

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The PNC Financial Services Group, Inc. is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking, including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	In 2017, to further institutionalize and formalize sustainability throughout PNC's business, PNC's corporate governance guidelines were expanded to include a provision that the entire board of directors (the "board") is responsible for overseeing PNC's Corporate Social Responsibility (CSR) policies, programs and strategies. And in November 2019, PNC's corporate governance guidelines were once again amended to explicitly state that the board's oversight of CSR includes significant climate change issues. The decision was made to assign these responsibilities to the board in its entirety (rather than to a committee of the board) because the effective management of environmental, social and governance (ESG) issues is seen as essential to all aspects of company strategy and operations. Beginning in 2018, the board now receives a broad update directly from the ESG team at least once a year, and oversees the environmental practices and policies we have in place. An example of how the board monitors and oversees progress against goals and targets for addressing climate-related issues: In April 2018, as part of the 2017 CSR Report, PNC published its first CSR Scorecard, a one-page overview of the ESG metrics, goals and targets that PNC considers most material and impactful to its business from an ESG perspective. This set of metrics includes our environmental targets for carbon emissions, energy use, water use, renewable energy transition, paper use, the number of clients undergoing enhanced environmental risk due diligence, and our sustainable finance commitments. This set of metrics was reviewed and discussed by the board, and they were provided with a historical snapshot of PNC's progress against these metrics over three years' time. PNC's corporate governance guidelines can be found at www.pnc.com/corporategovernance .
Board-level committee	The Risk Committee of the board is responsible for overseeing the establishment and implementation of PNC's enterprise-wide risk governance framework (ERM Framework), which includes the review and approval of management's strategies and policies for assessing and managing risk, including those related to climate-related risks. The Risk Committee receives ad hoc presentations by the ESG team and Credit Portfolio Management team on climate risk within the credit portfolio. These presentations supplement the existing risk reporting in place as a part of the ERM Framework.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<ul style="list-style-type: none"> Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities The impact of our own operations on the climate The impact of our bank lending activities on the climate 	<p>At least once each year, PNC's corporate executives and ESG team formally present our CSR progress and results to date to the board. The board oversees the environmental and climate-related practices and policies we have in place, and receives periodic updates on these topics from management, which includes a review of the approved environmental and climate-related metrics and targets disclosed annually through our Corporate Responsibility Reports (CR Reports). These environmental and climate-related disclosures can be found in our most recent CR Report, beginning on page 19, through the end of the report, and later this year, within our first TCFD report. (https://www.pnc.com/content/dam/pnc-com/pdf/aboutpnc/CSR/PNC_Corporate_Responsibility_Report_2020.pdf). The board's Nominating and Governance Committee assists the board in promoting the best interests of the company's shareholders through the implementation of sound corporate governance principles and practices. The Nominating and Governance Committee is updated on corporate governance matters quarterly. Climate-related matters, including climate change benchmarking, activism, investor engagement and developments in reporting standards, are covered in these quarterly updates. The board's Risk Committee is responsible for overseeing the establishment and implementation of the ERM Framework; and the facilitation of board level oversight of risk management by serving as the principal contact between the board and the management-level risk management committees. Material risks driven by climate change are identified, assessed, monitored and reported on an ongoing basis through the risk governance framework with significant risk issues or initiatives being presented to the Risk Committee through the Enterprise Risk Report on a quarterly basis. Climate change is identified as an emerging risk and is currently assessed, monitored, and reported to the Risk Committee in the ERM Framework. In addition, ad hoc presentations by the managers of the Credit Portfolio Management and ESG teams summarize key climate-related risks facing the organization. Corporate and Management level committees take direction from the enterprise risk governance framework and risk appetite set by Risk Committee to manage risk at the risk area and lines of business levels.</p>

C1.2

C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	As important matters arise
Other C-Suite Officer, please specify (EVP and Head of Corporate & Institutional Banking)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	As important matters arise
Other, please specify (EVP and Corporate Real Estate Executive)	Finance - CFO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Annually
Chief Risks Officer (CRO)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	Quarterly
Other C-Suite Officer, please specify (Chief Corporate Responsibility Officer)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	As important matters arise
Other C-Suite Officer, please specify (General Counsel & Chief Administrative Officer)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Responsibility for overseeing PNC’s climate change policies rests with the entire PNC board, as defined in our corporate governance guidelines. The board receives periodic updates on risk assessments, including climate-related risk.

Climate-related risks and opportunities increasingly inform and shape our approach to risk management, particularly in our Corporate and Institutional Banking (C&IB) business. The Executive Vice President and Head of C&IB reports directly to the CEO and takes a leadership role in defining the strategic approach to climate change from a lending perspective and communicating this to the board. As needed, the EVP and Head of C&IB addresses the board on:

- Environmental issues and the actions the company is taking to mitigate those risks;
- Our evolving exposure to higher-risk industries and our environmental and social risk management framework;
- Strategies to proactively invest in sustainable finance opportunities; and
- New climate-related opportunities, such as the issuance of our first green bond.

PNC named its first Chief Corporate Responsibility Officer (CCRO) in 2020. The CCRO is the executive for the Corporate Responsibility Group (CRG), and oversees the work being done to manage PNC’s ESG commitments and challenges. Included in this work are ESG disclosures and reporting efforts, the design of tools, processes and frameworks to support and enhance functions such as environmental and social risk management, and sustainable finance; the setting of external ESG commitments; and the management of stakeholder engagement efforts. Sitting in CRG is PNC’s ESG team.

At least once per year representatives from PNC’s ESG team are invited to address the board on sustainability issues. Included in these briefings are assessments of PNC’s strategies and programs to address climate change from both a lending perspective (working closely with credit strategy and portfolio management, line of business and enterprise level risk management, sustainable finance, and other core functions at the bank) and an operations perspective (working closely with PNC’s Corporate Real Estate Executive). More targeted, issue specific updates are provided to committees of the board as directed in section C1.1b, above.

The ESG team also provides information from a policy perspective, including internal governance mechanisms that have been designed or refined to better manage risk or execute on opportunities (such as our Sustainable Finance Working Group and enhancements to our Environmental and Social Risk Management (ESRM) process, as well as on external partnerships, best practices and benchmarking opportunities (such as our decisions to join the Partnership for Carbon Accounting Financials (PCAF) and our 2019 decision to join RE100, a global initiative to drive the transition to 100% renewable electricity, and set a target to use 100% renewable electricity by 2025).

PNC’s General Counsel & Chief Administrative Officer is responsible for the work being done to address climate-related governance issues impacting PNC. This includes the assessment of climate-related regulatory developments, and the review of PNC’s ESG disclosures and initiatives to ensure there is alignment with applicable laws and regulations, and PNC’s existing governance principles, financial disclosures and internal audit and risk management processes. PNC’s Chief Risk Officer (CRO) oversees and directs our strategy, within the context of our ERM Framework, on how we address environmental, social, and climate-related risks, and helps guide our environmental, social, and climate-related risk reporting. The CRO is also responsible for ensuring that climate risk is effectively incorporated into PNC’s ERM Framework and reported through the risk governance structure quarterly to senior and executive management.

PNC’s Corporate Real Estate Executive assesses and manages climate-related risks and opportunities within our operations and facilities, guiding major plans of action, capital expenditures, monitoring our progress to goals, and monitoring our performance and risk management procedures.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Executive officer	Monetary reward	Efficiency target	The Corporate Real Estate Executive oversees PNC's building portfolio, which accounts for more than 95 percent of our Scope 1 and 2 emissions. In this role, he has management and oversight of the Innovation and Performance group and PNC's ability to reduce greenhouse gas emissions. Under this person's leadership, the Innovation & Performance team has set a 2035 goal of reducing energy use and carbon emissions by 75% (using 2009 as a baseline) and is currently managing a 4% energy use reduction plan year-over-year. These efforts significantly contribute to PNC's greenhouse gas reduction efforts, and the Corporate Real Estate Executive's annual bonuses, merit increases, and corporate recognitions are tied in part to the overall success in these areas.
Other, please specify (Chief Operating Officer of Realty Services)	Monetary reward	Efficiency target	The Chief Operating Officer of Realty Services has direct management and oversight of the Energy Manager and the Innovation and Performance group. This employee is closely involved in the day-to-day decisions of this team and their ability to set and achieve meaningful emissions, energy and water targets. Compensation is partially linked to the team's success in these areas.
All employees	Monetary reward	Other (please specify) (Sustainability initiatives as a whole)	All PNC employees have the opportunity to acknowledge each other's achievements by sending Spotlight recognitions, which have a monetary value. The Innovation and Performance Group uses the Spotlight program to recognize employees who participate in sustainability initiatives and contests.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	We leverage Moody's definition of Immediate risk for industries that are experiencing or are likely to experience material credit implications within the next three years as a result of environmental risk, absent substantial counter-balancing initiatives. Examples of such industries include coal mining and unregulated utilities and power companies.
Medium-term	3	5	We leverage Moody's definition of Emerging risk for industries with clear exposure to environmental risks that could be material to credit quality over 3 to 5 years, but are less likely in the next 3 years. Companies within these sectors face elevated potential for rating pressure to develop in the future. Examples of such industries include oil and gas exploration, production and refining, automobile manufacturers, transportation and shipping.
Long-term	5	100	We consider risks and opportunities more than five years out to be long-term. These industries have exposure to environmental risks that are broadly manageable through longer term portfolio management and strategic planning. Examples of such industries include property and casualty insurance.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We define substantive financial impact as one that meets an Enterprise materiality threshold over 9 quarters that would require it to be formally layered onto the capital plan. The materiality threshold is calibrated to PNC's current common equity tier 1 (CET1) capital position with materiality set at approximately 1% of CET1.

At a line of business (LOB) level, as part of PNC's annual strategic planning process key strategic risks and metrics to measure strategic risk are identified by the LOB. The identification of key risks and metrics by the LOB is a qualitative decision based on the top strategic priorities in their strategic plans.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

PNC's ERM Framework is structurally aligned with enhanced prudential standards and heightened standards which establish minimum requirements for the design and implementation of a risk governance framework for large national banks. The framework consists of seven core components which allow executive management and the board to have an aggregate view of significant risks that impact the organization. The seven core components are risk culture, enterprise strategy (including risk appetite, strategic planning, capital planning and stress testing), risk governance and oversight, risk identification, risk assessments, risk controls and monitoring, and risk reporting. Within the ERM Framework, PNC identifies, assesses and responds to climate-related risks and opportunities in a variety of ways in respect to direct operations. Improvements and efficiency projects within our buildings, renewable electricity purchases, scenario analyses and crisis management planning are some of the processes and tools used to identify and assess these risks. A case study of how this process is applied to physical risks: PNC occupies hundreds of buildings in the Southeastern US where natural disasters, such as hurricanes, could impact hundreds of properties at one time. In 2018, PNC Realty Services conducted a scenario analysis on the case of a significant natural disaster resulting in damage to PNC property. The scenario assumptions involved a Category 4 or 5 hurricane landing in Jacksonville, Florida and damaging property in Florida and as far north as the Carolinas, and that a hurricane of this type would cause understaffing at branches and both major and minor property damage. The scenario analysis used past weather events to inform future risk, including the damage caused by Hurricane Sandy and 2012 flooding in the Chesapeake area. The analysis found that this scenario would impact both employees and customers, in addition to causing physical asset damage. This risk identification quantified potential financial losses and identified risk control actions. In 2018, this analysis informed the response to Hurricane Florence, which impacted almost all of PNC's back office and retail buildings in the Carolinas. When this happened, the most important goal was to make sure the employees and their families were safe. Since employees were dealing with their own homes being impacted, PNC had an out of region team of six Realty Services Operations employees on standby to travel to the affected area to address damage and resume business as usual. PNC prioritizes re-establishing utilities for climate control of the buildings and ATM access. During this time, PNC engaged mobile banking teams to travel to the areas in need. PNC has a generator program that has fuel trucks on standby to take fuel from a large tanker truck to smaller trucks to fill generators in the buildings. As a part of the scenario analysis described above, controls identified included monitoring of work request responsiveness, regular property inspections, management and monitoring of system maintenance contracts, master services agreements related to property, and regular safety inspections. These controls are designed to ensure quick responses, reliable documentation of contracts and building conditions, preventative maintenance, and seamless coordination. Because of this, PNC can plan for hurricanes by tracking and projecting storms and focusing on a 5-day projection which allows us to assess the probability of which branches and buildings could be affected. A team dedicated to environmental testing ensures that buildings are safe to reoccupy. The management method described above is applicable to PNC's entire portfolio. A case study of this process applied to transition risks: Situation: Over the past few years, PNC has seen its energy costs continue to rise though renewable energy generation costs have seen large declines. PNC has also faced increasing pressure to reduce its carbon footprint, average temperatures trend upward, and the topic of carbon tax regulation as a tool to curb emissions has made its way into public discourse. Task: With this in mind, the task PNC Realty Services had was to seek out ways to further reduce PNC's energy costs and carbon emissions, which would also relieve the organization from potential carbon tax burdens and lessen the effect of rising temperatures on our operations. Our footprint contains properties in both regulated and deregulated markets, and certain areas are seeing energy costs and temperatures rise more than others. Action: PNC Realty Services analyzed temperature and cost trends and our own ability to complete projects to determine 1) properties in PNC's footprint which would show the greatest efficiency improvements and demonstrate cost reductions from energy efficiency projects, and 2) an ambitious but realistic renewable electricity target. Result: As a result of those actions, PNC set a 100% renewable electricity target date of 2025, was able to identify which buildings to start with first for further energy efficiency projects, and is currently investigating a mix of onsite renewable generation technologies, power purchase agreements and renewable energy credit (REC) purchases to meet the 100% renewable electricity target.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

We approach upstream climate-related risk and opportunity identification and management in a few different ways. First, as a part of the ESRM screening process described for downstream risks below, relationship managers, underwriters, and management identify and elevate concerns when there might be risks due to current or expected climate-related legislation and policy, and other environmental risks, associated with a commercial transaction. When a potential risk is elevated to the ESG, Enterprise Risk Management, Credit Portfolio Management or other teams with related risk functions within the enterprise (or identified by these teams), a decision is made

along two possible paths. Whether the identified risk is determined to be inconsequential or significant, either through discussion or by analysis (carbon taxes for example), the line of business for which the risk is relevant will be apprised of that determination, and the risk is logged in multiple ways. We keep track of the rationale used to determine the significance of the risk in order to inform future discussions as related new policies and legislation are developed. And, if the discussions or analysis lead to a prohibition, lessened appetite for lending in the space, or a need for enhanced due diligence for activities where that risk may be present, it is incorporated into our commercial client onboarding and underwriting platforms and processes, in addition to specific line of business policies when necessary. Second, our choice of suppliers can present liabilities to PNC if their products and services are delayed or become suddenly unavailable due to the physical and transition risks they are exposed to. In an effort to build upon our climate risk strategy related to our suppliers, PNC's third party due diligence risk assessment that occurs during the onboarding process is being enhanced to better identify the suppliers that may be managing their climate-related risks more effectively. We expect this to be implemented within the next year. Questions within this risk assessment process seek to understand the climate-related and environmental strategies and targets potential suppliers have in place and the difficulties those suppliers may be facing in meeting their goals and strategic milestones, and to help identify those suppliers aligned with our core values around climate change. The risk identification processes outlined above contribute to PNC's Enterprise Risk Profile. As client or supplier, decisions are made by the 1st line of defence (1LOD) to assess the risk (qualitative or quantitatively) through PNC's risk identification framework and as part of its 1LOD risk profile.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Description of process

Climate related risks can occur at both the individual transaction and portfolio levels. This framework includes robust and regular screening, portfolio analysis, scenario analysis, 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, is overseen by the company's board of directors. At a transaction level, PNC utilizes an Environmental and Social Risk Management (ESRM) Rapid Risk Screen for use across all of Corporate & Institutional Banking. This environmental and human rights risk screening process has expanded environmental and social risk screening across the bank's entire corporate lending portfolio and helps us identify and mitigate risk early in the life-cycle of a transaction and across 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 proceed as requested, conduct enhanced due diligence alongside the company's ESG team, or pass on the transaction. As an example of how this process is applied to transitional risks, a prospective client in the coal mining industry had coal reserves for mixed uses. However, the coal reserves were the client's main source of revenue as they previously exited mining, and current and upcoming regulations in the country the client was located could have 1) made it difficult or impossible to sell the reserves, and 2) resulted in additional remediation costs. After discussions with PNC's ESG team, underwriters on the deal, management for the industry, and the client, it was determined there wouldn't be an issue due to the proper management of those risks and the deal was allowed to continue. PNC's management processes for climate-related risks at a portfolio level are described in question C-FS2.2b and C-FS2.2c

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As part of the underwriting process, PNC Corporate & Institutional Banking engages with companies in the coal mining, electric power generation, oil and gas industries to complete an enhanced environmental due diligence questionnaire. The questionnaire focuses on the borrower's past and present compliance with environmental laws and regulations; the borrower's financial resources needed to adhere to environmental mandates; the borrower's internal policies, procedures and resources related to environmental risk management; and the transaction's compliance with PNC's credit and underwriting policies related to environmental risk. These reviews facilitate greater client engagement, allow us to identify potential concerns with prospective and existing transactions, help clients better mitigate risks and provide an opportunity for PNC to take action to mitigate the risk. For example, after extensive due diligence and consideration assessing environmental, social and regulatory risks (including the project's compliance with all applicable U.S. federal and state laws and regulations, conformance with the Equator Principles, alignment with the IFC Performance Standards on Environmental Health and Safety Guidelines), PNC decided to move forward with funding an underground natural gas pipeline that did not run through any federally or state recognized Native American reservations. The pipeline's natural gas will be used to displace existing coal derived energy in one of the states served by the pipeline (coal burn expected to decline from 19.2 million tons in 2014 to 7.1 million tons in 2022). The regulatory risks and concerns include those related to current laws prohibiting development on certain lands (such as the recognized Native American reservations mentioned above), and the possibility of additional environmental considerations imposed after the start of the project which could cause projects to incur significant expenses due to the need for enhanced mitigation of endangered and threatened species and wilderness areas.
Emerging regulation	Relevant, sometimes included	Emerging environmental regulations that could have a meaningful impact on PNC's credit quality are identified and assessed by PNC Corporate & Institutional Banking underwriters for impact on the portfolio. The Credit Portfolio Management team also looks for potential opportunities and risks centered on significant new regulations and then recommends actions based on the scenario and time constraints, to position the portfolio for optimal overall performance. For example, PNC passed on a transaction where an oil producer was operating in a state in which produced oil and wastewater volumes had increased considerably due to fracking technologies. Although the wastewater byproduct was being disposed of underground via EPA/Underground Injection Control permitted injection wells, earthquake activity had increased considerably in the period that the water injection volume had increased. Although existing regulations did not address any potential correlation between injection wells and increased earthquake activity (pronounced in Arkansas, Texas and Ohio), our screening identified a material concern due to the risk of future regulations related to wastewater byproduct disposal in fracking operations, and we decided to decline the opportunity.
Technology	Relevant, sometimes included	As a part of its portfolio management practice, PNC periodically conducts stress assessments and scenario analysis to better understand how credit risks from technological improvements or innovations could potentially impact the wholesale credit portfolio. For example, previous reviews have focused on developing initial assessments of carbon transition risk for gasoline-fueled vehicles as a result of secular shifts resulting from the growing use of electric vehicles. We have also examined the impact of carbon transition risk on coal, natural gas and electric power generation related industries, from the shift to renewable energy. As a result of these assessments, recommendations were made to continue to reduce exposure to coal lending and increase lending to utility scale solar power projects.
Legal	Relevant, sometimes included	During the ESRM process, PNC may also conduct Commercial Background Research Automation (COBRA) reviews of clients for derogatory legal issues. Included in the COBRA reviews is a screening to identify any active climate and environmental related lawsuits that the client is a part of, or any climate and environmental related issues that may surface due to the nature of the pending litigation. If significant risks are identified, appropriate actions are considered. For example, as a result of the reviews, PNC exited a relationship in which a customer was found to have dumped coal into the Caribbean. In addition to the transaction specific risk assessment process detailed above, PNC's legal department also monitors and manages various risks throughout the business. Examples include legal reviews to minimize risks to PNC from our disclosures on climate-related issues and risk management processes detailed in our CDP reports and other disclosures where we include similar information, and sitting in on meetings and advising on relevant regulations that could impact line of businesses such as our Renewable Energy Finance Group.
Market	Relevant, sometimes included	As a part of its portfolio management practice, PNC periodically conducts stress assessments and scenario analysis to better understand how credit risks from changes in market conditions for commodities or supply and demand dynamics for other products and services could potentially impact its wholesale credit portfolio. For example, a previous review focused on understanding the risks related to the ongoing price volatility in the oil & gas industry, which is in part caused by environmental considerations due to likely demand fluctuations. As a result, we added an overlay to our loss modelling for the industry that is designed to accommodate environmental risk, which results in incremental losses in our forecasts, and thus, incremental reserve and/or capital requirements.
Reputation	Relevant, sometimes included	PNC identifies potential reputational risks in its commercial portfolio by utilizing its environmental, social and reputational Rapid Risk Screen tool. The company is also transparent about its carbon management program and communicating its environmental commitment. For example, PNC exited a relationship with a large-scale mining company after there were reports that the company dumped coal into the Caribbean Sea. This decision came about as part of ongoing enhanced due diligence, that determined the relationship did not meet PNC's reputational standards. From an overall portfolio perspective, consideration of reputation has resulted in PNC gradually reducing our lending to coal mining companies and prohibiting new lending to coal producers who have anything more than a de minimis exposure to mountaintop removal mining. We have also refined our due diligence policies related to energy companies by prohibiting construction financing of all single-site coal-fired power plants. These changes reflect our stakeholders' interests and concerns, as well as environmental risks, which, if left unaddressed, could translate into reputational risks for our business.
Acute physical	Relevant, sometimes included	Acute physical events impacting PNC credit portfolios and lending clients are inevitable and often occur with little to no forewarning (we have operations in regions that are vulnerable to climate related disasters such as tropical storms, wildfires and floods). Such events may significantly affect PNC loan portfolios by impeding the timely closing of loans, damaging assets associated with loans in the pipeline, damaging assets pledged as collateral on existing loans or impairing the ability of certain borrowers to repay their loans. For example, over the past few years, California has experienced drier weather, and as a result, more wildfires, both man-made and natural. Because of climate change, the environmental conditions have made these wildfires larger, deadlier, and more frequent than previous decades. PNC had customers in and around areas affected by the wildfires and saw some losses due to those wildfires. As a result, PNC re-examined its risk tolerances in the wildfire prone areas of California.
Chronic physical	Relevant, sometimes included	Chronic physical events impacting PNC credit portfolios and lending clients present themselves slowly. While PNC can use current data to predict trends, and institute policies such as insurance requirements for flood prone areas or set risk appetites for regions with high wildfire risk for example, climate change increases the base level of severity and duration of chronic events. Therefore such evaluations today, may look very different from those performed 5 years from now, or 20 years from now – a time when many homeowners in our current portfolio will still have 10 years until their mortgages are fully paid off. For example, with consistently higher waters, shorelines along the Great Lakes, and the communities near them have been facing persistent erosion which has been increasing in pace. With active mortgages in some of these communities, we decided to assess our exposure to this risk in order to determine if increases to our reserve capacities were necessary. In a cross-functional effort, we combined environmental data on flooding and erosion, with the locations of mortgages within certain distances and time periods to identify those mortgages potentially at risk. Once the exercise was completed, it was determined that our exposure required no further action besides occasional monitoring of conditions in the lakes and the communities situated on those shorelines.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	PNC's credit portfolio management team, using an internally developed environmental risk assessment framework which considers climate-related risks and opportunities, conducts portfolio analysis to help us better understand how certain credit risks could potentially impact the wholesale credit portfolio. PNC's measurement process involves groups of business and risk employees working to understand the secular nature of identified potential risks, at which point appropriate scenarios are developed using stress assessment methodologies and models to measure the magnitude of stress risk exposure in the target credit populations. The stress risk and exposure are captured as part of PNC's risk identification framework which tie to material risk assessments, aggregation, monitoring and reporting. Besides the inclusion of portfolio analysis and scenario analysis to estimate exposure and determine materiality, the framework provides for the establishment of policies and procedures to govern our underwriting and portfolio management practices, and review by senior management or the appropriate governance body to ensure that recommendations are acted on either through risk mitigation or the pursuit of opportunities. In addition to the assessment process described above, efforts are underway to further understand how different industries compare relative to each other from an emissions perspective. In the absence of company level emissions data, we are approaching this from a top down perspective, using external research and data providers.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	The majority of PNC's business as a bank is in our lending activities, and is where climate-related risks would be most material.

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Minority of the portfolio	Qualitative and quantitative	PNC's credit portfolio management team, using an internally developed environmental risk assessment framework which considers climate-related risks and opportunities, conducts portfolio analysis to help us better understand how certain credit risks could potentially impact the wholesale credit portfolio. PNC's measurement process involves groups of business and risk employees working to understand the secular nature of identified potential risks, at which point appropriate scenarios are developed using stress assessment methodologies and models to measure the magnitude of stress risk exposure in the target credit populations. Besides the inclusion of portfolio analysis and scenario analysis to estimate exposure and determine materiality, the framework provides for the establishment of policies and procedures to govern our underwriting and portfolio management practices, and review by senior management or the appropriate governance body to ensure that recommendations are acted on either through risk mitigation or the pursuit of opportunities. Once the risk has been run through the determined scenario, and the magnitude has been assessed, PNC's designation of environmental risks and the associated stress scenario loss results are presented to PNC's Credit Portfolio Strategy Committee (CPSC), which manages the overall risk/return balance of PNC's loan portfolio. Based on materiality, outcomes from this review may include but are not limited to incorporation of stress results into capital forecasts, enhanced due diligence, changes in origination requirements, or caps and limits on credit exposure. The framework guiding this review is regularly reviewed by senior management and, consistent with our broader CSR governance process, overseen by the company's board of directors (PNC's board has a Risk Committee, which holds in-person meetings at least quarterly). PNC's ESG team helps coordinate and oversee the Corporate & Institutional Banking environmental and social risk management efforts and facilitates regular communication between business partners as it pertains to environmental assessments, materiality assessments, renewable energy financing and socially responsible investing. To date, we have assessed the risks related to the impact of potential carbon emissions regulations on the portfolio (in the coal, coal power generation, auto and transportation markets); the ongoing volatility in the oil & gas industry; the impacts on the portfolio from secular shifts resulting from the growing use of electric vehicles; and the impact of carbon transition from fossil fuels to renewable energy on the electric power generation industry. Portfolio coverage here is defined as a minority of the portfolio as the sectors assessed above do not represent more than 50 percent of our total exposure in our credit portfolio. These assessments have led to, for example, a gradual reduction in our lending to coal mining companies, prohibition of new lending to coal producers with anything more than a de minimis exposure to mountaintop removal mining, and a prohibition on construction financing of all single-site coal-fired power plants. These changes reflect our stakeholders' interests and concerns, as well as environmental and climate-related risks, which if left unaddressed could translate into risks for our business. In addition to the assessment process described above, efforts are underway to further understand how different industries compare relative to each other from an emissions perspective. In the absence of company level emissions data, we are approaching this from a top down perspective, using external research and data providers.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	Our exposure to water-related risks and opportunities are assessed in our commercial portfolio where it has been determined they are to be most present. This includes risks and opportunities related to water scarcity and the abnormal fluctuation of water availability due to climate change (severe storms, seasonal rains, flood or drought), and those related to water quality and security. PNC assesses these risks and opportunities at the portfolio and transaction level through the ESRM process described in further detail in question C2.2. Through the ESRM process and department level policies, PNC's water-related risk and opportunity assessments cover the entire Corporate and Institutional Banking portfolio and relevant products and services within our retail business, such as mortgages and HELOCs. Efforts within our mortgage portfolio and real estate related loans include ensuring adequate insurance is present for properties exposed to flooding or monitoring other water-related risks such as the increased shoreline (and coastal) erosion described in C2.2a under chronic physical risks. Policies and due diligence procedures are developed in various lines of business such as our Diversified Industries Group to address these risks, particularly for the coal and non-coal mining industries, and oil and gas industry. This adds another layer on to the ESRM screening for significant issues. For example, as a result of the ESRM screen, PNC exited a relationship where a customer was found to have dumped coal into the Caribbean. We also declined an opportunity with an oil producer, due to potential adverse saltwater disposal regulations and the potential negative impact of earthquakes as a result of water injection wells.
Investing (Asset manager)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	The majority of PNC's business as a bank is in our lending activities and is where water-related risks would be most material.

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	Like water-related risks and opportunities, our exposure to forest-related risks and opportunities are assessed in our commercial portfolio where it has been determined they are to be most present, through our ESRM rapid risk screen and through business unit level policies and due diligence procedures. This includes but is not limited to industries in the agriculture, mining, oil and gas, and utilities space. Forest-related risks and opportunities considered include those stemming from deforestation and degradation such as the effect of the agriculture industry in the everglades; the closing/opening of previously open or closed lands; the reduced or increased availability of sustainably managed feedstocks for sustainability certified products such as paper or furniture; engagement in rehabilitation and restoration measures; and the impact operations can have on biodiversity. These impacts and activities can pose risks and opportunities such as fines or increased costs, project delays or cancellations, losses of or increases in revenue, loss of the license to operate, and supply chain disruptions. For example, our ESRM risk screening for our commercial portfolio includes questions related to supply chain governance through the lens of environmental standards, and the extent to which the company contributes to biodiversity or habitat loss, and deforestation. Our risk screenings, internal discussions, and conversations with our external partners such as our investors, non-profits and activist groups, have guided our policy making about forest-related risks. An example of policy we have instituted is a prohibition on financing companies with anything more than a de minimis amount of exposure to mountaintop removal. Recently, after the review of topographical mining survey data, government satellite imagery, and other publications detailing the mined areas, it was determined that a prospective client had significant exposure to ridgetop and mountaintop removal. Because of this risk review, it was decided that the transaction would go no further, and PNC declined the opportunity.
Investing (Asset manager)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable >	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	The majority of PNC's business as a bank is in our lending activities and is where forest-related risks would be most material.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	As a part of PNC's ESRM process, and additional enhanced due diligence performed by lines of business within Corporate and Institutional Banking, we may request climate-related information from our clients. When there is a known risk present, or as potential risks are elevated through the ESRM process, the first step is often to reach out to the client to gain a better understanding of that risk. This can take the form of verbal discussions with clients, or individualized questions specific to the elevated or suspected risk. Transition risk in the coal sector due to policy enactments is one such area where we have held discussions to gain a better understanding of how that risk might affect the client, and the plans the client had to mitigate that risk. In addition, due to the nature of the business, PNC's Renewable Energy Finance Group may request climate-related information from clients to reduce credit risks stemming from technological or resource related risks. Additionally, onboarding questions to identify entities that pose higher climate risk are being implemented across the commercial client onboarding systems to further support the ESRM process. We expect this to be implemented within the next year.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	The majority of PNC's business as a bank is in our lending activities and is where climate-related risks would be most material.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	To assess climate-risks, appropriate scenarios are developed in conjunction with credit, line of business and PNC economics experts, to forecast the evolution of the risk from a credit perspective. The magnitude of stress risk exposure in the target credit population is assessed using regulatory stress testing methodologies and models. Exposure is assessed along the all three time horizons defined in this CDP report. PNC's designation of environmental risks and the associated stress scenario loss results are presented to PNC's CPSC, which manages the overall risk/return balance of PNC's loan portfolio. Results may also be presented to PNC's Industry Risk Council, Reserve Adequacy Committee and Enterprise Risk Management Committee. Outcomes from this review may include but are not limited to enhanced due diligence, changes in origination requirements, or caps and limits on credit exposure. Decisions may be made to build expertise in related areas, build reserves, or build relationships, among many other management approaches. To date, we have assessed the risks related to the impact of potential carbon emissions regulations on the portfolio (in the coal, coal power generation, auto and transportation markets); the ongoing volatility in the oil & gas industry; the impacts on the portfolio from secular shifts resulting from the growing use of electric vehicles; and the impact of carbon transition from fossil fuels to renewable energy on the electric power generation industry. So far, we have found that climate-related risks would not have a substantive impact on PNC's business in the near term, as the total risk was too small to qualify under our definition of substantive financial impact. For example, in our assessment of the electric vehicle sector, we had to evaluate factors such as those that would drive electric vehicle adoption, but also stymie adoption. After quantifying our exposure to the emergent and potential risks, the estimated losses did not meet the minimum threshold that would require the risks to be layered onto the capital plan. Further, PNC's Enterprise Risk Management team performs a quarterly risk assessment and aggregation process for all risks in PNC's risk inventory as part of the risk identification framework. While risks driven by climate change have been identified, the exposure captured no individual risk or aggregate risk theme related to climate change that would exceed PNC's risk identification materiality threshold.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

C2.4b

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	PNC has identified many climate-related opportunities, and has strategies in place to take advantage of those opportunities, however none of them have the potential to have a substantive financial impact as we've defined it in C2.1b. Over the past few years, we have had more than \$36 billion in sustainable financing, and in 2019, PNC issued its first green bond. There are many potential opportunities for PNC's Sustainable Finance practice in the underwriting and issuance of green bonds and products such as sustainability linked loans, as well as opportunities for PNC's Renewable Energy Finance Group as the renewables market continues to grow. While our sustainable finance lending activity continues to grow, the financial impact on the business is still small compared to our overall business activity and is not substantive. Additionally, we've identified renewable energy to be an opportunity and have set a goal to use 100% renewable electricity by 2025 through a mix of onsite generation, power purchase agreements and REC purchases. We seek to take advantage of emerging technologies and innovations within the built environment in order to help us meet our energy and carbon reduction targets. Furthermore, through our ESRM process, PNC's ESG team, and the inclusion of climate-related questions for our third party suppliers, we work to identify new climate-related financing and opportunities and innovations. The questions for our third party suppliers seek to understand the climate-related and environmental strategies and targets potential suppliers have in place, the difficulties those suppliers may be facing in meeting their goals and strategic milestones, and ways in which PNC can help support those suppliers drive and achieve their climate-related strategies and targets.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (National Oceanic and Atmospheric Administration Technical Report OAR CPO-1, "Global Sea Level Rise Scenarios for the United States National Climate Assessment")	In 2020, PNC began analyzing the effect of rising sea levels and the resulting chronic flooding could have on our residential real estate portfolio, due to rising carbon emissions and the loss of land ice. Through this analysis, we sought to understand the potential losses and decreases in asset value that PNC might face, particularly in coastal markets. External data was sourced from the Union of Concerned Scientists and included zones of chronic inundation identified through spatial analysis, and the three climate scenarios considered were developed by the National Oceanic and Atmospheric Administration. The internal data used for the scenario analysis included location and ZIP code-level data to segment our portfolio by mortgages and home equity; and PNC data on exposure, net book balances, current expected credit losses, baseline House Price Index forecasts, and our own model outputs to forecast equity positions three years out. Annual shocks to forecasted property value HPIs by 5%, 10% and 20% were used to estimate changes in equity over three years. We split our exposures into 5 categories: no impact, low, moderately low, moderately high, and high based upon how much of the total house value was at risk. The high category contained properties where over 75% of the total house value was at risk; the moderately high category contained properties where 50% to 75% of the total house value was at risk, and so on. The three scenarios used in the analysis were classified as High, Medium and Low. The Low scenario assumes that nations limit global warming to the Paris Agreement Goal of less than 2 degrees Celsius and assumes that ice loss is limited. This scenario is based on the upper end of Intergovernmental Panel on Climate Change Fourth Assessment Report (IPCC AR4) global sea level rise projections resulting from climate models using the B1 emissions scenario. The global average sea level rise projection is about 1.6 feet by 2100. The Medium scenario assumes that global carbon emissions will rise through the middle of the century, then begin to decline; ice sheets melt, and temperatures change at rates in line with recent historical observations. The global average sea level rise is projected to be about 1 foot by 2035, and 4 feet by 2100. Lastly, the High scenario is from a combination of IPCC AR4 global sea level rise projections and calculations of maximum glacier and ice sheet losses by 2100. This scenario assumes carbon emissions continue to rise, and land ice continues to be lost. The global average sea level rise is projected to be about 2 feet by 2045, and 6.5 feet by 2100. The results of the analysis showed that across our residential real estate book, our exposure in high and moderately high ZIP codes is limited (~2.4%), and where we do have exposure in the high and moderately high ZIP codes, the credit characteristics are strong. Our equity positions also demonstrated resiliency when projected HPI declines by 5% to 10%. We concluded that there was limited immediate, short-term risk in our residential real estate book as a result of this exercise. However, PNC will monitor HPI movement in the impacted areas identified, track impacted exposure and credit performance on a semi-annual basis, and revisit externally available data sources to improve the quality of our analysis over time.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>We have developed a framework to assess, mitigate and manage climate related risks and opportunities at both the individual transaction and portfolio levels as described in C2.2. Risks and opportunities identified by the framework are presented to the Credit Portfolio Strategy Committee along with recommendations for action that leverage our full set of portfolio management tools. Based on these recommendations, and analysis conducted by the business lines into products that fit our customer's needs, PNC's products and services continue to evolve with the changing environment. Changes to policies detailing who we lend to, questions we need to consider and follow up on in the lending process, the credit risk limits we have in place, and how aggressively we pursue lending opportunities are examples of the decisions we make as a part of our climate-related risk and opportunity strategy. These decisions extend from the short- to long-term time horizons depending on the analysis. A case study: Situation: While active in underwriting green bonds, before 2019 PNC had not yet issued its own. PNC recognized that green bonds were an opportunity for PNC to provide new products investors were looking for, and access new sources of debt financing. Task: In 2018, the ESG team and Debt Capital Markets (DCM) Sustainable Finance team began work to identifying how PNC could issue its first green bond. Action: The Sustainable Finance Working Group (SFWG), consisting of members in ESG and DCM began to develop PNC's Green Bond Framework. While forming the framework, eligible use of proceeds project categories were determined, and the SFWG identified projects that would be eligible for the green bond. The SFWG contacted Sustainalytics to get a second-party opinion to verify that our Green Bond Framework was credible and aligned with the four core components of the Green Bond Principles. Result: In 2019, PNC became the third U.S. bank to issue a green bond. The issuance raised \$650 million for initiatives that support the transition to a low-carbon economy and offer benefits across categories aligned with the United Nations Sustainable Development Goals (SDGs). PNC continues to actively support the sustainable fixed income market through our active participation in ESG syndicated loans and green bond transactions, taking on Bookrunner, Agent, Arranger, and other related roles.</p>
Supply chain and/or value chain	Evaluation in progress	<p>Some suppliers in our supply chain, such as those related to the IT sector, and semiconductor and tech hardware industries, may face risks related to more stringent environmental regulation, carbon pricing, or physical impacts to their facilities. These risks and their impacts could cause the costs of their products and services to increase, which in turn could be passed on to the end consumer (PNC), or those products and services could be temporarily unavailable when needed. In an effort to build upon our climate risk strategy related to our suppliers, questions to identify the suppliers that may be managing their climate-related risks more effectively are currently being added to our onboarding due diligence assessment of our suppliers. We expect this to be fully implemented within the next year. These questions seek to understand the climate-related and environmental strategies and targets potential suppliers have in place, the difficulties those suppliers may be facing in meeting their goals and strategic milestones, and ways in which PNC can help support those suppliers drive and achieve their climate-related strategies and targets, while mitigating and understanding the risks PNC may face in the short, medium and potentially long-term time horizons.</p>
Investment in R&D	Yes	<p>Within our Operations: To further enhance the performance of its buildings, PNC has expanded its green building program to include a focus on innovation and intelligent buildings, which use automation, advanced data processing and cutting edge technology to increase efficiency. We recognize the value of partnering with universities, start-ups, community organizations and industry associations, all of which help us drive innovation, reach our ambitious environmental goals and gain exposure to new opportunities. The short, medium and long-term time horizons are considered in our focus on innovation and intelligent building design. Case Study: Situation: In Q4 2019 PNC was approached with an investment opportunity for a scaled-down on-site renewable energy generation solution. Renewables are an important part of our operational sustainability strategy and an area we have experience in financing. Task: Assess the claims made regarding the renewable technology for feasibility. Actions: In Q1 2020, PNC Realty Services met with the company to discuss the technical aspects of their onsite generation solution and costs of the system. Result: After meeting with the company and discussing the system, costs and return on investment, PNC decided to analyse which locations would be best and pilot a few systems in some of its buildings to test the effectiveness of the systems. However, with the onset COVID-19 in Q1 2020, this initiative has been delayed. In our products and services: Our investment into R&D also extends to the provision of financing and underwriting of debt (such as green bonds and sustainability linked loans) where there will be an environmentally sustainable use of proceeds. The areas of focus include but are not limited to renewable energy, pollution control, and sustainable transportation.</p>
Operations	Yes	<p>Buildings consume energy, among other resources, to create safe, healthy and productive spaces. However, they often account for a significant percentage of a company's expenses. 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. PNC met its 2020 goals ahead of schedule and set 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 as a baseline, and to reduce our water consumption by 50 percent, using 2012 as a baseline. This long-term strategy is supplemented and aided by additional short and medium-term actions and commitments. Case Study: Situation: Over the past few years, PNC has seen its energy costs continue to rise though renewable energy generation costs have seen large declines. PNC has also faced increasing pressure to reduce its carbon footprint, and as average temperatures trend upward, the topic of carbon tax regulation as a tool to curb emissions has made its way into public discourse. Task: With this in mind, PNC Realty Services was tasked with finding ways to further reduce PNC's energy costs and carbon emissions, which would also relieve the organization from potential carbon tax burdens and lessen the effect of rising temperatures on our operations. Our footprint contains properties in both regulated and deregulated markets, and certain areas are seeing energy costs and temperatures rise more than others. Action: PNC Realty Services analysed temperature and cost trends and our own ability to complete projects to determine 1) PNC properties which would show the greatest efficiency improvements and demonstrate cost reductions, from energy efficiency projects, and 2) an ambitious but realistic renewable electricity target. Result: As a result of those actions, PNC set a 100% renewable electricity target date of 2025, was able to identify which buildings to start with first for further energy efficiency projects, and is currently investigating a mix of onsite renewable generation technologies, power purchase agreements and REC purchases to meet the 100% renewable electricity target.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Access to capital Assets Liabilities	<p>Revenues: As we transition to a low-carbon economy, PNC has developed a framework to assess, mitigate and manage climate related risks and opportunities at both the individual transaction and portfolio levels within our commercial portfolio. Risks and opportunities identified by the framework are presented to senior management along with recommendations for action that leverage our full set of portfolio management tools. An example of an opportunity, applied through this framework that resulted in active portfolio management decisions, is the transition from gas-powered vehicles to electric vehicles (EV). The global automotive sector is preparing for disruptive changes ahead that will have wide-ranging impacts on several end markets. Although the EV industry is at its early stages, it is being helped by costs coming down, new regulations in Europe and Asia, and the fact it is a cleaner and more sustainable technology. An assessment of the auto industry led to additional risk being layered onto the risk ratings of select automotive suppliers and a recommendation being made to monitor and build expertise in the electric vehicle industry for future strategy prioritization and growth. These revenue related opportunities have the potential to moderately impact our exposure to these industries in the long-term and encourage future growth in areas that have been identified as opportunities, while reducing exposure in areas identified as risks. Indirect Costs: Energy costs are currently rising or expected to rise in many of the areas in which we operate due to higher energy demand, especially during the warmer months. Because of a warming climate, we expect these costs to continue rising into the future. Through our energy management program, we are on track to reduce our utility energy costs by 20% by end-of-year 2020 compared to a 2012 baseline. Over the next few years, we estimate the savings to be more than \$10 million. In addition, we considered the potential of carbon taxes as an additional operating cost when evaluating emission reduction activities. Case Study: Situation: Over the past few years, PNC has seen its operating costs rise due to the upward trend of fossil fuel generation costs though renewable energy generation costs have seen large declines. PNC has also faced increasing pressure to reduce its carbon footprint, average temperatures trend upward, and the topic of carbon tax regulation as a tool to curb emissions has made its way into public discourse. Task: With this in mind, PNC Realty Services was tasked with identifying ways to further reduce PNC's energy costs and carbon emissions, which would also relieve the organization from potential carbon tax burdens and lessen the effect of rising temperatures on our operations. Our real estate portfolio contains properties in both regulated and deregulated markets, and certain areas are seeing energy costs and temperatures rise more than others. Action: PNC Realty Services analysed temperature and cost trends and our own ability to complete projects to determine 1) PNC properties that would show the greatest efficiency improvements and demonstrate cost reductions, from energy efficiency projects, and 2) an ambitious but realistic renewable electricity target. Result: As a result of those actions, PNC set a 100% renewable electricity target date of 2025, was able to identify which buildings to start with first for further energy efficiency projects, and is currently investigating a mix of onsite renewable generation technologies, power purchase agreements and REC purchases to meet the 100% renewable electricity target. Capital expenditures / capital allocation: PNC focuses on constructing and operating a high-performing building portfolio. 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 include a focus on innovation and intelligent buildings, which use automation, advanced data processing and cutting-edge technology to increase efficiency. The costs associated with the inclusion of innovation and intelligent building initiatives within our green building program have the potential to increase our capital expenditures in the short-term, while they have the potential to reduce operating costs immediately and into the long term. Access to Capital: Underwriting bonds that finance environmentally beneficial projects is an important part of our sustainable finance program. This includes both traditional bonds and green bonds, which are underwritten and issued under the best practice guidelines of the International Capital Markets Association's Green Bond Principles, to which PNC is a signatory. In 2019, PNC issued its first green bond. Green bonds, and related financing such as sustainability linked loans, represent an opportunity for PNC to provide new products investors are looking for and access new sources of debt financing in the short and medium-term, which would enable us to further finance additional renewable energy and low-carbon projects and initiatives. Some of these low-carbon projects and initiatives then further allow PNC to offer its products and services in a more sustainable manner. These opportunities could have a low impact on PNC's access to capital. Assets: 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 client 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. Liabilities: In early 2018, an Environmental and Social Risk Management Rapid Risk Screen was introduced with the intent to help PNC better identify and mitigate environmental risk early in the lifecycle of a commercial transaction. It expands our focus on environmental risk 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 ESG team, or proceed as requested.</p>

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Acquisitions and divestments:

Acquisitions are not a formal part of PNC's climate-related strategy; however as the transition to a low-carbon economy progresses, our clients may divest from companies in carbon-intensive industries or acquire more sustainable companies, and in the process, could solicit M&A services from PNC.

Solebury Trout, a PNC subsidiary (formed from the acquisitions of Solebury and The Trout Group LLC), has launched a new ESG practice. Solebury Trout ESG services help clients build, improve and promote ESG strategies that create long-term value and drive investor engagement.

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Engagement policy	Minority of the portfolio	PNC's Green Bond Framework policy supports our existing sustainable finance initiatives and represents an opportunity to increase our support for the transition to a low-carbon economy. It is aligned with the Green Bond Principles, to which PNC is a signatory. This policy details: <ul style="list-style-type: none"> • The categories and projects eligible for financing by a green bond issued by PNC. The project categories that can be included in a PNC issued green bond are: renewable energy (construction and maintenance of new solar and wind energy facilities), energy efficiency (energy efficient lighting improvements within PNC owned and operated real estate that results in 25% energy efficiency improvements) and green buildings. • The look back-period for eligible projects (36 months prior to the issuance date) • The governance process for project evaluation and selection which is to be through PNC's Green Bond Approval Committee • How proceeds are to be managed through the Green Bond Asset Tracking group • What PNC will report on an annual basis The full document can be found in the Corporate Social Responsibility section at PNC.com The policy coverage was determined to be a minority of the portfolio by comparing the carrying value of our green bond to the carrying value of our total debt. This value is less than 5%.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Other, please specify (Not applicable)	Unknown	The majority of PNC's business as a bank is in our lending activities and is where climate-related risks would be most material.

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	New business/investment for new projects	In addition to the enhanced environmental due diligence for coal mining companies, PNC will not provide financing to coal producers with anything more than a de minimis amount of exposure to mountaintop removal mining. PNC is not actively pursuing new relationships in the coal industry and has gradually reduced its exposure to coal mining companies. Application: <ul style="list-style-type: none"> • New business/investment for new projects • New business/investment for existing projects
Other, please specify (Coal-fired power plants)	Bank lending	New business/investment for new projects	PNC will not provide construction financing for all single-site coal-fired power plants. Application: <ul style="list-style-type: none"> • New business/investment for new projects • New business/investment for existing projects
Other, please specify (Mining)	Bank lending	New business/investment for new projects	As a part of our ESRM policy, PNC will not provide financing to companies with anything more than a de minimis amount of exposure to mountaintop removal mining. Application: <ul style="list-style-type: none"> • New business/investment for new projects • New business/investment for existing projects • Existing business/investment for existing projects
Other, please specify (Arctic Oil and Gas)	Bank lending	New business/investment for new projects	PNC has declined to finance oil and gas exploration and development in the Arctic. This includes, but is not limited to, the Arctic National Wildlife Refuge.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2009

Covered emissions in base year (metric tons CO2e)

480206

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2035

Targeted reduction from base year (%)

75

Covered emissions in target year (metric tons CO2e) [auto-calculated]

120051.5

Covered emissions in reporting year (metric tons CO2e)

170574

% of target achieved [auto-calculated]

85.9719925754086

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Original base year emissions were reported to be 451,970 metric tons CO2e. In March 2012, PNC acquired RBC Bank USA, the U.S. subsidiary of the Royal Bank of Canada, which increased the company's baseline by 6.3 percent. We have readjusted the baseline to reflect the 28,236 metric tons of CO2e associated with the acquisition. To ensure transformation actions are in line with science and our tradition of innovation and responsibility, the team set ambitious scope one and two emissions reduction targets of 75 percent by 2035 using a 2009 baseline based on absolute methodology of science-based targets as a means of verification. We have reduced our carbon emissions by 65% from a 2009 baseline. We anticipate setting a science-based target in the next 2 years assuming the methodology is established in this sector by this time.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

MWh

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

1

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

25

% of target achieved [auto-calculated]

24.2424242424242

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

After researching and receiving internal approval, PNC joined the RE100 in 2019. Although we had previously committed to using 50% renewable electricity by 2035, discussions in 2018 made us re-evaluate this goal to set a more ambitious goal in 2019 of 100% renewable electricity by 2025. PNC's renewable electricity pathway is a multi-faceted approach and will rely on a handful of methods to reach 100% purchased electricity by 2025. We are currently purchasing bundled (RECs) in our deregulated electric procurement supply contracts and LEED projects. By 2025 our renewable electricity portfolio will be a composition of power purchase agreements, RECs, and on-site generation.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	9	
To be implemented*	245	3920
Implementation commenced*	74	1110
Implemented*	248	4873
Not to be implemented	49	

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

1047

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

113247

Investment required (unit currency – as specified in C0.4)

2356404

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

Voluntary HVAC-related projects with energy efficiency impacts, such as equipment and controls upgrades, took place in 2020. The voluntary addition and enhancement of lighting and HVAC control equipment and associated programming updates at targeted major buildings to reduce PNC's Scope 1 emissions from natural gas and Scope 2 emissions from purchased electricity.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

1281

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

111064

Investment required (unit currency – as specified in C0.4)

2899178

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

PNC has invested in lighting upgrades over the last several years that have resulted in over \$12 million reductions in annual energy spend. In addition, this effort has provided better light quality in our buildings, which improves employee satisfaction, security and productivity, and has significantly contributed to PNC surpassing its annual carbon reduction goals. We have met these goals by conducting lighting audits which lead to voluntary lighting retrofit projects to replace T12 and T8 bulbs to LEDs in high traffic areas, and T12 to T8 bulbs and magnetic with electronic ballasts in low traffic areas at more than 40 bank branches to reduce PNC's Scope 2 emissions from purchased electricity.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify ((Low-Cost Energy Conservation and Efficiency Measures))
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

167

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

32000

Investment required (unit currency – as specified in C0.4)

100000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Based on the 40 lighting audits that were completed in 2020, we implemented no-cost energy conservation measures at more than half of these sites. For example, we corrected any branches with simultaneous heating and cooling, adjusted thermostats to correct set points and ensured that schedules met PNC policy. We also updated lighting control schedules as necessary and eliminated space heaters based on PNC's policy. In 2020, we also completed 12 water audits and 10 water projects across the PNC footprint, which has yielded up to 40% water savings among our most water intensive areas. PNC conducted measurement and verification at sites where we had previously completed lighting retrofits, used these visits to identify tasks that were not done properly, and then went back to make those changes in order to get the most energy savings out of our projects.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify ((Building Analytics and Smart Thermostats))
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

500

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

187000

Investment required (unit currency – as specified in C0.4)

224475

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

PNC has expanded its focus beyond green buildings to also focus on innovation and intelligent buildings, which use: automation, advanced data processing, and cutting edge technology to increase efficiency. In 2020, we continued to install smart thermostat devices in order to drive top-line results thereby reducing energy costs, increasing equipment performance, lowering maintenance costs, and improving employee comfort.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify ((Building Fabric, LEED Certification))
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

19

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3003

Investment required (unit currency – as specified in C0.4)

12015

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

Voluntary LEED certification of one Commercial Interior building retrofit due in part to efficient energy performance to reduce PNC's Scope 1 emissions from natural gas and refrigerants, and Scope 2 emissions from purchased electricity. This is compared against traditional retail building design and construction.

Initiative category & Initiative type

Waste reduction and material circularity	Other, please specify ((Green Standards: sustainable redistribution of office furniture and equipment))
--	---

Estimated annual CO2e savings (metric tonnes CO2e)

67

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

383281

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Since November 2016, PNC has worked with Green Standards, a specialized environmental firm that helps corporations reuse their furniture in a number of ways, including donations to schools, offices and non-profit organizations. Green Standards works with corporations and other large organizations to repair and redistribute office furniture, equipment and supplies that are broken, have exceeded their expected lifespan, or no longer address a company's needs. In 2020—and with the help of Green Standards—PNC donated furniture to charities, diverted more than 34 tons of materials from landfills and reduced CO2 emissions by approximately 67 metric tonnes. PNC chose to work with Green Standards after careful consideration and defers to Green Standards to select the most eligible non-profit recipients.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	PNC budgeted \$4 million in 2020 for the Innovation and Performance Group to execute its energy audit and lighting retrofit program. Over the past ten years, PNC has invested more than \$55 million in lighting retrofits.
Dedicated budget for other emissions reduction activities	PNC building engineers commission all new construction and major renovations to ensure that the company's buildings operate as intended, which helps to maximize energy and water efficiency, as well as minimal refrigerant use. Also, PNC has expanded its focus beyond green buildings to also focus on innovation and intelligent buildings, which use automation, advanced data processing, and cutting-edge technology to increase efficiency.
Internal finance mechanisms	PNC mandates building efficiency in all newly constructed buildings, and LEED and other green building costs are embedded in Realty Services' building costs.
Other (Data Analytics)	The second phase of the Intelligent Buildings Proof of Concept began in 2020 and involved the continued analysis of building energy usage with intelligent energy management software and smart technology at retail and major buildings. The second phase of this project builds off phase one by continuing to drive top-line results by reducing energy costs, increasing equipment up-time and reliability, lowering maintenance costs, and improving employee comfort. The second phase is expected to result in a payback of 2.8 years.
Other (Efficiency Audit Program)	Energy and other efficiency audits are performed on poor-performing buildings to identify and correct building system problems, as well as achieve peak performance in the buildings moving forward. In 2020, we continued to analyse and monitor PNC buildings and provided regional teams with energy efficiency plans to reduce consumption in their buildings based on problems with lighting, HVAC, irrigation and plug loads. Once our recommendations were implemented, measured and verified, we scheduled evaluations to ensure that all necessary changes were made and that there were no additional efficiency problems.
Other (Space Consolidation)	PNC Realty Services' workplace planning group's day-to-day work involves investigating opportunities to drive the most efficient use of space possible. They compare the number of employees at the building level and identify vacant or sparsely populated locations. Where PNC is using its building footprint inefficiently, Realty Services physically consolidates lines of business, relocates employees to nearby buildings, and terminates leases or sells underutilized buildings.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

In keeping with its charter to facilitate the ideation and execution of low-carbon financing opportunities for the bank, the SFWG was critical to the development of a PNC Green Bond Framework. Historically, one of the largest components of PNC's sustainable finance efforts has been the underwriting of bonds that drive greater environmental benefits. This includes both traditional bonds and designated "green bonds." 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. In 2019, PNC became the third U.S. bank to issue a green bond. The issuance raised \$650 million for initiatives that support the transition to a low-carbon economy and offer sustainability benefits across three categories aligned with the United Nations SDGs, including renewable energy, energy efficiency and green buildings. PNC continues to actively support the sustainable fixed income market through our active participation in ESG syndicated loans and green bond transactions, taking on Bookrunner, Agent, Arranger, and other related roles. The education of our clients and company regarding the benefits of green bond financing is also an ongoing effort.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Green Bond Principles (ICMA)

% revenue from low carbon product(s) in the reporting year

0

% of total portfolio value

Asset classes/ product types

Please select

Comment

The value is 0. PNC does not "gain" revenue from its green bond as it was a source of debt financing.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

48962

Comment

Scope 2 (location-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

431243

Comment

Scope 2 (market-based)

Base year start

January 1 2009

Base year end

December 31 2009

Base year emissions (metric tons CO2e)

431243

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

23767

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

143521

Scope 2, market-based (if applicable)

109258

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

526

Emissions calculation methodology

Used UK Government GHG Conversion Factors for Company Reporting as well as our paper purchase information from our third party vendor.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

While we have focused our attention on larger emission sources, we are starting to incorporate estimates for purchased goods and services. The amount provided here covers all the paper-based office supplies we purchased. We aim to add other purchased goods and services in future reports.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

At this time, this emissions source is considered outside our operational control to exert influence in a meaningful way. We have focused our attention first on PNC's more significant emission sources, and will continue to evaluate other potential sources.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2658

Emissions calculation methodology

Transmission and distribution losses

:https://www.energy.gov/sites/prod/files/2014/07/f18/20140729%20DOE%20Fact%20sheet_Natural%20Gas%20GHG%20Emissions.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

This number was verified by Keramida

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

65

Emissions calculation methodology

This calculation includes emissions from hired shuttle buses that we receive from our third party vendors. Hired vehicles: CO2 emission Factor: The Climate Registry, General Reporting Protocol, Version 3.0 Updated (2020) Table 2.1 CH4 & N2O emission Factor: The Climate Registry, General Reporting Protocol, Version 3.0 Updated (2020) Table 2.4

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1853

Emissions calculation methodology

This figure encompasses a portion of PNC's overall landfill waste emissions. The MT CO2e was calculated using the U.S EPA's WARM Tool V15. The waste type, quantity of waste (lbs), and disposal method is provided by one of our third party waste vendors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

At this time, PNC does not have a specific waste goal or a methodology to estimate all of our waste generated in operations for all of our buildings. We are currently working to collect as much accurate waste data as possible from vendors in order to calculate an overall waste goal and develop waste reduction and diversion strategies. PNC has started working on a smaller scale compost pilot program that has allowed us to divert thousands of pounds of food waste from landfill. In addition to the compost pilot, PNC currently has reliable data on paper waste generated in operations, which is shredded and recycled. Over the past few years PNC has worked to maximize pickup efficiency and increase recycling rates to reduce the waste the company sends to landfill.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5301

Emissions calculation methodology

The emissions were provided by the rental car, and air/rail travel suppliers. Rental: Emission Calculation Sources: The Climate Registry, General Reporting Protocol, Version 3.0 Updated (2020) Tables 2.1, 2.4 Air/Rail: Calculated by outside travel agency vendor, CWT, updated emissions using DEFRA's GHG Conversion Factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

80

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

36453

Emissions calculation methodology

Emissions were calculated by using PNC's Transportation Survey that took place in 2018 and adjusting it to best fit the amount of employees we estimated as commuting to office buildings/ retail branches throughout the year during the pandemic where there was low occupancy within our buildings. Emission Source Calculations: APTA Quarterly Ridership Report 2020 Bus and Light Rail CO2, CH4, N2O emissions factors: EPA climate leaders - Optional Emissions from Commuting, Business Travel and Product Transport, Tables 2 (commuter rail) & Table 3 http://www.epa.gov/climateleadership/documents/resources/commute_travel_product.pdf Passenger Car, CO2 emission Factor: The Climate Registry, General Reporting Protocol, Version 3.0 Updated (2020) Table 2.1 Passenger Car, CH4 & N2O emission Factor: The Climate Registry, General Reporting Protocol, Version 3.0 Updated (2020) Table 2.4

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We broke this out into three different time frames to best capture these employee commuting numbers: January-March, March-September, and October-December. We used average amount of employees at the top 15 MB coming into the office and adjusted the estimated number of retail employees coming into the branches based on how the sites were operating at certain times throughout the year.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Under the operational control approach, emissions from this category are covered under our Scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Since PNC is a financial services company, we have a minimal number of products that require downstream transportation. This is such a small piece of our Scope 3 emissions, therefore, it is not relevant to measure.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution and service based organization, we have extremely minimal emissions from the processing of sold products.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a financial institution and service based organization, we have extremely minimal emissions from use of sold products.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As a service based organization, we have very minimal emissions from end of life of things such as client debit and credit cards and have little control over how they are disposed of at the end of life.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Under the operational control approach, emissions from this category are covered under our Scope 1 and 2 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

PNC does not have any franchises, so this scope is not applicable.

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

727

Emissions calculation methodology

Water consumption data comes directly from utility bills and the energy use for water supply comes from: Energy and Air Emission Effects of Water Supply Jennifer R. Stokes and Arpad Horvath Environmental Science & Technology 2009 43 (8), 2680-2687 DOI: 10.1021/es801802h

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000100925

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

170574

Metric denominator

unit total revenue

Metric denominator: Unit total

16901000000

Scope 2 figure used

Location-based

% change from previous year

15

Direction of change

Decreased

Reason for change

Change is due to a 5.2 percent decrease in total revenue and a 19.6 percent decrease in Scope 1 and 2 absolute emissions, which is attributed to our emissions reduction activities. Overall change from previous year is calculated as follows: $[1 - ((1 - 0.196) / (1 - 0.052))] \times 100 = 15$ percent decrease. We were able to reduce our Scope 1 and 2 emissions by conducting lighting and energy audits within regions where utility bills were high and made changes accordingly. For instance, we completed lighting retrofits and replaced/upgraded HVAC systems in certain regions where we saw very high usage.

Intensity figure

3.327818639

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

170574

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

51257

Scope 2 figure used

Location-based

% change from previous year

19

Direction of change

Decreased

Reason for change

Change is due to a 1.3 percent decrease in number of FTE and a 19.6 percent decrease in Scope 1 + Scope 2 absolute emissions, which is attributed to our emissions reduction activities. Overall change from previous year is calculated as follows: $[1 - ((1 - 0.196) / (1 - 0.013))] \times 100 = 19$ percent decrease. We were able to reduce our Scope 1 and 2 emissions by conducting lighting and energy audits within regions where utility bills were high and made changes accordingly. For instance, we completed lighting retrofits and replaced/upgraded HVAC systems in certain regions where we saw very high usage.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	33778	Increased	15.91	The change in emissions came from taking the difference between the location and market based emissions for 2020 and subtracting them from the difference between the location and market based emissions from 2019. The percentage was calculated by taking the change in emissions number and dividing that by the Scope 1 & 2 emissions from last year and multiplying that number by 100 to arrive at the percentage for 2020. $(33,778 / 212,218) \times 100$
Other emissions reduction activities	41644	Decreased	19.6	Due to emission reduction activities implemented during the year, PNC lowered its annual emissions. The activities implemented during the reporting period include building renovations, such as upgrades to energy consuming systems (lighting, HVAC, plumbing) in more than 100 buildings. In total, 41,644 metric tons of CO2e were reduced by our emissions reduction projects in 2020, and our total Scope 1 and 2 emissions in 2020 were 170,574 metric tons of CO2e (therefore, we arrived at 19.6 percent by dividing 212,218 ((2019's emissions number)) into 41,644 and multiplying that number by 100).
Divestment	0	No change		No change in emissions due to divestment of any aspects of the business.
Acquisitions	0	No change		No change in emissions value due to acquisitions.
Mergers	0	No change		No change in emissions value due to mergers.
Change in output	0	No change		No change in emissions value due to changes in business output.
Change in methodology	0	No change		No changes were made to methodology protocol or emissions factors.
Change in boundary	0	No change		No changes were made to the boundary used for the inventory calculation.
Change in physical operating conditions	0	No change		No changes were made to the physical operating conditions for the inventory calculation.
Unidentified	0	No change		No unidentified factors.
Other	0	No change		No change.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	100289	100289
Consumption of purchased or acquired electricity	<Not Applicable>	81093	249356	330449
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	13142	13142
Consumption of purchased or acquired cooling	<Not Applicable>	0	1285	1285
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	46	<Not Applicable>	46
Total energy consumption	<Not Applicable>	81139	364072	445211

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/ section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/ section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/ section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2020 PNC Verification.pdf

Page/section reference

Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

N2O

Project identification

Green-e Climate N2O Abatement Carbon Offset for LEED building certification (50% 2 year commitment for 2 LEED points). Emission reductions were created in 2010-2013. Project certification is Climate Action Reserve and 100% of product. Information from Carbon Offset Content Label.

Verified to which standard

CAR (The Climate Action Reserve)

Number of credits (metric tonnes CO2e)

875

Number of credits (metric tonnes CO2e): Risk adjusted volume

875

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Other, please specify (Landfill Gas Capture, N2O Abatement, and Wind)

Project identification

Climate - Ecomix Prospective Carbon Offset Content for LEED building certification (100% 5 year commitment for 2 LEED points). Emission reductions were created in 2010-2019. Project certification is Climate Action Reserve and 100% of product. Information from Carbon Offset Content Label.

Verified to which standard

CAR (The Climate Action Reserve)

Number of credits (metric tonnes CO2e)

105.25

Number of credits (metric tonnes CO2e): Risk adjusted volume

105.25

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Other, please specify (Landfill Gas Capture, N2O Abatement, and Wind)

Project identification

Climate - Ecomix Prospective Carbon Offset Content for LEED building certification (100% 5 year commitment for 2 LEED points). Emission reductions were created in 2010-2019. Project certification is Climate Action Reserve and 100% of product. Information from Carbon Offset Content Label.

Verified to which standard

CAR (The Climate Action Reserve)

Number of credits (metric tonnes CO2e)

27.14

Number of credits (metric tonnes CO2e): Risk adjusted volume

27.14

Credits cancelled

No

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

PNC builds communication campaigns around its sustainability messaging, specifically as relates to the data in its annual CR Report. We reach a general customer audience — retail and corporate — via year-round social media content and online publications. This includes information related to our operational climate-related goals, performance and building certifications, and announcements such as new renewable energy goals, or our first green bond issuance. We engage with specific corporate customers on a targeted basis throughout the year, participating in sector-specific or topic-specific briefings and presentations. We craft messaging for specific audiences via partnerships with our communications and marketing teams, as well as our Out Of Branch team, which creates customer "experiences" at community events, on university campuses and other locations. And in our branches, we display data highlighting significant improvements as represented in our CR Report on TV displays. The rational for targeting these varied communications toward our retail and corporate audience is that climate-related issues matter for many of our customers in both spaces. For example, by holding events on university campuses, we are able to tailor content in a way that will be better received by a younger audience, and potentially gain customers in a space where many of the individuals might not have personal banking solutions. Likewise, by delivering printed executive summaries of the CR Report, we can provide information to an audience who may prefer physical media that they can also take with them and refer to later. Compared to our overall portfolio, a minority of customers go into branches and a minority of our customers look at our social media.. Details of Engagement: • Run an engagement campaign to educate customers about your climate change performance and strategy • Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services • Share information about your products and relevant certification schemes (i.e. Energy STAR)

Impact of engagement, including measures of success

PNC leverages LinkedIn, Twitter and Facebook primarily to share content related to our sustainability efforts and have seen engagement rates and click-through rates well above Fin Serv benchmarks in our longest running messaging campaigns. Engagement rates, the number of like, shares, and comments over the number of times a post have been displayed, and click-through rates, the number of clicks to PNC's website or other linked material, are how we measure the success of our customer engagement. Last year our LinkedIn content saw an engagement rate of 0.92% (39% above the platform benchmark), and a click-through rate of 0.91% (51% above the platform benchmark). The Twitter engagement rate was 1.09% and the click-through rate was 0.91%. Facebook saw an engagement rate of 0.24% and a click-through rate of 0.07%.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Funding research organizations

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	PNC was an early adopter of green building strategies and LEED certification, and public officials have often had questions for our policy team on our approach. They have specifically been interested in our investment in the space and our experience with executing our green building strategy.	We did not propose any legislative solutions. The engagements have been exploratory in nature.
Other, please specify (Climate Risk Management)	Neutral	PNC has engaged with various local, state, and federal offices and officials about our climate-related risk management strategies, such as how we are managing exposure to high carbon industries. These engagements and responses have covered inquiries about our actions and strategies, or perceived lack thereof, and how they might affect various constituencies.	We did not propose any legislative solutions. The engagements have been exploratory in nature.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Memberships:

In 2019, PNC became a member of the Ceres Company Network, with the press release citing our leadership in LEED building; our carbon emissions, energy use and water use reduction targets; our commitment to sustainable finance; our governance frameworks, including the fact that our board charter identifies CSR as a responsibility of the entire board; and our Executive ESG Steering Group, which meets once per quarter. Additionally, in 2019 PNC signed on to RE100 and set a target to source 100% of its electricity needs from renewable sources by 2025.

In 2021, PNC announced that it joined the PCAF initiative, a collaboration between financial institutions worldwide to enable standardized assessments and disclosures of greenhouse gas emissions financed by loans and investments — a foundational step to aligning portfolios with the Paris Climate Agreement. PNC has committed to measuring and disclosing its financed emissions, which is the latest step in PNC's journey to understand, measure, disclose and mitigate its overall environmental impact in ways that are decision-useful for the bank and its stakeholders. .

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

One example of how PNC ensures alignment between our direct and indirect activities and our efforts to influence policy can be found in our signatory governance process. Like all large businesses, PNC is frequently asked to sign on to initiatives promoting a variety of ESG causes, and we have implemented a thoughtful, deliberate process to evaluate and decision these requests.

The signatory governance process was designed to move the organization seamlessly from discussion to decision to declaration to delivery. When evaluating opportunities for engagement, including those around climate change and other environmental issues, the drivers we use to determine overall fit for PNC include:

- Alignment with PNC corporate values, material ESG issues and Corporate Responsibility goals
- Ability to work collaboratively and cross-functionally to coordinate a response
- Ability to leverage our exiting non-profit and advocacy relationships
- Opportunity to establish new non-profit and advocacy relationships aligned with our values and goals
- Capacity to coordinate, advocate for, and/or drive new programming to ensure compliance and progress on the issues represented by the signatory opportunity

From a structural perspective, we leverage a DACI model to evaluate opportunities:

The Driver (D) of a signatory opportunity is typically either the ESG team or subject matter expert within the bank. The Driver engages an appropriate group of cross-functional Contributors (C) to examine the issue and organization in question, engage in discussion around pros and cons of PNC joining/lending its name to an initiative, and ensuring alignment with ESG and business strategies. After deliberation, the Contributors present any recommendations for specific signatories to the Approver (A) – this is typically a member of our Executive Committee, and depending on the issue, can be our CEO, General Counsel, Chief HR Officer or other appropriate executive. Finally, the Driver ensures that anyone needing to be Informed (I) about the decision to join initiatives receives a briefing.

An example of where we have applied this process to an environmental initiative is our decision to join RE100:

The ESG team (D) convened a team to discuss the pros and cons of elevating our commitment to sourcing renewable energy for our operations, consisting of our building performance and innovation team, design and construction, realty services operations, legal, and corporate communications (C). Together, this team determined that membership in RE100 presented strong alignment with our ESG commitments, targets and goals, as well as our underlying strategy around environmental sustainability. A recommendation that we sign on to RE100 was made to our Chief Financial Officer (who oversees our Realty Services function) for approval (A). We then ensured that the necessary people at PNC were informed (I) about this decision, so that it becomes an included talking point when discussing our ESG commitments moving forward. Leveraging this process ensures consistency amongst teams internally, consistent messaging externally, and most importantly, ensures that decisions are tied strongly to our values, messaging platform and overall strategic commitments and strategies.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

PNC_Corporate_Responsibility_Report_2020.pdf

Page/Section reference

Pages 19-20, 28-29

Content elements

Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

PNC_Annual_Rpt_2020__lowres.pdf

Page/Section reference

Pages 5-6, 23, 34

Content elements

Strategy
Risks & opportunities

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Partnership for Carbon Accounting Financials (PCAF) Task Force on Climate-related Financial Disclosures (TCFD) Other, please specify (Green Bond Principles)	
Industry initiative	Partnership for Carbon Accounting Financials (PCAF) Ceres We Mean Business Other, please specify (Business for Social Responsibility)	
Commitment	Other, please specify (RE100)	We have a 100% renewable electricity target in accordance with RE100.

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	PNC has developed a carbon intensity score, which is a top-down assessment of the carbon intensity of our commercial loan portfolio. Aligning with qualitative assessments of carbon intensities within industries, the carbon intensity scores are primarily used as a high-level benchmarking and portfolio trend tool. Various data sources form the basis of our carbon intensity scores, including but not limited to: Moody's Environmental Risk Assessments, data from the EPA's Greenhouse Gas Reporting Program which includes emissions data from large emitting facilities, and assessments such as carbon-to-revenue footprints across Global Industry Classification Standard groups. We then map this data at a North American Industry Classification System code level, standardize each individual carbon intensity score, and aggregate the scores at an industry level.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	The majority of PNC's business as a bank is in our lending activities and is where climate-related risks would be most material.

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, not yet calculated

Scope 3 portfolio emissions (metric tons CO2e)

<Not Applicable>

Portfolio coverage

<Not Applicable>

Percentage calculated using data obtained from client/investees

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Please explain

While scope 3 portfolio emissions are relevant to PNC, we are in the early stages of determining the best way to measure these emission sources. In 2021, we signed on to the PCAF initiative to signal our commitment to measuring and disclosing our financed emissions. One of the workstreams that lies ahead is figuring out the best way to leverage the relevant data we do have internally, and figuring out how best to implement structures to capture the additional data we will need in order to calculate our financed emissions.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Other, please specify (Proprietary weighted average carbon intensity score)

Metric unit

Other, please specify (Proprietary weighted average carbon intensity score)

Scope 3 portfolio metric

5.5

Portfolio coverage

Please select

Percentage calculated using data obtained from clients/investees

Calculation methodology

Forming the basis of our carbon intensity scores are various sources which include Moody's Environmental Risk Assessment, data from the EPA's GHG Reporting Program, and assessments such as carbon-to-revenue footprints across Global Industry Classification Groups. This data is mapped at a North American Industry Classification System code level, and each individual assessment of carbon intensity is standardized then aggregated to an industry level.

Please explain

The average weighted carbon intensity score of 5.5 is limited to our commercial credit portfolio. The carbon intensity scores for the industries included in the assessment are primarily used as a high-level benchmarking and portfolio trend tool.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	The development of our climate risk analysis process described above in question C-FS14.1, and our commitment to measuring and disclosing our financed emissions through PCAF, represent an important next step on our way to aligning our portfolio to a well below 2-degree world. While we have already made steps such as reducing our exposure in the coal industry, prohibiting construction financing of single-site coal-fired power plants, and conducting risk analyses (such as analyzing the impact of potential carbon emissions regulations on the portfolio in the coal, coal power generation, auto and transportation markets — see additional examples in C2.2c), our risk analysis under development will provide the insight needed to move forward and make decisions in a thoughtful, consistent, diligent manner. Once we have a better understanding of what our exposures are, and what those future impacts may be, we will be able to develop an engagement approach that targets the specific industries and sub-industries that will be most impactful.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	The majority of PNC's business as a bank is in our lending activities and is where climate-related risks would be most material.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

RE100_Reporting_Spreadsheet_2021.xlsx

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chairman, President & Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	16901000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	6934751057

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (See explanation)	As PNC is a service based company and does not produce a tangible good besides debit and credit cards, which has a negligible impact compared to our overall emissions, it is more difficult to allocate emissions to our customers in any meaningful way. For example, customer A may provide much more revenue than customer B, but require less employee time and company resources than customer B does as a result of PNC providing its services. Likewise, servicing customer B may result in much less revenue than customer A, but require more employee time and company resources than customer A. If we were to try to allocate emissions based off of the percentage of revenue from customer A of PNC's total revenue, the emissions could be highly overestimated, or for customer B. Likewise, if we were to try to allocate emissions based off of some calculation and combination of emissions coming from the employees that deal with the customer and the buildings those employees work in, it would prove to be an imprecise and inefficient exercise should that be replicated for all of our customers. Industry accepted methodologies, which we anticipate will be developed in time, would help overcome these challenges. A consensus on how to allocate emissions for the financial services sector would give the benefit of reliability and comparability for companies seeking allocated emissions from their financial institutions.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

It would be more accurate to say that while at some point in the future we plan to be able to allocate emissions to our customers, we currently have no path in place in order to do so as this is our first customer request for allocated emissions. Our efforts are currently focused on developing our climate scenario analysis and financed emissions reporting capabilities, the latter which we believe will aid us in the future reporting of allocated emissions to our customers. While we work on these former two workstreams, to which there also isn't an industry accepted and followed methodology, we will be waiting to see how financial institutions begin to allocate emissions to their customers and what methodologies emerge from thought leaders that work on emissions methodologies for financial institutions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms