

Risks of Nuclear Weapons Financing  
PNC Financial Services Group, Inc., 2021

**Resolved:** Shareholders request that the Board of Directors issue a report, at reasonable cost and omitting proprietary information, assessing the effectiveness of PNC's Environmental and Social Risk Management (ESRM) systems at managing risks associated with lending, investing, and financing activities within the nuclear weapons industry.

**Supporting Statement:** The report may include:

- Review of PNC's existing financing to the nuclear weapons industry and associated actual and potential human rights impacts;
- An assessment of the legal, financial, regulatory, and reputational risks that PNC may face due to involvement with the nuclear weapons industry; and
- Evaluation of if and how PNC plans to reduce or eliminate its potential exposure to risks of nuclear weapons financing.

**Whereas:** Under the UN Guiding Principles on Business and Human Rights, PNC has a responsibility to identify, prevent, mitigate, and account for how it addresses its adverse human rights impacts. This requires carrying out human rights due diligence, covering adverse impacts that PNC may cause, contribute to, or be directly linked to through its operations, products, services, or business relationships.<sup>1</sup> This applies regardless of the size or scope of those activities.

PNC lends over \$1.6 billion to nuclear weapons companies, including General Dynamics and others.<sup>2</sup> Geopolitical uncertainty and erosion of several arms control treaties leaves the world at its highest ever vulnerability to a nuclear weapons catastrophe.<sup>3</sup> Nuclear weapons are weapons of mass destruction, indiscriminate by nature, and illegal under international law.<sup>4</sup> Nuclear weapon impacts cannot be contained within national borders. They cause massive death and destruction, large-scale displacement, long-term harm to human health and well-being, the environment, infrastructure, socioeconomic development, and social order.<sup>5</sup>

Amidst growing societal pressure for nuclear disarmament and heightened scrutiny of lending practices, PNC faces significant legal, financial, and reputational risks if it continues to be linked to the nuclear weapons industry. The Treaty on the Prohibition of Nuclear Weapons will enter into force in January 2021, outlawing nuclear weapons use, development, or testing.<sup>6</sup> Investor screens

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<sup>1</sup> [https://www.ihrb.org/uploads/submissions/John\\_Ruggie\\_Comments\\_Thun\\_Banks\\_Feb\\_2017.pdf](https://www.ihrb.org/uploads/submissions/John_Ruggie_Comments_Thun_Banks_Feb_2017.pdf)

<sup>2</sup> <https://www.dontbankonthebomb.com> (Forthcoming Report)

<sup>3</sup> <https://thebulletin.org/doomsday-clock/current-time/>

<sup>4</sup> <https://www.un.org/law/icjsum/9623.htm>; [https://www.icanw.org/catastrophic\\_harm](https://www.icanw.org/catastrophic_harm)

<sup>5</sup> <https://www.icrc.org/en/document/humanitarian-impacts-and-risks-use-nuclear-weapons>

<sup>6</sup> <https://www.nytimes.com/2020/10/25/world/americas/nuclear-weapons-prohibition-treaty.html>

for nuclear weapons companies are increasing, with over 75 major financial institutions adopting policies to end relationships with the nuclear weapons industry.<sup>7</sup>

The ‘Stop Banking the Bomb Campaign’ has held over 75 demonstrations outside of PNC offices, including during PNC’s shareholder meetings, calling for divestment from nuclear weapons manufacturers.<sup>8</sup>

The extent of PNC’s human rights due diligence around nuclear financing is not evident. The company’s Environmental Social Risk Management Framework and rapid risk screening do not explicitly address risks of financing any controversial weapons and do not identify the defense sector as presenting elevated risk. Risk assessments should address the severity and likelihood of harm to potential stakeholders.<sup>9</sup> In response to public pressure, PNC reevaluated its financing of private prisons and mountaintop removal mining.<sup>10</sup> Despite the severe human rights risk and business risks from nuclear weapons financing, PNC has failed to take similar action.

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<sup>7</sup> [https://www.dontbankonthebomb.com/wp-content/uploads/2019/10/201910\\_Beyond-the-bomb\\_final.pdf](https://www.dontbankonthebomb.com/wp-content/uploads/2019/10/201910_Beyond-the-bomb_final.pdf)

<sup>8</sup> <http://www.nuclearban.us/stop-banking-the-bomb-the-campaign-to-get-pnc-bank-to-divest-from-nuclear-weapons/>;  
<https://newpeoplenewspaper.com/2020/07/31/stop-banking-the-bomb-resumes-pickets-at-pnc/>

<sup>9</sup> [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)

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<https://www.pnc.com/en/about-pnc/corporate-responsibility/corporate-social-responsibility/governance-risk/values-business.html>;

[https://www.pnc.com/content/dam/pnc-com/pdf/aboutpnc/CSR/PNC\\_2019\\_CSR\\_Report.pdf](https://www.pnc.com/content/dam/pnc-com/pdf/aboutpnc/CSR/PNC_2019_CSR_Report.pdf)