PNC Pledges $20 Billion In Environmental Finance

Environmental finance goal builds on longstanding commitments to reduce environmental impact, transition to a low carbon economy and leverage resources to move all forward financially

PITTSBURGH, Aug. 18, 2021 /PRNewswire/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) announced today it is committing $20 billion over five years in support of environmental finance. This commitment is an extension of PNC's long-standing support for accelerating the transition to a low-carbon economy, and is complementary to the bank's recently announced Community Benefits Plan, which pledges $88 billion in loans, investments, and other financial support to bolster economic opportunity for low- and moderate-income (LMI) individuals and communities, people and communities of color, and other underserved individuals and communities.

"PNC recognizes that environmental issues, including climate change, are impacting our business, our clients and the communities in which we operate," said Chief Corporate Responsibility Officer Richard Bynum. "We acknowledge that the transition to a low-carbon economy presents both risks and opportunities, and we are committed to balancing financial priorities, responsible risk management and environmental considerations in ways that benefit our varied stakeholders."

The $20 billion environmental finance goal is comprised of the following pillars:

- **Green Buildings** – loans for buildings that meet third party-recognized standards or certifications, including LEED and ENERGY STAR.
- **Renewable Energy** – financing for renewable energy production and transmission, including wind, solar, geothermal and hydropower.
- **Clean Transportation –** financing for zero and low emissions vehicles, electric vehicle charging stations, and zero and low passenger or freight/rolling stock.
- **Environmental sustainability-linked bonds and loans** which align to third-party frameworks such as the Green Bond Principles, and loans linked to environmental Key Performance Indicators (KPIs) or those with designated environmentally sustainable use of proceeds.

In 2020, PNC established a sustainable finance practice and its first head of Sustainable Finance, Kristi Eberhardt. The practice is focused on counseling clients through their own climate transition strategies, goals and approaches and offers support with sustainable debt issuances and sustainability-linked loans. The sustainable finance practice works across lines of business at PNC to assist with structuring loans and debt issuances that incorporate preferential pricing tied to the achievement of sustainability KPIs – both those with environmental benefits and social benefits. The sustainable finance practice was borne out of the issuance of PNC's inaugural green bond in late 2019 and it recently issued a social bond aimed at financing or re-financing eligible social projects that promote positive social outcomes and that benefit low- to moderate-income individuals and communities, majority-minority census tracts, and/or vulnerable or underserved populations.

"PNC continuously assesses ways in which we, as a financial institution, can accelerate the transition to a low-carbon economy," said Eberhardt. "Launching a sustainable finance practice was a logical step in advancing our environmental, social and governance goals and leveraging our expertise to help our clients meet theirs. We're excited to help more businesses grow in sustainable ways that benefit our environment and our society."

This week PNC released its first Task Force for Climate-related Financial Disclosures (TCFD) report which focuses on PNC's climate risk management strategy. TCFD provides a reporting framework containing recommendations over four categories – governance, strategy, risk management, and metrics and targets, to give investors informative and actionable information on how companies manage climate risk as the world transitions to a low-carbon economy. PNC formally endorsed the TCFD recommendations in 2019, and in 2020, began developing a plan to integrate the recommendations into business operations. This inaugural TCFD report is a first step in providing a more granular look at how PNC is incorporating a climate lens into day-to-day business strategy and risk management.

Building on the belief that complex problems require collaboration and conversation, PNC recently joined the Partnership for Carbon Accounting Financials (PCAF). PCAF is a collaboration amongst financial institutions worldwide to enable harmonized assessments and disclosures of greenhouse gas emissions financed by loans and investments. PNC's PCAF membership will help the company define a path toward alignment with a Net Zero future.

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. For information about PNC, visit www.pnc.com.

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