



Supplemental Financed Emissions Disclosure

In 2021, PNC joined the Partnership for Carbon Accounting Financials (PCAF) and committed to disclosing its greenhouse gas (GHG) emissions from lending and financing activities. Consistent with this commitment, PNC has measured this financed emissions data using the PCAF framework and is now disclosing the greenhouse gas (GHG) emissions from its loans and corporate bonds investments.

Methodology & Data Sources

The PCAF framework recommends disclosing estimated financed emissions by certain high-level asset classes with unique calculation methodologies for each. PNC has chosen to disclose six PCAF asset classes as noted in the Financed Emissions Table which represent as of year-end 2023, almost 100% of total PCAF covered assets excluding Sovereign Debt, Unlisted Equity, and Listed Equity on our balance sheet.

We include scope 1 and 2 emissions in the estimations for all covered asset classes. PNC has chosen not to include scope 3 emissions at this time due to challenges related to data availability and uncertainty around estimating scope 3 emissions.

PNC follows PCAF guidance for estimating financed emissions. For each asset class, we have chosen to maximize available data to provide the most robust estimate based on those methodologies. From internal sources, we assemble client information such as revenue and enterprise value for Business Loans, property details for Commercial Real Estate and Mortgage, and make/model for Motor Vehicles. Where available within the Business Loans asset class, we augment with externally reported actual company emissions as sourced through S&P Global Trucost. For all other assets, the methodology uses estimated emissions based on industry average emission factors from the following PCAF emissions factor database versions (“Prior to March 2024” used for Business Loans, Project Finance and Corporate Bonds, Commercial Real Estate and Mortgage; “Prior to September 2023” used for Motor Vehicles).

To facilitate transparency, PCAF maintains a data quality scoring framework from 1 to 5, with a score of 1 signifying the highest quality data (verified greenhouse gas emissions data), while 5 is based on industry averages. Scores are weighted by outstanding balances for disclosure.

Limitations and Exclusions

PNC has evaluated the quality and availability of data inputs needed to implement the PCAF methodology for financed emissions estimation. As with other industry participants, the key challenge is the lack of actual emissions data related to our assets (vs. broad averages).

1. For Business Loan clients without disclosed emissions, estimates rely on emission factors provided by PCAF. The sector-level emission factors recommended by PCAF lack granularity.
2. The data used in our Business Loans calculation reflects the primary industry code for a customer. However, that one primary code may not represent the emissions profile of a customer’s diverse operation.
3. The most recent PCAF emission factor database for Motor Vehicles is missing certain major manufacturers and models. As a result, PNC uses an older version of emission factors as guided by PCAF.



4. For Commercial Real Estate and Mortgage portfolio, due to the lack of energy consumption data, the financed emissions estimates are based on building square footage, property type and state for majority of the portfolio.

Given financed emissions estimation practices are still evolving, outcomes should be interpreted with appropriate caution and may materially change over time. In addition to impacts from improved data, PNC expects continued calculation enhancements as methodologies evolve within the industry.

Financed Emissions Table

	Financed Scope 1+2 Emissions (MM mtCO ₂ e)	Average Economic Emission Intensity (mtCO ₂ e/\$MM OS)	Data Quality Score
Business loans	27.4	144.8	4.2
Mortgages	0.4	8.1	4.1
Commercial Real Estate	0.6	20.6	4.0
Motor Vehicle Loans	1.6	107.9	2.9
Corporate bonds	0.2	61.9	3.4
Project Finance	0.0	1.0	4.1

As of December 31, 2023

Business loans comprises 91% of our total estimated scope 1 and 2 financed emissions with 27.4 million metric tons of CO₂e on balance sheet assets of \$189 billion. Overall average economic emissions intensity for this asset class was 145 metric tons CO₂e per million dollars outstanding.

Based on the data and methodologies described above, the power sector has the highest financed scope 1 and 2 emissions within Business Loans comprising 8.4% or 2.3 million metric tons of CO₂e of that asset class and 758 metric tons CO₂e per million dollars outstanding economic emission intensity. The power sector is defined as electric utilities, other power generating companies and renewable energy projects.