, $10 million initiative designed to teach the skills required to help families build their children’s vocabulary. Investment designed to teach the skills required to help families build their children’s vocabulary.
“Words unlock success for children,” said Sally McCrady, president and chair of the Children’s Museum of Pittsburgh. “This initiative provides family programming that will enhance young children’s vocabulary and gives parents the tools and resources to continue the learning at home. Research shows that children who are prepared for kindergarten graduate on time, go onto higher learning, obtain meaningful jobs and contribute to the community.”

build their children’s vocabulary and teach the skills required to do this effectively. Results of this initiative were so positive that in 2017, PNC extended the initiative with an additional investment of $3.65 million. In each city in which the initiative was rolled out, the participating educational and community organizations developed collaborative programs designed to level the educational playing field for participating children. While the methodologies were different, each of the programs increased families’ awareness of building children’s vocabulary through everyday interactions, like talking, singing, reading and playing. An external evaluation of a program in Detroit, one of the participating cities, showed the weekly word counts, on average, increased by 1,400 words per child. In addition, between 95 and 100 percent of the parents reported they teach their children something new on a weekly basis and read to their child five days per week. Independent analyses of several other programs showed that families made statistically significant changes to their routines to support their child’s vocabulary, including:

- 62 percent of the families reported doing something two or more times daily to help build their child’s vocabulary compared to 41 percent of the families before attending the program.
- 78 percent of the families reported reading to their young child daily or more often after attending the program, compared to only 32 percent of the families before attending the program.

• 72 percent of the families heard their child say a new word that was introduced at a vocabulary program.

PNC Fairfax Connection Celebrates Fifth Anniversary

Since its 2012 debut, the $5 million PNC Fairfax Connection in Cleveland, Ohio has opened many eyes to the potential of residents of the historic Fairfax neighborhood. This free community resource center now provides 30 programs in areas such as technology, resume writing and professional development. The center also partners with 35 organizations, including local museums, to connect community members with programming to which they otherwise may not have access. PNC Fairfax Connection’s 6,000 members have used these resources to achieve milestones, such as learning to use technology, obtaining a GED, applying for college and securing employment.

Hurricane Relief

The 2017 hurricane season was one of the most damaging in terms of life and property losses and affected hundreds of thousands of Americans. The three most violent hurricanes, Harvey, Irma and Maria, caused more than an estimated $40 billion in damage in markets where we have both employees and customers. Due to the impact of these disasters on customers and residents of the affected areas, PNC waived certain fees and contributed more than $900,000 in disaster relief, including matches to employee gifts.

Financial Education

At PNC, financial education is at the core of our culture and allows us to help others secure financial well-being. In 2017—and in light of our customers’ evolving banking needs and behaviors—we recognized an opportunity to evolve our approach to financial education. Specifically, we want to ensure that we are providing consumers with relevant and useful insights that they can apply in their daily lives to achieve their financial goals.

In addition to testing new technology and a differentiated strategy, we have continued to develop our Achievement Sessions website. Featuring independent experts sharing their strategies for achieving financial goals, we added new blog posts, including:

- Three Ways to Earn Extra Income as a Freshman in College
- A College Student’s Guide to Build Good Credit
- Five Questions to Help Manage Student Loan Borrowing and Repayment
- What You Need to Know Before You Finance Your Next Car
- The Secret to Not Blowing Your Vacation Budget
- Five Things You Can Do to Improve Your Credit Score

In 2018, our priority is to launch new tools that not only provide insights but encourage consumers to take action. This launch will include a refresh of our digital properties, including:

- Achievement Sessions, which will be updated with enhanced content and navigation to encourage greater engagement.
- Foundations of Money Management, which serves customers who are just entering or re-entering the banking system and which will be optimized for mobile.

In addition, PNC is developing workshops designed for people who want to participate in in-person, employee-led sessions with bankers who discuss topics, including but not limited to:

- Raising Money-Smart Kids
- Understanding Everyday Financial Risks: For Older Adults and Their Caregivers
- Healthy Credit: Understanding, Improving, and Maintaining a Healthy Credit History

In 2017, we also continued to develop PNC Point of View, our brand journalism website that features resources, perspectives and insights on a variety of topics, including but not limited to planning for retirement, adhering to a budget, protecting your personal information and teaching children how to save money. In 2018, our priority is to launch new tools that not only provide insights but encourage consumers to take action. This launch will include a refresh of our digital properties, including:

- Achievement Sessions, which will be updated with enhanced content and navigation to encourage greater engagement.
- Foundations of Money Management, which serves customers who are just entering or re-entering the banking system and which will be optimized for mobile.

In addition, PNC is developing workshops designed for people who want to participate in in-person, employee-led sessions with bankers who discuss topics, including but not limited to:

- Raising Money-Smart Kids
- Understanding Everyday Financial Risks: For Older Adults and Their Caregivers
- Healthy Credit: Understanding, Improving, and Maintaining a Healthy Credit History


Sally McCrady, PNC Foundation president and chair, helps pre-K students with an art project at the Children’s Museum of Pittsburgh.
**COMMUNITY REINVESTMENT ACT**

Every three to four years, the Office of the Comptroller of the Currency, an independent bureau of the U.S. Department of the Treasury, evaluates PNC’s commitment to the communities we serve. This includes evaluating how we are meeting the credit needs of the entire community, including low- and moderate-income neighborhoods. Based on the evaluation, we, like other banks, are rated as outstanding, satisfactory, needs to improve or substantial noncompliance. PNC earned an “outstanding” rating for its most recent Community Reinvestment Act exam and has consistently earned this top rating since examinations began. Learn more about PNC’s Community Reinvestment Act rating at www.pnc.com/CommunityReinvestmentAct.

**COMMUNITY DEVELOPMENT BANKING**

As a Main Street bank, we take pride in how we relate to and serve our employees, customers and communities and are committed to making business decisions that positively impact our stakeholders. We support the communities where we conduct business through job creation, local infrastructure, small business loans, financial education and sponsorships. These financial services, along with our philanthropic giving and volunteerism, create a series of benefits that strengthen communities. Our Community Development Banking team specifically works to improve the quality of life for individuals, families and businesses in low- and moderate-income neighborhoods through affordable housing, community development, lending, economic development, financial education and customized financial solutions. We also assist groups working with government agencies and help locate other sources for technical, financial or investment support.

**PRODUCTS AND SERVICES**

**Foundation Checking** – Foundation Checking is a transitional checking account for customers who are just entering or re-entering the banking system. This account has no balance requirements and provides ATM access with lower daily point-of-sale and ATM limits. A key element of Foundation Checking is its financial education component, which teaches the basics of money management.

**PNC SmartAccess®** – PNC SmartAccess is our prepaid Visa® card offering, which enables customers to safely and easily access and manage their money.

**First-Time Home Buyer Clubs** – Buying a first home can be a lengthy process where potential and sometimes costly pitfalls trap the unprepared buyer. To help buyers prepare for a major purchase and avoid these potential pitfalls, Community Development Banking supports Home Buyer Clubs at community organizations across the PNC footprint.

**PNC REAL ESTATE EQUITY PRODUCTS**

PNC provides nontraditional capital to high-impact development projects in an effort to promote safe and affordable housing and to stimulate community and economic revitalization.

**Individual Development Account** – PNC also supports the administration of Individual Development Account programs offered by nonprofit organizations to help low- and moderate-income families save for a home or higher education.

**Volunteer Income Tax Assistance** – Through an alliance with the Internal Revenue Service, PNC offers prepaid Visa debit cards, free check-cashing and financial education to lower-income people who participate in the Volunteer Income Tax Assistance program.

**PNC School Bank** – PNC School Bank is a youth savings program grounded in a school-branch alliance that helps children build savings accounts while introducing them to banking careers. More information about PNC School Bank can be found here: www.pnc.com/PNCSchoolBank

**PNC REAL ESTATE EQUITY PRODUCTS**

PNC provides nontraditional capital to high-impact development projects in an effort to promote safe and affordable housing and to stimulate community and economic revitalization.

**Low-Income Housing Tax Credits –** Ensuring access to affordable rental housing for families and seniors throughout the United States is important to PNC. Overall, PNC has more than $9.8 billion in affordable housing equity under management.

**New Market Tax Credits –** PNC utilizes the New Market Tax Credit program to provide equity capital to projects that create jobs and drive investment in some of the country’s most distressed urban and rural neighborhoods.

**Historic Tax Credits –** PNC is among the nation’s leading Historic Tax Credit investors and provides equity capital that incentivizes developers to preserve our historic structures and return them to productive use.

**Preservation Funds** – PNC invests in affordable housing across the U.S. through our Affordable Rental Housing Preservation Funds. These funds are used to acquire affordable housing properties throughout the United States with the intent to preserve and extend long-term affordability using Low Income Housing Tax Credits.

**LOANS AND INVESTMENTS**

**Affordable Housing Line of Credit** – PNC created a new real-estate investment product for purchasing and rehabilitating affordable single-family housing (up to four units). This revolving line of credit offers nonprofits and other developers an unsecured loan to buy and rehabilitate homes specifically for low- and moderate-income buyers.

**Bridge and Leverage Loans** – PNC provides bridge and leverage loans as part of tax credit projects that create jobs and drive investment in distressed and low- and moderate-income neighborhoods.
Financial Education – PNC developed an award-winning financial education curriculum to teach individuals and small businesses about money.

FUNDS AND PROJECTS

Asheville’s Dodd Meadows Housing Development
Once completed, Dodd Meadows will serve as the home for 110 families, including 400 children, many of whom will be the first generation to grow up in a home owned by their family. Thanks in part to PNC’s investment of more than $2 million, Dodd Meadows will consist of parks, playgrounds, sidewalks, walking trails, ponds, community gardens and bright cottage homes.

Carolina Small Business Development Fund
The Carolina Small Business Development Fund’s (CSBDF) lending program expands North Carolina small businesses’ access to capital. Since 2012, the development fund has made 544 loans to women-, minority-, low-income and veteran-owned businesses throughout North Carolina. In recent years, PNC has provided more than $3 million to extend access to capital to small business owners through the CSBDF, including a $1.5 million loan to support 44 small business loans in 2017.

Indianapolis’ Fuller Center Build Blitz
The mission of the Fuller Center Build Blitz is to eradicate substandard housing among Indianapolis residents. In June 2017, volunteers from across the country gathered in the Tuxedo Park neighborhood of Indianapolis’ east side to engage in a ‘blitz,’ or the construction of five houses in five days, for those in need of a safe and affordable home. PNC community consultants interviewed families who were referred to the organization and sponsored a meet and greet evening where families and volunteers met one another.

Pittsburgh’s Crawford Square
In an effort to preserve affordable housing in Pittsburgh’s Greater Hill District neighborhood, PNC Community Development Banking worked with the developer McCormick Baron to help purchase Crawford Square, a 348-unit mixed-income apartment complex that was slated for sale to new owners. The sale of the property could have risked the city losing nearly 200 units of affordable housing. PNC provided $13 million in loans to help acquire the apartment complex, which includes 194 units for households earning 60 percent or less of the median area income.

South Chicago Center Playground
Thanks to the Chicago Bears, Chicago Gateway Green and PNC Bank, the children of El Valor, a nonprofit community organization, have a new space to play and learn. The South Chicago Center Playground, to which PNC contributed more than $150,000 and 300 volunteer hours, features gardens, an outdoor classroom and a turf football field.

SUPPLIER DIVERSITY
Our continued, proactive focus on supplier diversity helps to promote economic and community development in the regions we serve. Through this award-winning program, PNC offers small and disadvantaged businesses and those businesses that are 51 percent owned, operated and controlled by minorities, women, veterans, lesbian, gay, bisexual and transgender individuals the opportunity to compete for and sell value-added products and services to PNC. In 2017, PNC spent approximately $328 million with small and diverse-owned business enterprises through its Supplier Diversity program.

In 2017, PNC spent approximately $328M with small and diverse-owned business enterprises through its Supplier Diversity program.

LOANS AND INVESTMENTS

In 2017, PNC provided $2.9 billion* in community development financing that benefited low- and moderate-income populations and communities, including:

$2B in community development loans

$93M in other investments to benefit underserved populations and communities

$331M in equity commitments to provide affordable housing through the Low-Income Housing Tax Credit program

$194M to help finance community-supported economic development projects through the New Markets Tax Credit program

$294M to restore historic properties and return them to productive use through the Historic Tax Credit program

*Reflects Community Reinvestment Act-eligible investments made across PNC’s footprint.
OUR GOVERNING PRINCIPLES INFORM EVERYTHING WE DO

In today’s competitive environment, it is vital to have a clear vision and strong principles to guide our actions. Our Code of Business Conduct and Ethics and our values convey our strengths and create a solid foundation for ethical business behavior. For PNC, adherence to our code, compliance with laws and regulations, and support of fundamental human rights, such as those expressed by the United Nations Universal Declaration of Human Rights, are cornerstones in conducting business.

CODE OF BUSINESS CONDUCT AND ETHICS
PNC has long demonstrated a commitment to integrity and corporate responsibility, and its commitment has only deepened as it has grown into one of the leading financial services companies in the country.

PNC’s Code of Business Conduct and Ethics and ethics-related policies provide important guidance for conducting daily business activities, including complying with laws, managing and reporting conflicts of interest, upholding fair dealing and protecting confidential information. The company does not tolerate unethical or inappropriate behavior and also includes a risk management goal in all employees’ performance reviews to ensure that all employees remain focused on and accountable for the ethical and risk implications of their work. Detailed information about PNC’s corporate governance policies and procedures and other documents, including the Code of Business Conduct and Ethics, can be found at pnc.com/corporategovernance.

WHAT RESPECT LOOKS LIKE AT PNC
We trust the capabilities, character and judgment of our colleagues, and treat each other with respect. That is the definition of our corporate value of Respect.

At PNC, we take respect very seriously – at every level of the organization. It is a key pillar of our culture, and every employee is responsible for embodying not only our Respect value, but all of our values. Our values drive our behavior and reflect our priorities. This past year, a multidisciplinary team at PNC refreshed the definitions of each of the company’s seven corporate values to ensure that they strongly and accurately reflect our ongoing commitment.

CUSTOMER FOCUS
We offer products, services and experiences that fulfill our customers’ financial needs and goals in a clear and transparent way, while delivering on the commitments we make to them.

DIVERSITY & INCLUSION
We value our differences and work together to create a diverse and inclusive workplace where everyone can contribute to the success of our company.

INTEGRITY
We are honest, do the right thing, conduct business with the highest ethical standards and enable our colleagues to raise concerns.

PERFORMANCE
We expect excellence in all that we do.

QUALITY OF LIFE
We promote the personal, physical and financial well-being of our employees, customers and communities.

RESPECT
We trust the capabilities, character and judgment of our colleagues, and treat each other with respect.

TEAMWORK
We work together to achieve our goals and celebrate our successes.
We strongly encourage our employees to raise any concerns about respect in the workplace and provide them with multiple avenues, including an anonymous hotline, to report complaints without fear of retaliation. And when issues arise, we address them quickly and effectively. We are committed to an environment in which employees who report issues are supported.

MANAGING WITH RESPECT
We also require our managers to regularly complete “Managing with Respect” training. This training provides PNC leaders with the concepts needed to create and maintain a values-based work environment that is free from harassment, discrimination and other inappropriate conduct.

CORPORATE GOVERNANCE
PNC’s corporate governance structure assists the Board of Directors in overseeing PNC’s business and in fulfilling the board’s fiduciary duties. The board supports a governance structure that is appropriate for PNC’s business and strategic objectives, transparent to the public and PNC’s stakeholders, and flexible enough to accommodate a dynamic environment. We regularly review and enhance our governance processes and policies. To help convey this philosophy, the board has adopted and disclosed corporate governance guidelines, as well as policies on director and executive stock ownership. Our corporate governance guidelines can be found at www.pnc.com/corporategovernance. In accordance with these guidelines:

° At least two-thirds of directors meet the New York Stock Exchange criteria for independence
° Directors meet regularly without management present
° A director must promptly tender a resignation if he or she does not receive a majority of the votes cast at a meeting for the uncontested election of directors
° Directors have unrestricted access to PNC employees
° The board is responsible for oversight of PNC’s policies, programs and strategies regarding significant CSR issues
° Stakeholders receive information on how they can communicate with the board
° Shareholders receive information on how they can provide director candidates to the Nominating and Governance Committee for consideration
° Each board committee has a written charter of responsibilities
° The board evaluates its own performance at least annually

Under the above guidelines, the board has appointed a lead independent director and determined that all of our directors are independent under applicable rules with the exception of our chairman and CEO. The corporate governance guidelines outline the annual director assessment process, which includes an evaluation of independence, as well as a consideration of the skills, qualifications and experience of the board.

While PNC has not adopted specific minimum qualifications for its directors, the following board-approved criteria are considered when evaluating each director, as well as new candidates for nomination to the board:

° A sustained record of high achievement in financial services, business, industry, government, academia, the professions or civic, charitable or nonprofit organizations
“Women in leadership are integral to successful corporate governance, and this is a matter of commitment for PNC,” said PNC’s General Counsel and Chief Administrative Officer, Greg Jordan. “Today, we have more women serving on our board and more women on our Executive Committee than at any other point in our company’s history. But like institutions across the country, we have more work to do in the area of gender diversity.”

Our board has four standing committees that meet on a regular basis: Audit, Nominating and Governance, Personnel and Compensation, and Risk. The charters of these standing committees can be found at pnc.com/corporategovernance. We have a standing Executive Committee that meets, if needed, to act on behalf of our board. We also have a Technology Subcommittee of our Risk Committee to facilitate board-level oversight responsibilities with respect to technology risk, technology risk management, cybersecurity, information security, business continuity and significant technology initiatives and programs. We also have a Compliance Subcommittee of our Risk Committee to facilitate board-level oversight of compliance risk, significant compliance-related initiatives and programs, and the maintenance of a strong compliance risk management culture.

In 2017, PNC held 11 board meetings. PNC also held regular meetings for its Audit, Nominating and Governance, Personnel and Compensation, and Risk committees, as well as its Technology and Compliance Subcommittees. The Executive Committee did not meet in 2017. Each director attended at least 75 percent of the total meetings held by the board and the committees and subcommittees on which he or she served.

EXECUTIVE COMPENSATION PHILOSOPHY
To succeed in a highly competitive environment, PNC must attract, motivate, retain and reward employees who are crucial to our business success. We have designed an effective and balanced compensation program that is aligned with our risk management standards.

The board’s Personnel and Compensation Committee, composed entirely of independent directors, maintains clear independence from management when evaluating the executive compensation program and making compensation decisions. We make public disclosure of and decisions regarding our executive compensation program clear and understandable. PNC’s executive compensation philosophy is based on a few core principles:

- Provide appropriate compensation for demonstrated performance across the enterprise
- Align executive compensation with long-term shareholder value creation
- Provide competitive compensation opportunities to attract, retain and motivate high quality executives
- Encourage focus on the long-term success of PNC and discourage excessive risk-taking

2020 WOMEN ON BOARDS
In November 2017, PNC joined organizations around the country for the annual National Conversation on Board Diversity, an event in which senior executives explore the impact of gender diversity in nonprofit and corporate boardrooms. The event is organized by 2020 Women on Boards, a campaign established in 2010 to increase the percentage of women serving on U.S. company boards to 20 percent or greater by 2020. The Pittsburgh chapter of 2020 Women on Boards engaged PNC to offer a workshop that would provide women with advice and feedback on the skills they need to become board-ready. This workshop featured a panel moderated by PNC Chief Diversity Officer Marsha Jones, who led a discussion with PNC panelists, including two board members, the company’s head of Retail Distribution, and the company’s general counsel and chief administrative officer.

- Provide appropriate compensation for demonstrated performance across the enterprise
- Align executive compensation with long-term shareholder value creation
- Provide competitive compensation opportunities to attract, retain and motivate high quality executives
- Encourage focus on the long-term success of PNC and discourage excessive risk-taking

OUR GOVERNING PRINCIPLES INFORM EVERYTHING WE DO
ENVIRONMENTAL ISSUES PRESENT BOTH RISKS AND OPPORTUNITIES

PNC recognizes that environmental issues, including climate change, are impacting our business, our clients and the communities in which we operate. As one of the nation’s largest financial institutions, we understand the importance of balancing financial priorities with environmental issues, and believe that doing so is critical to practicing sound risk management and being a good corporate citizen. That’s why we continue to invest in our buildings, which impact the environment, as well as the health of our employees. Through our efforts, which are outlined over the next few pages, we have met our 2020 energy and carbon reduction goals ahead of schedule and positioned ourselves to meet new and more aggressive environmental goals by 2035.

BUILDING PERFORMANCE

Buildings consume energy, among other resources, to create safe, healthy and productive spaces. At the same time, however, they often account for a significant percentage of a company’s expenses. In an effort to manage these expenses and meet the company’s environmental goals, PNC is focused on enhancing operational efficiencies to reduce its total energy consumption and carbon emissions.

To ensure that its actions align with science, as well as its commitment to innovation, PNC set ambitious environmental performance goals in 2010 to reduce carbon emissions and energy and water consumption by 30 percent by 2020. The company met its carbon and energy reduction goals in 2016 and 2017, respectively, and is on target to meet its water reduction goal. Due to improvements such as new lighting and HVAC systems, PNC’s branches and office buildings use less energy than ever before. Now, PNC is raising the bar on its environmental goals, setting new ambitious emissions, energy and water reduction targets for 2035. Specifically, we aim to reduce our emissions and energy consumption by 75 percent, using 2009

PNC has expanded its green building program to focus more on innovation and intelligent buildings, which use automation, advanced data processing and cutting edge technology to increase efficiency.

WE MET OUR CARBON AND ENERGY REDUCTION GOALS IN 2016 AND 2017 and are on target to meet our water reduction goal.
WE HAVE COMPLETED LIGHTING RETROPTS IN MORE THAN
1,300 bank branches and 36 major buildings to reduce our energy consumption and costs while improving employees’ work environments.

INTELLIGENT BUILDING CAPABILITIES
PNC was an early adopter of green building and has made sustainable design and construction a key ingredient in its long-term climate change strategy. To further enhance the performance of its buildings, PNC has expanded its green building program to focus more on innovation and intelligent buildings, which use automation, advanced data processing and cutting edge technology to increase efficiency.

In 2017, for example, PNC updated its program that evaluates and enhances the efficiency of new or renovated buildings. Among other changes, we incorporated advanced features to ensure that PNC building systems are designed efficiently, installed appropriately and operated as intended. Also in 2017, we launched a life cycle assessment (LCA) on a newly-constructed PNC bank branch. LCAs account for all three phases of a building — design and construction, building operation, and disposal or end of life — and leverage external research, stakeholder engagement and data acquisition to calculate total environmental impact. This particular assessment will help us determine where we need to focus to enhance the bank branch’s overall efficiency and performance and will help inform future LCAs.

The effectiveness of our intelligent building strategy is largely dependent on analytics from various data sources, such as our utility bills, work order requests and building management system. To capture these analytics, PNC leverages hybrid intelligent systems, which use human and artificial intelligence to augment the capabilities of machines. PNC also plans to use automation to enhance its buildings’ operational efficiency, specifically by optimizing energy consumption.

Furthermore, PNC regularly conducts energy audits to identify and address building system issues and to achieve peak building performance. In 2017, PNC conducted audits at more than 200 of its buildings and provided energy efficiency plans to building managers. Through this work, we have completed lighting retrofits in more than 1,300 bank branches and 36 major buildings to reduce our energy consumption and costs while improving employees’ work environments.

Employee Engagement and Partnerships
With a workforce of approximately 53,000 employees, PNC recognizes the importance of employee engagement to achieve its sustainability goals. In November 2016, PNC launched the “Bring to Light” energy campaign to educate employees about energy conservation both at work and at home. The campaign featured six internal news stories, each of which focused on the history of and conservation practices for a particular energy source. In 2017, and based on the success of the “Bring to Light”

In addition to engaging employees, we recognize the value of partnering with universities, startups, community organizations and industry associations, all of which help us drive innovation, reach our ambitious environmental goals and gain exposure to new opportunities.

Curt Ellis leads a panel discussion with (from left to right) 412 Food Rescue’s Leah Lizarondo, Farm to Table Pittsburgh’s Erin Hart, and Grow Pittsburgh’s Jake Seltman.
ENVIRONMENTAL ISSUES PRESENT BOTH RISKS AND OPPORTUNITIES

In 2017, PNC completed its standard water audit procedure at more than 75 of its buildings that consume the greatest amount of water. We discovered instances of inconsistent irrigation schedules, over-watering of landscaping, outdated and inefficient irrigation equipment, non-programmable irrigation controllers, and major leaks. To address these issues, we launched several pilot projects in Florida and Michigan to test new high-efficiency irrigation equipment, smart irrigation controllers and new scheduling requirements. Based on the success of these projects, we will be pursuing additional projects in Florida, Michigan and other states where we have an opportunity to significantly reduce our buildings’ water consumption.

Reducing Waste through Furniture Donations

A life cycle assessment conducted in 2016 found that PNC’s greatest environmental impact is its buildings. This finding has driven PNC to take specific actions to lessen its construction projects’ environmental impacts and to constantly seek new ways to reuse or recycle building materials and other resources. In 2016, for example, PNC developed a program in which it responsibly redistributes office furniture, equipment and supplies that are no longer needed due to property renovations or location changes. By ensuring that these items receive a home, PNC helps divert waste from the landfill and subsequently reduces the amount of carbon that would otherwise be emitted into the atmosphere. Furthermore—and perhaps most importantly—PNC’s donations benefit qualified schools and nonprofit organizations across its footprint.

In 2017 alone, PNC donated 624 tons of furniture, equipment and supplies to 20 schools and nonprofit organizations that have an existing relationship with the PNC Foundation. These donations had a value of approximately $375,000 and allowed PNC to reduce its carbon emissions by more than 1,600 metric tons.

Part of Monessen School District, this library received all seating and some tables from PNC.
ENVIRONMENTAL INDICATORS*

<table>
<thead>
<tr>
<th></th>
<th>2009 **</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL INFORMATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>55,820</td>
<td>52,513</td>
<td>52,006</td>
<td>52,906</td>
</tr>
<tr>
<td>Real Estate (square feet, thousands)</td>
<td>30,000</td>
<td>29,526</td>
<td>28,123</td>
<td>26,782</td>
</tr>
<tr>
<td>Annual Revenue ($MM)</td>
<td>16,228</td>
<td>15,225</td>
<td>15,162</td>
<td>16,329</td>
</tr>
<tr>
<td><strong>INTERNAL PAPER USE</strong></td>
<td>**35x15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.5x11 sheets (thousands)</td>
<td>680,000</td>
<td>368,399</td>
<td>312,973</td>
<td>266,946</td>
</tr>
<tr>
<td>Sheets per employee</td>
<td>12,182</td>
<td>7,015</td>
<td>6,018</td>
<td>5,046</td>
</tr>
<tr>
<td><strong>FACILITIES</strong></td>
<td>**35x15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEED-certified projects</td>
<td>68</td>
<td>262</td>
<td>289</td>
<td>291</td>
</tr>
<tr>
<td>New construction</td>
<td>66</td>
<td>157</td>
<td>159</td>
<td>159</td>
</tr>
<tr>
<td>Commercial interiors</td>
<td>2</td>
<td>105</td>
<td>130</td>
<td>132</td>
</tr>
<tr>
<td>ENERGY STAR-certified buildings</td>
<td>0</td>
<td>100</td>
<td>155</td>
<td>205</td>
</tr>
<tr>
<td>Space certified (square feet, thousands)***</td>
<td>1,016</td>
<td>5,558</td>
<td>6,025</td>
<td>7,047</td>
</tr>
<tr>
<td>Portfolio certified****</td>
<td>3.4%</td>
<td>19%</td>
<td>21%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>EMISSIONS (Metric tons CO2e)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct emissions (Scope 1)</td>
<td>48,962</td>
<td>45,970</td>
<td>40,706</td>
<td>37,123</td>
</tr>
<tr>
<td>Natural gas</td>
<td>26,425</td>
<td>27,286</td>
<td>22,701</td>
<td>21,017</td>
</tr>
<tr>
<td>Jet fuel</td>
<td>4,014</td>
<td>3,926</td>
<td>3,704</td>
<td>3,596</td>
</tr>
<tr>
<td>Other direct sources</td>
<td>18,523</td>
<td>14,748</td>
<td>14,250</td>
<td>12,112</td>
</tr>
<tr>
<td>Indirect emissions (Scope 2)</td>
<td>431,243</td>
<td>296,893</td>
<td>294,305</td>
<td>239,421</td>
</tr>
<tr>
<td>Electricity</td>
<td>420,051</td>
<td>273,112</td>
<td>270,567</td>
<td>235,769</td>
</tr>
<tr>
<td>Other indirect sources</td>
<td>3,182</td>
<td>3,708</td>
<td>3,536</td>
<td>3,652</td>
</tr>
<tr>
<td>Other emissions (Scope 3)</td>
<td>172,533</td>
<td>159,803</td>
<td>155,384</td>
<td>154,470</td>
</tr>
<tr>
<td>Business air travel</td>
<td>17,777</td>
<td>14,092</td>
<td>13,663</td>
<td>10,644</td>
</tr>
<tr>
<td>Rental cars</td>
<td>4,426</td>
<td>3,570</td>
<td>4,373</td>
<td>4,460</td>
</tr>
<tr>
<td>Other sources</td>
<td>158,000</td>
<td>140,167</td>
<td>137,165</td>
<td>137,566</td>
</tr>
<tr>
<td>Target emissions (scopes 1-2)</td>
<td>480,205</td>
<td>342,863</td>
<td>335,011</td>
<td>276,544</td>
</tr>
<tr>
<td>Target emissions (metric tons CO2e) per 1,000 square feet</td>
<td>14.01</td>
<td>14.11</td>
<td>14.91</td>
<td>15.23</td>
</tr>
<tr>
<td>Target emissions (metric tons CO2e) per employee</td>
<td>8.60</td>
<td>6.53</td>
<td>6.44</td>
<td>5.23</td>
</tr>
<tr>
<td>Target emissions (metric tons CO2e) per million $ revenue</td>
<td>29.59</td>
<td>25.52</td>
<td>22.10</td>
<td>16.94</td>
</tr>
</tbody>
</table>

**REDUCTION SINCE 2009**
PNC met its 2020 30% reduction goals for energy consumption and carbon emissions ahead of schedule and is on track to meet its 2020 30% reduction goal for water consumption.

**ENVIRONMENTAL PERFORMANCE**

**CARBON EMISSIONS**

- **Deemed to have met the 2020 30% goal:**
  - Compared against a 2012 baseline: 42%

**ENERGY**

- **Deemed to have met the 2020 30% goal:**
  - Compared against a 2012 baseline: 32%

**WATER**

- **Deemed to have met the 2020 30% goal:**
  - Compared against a 2012 baseline: 29%

**HOW WILL WE MEET THESE GOALS?**

- **Carbon Emissions:**
  - Green building initiatives
  - Updated lighting
  - HVAC improvements
  - Extensive analysis of energy data using traditional analytics techniques

- **Energy:**
  - Employee education and engagement
  - Green and intelligent buildings
  - Advanced machine learning techniques on our energy data

**2035 REDUCTION GOALS (compared against a 2009 baseline)**

- **Carbon Emissions:**
  - Deemed to have met the 2035 75% goal: 75%

- **Energy:**
  - Deemed to have met the 2035 75% goal: 75%

- **Water:**
  - Deemed to have met the 2035 50% goal: 50%

**HOME**
SUSTAINABLE FINANCE

In addition to actively managing our internal operations, we support the transition to a low-carbon economy by helping our clients finance energy efficient and renewable energy projects. In 2017, PNC’s sustainable finance commitment totaled more than $10 billion, including contributions from PNC’s Equipment Finance, Public Finance and Real Estate Finance businesses.

Energy Financing

PNC supports the continued adoption of renewable energy and encourages innovation in the deployment of alternative energy sources by helping customers implement economically viable renewable energy solutions. In 2017, PNC’s Energy Capital business provided financing to the City of Holyoke’s Gas and Electric, a municipal-owned power company, for a 5.8MWdc ground-mounted photovoltaic project located at a former coal-burning power plant site in Holyoke, Massachusetts. This project will be expanded in 2018 to include a 3MWac battery storage system on the same site as the solar project, specifically to enhance operational efficiency, optimize intermittent solar energy and improve power reliability to customers. Once completed, the project will be one of the largest utility-scale energy storage installations in Massachusetts.

Another example of PNC’s support of renewable energy solutions was PNC Energy Capital’s financing of a 4.7MWdc project. The project is located on 30 acres of land in Weld County, Colorado and produces energy that will be fed into the grid and used by the customers of Poudre Valley Rural Electric Association, Inc., a rural electric distribution cooperative. The project will also be used to create educational opportunities for students at the local high school. This marks the third solar transaction for which PNC Energy Capital has provided financing to Poudre Valley Electric Association.

Green Bonds

One of the largest components of PNC’s sustainable finance efforts is our underwriting of bonds that drive greater environmental benefits. This includes both traditional bonds and designated “green bonds.” In 2016, PNC became a signatory to the Green Bond Principles, guidelines managed by the International Capital Markets Association that prescribe best practices for underwriting and issuing green bonds, and in 2017, PNC was a co-manager on the MidAmerican Energy $850 million green bond. This transaction’s proceeds were used to finance a portion of MidAmerican Energy’s wind farms as the company expands its renewable energy generation. As a Green Bond Principal signatory, PNC actively supports the green bond market and continues to educate clients and the company regarding the benefits of green bond financing.

Responsible Investing

PNC is committed to improving its ability to help clients better express their values and beliefs. Consequently, we have made a major commitment to expanding our responsible investing capabilities and solutions, and in 2017, named our first formal head of responsible investing. Our head of responsible investing is working internally to develop solutions that help clients achieve their investment objectives and reflect their values through investments that consider environmental, social and governance (ESG) impacts.
Responsible investing considers social, environmental and governance factors to help meet financial goals while managing risk and supporting personal beliefs or values. PNC offers a variety of responsible investing solutions to help meet investor needs, whether they want to do good, make an impact, manage risks or do no harm.

PNC ended 2017 with $2.1 billion in assets under management across its Hawthorn, Wealth and Institutional Asset Management business units, which reflects a 5 percent increase compared to 2016. We have built adaptable offerings that incorporate both exclusionary and inclusionary screening, allowing us to meet the evolving needs of our institutional and wealth clients. In September 2016, PNC began working with a third-party investment manager that provides responsible investing overlays on multiple domestic and international passively-managed indices. They also offer two specialty indices, one focused on companies with positive ESG characteristics and another aligned with Catholic values. In addition to passive overlays, PNC continues to offer various dedicated solutions, including mutual funds, separately-managed accounts and exchange traded funds.

In 2017, PNC became a subscriber to MSCI’s ESG Issuer and Fund Metrics, which allows us to screen companies, mutual funds and ETFs against various ESG categories. This allows us to better identify investment options that reflect our clients’ goals and values. In addition, PNC’s Asset Management Group revised its proxy guidelines so that PNC investors can vote on corporate proposals according to the U.S. Conference of Catholic Bishops’ socially responsible guidelines, or along general ESG guidelines.

Education and training are core components of PNC’s approach to responsible investing. Our advisors are regularly briefed on industry trends, trained to lead existing and prospective clients through productive discovery conversations and continuously provided with information to improve their understanding of our dynamic responsible investing capabilities. We also provide resources and information directly to our clients and other interested parties on PNC’s Responsible Investing website. Launched in 2017, this website offers resources including videos, white papers and information about our Hawthorn, Wealth Management, and Institutional Responsible Investing product offerings.

*Assets under sustainable and responsible investment strategies in the United States increased from $6.57 trillion in 2014 to $8.72 trillion in 2016. Source: US SIF Foundation

Social

Environmental Governance

Responsible Investment Strategies account for more than $1 of every $5 being professionally managed in the U.S.* — and the number will likely continue to grow.
EFFECTIVE RISK MANAGEMENT ALLOWS US TO BETTER SERVE OUR CLIENTS

PNC is focused on helping customers realize their financial goals while diligently managing risks. Our philosophy is to never take unnecessary risks or trade long-term value for short-term gains.

We’ve designed our risk management policies and initiatives with this philosophy in mind, providing the experience, expertise and innovative products our customers need to be successful, while diligently managing ESG risks.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

PNC recognizes that environmental issues, including climate change, are impacting our business, our clients and the communities in which we operate.

We have adopted a framework to assess, mitigate and manage related risks at both the portfolio and individual transaction levels. This framework includes robust and regular portfolio analyses, stress-testing, and the establishment of policies and procedures governing our underwriting and portfolio management practices. This framework is regularly reviewed by senior management and, consistent with our broader CSR governance process, overseen by the company’s Board of Directors. PNC’s CSR team helps coordinate and oversee Corporate & Institutional Banking’s environmental and social risk management efforts and facilitates regular communication between business partners as it pertains to materiality, renewable energy financing, environmental assessments and socially responsible investing.

PNC’s Rapid Risk Screen will help us better identify and mitigate risk early in the lifecycle of a transaction.

ENVIRONMENTAL STRESS ASSESSMENT AND ANALYSIS

As a part of its portfolio management practice, PNC regularly conducts stress assessments and scenario analysis to better understand how certain credit risks could potentially impact its wholesale credit portfolio. This process involves working groups of business and risk employees who seek to understand the secular and cyclical nature of the risk and who assess the risks according to our environmental framework. Once designated, appropriate scenarios are developed using regulatory stress-testing methodologies and models to assess the magnitude of stress risk exposure in the target credit population(s).

PNC’s designation of environmental risks and the associated stress

PNC’s Rapid Risk Screen will help us better identify and mitigate risk early in the lifecycle of a transaction.

In 2017, PNC began developing an Environmental and Social Risk Management (ESRM) Rapid Risk Screen for use across all of Corporate & Institutional Banking. This Rapid Risk Screen, which was introduced in early 2018, will help us better identify and mitigate risk early in the lifecycle of a transaction. It encompasses environmental risk and human rights risk, and expands our focus on both risk domains across all of the company’s wholesale lending activities. Transactions that are identified through this Rapid Risk Screen are escalated to leaders in the business and our underwriting group, who determine whether to pass on the transaction, conduct enhanced due diligence alongside the company’s CSR team, or proceed as requested.

PNC’s Rapid Risk Screen will help us better identify and mitigate risk early in the lifecycle of a transaction.
**PNC’S ENVIRONMENTAL RISK MANAGEMENT FRAMEWORK**

**IMMEDIATE/ ELEVATED**

Sectors “already experiencing material credit implications as a result of environmental risk”

- Coal mining
- Coal related
- Unregulated utilities and unregulated power companies
- Lending policy regarding coal mining and coal-fired power plants
- Focus on environmental risks in prescreen process for prospects
- Enhanced environmental due diligence for coal mining companies, electric power generation utilities and oil & gas companies initially when onboarding new clients and at least annually for existing clients
- Human rights due diligence for coal mining companies and electric power generation utilities in certain foreign jurisdictions
- Not actively pursuing new relationships in the coal industry

**EMERGING/ ELEVATED**

Sectors with “clear exposure to environmental risks that, in aggregate, could be material to credit quality over medium term, 3 to 5 years, but are less likely in the next 3 years”

- Auto manufacturers
- Building materials
- Commodity chemicals
- Mining excluding coal
- Oil & gas independent exploration and production
- Oil & gas refining and marketing
- Power generation projects
- Steel
- Focus on environmental risks in prescreen process for prospects
- Enhanced environmental due diligence for oil & gas companies (completed initially when onboarding new clients and at least annually for existing clients)
- Accounted for the oil & gas and metals & mining industries in our 2017 firm-wide stress test/capital plan
- Assess the impact and opportunities associated with electric vehicles, as well as the production and use of alternative energy

**SUSTAINABILITY REPORTING**

In an effort to be transparent about our ESG practices, including our management of environmental and social risks, PNC regularly responds to third-party sustainability ratings and rankings. Our disclosures reflect our ongoing commitment to effectively address stakeholder interests and concerns.

<table>
<thead>
<tr>
<th>THIRD-PARTY FIRM/INDEX</th>
<th>PNC’S 2016 RATING OR RANKING</th>
<th>PNC’S 2017 RATING OR RANKING</th>
<th>PNC’S 2018 RATING OR RANKING</th>
<th>PNC’S 2019 RATING OR RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>COP</td>
<td>N/A</td>
<td>A-</td>
<td>A</td>
<td>99 - B</td>
</tr>
<tr>
<td>FTSE4Good</td>
<td>N/A</td>
<td>3.6 out of 5</td>
<td>3.9</td>
<td>3.4</td>
</tr>
<tr>
<td>JUST Capital</td>
<td>N/A</td>
<td>3 out of 42 banks</td>
<td>19 out of 36 banks</td>
<td>N/A</td>
</tr>
<tr>
<td>MSCI</td>
<td>A</td>
<td>BBB</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>40 out of 100 (Relative position: 128/332)</td>
<td>57</td>
<td>53</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**PNC’S ESRM OVERSIGHT AND EXECUTION**

**1. BOARD OF DIRECTORS**

**2. SENIOR EXECUTIVES**

**3. CREDIT PORTFOLIO STRATEGY COMMITTEE**

**4. CORPORATE SUSTAINABILITY MANAGER**

ANALYSIS AND PORTFOLIO MANAGEMENT, CREDIT PRODUCTS GROUP; INDEPENDENT RISK MANAGEMENT, RELATIONSHIP BANKING

**PRESCREEN PROCESS**

**UNDERWRITING AND ENHANCED ENVIRONMENTAL AND HUMAN RIGHTS DUE DILIGENCE**

**PORTFOLIO REVIEW**

**ENVIRONMENTAL STRESS TEST**

**ENTERPRISE THIRD-PARTY MANAGEMENT PROGRAM**

During 2017, PNC continued efforts to minimize business risk by maturing and enhancing its enterprise third-party management system. This platform helps the company identify, manage and mitigate third-party risk and comply with regulatory requirements related to managing key suppliers. It also demonstrates PNC’s commitment to providing the tools and resources that support a holistic approach to managing risk across the organization. Also during the year, our supply chain organization successfully deployed a procure-to-pay model to facilitate the end-to-end management of the third-party life cycle.

**EFFECTIVE RISK MANAGEMENT ALLOWS US TO BETTER SERVE OUR CLIENTS**

- Sustainalytics
- FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that PNC has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

**ENVIRONMENTAL RISK MANAGEMENT FRAMEWORK**

In an effort to be transparent about our ESG practices, including our management of environmental and social risks, PNC regularly responds to third-party sustainability ratings and rankings. Our disclosures reflect our ongoing commitment to effectively address stakeholder interests and concerns.

STAKEHOLDER ENGAGEMENT ALLOWS FOR CONTINUOUS IMPROVEMENT

Our success largely depends on strong relationships with our stakeholders. To develop and maintain these relationships, we must build trust and engage in two-way communication with our stakeholder groups. We must be transparent in our words and actions and actively listen and respond to their questions and concerns. The table on the next two pages provides a few examples of how PNC communicates with, receives feedback from, and responds to stakeholders.

In addition to actively communicating with our stakeholders, we regularly monitor PNC and financial industry media coverage and social media conversations, which allows us to better gauge PNC’s reputation in all of the regions in which we operate. Furthermore, our 2015 materiality analysis helped us to confirm which issues are most important to PNC and our stakeholders, and subsequently, where we should better focus our resources and attention.
### Stakeholder Engagement Allows for Continuous Improvement

#### RESPONSES TO STAKEHOLDER CONCERNS

<table>
<thead>
<tr>
<th>EMPLOYEES</th>
<th>CUSTOMERS</th>
<th>COMMUNITIES</th>
<th>SHAREHOLDERS</th>
<th>GOVERNMENT</th>
<th>SUPPLIERS</th>
<th>NON-GOVERNMENTAL ORGANIZATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Development opportunities</td>
<td>The company’s leadership</td>
<td>PNC’s benefits are competitive with those of our peers and position the company for future growth.</td>
<td>We are always listening to our employees and work hard to recognize and reward their accomplishments.</td>
<td>We value our suppliers and purchase from companies that are most concerned with maintaining capital and better serving their communities.</td>
<td></td>
</tr>
<tr>
<td>Concerns raised through our customer interactions are monitored and tracked, and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
<td>Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
<td>Concerns raised through our customer interactions are monitored and tracked, and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
<td>Concerns raised through our customer interactions are monitored and tracked, and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
<td>Concerns raised through our customer interactions are monitored and tracked, and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
<td>Concerns raised through our customer interactions are monitored and tracked, and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
<td></td>
</tr>
<tr>
<td>PNC regularly monitors and rigorously monitors key topics and concerns raised by our customers. Such topics include but are not limited to account servicing, customer service, data privacy, and product and services features and benefits.</td>
<td>Feedback received through PNC’s evaluations and interviews, among other channels, impacts grant and programming decisions. PNC also monitors and communicates a clear understanding of the company’s strategic direction and resulting financial performance. We seek to understand and address our suppliers’ interests and concerns in a timely manner through our public written and verbal shareholder communication channels.</td>
<td>Feedback received through PNC’s evaluations and interviews, among other channels, impacts grant and programming decisions. PNC also monitors and communicates a clear understanding of the company’s strategic direction and resulting financial performance. We seek to understand and address our suppliers’ interests and concerns in a timely manner through our public written and verbal shareholder communication channels.</td>
<td>Feedback received through PNC’s evaluations and interviews, among other channels, impacts grant and programming decisions. PNC also monitors and communicates a clear understanding of the company’s strategic direction and resulting financial performance. We seek to understand and address our suppliers’ interests and concerns in a timely manner through our public written and verbal shareholder communication channels.</td>
<td>Feedback received through PNC’s evaluations and interviews, among other channels, impacts grant and programming decisions. PNC also monitors and communicates a clear understanding of the company’s strategic direction and resulting financial performance. We seek to understand and address our suppliers’ interests and concerns in a timely manner through our public written and verbal shareholder communication channels.</td>
<td>Feedback received through PNC’s evaluations and interviews, among other channels, impacts grant and programming decisions. PNC also monitors and communicates a clear understanding of the company’s strategic direction and resulting financial performance. We seek to understand and address our suppliers’ interests and concerns in a timely manner through our public written and verbal shareholder communication channels.</td>
<td></td>
</tr>
<tr>
<td>PNC regularly communicates with our employees through e-mail and phone calls.</td>
<td>PNC’s Supplier Diversity Portal provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.</td>
<td>PNC’s Supplier Diversity Portal provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.</td>
<td>PNC’s Supplier Diversity Portal provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.</td>
<td>PNC’s Supplier Diversity Portal provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.</td>
<td>PNC’s Supplier Diversity Portal provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.</td>
<td></td>
</tr>
<tr>
<td>Quarterly earnings materials and conference calls.</td>
<td>PNC maintains strong capital and liquidity positions.</td>
<td>PNC maintains strong capital and liquidity positions.</td>
<td>PNC maintains strong capital and liquidity positions.</td>
<td>PNC maintains strong capital and liquidity positions.</td>
<td>PNC maintains strong capital and liquidity positions.</td>
<td></td>
</tr>
<tr>
<td>Ongoing dialogue by senior leaders with regulators and federal, state and local government officials.</td>
<td>PNC is dedicated to making a difference in the communities it serves.</td>
<td>PNC is dedicated to making a difference in the communities it serves.</td>
<td>PNC is dedicated to making a difference in the communities it serves.</td>
<td>PNC is dedicated to making a difference in the communities it serves.</td>
<td>PNC is dedicated to making a difference in the communities it serves.</td>
<td></td>
</tr>
<tr>
<td>PNC’s Supplier Diversity Portal promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td>PNC’s Enterprise Third-Party Management program promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td>PNC’s Enterprise Third-Party Management program promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td>PNC’s Enterprise Third-Party Management program promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td>PNC’s Enterprise Third-Party Management program promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td>PNC’s Enterprise Third-Party Management program promotes the use of procurement strategies that include small, minority, and women-owned businesses.</td>
<td></td>
</tr>
</tbody>
</table>

#### CHANNELS AND FREQUENCY

**EMPLOYEES**
- Daily interactions on social media (Facebook, Twitter, LinkedIn)
- Daily interactions on PNC Live Chat
- Daily customer transaction surveys
- Quarterly qualitative research, including focus groups, ideation sessions and one-on-one interviews
- Daily phone calls facilitated by PNC Customer Care
- Interviews (through PNC’s materiality analysis, among other initiatives)

**CUSTOMERS**
- PNC News Online feedback mailbox
- PNC News Online feedback mailbox
- PNC’s online collaboration network, which includes forums, blogs, wikis, communities, microblogging and live sharing
- Annual surveys (through PNC’s materiality analysis, among other initiatives)

**COMMUNITIES**
- PNC’s materiality analysis
- PNC’s materiality analysis
- PNC’s materiality analysis
- PNC’s materiality analysis
- PNC’s materiality analysis

**SHAREHOLDERS**
- Pre- and post-corporate town hall surveys
- Employee surveys (through PNC’s materiality analysis)
- Employee surveys (through PNC’s materiality analysis)
- Employee surveys (through PNC’s materiality analysis)

**GOVERNMENT**
- Daily emails and phone calls
- Quarterly, annual and biannual meetings during which PNC business leaders and executives meet with suppliers
- PNC’s Supplier Diversity Portal
- Interviews (through PNC’s materiality analysis)

**SUPPLIERS**
- Regular meetings
- PNC’s Supplier Diversity Portal
- PNC’s Supplier Diversity Portal

**NON-GOVERNMENTAL ORGANIZATIONS**
- Daily emails and phone calls
- Regular meetings
33 | 2017 • CORPORATE SOCIAL RESPONSIBILITY REPORT • THE PNC FINANCIAL SERVICES GROUP

GRI INDEX

GENERAL STANDARD DISCLOSURES

ASPECTS AND INDICATORS | RESPONSE | LOCATION
--- | --- | ---
G4-10 An insubstantial portion of PNC's work is performed by workers who are legally recognized as self-employed or by individuals other than employees or supervised workers. Also, PNC does not experience significant variations in employment numbers. | Developing Today’s Talent Serves Tomorrow’s Customer, page 7. PNC’s 2017 10-K, pages 1 and 2. | STRATEGY AND ANALYSIS

ORGANIZATIONAL PROFILE

G4-3 The sustainability topics covered in PNC’s 2017 CSR report are relevant to all of the countries where PNC operates. | PNC Corporate and Economic Profile, page 6. | G4-4 PNC is a publicly owned company incorporated in the Commonwealth of Pennsylvania and headquartered in Pittsburgh, Pennsylvania. PNC’s common stock is listed on the New York Stock Exchange and is traded under the ticker symbol “PNC.” The PNC Financial Services Group, Inc. is the ultimate parent company within PNC’s organizational structure and indirectly owns 100 percent of the outstanding stock of its sole bank subsidiary, PNC Bank, N.A. | PNC Corporate and Economic Profile, page 6. | G4-5 For PNC’s products and services, PNC’s 2017 10-K, pages 1 and 2. | G4-6 For PNC’s primary brands, PNC Corporate and Economic Profile, page 6. For PNC’s products and services, PNC’s 2017 10-K, pages 1 and 2. | G4-7 The PNC Financial Services Group, Inc. is a publicly owned company incorporated in the Commonwealth of Pennsylvania and headquartered in Pittsburgh, Pennsylvania. PNC’s common stock is listed on the New York Stock Exchange and is traded under the ticker symbol “PNC.” The PNC Financial Services Group, Inc. is the ultimate parent company within PNC’s organizational structure and indirectly owns 100 percent of the outstanding stock of its sole bank subsidiary, PNC Bank, N.A. | PNC Corporate and Economic Profile, page 6. | G4-8 The sustainability topics covered in PNC’s 2017 CSR report are relevant to all of the countries where PNC operates. | PNC Corporate and Economic Profile, page 6. PNC’s 2017 10-K, pages 1 and 2. | G4-9 The vast majority of PNC’s operations and employees are located in the United States. PNC’s limited foreign operations are conducted through two foreign branches as well as certain subsidiaries. PNC Bank’s only two foreign branches are located in Toronto, Canada and Nassau, Bahamas. PNC’s principal foreign subsidiaries, both of which are indirect subsidiaries of PNC Bank, are: • Harris Williams & Co., Ltd., which provides financial advisory services to companies in the European Union through offices located in London, United Kingdom and Frankfurt, Germany; and • PNC Financial Services UK Ltd., which provides asset-backed commercial loans in the United Kingdom through offices located in London and several other locations in the U.K. Assets, revenue and earnings attributable to foreign activities were not material in the periods presented. | For the number of employees and operations, PNC Corporate and Economic Profile, page 6. For assets, PNC Corporate and Economic Profile, page 4. For the quantity of PNC’s products and services, PNC’s 2017 10-K, pages 1 and 2. For beneficial ownership, PNC’s 2018 Proxy statement, pages 82 and 83. | G4-10 An insubstantial portion of PNC’s work is performed by workers who are legally recognized as self-employed or by individuals other than employees or supervised workers. Also, PNC does not experience significant variations in employment numbers. | PNC Corporate and Economic Profile, page 6. PNC’s 2017 10-K, pages 1 and 2. | GENERAL STANDARD DISCLOSURES

ASPECTS AND INDICATORS | RESPONSE | LOCATION
--- | --- | ---
G4-1 A Message from Our CEO, page 2. | STRATEGY AND ANALYSIS

ORGANIZATIONAL PROFILE

TOTAL EMPLOYEES | FULL-TIME EMPLOYEES | PART-TIME EMPLOYEES
--- | --- | ---
Female | 31,670 | 29,583 | 2,087
Male | 21,104 | 20,646 | 458
Did not disclose | 132 | 129 | 3
TOTAL | 52,906 | 50,358 | 2,548
*Temporary employees are not reflected in the total employee numbers. | GENERAL STANDARD DISCLOSURES

ASPECTS AND INDICATORS | RESPONSE | LOCATION
--- | --- | ---
G4-11 None of PNC’s employees are covered by collective bargaining agreements. | STRATEGY AND ANALYSIS

ORGANIZATIONAL PROFILE

Identified Aspects Related to PNC’s Materiality Analysis and Their Boundaries

G4-17 The entity of PNC’s consolidated financial statements is The PNC Financial Services Group, Inc., which is covered by PNC’s 2017 CSR report. | Consolidated financial statements in PNC’s 2017 10-K, pages 79 to 86. | IDENTIFIED ASPECTS RELATED TO PNC’S MATERIALITY ANALYSIS AND THEIR BOUNDARIES

HOME
### GENERAL STANDARD DISCLOSURES

<table>
<thead>
<tr>
<th>ASPECTS AND INDICATORS</th>
<th>RESPONSE</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IDENTIFIED ASPECTS RELATED TO PNC’S MATERIALITY ANALYSIS AND THEIR BOUNDARIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-18</td>
<td>In the spring of 2015, PNC conducted its first materiality analysis. The results of the analysis informed PNC’s 2017 CSR report.</td>
<td>Priority Issues and Report Scope, page 5</td>
</tr>
<tr>
<td>G4-19</td>
<td>The Aspects related to PNC’s materiality analysis that largely define PNC’s 2017 CSR report content include: Economic Performance, Product and Service Labeling, Marketing Communications, Customer Privacy, Market Presence, Indirect Economic Impacts, Local Communities, Anti-Corruption and Anti-Competitive Behavior.</td>
<td></td>
</tr>
<tr>
<td>G4-20</td>
<td>For each Aspect related to PNC’s materiality analysis that has impacts inside the organization, impacts occur across all of PNC’s operation.</td>
<td>Priority Issues and Report Scope, page 5</td>
</tr>
<tr>
<td>G4-21</td>
<td>For each Aspect related to PNC’s materiality analysis that has impacts outside the organization, impacts occur across all geographies of PNC’s operation.</td>
<td>Priority Issues and Report Scope, page 5</td>
</tr>
<tr>
<td><strong>ORGANIZATIONAL PROFILE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-22</td>
<td>In 2015, PNC’s Energy Management and Sustainability Group revised its methodology to more accurately and efficiently capture the company’s energy data.</td>
<td>This revision is reflected and noted in the electronic version of PNC’s 2014 CSR report, page 36.</td>
</tr>
<tr>
<td>G4-23</td>
<td>PNC’s 2017 CSR report does not reflect any significant changes in Scope or Aspect Boundaries compared to the company’s 2016 CSR report.</td>
<td></td>
</tr>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-24</td>
<td>Stakeholder Engagement Allows for Continuous Improvement, page 31</td>
<td></td>
</tr>
<tr>
<td>G4-25</td>
<td>PNC’s stakeholders include those who impact or are impacted by PNC and its operations. These individuals and entities may be connected to and interested in the company from an employment, business, investment, regulatory, legal and/or reputational perspective. PNC engages with all stakeholders through different channels and with varying frequency.</td>
<td>Stakeholder Engagement Allows for Continuous Improvement, page 31</td>
</tr>
<tr>
<td>G4-26</td>
<td>Stakeholder Engagement Allows for Continuous Improvement, page 31</td>
<td></td>
</tr>
<tr>
<td>G4-27</td>
<td>Stakeholder Engagement Allows for Continuous Improvement, page 31</td>
<td></td>
</tr>
<tr>
<td><strong>REPORT PROFILE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-28</td>
<td>Priority Issues and Report Scope, page 5</td>
<td></td>
</tr>
<tr>
<td>G4-29</td>
<td>3/2017</td>
<td></td>
</tr>
</tbody>
</table>
In alignment with its commitment to the communities in which it conducts business, PNC makes a concerted effort to hire senior managers from those communities. In addition to seeking talent from our local communities, we frequently promote from within the organization, giving high-performing managers and employees an opportunity to advance their careers by taking on leadership roles.

Significant Locations of Operation: For the purposes of this report, PNC considers Pittsburgh, Pennsylvania; Cleveland, Ohio; Philadelphia, Pennsylvania and Washington, D.C. to be its significant locations of operation. Pittsburgh is PNC’s headquarters location; Cleveland was the headquarters location of National City, which PNC acquired in 2009; Philadelphia is PNC’s largest retail presence, and Washington, D.C. is significant due to its PNC predecessor bank and regulator presence.

Senior Managers: For the purposes of this report, PNC defines a senior manager as someone who is responsible for the strategic management, leadership and direction of a business segment or staff function. Senior managers are seasoned leaders with extensive business experience and broad and deep functional expertise. They are significant members of the management team and often represent the organization in dealings with clients and external entities. A senior manager often reports to one of the company’s nine Executive Committee members, who report to PNC Chief Executive Officer Bill Demchak, or to one of the Executive Committee members’ direct reports.

Prior to purchasing an existing building or land for new construction, PNC conducts an environmental impact assessment to confirm a particular site’s history and identify potential risks. Among other items, PNC evaluates the sites for potential risks, including soil and groundwater contamination and indoor air quality issues. PNC’s assessments are designed to help ensure a healthy work environment for employees, to reduce PNC’s operational and maintenance needs and costs, and to meet state and federal requirements.

Community Engagement

PNC’s commitment to supporting the communities in which we operate extends to those impacted by branch consolidations. Before a consolidation, PNC carefully assesses the relevant branch, particularly if it is located in a rural and/or low- to moderate-income community, to better understand the potential impact on customers. Depending on the potential impact, PNC often engages the relevant community and develops a mitigation plan to best meet the financial needs of local residents and businesses. This plan is unique to each community and takes into account various factors, including but not limited to the channels through which residents and businesses can continue their banking relationship with PNC and the accessibility of a PNC ATM or other bank branch, especially for those who live in rural areas and/or rely on public transportation.