

RESPONSIBLE LENDING PRACTICES

2023



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JOINT STATEMENT FROM

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For more than 170 years, PNC has been committed to improving the financial lives of the people we serve and the places they call home.

While we've grown in size and capabilities, we've remained true to our values — doing business with integrity and respect, centering our customers in all that we do, focusing on teamwork and performance, and fostering an environment in which our customers and employees feel welcomed, valued and respected.

This belief in serving the best interests of all our stakeholders, along with our corporate values, shapes how we do business.

This Responsible Lending Practices disclosure reflects our integrated approach to Environmental and Social Risk Management (ESRM) and outlines our multilayered framework, providing transparency to the practices we employ in making business decisions. We strive to make lending decisions that balance the needs of our customers and prospective customers with the interests of our other stakeholders, and to integrate stakeholder considerations across our value chain.

We continue to learn and make thoughtful decisions as we go, and we commit to engaging with our stakeholders to understand these evolving issues.

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OUR APPROACH TO ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

PNC’s Environmental and Social Risk Management (ESRM) framework philosophy is to never take unnecessary risks or trade long-term value for short-term gains. Our ESRM framework allows us to help our customers realize their financial goals while diligently managing risks to our business and brand.

Our ESRM framework recognizes that environmental and social issues, such as climate change and human rights, could pose financial, legal and/or reputational risk to PNC. These responsible business issues are critical to identify quickly and manage proactively.

Defining Responsible Business Issues

PNC leverages well-established and respected corporate responsibility reporting frameworks, standards, regulations, investor expectations and corporate responsibility materiality analyses to focus our efforts and voluntary disclosures on areas that matter most to our business and

stakeholders. However, the list of responsible business issues that may be important for a company to manage is large and continually expanding. PNC considers the needs of a variety of stakeholders, each of whom may hold unique views as to which issues and risks are most appropriate for us to actively manage and report against. PNC strives for a balanced approach that addresses the priority issues surfaced through our corporate responsibility materiality analysis (available in our annual Corporate Responsibility Report), as well as monitors the wide spectrum of issues of concern to our stakeholders.



Given these complexities, the examples below should be considered illustrative, not comprehensive.

ENVIRONMENTAL

issues may include

- Energy usage
- Carbon/greenhouse gas emissions
- Climate change impacts
- Water usage
- Waste management practices
- Pollution
- Renewable energy
- Resource depletion
- Biodiversity and nature-related impacts
- Green products, technology and infrastructure

SOCIAL

issues may include

- Corporate culture and employee engagement
- Talent management
- Workforce and supplier diversity
- Labor practices
- Discrimination
- Inclusion and belonging
- Human rights
- Community investment and engagement
- Employee health and safety
- Fair pay practices
- Employee benefits

CORPORATE GOVERNANCE

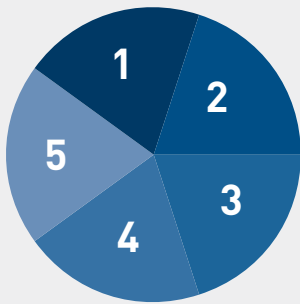
issues may include

- Board and executive diversity
- Executive compensation
- Anti-corruption policies
- Shareholder engagement
- Shareholder rights
- Board of director independence
- Political contributions and lobbying
- Privacy and data security

WHAT WE MONITOR

The list of emerging issues of concern — and therefore the risks and opportunities associated with those issues — is broad and growing. PNC considers the needs of a variety of stakeholders, including our own employees, clients, investors and communities. From a responsible lending perspective, we focus on:

- 1 Human rights risks
- 2 Environmental risks
- 3 Reputational risks
- 4 Alignment with PNC's core values
- 5 Compliance with internal guidance, policies and external commitments



HOW WE MONITOR

PNC does not discriminate against any lawful industry. Material risks identified through the ESRM Rapid Risk Screen may, however, lead to the development and maintenance of segment-specific guidance or additional due diligence. Occasionally, the ESRM process — which can include direct engagement with prospective clients and stakeholder groups when appropriate — may lead to a decision to limit exposure to specific commercial clients with elevated risk profiles. Alternatively, we may make a concerted effort to engage in discussions with our customers and external stakeholders to try to better understand the potential risks and develop a path forward to mitigate those risks. This is a key part of the ESRM Rapid Risk Screen and our broader environmental and social risk management approach.

Rapid Risk Screen

PNC's Rapid Risk Screen, a part of our overall ESRM framework, is an internal tool that assists the commercial lines of business with identifying transactions that may be considered sensitive, and could potentially be subject to additional due diligence and executive escalation, on a client-by-client basis.

The tool is agnostic in terms of both industry and transaction value, and — as its name suggests — is designed to provide a quick and easy way to identify and resolve significant and material environmental, social or reputational risks early in the life cycle of a transaction. The Rapid Risk Screen tool inserts a pause into the transaction vetting process, allowing us to consider

whether the entity being financed, or the purpose of the financing, may have a significant actual or perceived impact on human rights or the environment, or be in conflict with PNC's core values.

Some examples of issues that the Rapid Risk Screen is intended to help the business consider include:

HUMAN RIGHTS impacts on:

- Indigenous peoples (e.g., Native Americans)
- Landowners (e.g., through the application of eminent domain or forced displacement)
- Areas of historical, cultural or natural importance (e.g., archeological sites)
- Access to a community's water, air, food, recreation (e.g., hunting/fishing) or land (e.g., agriculture)
- The safety of communities, businesses and workers

ENVIRONMENTAL impacts such as:

- The quality of a community's water, air, food or land
- The health and well-being of communities
- The protection of endangered or protected species

NEGATIVE REPUTATIONAL impact due to misalignment with:

- PNC's brand reputation and/or public commitments
- PNC's core values

Transactions needing additional analysis may be escalated to leaders in the business or risk management, our underwriting group and/or our Responsible Business Strategies team. Collectively, these leaders may determine to proceed as requested,

conduct additional due diligence and client outreach alongside the company's Responsible Business Strategies team, proceed on modified terms, or decline the transaction based on an analysis of the client's individual risk profile.

The Rapid Risk Screen is industry agnostic because we recognize that environmental, social and reputational risks can be present in any industry and with any client. The tool is designed to be highly modular, allowing us to quickly add additional guidance as PNC's strategy, geographic reach or product set changes. It is thus capable of being updated in real time to capture emerging risks.

Although the Rapid Risk Screen process sits within the Corporate Responsibility Group's Responsible Business Strategies team, ESRM is not a function that's wholly owned by any one team. We advocate for ways that PNC can apply our resources in a manner consistent with our core values.

Reputational Risk Framework Policy

This policy sets forth PNC's standards for managing risk associated with businesses that present elevated legal, regulatory and/or reputational risk, with the understanding that reputational risk is itself a form of risk to PNC's franchise and/or shareholder value. Adherence to this policy facilitates the appropriate identification, assessment, review and monitoring of high reputational risk business entities (HRRBEs) in accordance with regulatory expectations and PNC's brand. Certain customer/entity types or attributes may pose heightened financial crime or reputational risk to PNC. Engaging in a business

relationship with such customers/entities may result in risks that are inconsistent with PNC's business strategy, core values and risk appetite. PNC's Enterprise Risk Management Committee provides oversight of the Reputational Risk Framework Policy, which includes defining high-risk entities, escalation and approval expectations, and consideration of the impact of any policy exceptions to the Reputational Risk Profile of the organization.

Environmental Due Diligence Procedure & Questionnaire

This questionnaire establishes environmental due diligence requirements for select commercial transactions. For example, specific transactions related to oil and gas underwritten by our Diversified Industries Group are subject to completion of an Environmental Risk Questionnaire. The responses listed on the questionnaire are completed for each new borrower and updated once each succeeding calendar year in conjunction with a periodic review for new and existing borrowers that exceed a set credit exposure threshold.

Some sample questions include but are not limited to:

- Has the borrower disclosed any environmental liabilities on its recent financial statements?

- Does the borrower have any material litigation or enforcement action, actual or threatened, against it relating to environmental risk in any of its business operations?
- Does the borrower have an in-house person or outside firm that is primarily responsible for managing internal environmental affairs and monitoring compliance with environmental laws and regulations?
- Does the borrower complete regular audits of their environmental risk management procedures?
- Does the borrower own or operate offshore oil or gas wells?

Commercial Background Research Automation (COBRA) Process

This process helps reduce/mitigate losses and minimize reputational and compliance risk to PNC prior to entering into a new relationship with a commercial lending customer or expanding a relationship with an existing commercial lending customer. A COBRA report occurs when credit exposures meet a certain threshold. This includes all new money identified within the request, whether it is a new facility or an increase to existing facilities. COBRA reviews may also be initiated via ad hoc requests. The COBRA process queries external records for a number of items that may

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impact the customer's ability to obtain new or to retain existing financial relationships with PNC. Some of the items reviewed in COBRA include judgments, jury verdicts/settlements, federal/state civil suits, criminal filings and financial services sanctions.

Risk Governance Framework

Enterprise Risk Management (ERM) is centrally responsible for the oversight of reputational risk for PNC. The ERM framework focuses on identification, assessment, monitoring and reporting of reputational risk across the organization, including risks originating from any of the ESRM Framework prongs listed above. PNC's Responsible Business Strategies team, along with other first and second line of defense teams across the organization, partners with ERM to help ensure that PNC's reputational risk profile is appropriate and that the right reputational concerns are being elevated when necessary.

The same practices leveraged across other risk disciplines (e.g., credit risk, operational risk) are leveraged here, including:

- Identification of reputational risks as part of PNC's risk identification program
- Risk assessment through established quantification and rating practices
- Risk control and monitoring through adherence to enterprisewide risk program expectations (e.g., risk and control self-assessments, issues management)
- Risk appetite and key risk indicator measurements
- Quarterly risk reporting

GOVERNANCE

Our governance approach to Environmental and Social Risk Management seeks to balance financial priorities with environmental, human rights, social and reputational risks to our company as we pursue our brand purpose of helping all our stakeholders move forward financially.

Board Oversight

PNC's board of directors has ultimate oversight of PNC's strategy, including the risks and opportunities arising from environmental, social and corporate governance issues material to PNC's business. The full board oversees such matters directly, informed by each committee's oversight of the matters within its purview, as set forth in its charter. For example, the Nominating & Governance Committee generally oversees governance matters, while employee-related matters are generally overseen by the Human Resources Committee. Given the highly integrated nature of environmental concerns, including significant climate change issues, the full board oversees these matters, informed by insights from its committees. As an example, climate-related risks are within the purview of the Risk Committee and are an important component of the board's overall approach to environmental strategy, along with inputs from other committees. The board reviews the corporate responsibility strategic plan and the ESRM framework annually, receives updates on corporate responsibility matters at least quarterly and provides guidance to management with respect to such matters.



Management-Level Responsibility

At the management level, PNC maintains executive committee (EC)-level oversight of the corporate responsibility strategy. Our chief corporate responsibility officer (CCRO) leads the Corporate Responsibility Group (CRG), which includes Community Development Banking; the PNC Foundation and Community Affairs; Diversity & Inclusion; and Responsible Business Strategies.

Execution of our corporate responsibility strategy is cross-functional and integrated into business operations. PNC Responsible Business Strategies is a consultative practice that works with PNC's lines of business to apply a corporate responsibility lens to business processes, policies and decisions. Responsible Business Strategies partners closely with the Corporate & Institutional Banking (C&IB) team, under the leadership of the head of C&IB, and the Enterprise Risk team, under the leadership of the chief risk officer, to identify transactions that may necessitate additional due diligence and potential executive escalation.

RESPONSIBLE BUSINESS STRATEGIES EXECUTIVE STEERING GROUP

PNC also maintains a Responsible Business Strategies Executive Steering Group. This management-level governance structure is leveraged for setting Corporate Responsibility strategy, approving or recommending Corporate Responsibility goals and commitments, decisioning corporate responsibility partnerships and coalitions, and approving PNC's commitment to new corporate responsibility disclosures. Membership consists of PNC EC members whose responsibilities most directly touch Corporate Responsibility risks and opportunities and stretches across all three lines of defense.

- Chief Administrative Officer, General Counsel
- Chief Corporate Responsibility Officer
- Chief Human Resources Officer
- Chief Risk Officer
- General Auditor
- Head of Corporate & Institutional Banking
- Head of Retail Banking

The General Auditor participates in Steering Group meetings but does not participate in decision-making actions, consistent with recognized auditing practices. While the EC members above constitute the formal members of the Responsible Business Strategies Executive Steering Group, a number of representatives from various PNC lines of business or functions also contribute to discussions at these meetings, lending their expertise and advice on issues that are material to our business and important to our stakeholders. Participants at any meeting may include, but are not limited to, Corporate Communications, Legal, Credit Portfolio Management, ERM, Responsible Business Strategies, Government Affairs, Human Resources, Internal Audit, Realty Services, Regional Presidents' Office, Regulatory Affairs and/or Sustainable Finance.

Committees and Working Groups

At the practitioner level, PNC employees from across our lines of business also participate in committees and working groups that inform various pieces of our ESRM strategy.

- The first-line CRG Risk team within the CRG organization provides a forum for broad discussion and assessment of the CRG Risk Profile and helps ensure alignment with PNC's enterprise risk management goals and policies.
- The Reputational Risk Committee, led by ERM, includes representatives from PNC's compliance, legal, ethics, audit, investor relations, corporate communications and responsible business strategies functions. The Committee discusses ESRM issues, identifies impacted lines of business and details actions to address related issues.
- The Enterprise Strategic Risk Committee oversees the Enterprise Strategic Risk Framework and ensures that risk management is appropriate and in alignment with the risk exposure. The Committee

provides a forum for broad discussion and assessment of the Strategic Risk Profile and ensures alignment with PNC's enterprise risk management goals and policies.

- The Climate Risk Committee oversees the integration of climate-related risk into the firm's Enterprise Risk Management Framework. The Committee provides a forum for the discussion, assessment and monitoring of enterprisewide activities to identify, monitor, manage and report on climate-related risks and issues. With climate-related risks cutting across PNC's Risk Taxonomy, the Committee is responsible for aggregation of climate-related risk across those disciplines to assess the overall impact to the organization and effectiveness of the mitigation strategies.

Additional information is available in PNC's current Form 10-K.

For more information about PNC's approach to Corporate Responsibility, including important legal disclosures and information, visit pnc.com/corporateresponsibility.

If you have questions about this report, please email PNCRBS@pnc.com.

THE PNC FINANCIAL SERVICES GROUP

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CRG PDF 1023-080

