

BMO Financial Group

# 2021 Sustainability Report Data Pack and Glossary

This Data Pack provides quantitative sustainability performance data to support our disclosures and to supplement the sustainability scorecard included in our Sustainability Report. It is intended to provide greater detail and enhanced transparency for investors, analysts and other stakeholders.<sup>1</sup> The Glossary is intended to define the terms we use and our approach to measuring performance.

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#### In this report

*We, us, our, bank* and *BMO* mean Bank of Montreal and its subsidiaries

#### Reporting period

Covers the fiscal year ended October 31, 2021

#### Data

Unless otherwise noted:

as of October 31, 2021

enterprise-wide

may be rounded

dollar amounts in Canadian dollars

◆ KPMG provided limited assurance of this figure in 2021. Please see KPMG's Independent Limited Assurance Report in our [Sustainability Report](#).



BMO's approach to sustainability is integrated into our business strategy and corporate governance.

#### Sustainability reporting suite

- Sustainability Report and Public Accountability Statement
- Sustainable Bonds Impact Report
- Climate Report
- GRI Index
- SASB Disclosure

#### Learn more here

- Annual Report to Shareholders
- Management Proxy Circular

<sup>1</sup> This Data Pack includes voluntary disclosures on sustainability and ESG topics, including climate-related risks and opportunities, that may not be, and are not necessary to be, incorporated into our required disclosures where we use a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.



# Thriving Economy

## Financial inclusion

### Women

	2021	2020	2019	Target
Loans to women-owned businesses – Canada (\$ billions)	\$10.2	\$9.5	\$8.5	-
Women-owned businesses supported – Canada (#)	119,440	113,000	109,377	179,000 by 2025

### Indigenous communities in Canada

	2021	2020	2019	Target
Indigenous banking business – Canada (\$ billions) <sup>1</sup>	\$6.4	\$6.4	\$4.4	\$8 billion by 2025
First Nations participating in BMO's On-Reserve Housing Loan Program – Canada (#)	124 ♦	121	120	-
Indigenous communities with which BMO has a relationship – Canada (#)	270	250	248	-

### Small businesses

	2021	2020	2019	Target
Small business lending – Canada (\$ billions)	\$5.5	\$5.4	-	\$10 billion by 2025
Small business cards and lending customers – United States (#)	23,300	21,500	-	40,000 by 2025
Canadian defence community customers (#)	85,200	74,300	-	100,000 by 2025

### Community investment

	2021	2020	2019	Target
Women, Black and Latinx-owned small business lending – United States (\$ millions)	\$34	-	-	\$300 million by 2025
Black and Latinx-owned commercial lending – United States (\$ millions)	\$63	-	-	\$500 million by 2025
Community development lending and investing – United States (\$ billions)	\$1.4	-	-	\$3 billion by 2025
Municipal and non-profit lending – United States (\$ millions)	\$568	-	-	\$300 million by 2025
Low- to moderate-income home mortgage lending – United States (\$ millions)	\$207	-	-	\$500 million by 2025
Philanthropic giving, community engagement, supplier/business diversity initiatives and diverse talent programs targeted at systemic change – United States (\$ millions)	\$126	-	-	\$500 million by 2025

<sup>1</sup> The 2019 amount has been restated to include assets held in Indigenous trusts managed by BMO.



### Customers with unique needs

#### Number of clients receiving free or discounted services

	2021	2020	2019
Canada			
Seniors	1,221,210	1,194,641	1,271,325
University and high school students	288,102	321,222	347,097
Local and non-profit organizations	40,000	41,626	44,497
United States			
Under 25 (including college students)	59,217	53,538	61,328
Non-profit organizations	20,169	20,258	20,972

### Financial literacy

	2021	2020	2019
Participants in financial literacy sessions offered by BMO Harris - United States (#)	7,868	3,314	8,500



# Sustainable Future

## Sustainable finance

### Sustainable financing

#### Sustainable financing by transaction type<sup>1</sup> (\$ billions)

	2021	2020	2019	Total since fiscal 2019	Target
Sustainable bond underwriting	\$31.61	\$42.63	\$7.32	\$81.56	
Loans for sustainable clients and projects	\$28.34	\$16.73	\$13.68	\$58.75	
Sustainable equity and debt financing	\$9.84	\$17.04	\$6.10	\$32.98	\$300 billion by 2025 Progress to date: 59%
Sustainable finance advisory	\$0.82	\$0.44	–	\$1.26	
Sustainable investments (including the Impact Investment Fund)	\$0.46	\$0.43	\$0.29	\$1.18	
<b>Capital to clients pursuing sustainable outcomes</b>	<b>\$71.07</b> ◆	<b>\$77.27</b>	<b>\$27.39</b>	<b>\$175.73</b>	

#### Sustainable financing by outcome (\$ billions)

	2021	2020	2019	Total since fiscal 2019
<b>Sustainable</b>	<b>\$35.27</b>	<b>\$35.99</b>	<b>\$3.62</b>	<b>\$74.88</b>
<b>Green</b>	<b>\$26.74</b>	<b>\$30.74</b>	<b>\$13.07</b>	<b>\$70.55</b>
Low-carbon energy	\$5.59	\$14.21	\$8.87	\$28.67
General green	\$10.06	\$7.11	\$2.93	\$20.10
Green buildings	\$5.31	\$3.00	\$0.03	\$8.34
Waste management	\$3.63	\$3.72	\$0.12	\$7.47
Clean transportation	\$1.57	\$1.75	\$0.51	\$3.83
Sustainable agriculture	\$0.58	\$0.95	\$0.61	\$2.14
<b>Social</b>	<b>\$9.06</b>	<b>\$10.54</b>	<b>\$10.70</b>	<b>\$30.30</b>
Health care	\$1.95	\$4.56	\$4.29	\$10.80
Gender equality <sup>2</sup>	\$3.37	\$1.75	\$2.44	\$7.56
General social	\$2.35	\$1.17	\$1.28	\$4.80
Education	\$0.46	\$1.40	\$0.65	\$2.51
Public administration	\$0.23	\$0.88	\$1.26	\$2.37
Social assistance	\$0.17	\$0.47	\$0.40	\$1.04
Employment services	\$0.23	\$0.25	\$0.34	\$0.82
Indigenous peoples <sup>2</sup>	\$0.30	\$0.06	\$0.04	\$0.40

<sup>1</sup> The 2019 and 2020 amounts have been restated to reflect new information since the previous disclosure and an update to our methodology for accounting for sustainable finance advisory deals (see Glossary).

<sup>2</sup> To avoid double counting, loans to women-owned businesses or Indigenous peoples that also have other sustainability characteristics are reported according to their other sustainability characteristics.



## Responsible investing

	2021	2020	2019	Target
Assets under advice/management through BMO GAM aligned with sustainable objectives (\$ billions) <sup>1</sup>	\$1,048.2	\$444.8	\$296.1	\$700 billion by 2025

### Engagement

	2021	2020	2019
Companies engaged on sustainability topics	781	716	778
Board-level meetings held with companies	223	322	249
Engagements that influenced change	320	346	272

### Company engagement themes

	2021	2020	2019
Labour standards	28%	27%	19%
Corporate governance	23%	22%	38%
Climate change	21%	22%	12%
Public health	10%	9%	5%
Environmental stewardship, including biodiversity <sup>2</sup>	8%	11%	14%
Human rights	8%	4%	6%
Business conduct	2%	5%	6%

<sup>1</sup> Assets are as at September 30.

<sup>2</sup> "Environmental stewardship" is an update of the previous "Environmental standards" theme.



## Environmental and social risk management

### Climate change

	2021	2020	2019
Lending to carbon-related assets (%)	1.9% <span style="color: green;">◆</span>	3.0%	3.3%

### Equator Principles reporting

The Equator Principles provide a voluntary risk management framework for identifying, assessing and managing environmental and social risks associated with financial transactions within its scope. BMO has been a signatory to the Equator Principles since 2005.

#### Project finance

In fiscal 2021, BMO closed 6 project finance transactions under the Equator Principles IV. The breakdown is as follows:

	Category A	Category B	Category C
<b>Sector</b>			
Mining	0	0	0
Infrastructure	0	0	0
Oil and gas	0	0	0
Power	0	5	2
Others	0	0	0
<b>Region</b>			
Americas	0	5	2
Europe, Middle East and Africa	0	0	0
Asia Pacific	0	0	0
<b>Country Designation</b>			
Designated	0	5	2
Non-designated	0	0	0
<b>Independent Review</b>			
Yes	0	4	1
No	0	1	1
<b>Total reaching financial close <sup>1</sup></b>	<b>0</b>	<b>5</b>	<b>2</b>

<sup>1</sup> In fiscal 2021, BMO closed 6 project finance transactions. One project included multiple assets, some of which were classified as Category B, others as Category C. Both are included in this table.



Project name	Sector	Host Country/Project Location	Calendar Year of Financial Close	Category
Not disclosed	Power	United States	2020	B
Not disclosed	Power	United States	2020	C
Not disclosed	Power	United States	2021	B/C <sup>1</sup>
Glacier Sands	Power	United States	2021	B
Not disclosed	Power	United States	2021	B
Ball Hill and Bluestone Wind	Power	United States	2021	B

#### Project finance advisory services

No project finance advisory services transactions reached financial close in fiscal 2021.

#### Project-related corporate loans

No project-related corporate loans reached financial close in fiscal 2021.

#### Project-related refinance and acquisition finance

No project-related refinance or acquisition finance transactions reached financial close in fiscal 2021.

<sup>1</sup> Project included multiple assets, some of which were classified as Category B, others as Category C.





## Operational efficiency

Activity Data	2021 <sup>1</sup>	2020	2019	Target
Employees (full-time equivalent)	43,863	43,360	45,513	
Occupied building space (m <sup>2</sup> ) <sup>2</sup>	1,615,796	1,667,616	1,726,460	
<b>Energy consumption</b>				
Fuels (MWh) <sup>3</sup>	171,115	164,117	206,682	
Electricity and steam (MWh)	325,863	327,607	407,410	
Renewable energy certificates (RECs) purchased (MWh)	325,442	326,446	406,079	
Electricity from renewable sources (% of electricity consumed)	100%	100%	100%	100% annually Progress: achieved
<b>Greenhouse gas emissions</b>				
Scope 1 emissions (tonnes CO <sub>2</sub> e) <sup>4</sup>	33,661	31,621	45,672	30% reduction by 2030 vs. 2019 baseline
Scope 2 emissions (tonnes CO <sub>2</sub> e) <sup>4</sup>	63,634	62,661	90,457	Progress to date: 29% <sup>5</sup>
Scope 3 category 5 emissions from waste sent to landfill (tonnes CO <sub>2</sub> e) <sup>4,6</sup>	1,047	676	982	
Scope 3 category 6 emissions from business travel (tonnes CO <sub>2</sub> e) <sup>4,7</sup>	1,919	7,778	24,655	
<b>Total operational GHG emissions (tonnes CO<sub>2</sub>e)</b>	<b>100,261</b>	<b>102,736</b>	<b>161,766</b>	
Scope 1 and 2 GHG intensity (tonnes CO <sub>2</sub> e/FTE)	2.22	2.17	2.99	
Carbon credits retired (tonnes CO <sub>2</sub> e)	36,715	40,317	71,853	
GHG reductions from RECs (tonnes CO <sub>2</sub> e)	63,546	62,419	89,913	
<b>Net operational GHG emissions (tonnes CO<sub>2</sub>e)</b>	<b>0</b>	<b>0</b>	<b>0</b>	Carbon neutral operations annually Progress: achieved
Global electricity use procured from renewable sources	100%	100%	100%	100% annually Progress: achieved

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<sup>1</sup> In 2021, we shifted the time period of our operational efficiency calculations in order to accelerate disclosure. Energy consumption, greenhouse gas emissions, waste and water consumption reported for 2021 reflect the period from August 1, 2020 to July 31, 2021. We did not restate results for prior years, which were calculated based on our fiscal year. All results reflect twelve months of operations and are comparable.

<sup>2</sup> Represents buildings occupied as at the end of the reporting period.

<sup>3</sup> Includes natural gas, heating oil, propane and diesel used to heat our buildings, and fuel used in company-owned vehicles.

<sup>4</sup> An independent third party, Morrison Hershfield, has provided reasonable assurance for all of BMO's Scope 1 and Scope 2 emissions and some of BMO's Scope 3 emissions. Our water consumption was also verified by Morrison Hershfield. Both verification statements can be found on our [website](#).

<sup>5</sup> In 2020 and 2021, we saw emissions reduction that reached or came close to the 2030 target, largely attributable to COVID-19 related remote working conditions. Return to office could increase emissions relative to 2020 and 2021 in future years but we will continue to target a 30% reduction by 2030 from the 2019 baseline.

<sup>6</sup> Scope 3 category 5 emissions include indirect GHG emissions from BMO's solid waste sent to municipal landfills (North America only).

<sup>7</sup> Scope 3 category 6 emissions include indirect GHG emissions from employee business travel in non-company owned assets.



<b>Activity Data</b> (continued from previous page)	<b>2021</b> <sup>1</sup>	<b>2020</b>	<b>2019</b>	<b>Target</b>
<b>Waste management</b> <sup>2</sup>				
Waste generated – landfill (tonnes)	<b>790</b>	483	1,492	
Waste generated – recycled (tonnes)	<b>1,499</b>	1,598	3,564	
<b>Water consumption</b> <sup>3</sup>				
Water consumption (m <sup>3</sup> )	<b>498,837</b>	425,541	727,878	

<sup>1</sup> In 2021, we shifted the time period of our operational efficiency calculations in order to accelerate disclosure. Energy consumption, greenhouse gas emissions, waste and water consumption reported for 2021 reflect the period from August 1, 2020 to July 31, 2021. We did not restate results for prior years, which were calculated based on our fiscal year. All results reflect twelve months of operations and are comparable.

<sup>2</sup> Includes office paper recycled, technology assets recycled/reused, and waste from major buildings and facilities for which audits have been conducted (North America only). For 2021, waste management data reflects approximately 21% of our total occupied building space.

<sup>3</sup> Includes water consumption at facilities for which data is available (North America only). For 2021, water consumption data reflects approximately 52% of our total occupied building space.



# Inclusive Society

In 2021, we began disclosing additional employee-related metrics and breakdowns by employee category. Historical data for these metrics has not been collected.

## Diversity, equity and inclusion

Representation goals <sup>1</sup>	2021	2020	2019	Target
Gender equity in senior leadership roles – enterprise-wide <sup>2</sup>	41.2% ♦	–	–	40% – 60% by 2025
Gender equity in senior leadership roles – Canada and United States	41.8%	41.7%	41.1%	
People of Colour in senior leadership roles – Canada	24.2% ♦	–	–	31% by 2025
People of Colour in senior leadership roles – United States	24.5% ♦	–	–	30% by 2025
Indigenous peoples across our workforce – Canada	1.3% ♦	1.2%	1.2%	1.6% by 2025
Persons with disabilities across our workforce – Canada and United States	4.5% ♦	4.7%	4.2%	5% – 7% by 2025
2SLGBTQ+ representation across our workforce – Canada and United States	2.2% ♦	–	–	3% by 2025
<b>Workforce</b>				
Employees by age range				
Gen Z	9.6%	5.3%	4.2%	
Millennial	43.4%	22.9%	42.4%	
Gen X	32.9%	52.0%	34.2%	
Boomers	14.1%	19.7%	19.1%	
Pre-Boomers	0.03%	0.1%	0.1%	
Employees by seniority				
Senior leadership	1.5%	–	–	
Senior management	15.8%	–	–	
Mid-career	34.9%	–	–	
Early career	47.8%	–	–	

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<sup>1</sup> In 2020, we announced new Zero Barriers to Inclusion goals for 2025 for representation that address gaps in the representation of Black, Indigenous, People of Colour, Latinx and 2SLGBTQ+ employees, customers and communities. In 2021, we began tracking our performance against these goals.  
<sup>2</sup> Our Zero Barriers to Inclusion goal for 2025 for gender equity in senior leadership roles is enterprise-wide.



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	2021	2020	2019	Target
<b>Gender</b>				
Women in our workforce	53.6%	54.0%	55.1%	
Women as a percentage of new employees	53.3%	52.6%	-	
Women by seniority				
Executive officer	36.4%	27.2%	30.8%	
Senior leadership	41.2%	-	-	
Senior management	34.3%	-	-	
Mid-career	45.9%	-	-	
Early career	66.1%	-	-	
<b>People of Colour</b>				
People of Colour in our workforce				
Canada	40.8%	-	-	
United States	29.3%	-	-	
Student opportunities for Black, Indigenous and other underrepresented groups – Canada and United States	51%	-	-	
Black and Latinx interns and entry-level employees – United States	28%	-	-	
<b>Other</b>				
Employees who completed the “Learn from Difference for All” training	89.6%	83.5%	-	100% by 2025



## Employee experience

### Talent attraction and retention

Hiring	2021	2020	2019
Total number of new hires (#)	8,989	-	-
Open positions filled by internal candidates <sup>1</sup>	53%	55%	50%
New hires by age range			
Gen Z	34.4%	-	-
Millennial	48.2%	-	-
Gen X	14.2%	-	-
Boomers	3.2%	-	-
Pre-Boomers	0.0%	-	-
New hires by gender			
Female	53.3%	-	-
Male	46.7%	-	-
New hires by race			
Visible minority or People of Colour	40.0%	-	-
New hires by seniority			
Senior leadership	0.2%	-	-
Senior management	4.6%	-	-
Mid-career	17.9%	-	-
Early career	77.3%	-	-

<sup>1</sup> In 2020, we updated our methodology for the calculation of open positions filled by internal candidates to exclude campus internship positions which by their nature are filled by external candidates. Results for 2019 have been restated.



**Talent attraction and retention** (continued)

Turnover	2021	2020	2019
<b>Total turnover rate</b>			
Enterprise-wide	18.8% <span style="color: green;">◆</span>	15.3%	15.4%
Canada	18.0% <span style="color: green;">◆</span>	13.9%	14.5%
United States	20.5% <span style="color: green;">◆</span>	19.3%	17.6%
<b>Voluntary turnover rate <sup>1</sup></b>			
Enterprise-wide	14.8% <span style="color: green;">◆</span>	10.0%	12.1%
Canada	14.9% <span style="color: green;">◆</span>	9.8%	12.1%
United States	15.2% <span style="color: green;">◆</span>	11.1%	12.4%
<b>Voluntary turnover rate by age range</b>			
Gen Z	38.0%	-	-
Millennial	16.8%	-	-
Gen X	7.2%	-	-
Boomers	14.5%	-	-
Pre-Boomers	21.6%	-	-
<b>Voluntary turnover rate by gender</b>			
Female	15.5%	-	-
Male	14.0%	-	-
<b>Voluntary turnover rate by race</b>			
Visible minority or People of Colour	5.9%	-	-
Non-visible minority or People of Colour	9.2%	-	-
<b>Voluntary turnover rate by seniority</b>			
Senior leadership	5.3%	-	-
Senior management	6.9%	-	-
Mid-career	10.3%	-	-
Early career	20.8%	-	-

<sup>1</sup> In 2021, we updated our definition of voluntary turnover to include retirement. Results for 2019 and 2020 have been restated to reflect this change.



## Learning and development

	2021	2020	2019	Target
Employees who completed the BMO Forward “future of work” learning program (#)	7,560	5,000	-	20,000 by 2025
Employees who received annual performance reviews <sup>1</sup>	100%	100%	-	100% annually
Hours of learning	1,168,984	902,131	1,200,000	
Average learning hours per FTE	27.0	20.3	25.8	
Investment in learning (\$ millions)	\$60.2 ◆	\$65.8	\$86.8	

## Employee engagement

	2021	2020	2019
Employee engagement index <sup>2</sup>	80%	-	-
Employee engagement index by age range			
Gen Z	83%	-	-
Millennial	78%	-	-
Gen X	81%	-	-
Boomers	83%	-	-
Pre-Boomers	100%	-	-
Employee engagement index by gender			
Female	81%	-	-
Male	79%	-	-
Employee engagement index by race			
Visible minority or People of Colour – Canada	80%	-	-
Non-visible minority or People of Colour – Canada	79%	-	-
Visible minority or People of Colour – United States	83%	-	-
Non-visible minority or People of Colour – United States	80%	-	-
Employee engagement index by seniority			
Senior leadership	90%	-	-
Senior management	82%	-	-
Mid-career	79%	-	-
Early career	80%	-	-

<sup>1</sup> As a result of the digitization of our performance review process in 2020, this metric specifically reflects documented annual performance reviews. BMO employees also participate in ongoing performance and career development conversations.

<sup>2</sup> In 2021, we transitioned to a new employee listening tool to understand how employees were feeling, what they needed, and how to improve their experience and productivity.



## Health and wellbeing

	2021	2020	2019
Sick days <sup>1</sup>	73,644	87,157	116,073
Fatalities	0	0	0

## Community impact

### Community giving

	2021	2020	2019
Donations – Canada and United States (\$ millions)	\$66.3 ◆	\$66.0	\$67.2

### Community giving by focus area

	2021	2020	2019
Health and social services (includes hospitals and federated appeals)	41.0%	38.3%	38.0%
Arts and culture	20.9%	23.3%	23.4%
Education	20.1%	19.6%	20.1%
Civic/community services and economic development	13.6%	14.0%	13.8%
Other	4.4%	4.8%	4.7%

### Employee giving and volunteering

	2021	2020	2019
Employee volunteer hours <sup>2</sup>	31,000+	2,682	18,394
Total pledged through BMO Employee Giving Campaign (\$ millions)	\$23.0	\$22.7	\$22.8

### Pro bono program

	2021	2020	2019
Canada			
Number of new agencies or projects	0	1	1
Total volunteer hours	198	327	295
Number of volunteers	20	45	38
United States			
Number of new agencies or projects	3	3	2
Total volunteer hours	534	591	1,182
Number of volunteers	45	28	72
Number of asylum victories	1	2	2

<sup>1</sup> As a result of the COVID-19 pandemic and BMO's support for employees requiring time off, absences recorded as sick days declined in 2020 and 2021 relative to prior years. Absences related to COVID-19 in 2020 and 2021 including absences involving child and family care, quarantine requirements or illness, were recorded as paid days off.

<sup>2</sup> In fiscal year 2021, BMO introduced a new volunteer tracking tool to more effectively capture total volunteering efforts across North America both virtual and in-person. Hours contributed in the U.S. except for U.S. pro bono represent calendar year.





# Foundation of Trust

## Customer experience

### Customer loyalty

	2021	2020	2019
Customer loyalty surveys completed <sup>1</sup> (#)	1,041,742	1,285,925	1,168,955
Net Promoter Score® (NPS) – enterprise-wide	55	54	51

### 2021 escalated complaints

The past year saw a continuation of the global pandemic and the ensuing challenges for Canadians, including BMO customers. While many parts of our economy transitioned to new operating models and practices, social and economic difficulties persisted. It is in part due to these difficult circumstances that the number of escalated customer complaints increased.

In Canada, the number of escalated complaints increased by 45% compared to 2020, reflecting higher number of concerns expressed by our customers in the areas outlined below.

#### Canada

Fraud	10%
Fees and interest	10%
Quality of service	10%
Loan set-up, renewal and approval process	8%
Marketing campaigns and rewards	7%
Payment issues	5%
Debit/credit card issues	5%
Merchant dispute	4%
Mobile/online banking	3%
Other	38%

An escalated complaint is any expression of dissatisfaction by a customer, in relation to a product or service offered, sold or provided, that is escalated to the business group senior officer listed in the BMO Financial Group complaint resolution process, as outlined in the *We're here to help* brochure.

In the United States, the number of escalated complaints increased by 51% compared to 2020, primarily driven by transitional issues related to the transfer of servicing of mortgage and home equity loans to a third party. In 2022, we are seeing these complaint volumes return to normal levels. As in Canada, COVID-19 and social unrest also impacted our customers in the U.S., contributing to the increase in the number of escalated customer complaints in 2021.

#### United States

Lending and mortgage-servicing and collection	37%
Fraud	14%
Deposit accounting servicing	9%
Promotional offers on deposit accounts	5%
Digital banking issues	4%
Maintenance and overdraft/NSF fees	3%
Other	28%

An escalated complaint is a complaint that cannot be resolved immediately by the employee initially contacted and requires further review by the manager of the channel, Customer Advocacy Support and Escalation Team, Compliance or Legal. This includes all complaints directed to executives, Board members and external agencies, among others.

<sup>1</sup> Survey totals for 2019 and 2020 also reflect surveys completed in prior programs, in line with our ongoing improvement process.



## Innovation and digitalization

	2021	2020	2019
Canada			
Digital adoption	61.0%	59.0%	-
Active mobile users (thousands)	2,183	2,014	-
Self-serve transactions	91.8%	89.9%	-
United States			
Digital adoption	51.8%	48.9%	-
Active mobile users (thousands)	572	507	-
Self-serve transactions	77.1%	74.3%	-

## Data security

	2021	2020	2019
Information Security and Privacy Matters training (% completion) <sup>1</sup>	99.1%	-	-
Substantiated complaints regarding breaches of customer data <sup>2</sup> (#)	1 ◆	1	2

## Corporate governance

	2021	2020	2019
Number of Board members	13	12	15
Percentage of independent directors	92%	92%	93%
Average annual Board attendance	99%	98%	99%
Average tenure of members of Board of Directors (years)	7	7	8
Women on Board of Directors (% of independent directors)	50%	45%	36%
People of Colour on Board of Directors (% of independent directors)	8%	0%	0%
Board members identified as having corporate responsibility/sustainability skills and experience (% of independent directors)	75%	63%	57%

<sup>1</sup> Completion rates above 95% are considered acceptable from a risk management perspective.

<sup>2</sup> In 2021, we updated the definition of substantiated complaints to include any complaints determined to be well-founded by a privacy regulator. Results for 2019 and 2020 have been restated.



## Business conduct

	2021	2020	2019
Ethics training (% completion) <sup>1</sup>	99.0%	-	-
Anti-Bribery and Anti-Corruption training (% completion) <sup>1</sup>	99.2%	-	-

## Human rights

	2021	2020	2019
Human Rights learning hours	222,699	-	-

<sup>1</sup> Completion rates above 95% are considered acceptable from a risk management perspective.

# Glossary

## 2SLGBTQ+

2SLGBTQ+ refers to individuals who identify as two-spirit, lesbian, gay, bisexual, transgender, queer, intersex, asexual or other.

## 2SLGBTQ+ representation across our workforce

The number of BMO employees who identify as 2SLGBTQ+ as a percentage of BMO's total workforce. Includes all permanent employees as well as all active employees and employees on paid leave at BMO Financial Group. The number is reported as at the specified date and is reported for Canada and the United States.

## Active mobile users

The number of deposit customers (Canada) or retail deposit customers (United States) who logged into mobile banking in the last 90 days.

## Age

Some employee-related data is categorized by generational age bands based on year of birth:

- Gen Z: 1996 or after
- Millennial: 1980 to 1995
- Gen X: 1966 to 1979
- Boomers: 1946 to 1965

## Anti-Bribery and Anti-Corruption training

The percentage of employees who completed the Anti-Bribery and Anti-Corruption course of the annual Ethics, Legal & Compliance Training (ELCT) program. Reported for all BMO employees with an "active" status, as well as covered contingent talent.

## Assets under advice/management through BMO GAM aligned with sustainable objectives

The total monetary value of assets for which BMO GAM provided advisory or management services under the Responsible Engagement Overlay (reo®) service,<sup>1</sup> which gives institutional investors access to engagement and voting expertise as well as assets held in BMO GAM's ESG specialist strategies funds, including the range of Responsible Funds and other ESG products. The amount is reported as at the specified date.

## Average learning hours per full-time equivalent employee

The total enterprise hours of learning (refer to Hours of learning definition) divided by the average number of full-time equivalent BMO employees (refer to Full-time equivalent employees definition) during the reporting period.

## Black and Latinx interns and entry-level employees

Student interns and entry-level employees in the United States whose employment through campus recruitment channels started in fiscal 2021, and who identified as Black or African American, or Hispanic or Latinx, as a percentage of all student interns and entry-level employees in the United States whose employment through campus recruitment channels started in fiscal year 2021.

## Black and Latinx-owned commercial lending (BMO Empower)

The total monetary value of lending authorized to minority-owned commercial middle market businesses with customers over \$10 million in revenue across the United States.

## BMO Forward "future of work" learning program

BMO Forward is a learning program that targets cutting-edge topics like data science, artificial intelligence (AI), cybersecurity, digi-tech and process excellence. This program is designed for everyone – with unique content customized for three main streams – all employees, domain experts and leaders. The goal is to have all employees across the enterprise, go deep with experts to help them stay at the top of their game, and equip leaders to lead in a new context.

## Canadian defence community customers

The number of customers who are members of Canada's defence community and their families, and who receive exclusive offers through the Canadian Defence Community Banking program. The number is reported as at the specified date, and for Canada only.

## Community development lending and investing (BMO Empower)

Activities that support small business growth, greater availability of quality, affordable housing and targeted community-based commercial real estate, all of which are intended to create opportunities for low-income communities across the United States. Includes Community Reinvestment Act-qualified community development investments and loans.

## Customer loyalty surveys

The mechanism used to collect feedback from BMO customers to measure their experience involving transactions or relationships with BMO. These surveys include quantitative loyalty ratings and may include qualitative commentary. Surveys may also leverage closed-loop feedback to enable additional touchpoints for further engagement with customers, in order to identify opportunities for improvement.

## Digital adoption

The percent of deposit customers (Canada) or retail deposit customers (United States) who logged on in the last 90 days.

## Digital listening

Technology and tools used to capture and analyze customer feedback on digital channels (e.g., online). Data is gathered in order to identify pain points for BMO customers and improve our processes.

## Diversity

The mix of demographics, skills, experiences and work styles of all BMO employees. Diversity categories include, but are not limited to:

- Gender equity in senior leadership roles – enterprise-wide
- People of Colour – Canada and United States
- Indigenous employees – Canada
- Persons with disabilities – Canada and United States
- 2SLGBTQ+ persons – Canada and United States

All active BMO employees and employees on paid leave are included in the Diversity representation metrics. Data is reported as at the end of the fiscal year.

## Donations

Cash-based donations to registered charities and not-for-profit organizations in Canada and the United States. Excludes in-kind donations, commercial sponsorships and BMO Employee Giving amounts. The amount is reported for the specified period.

## Employee engagement index (EEI)

The degree of employee engagement as indicated in the annual BMO employee survey. EEI results are an average of the agreement scores on three survey questions that measure employees' overall feelings about BMO, the level of their pride and satisfaction with BMO, and their advocacy for the organization. The EEI score is an aggregate of the survey results for all active BMO employees.

<sup>1</sup> BMO Global Asset Management's (BMO GAM) reo® service was included in the sale of BMO GAM's Europe, Middle East and Africa (EMEA) Asset Management business, completed in fiscal 2022.

### Employee volunteer hours

The total amount of tracked time (in hours) that BMO employees dedicated to volunteering. Includes time volunteered both during and outside working hours in volunteer roles associated with a BMO volunteer program, such as BMO Community Impact Days, supporting the Community Reinvestment Act, pro bono legal support, a formal role within an Employee Resource Group, or when employees give their time to contribute to their communities.

### Employees who received annual performance reviews

The number of BMO employees who participated in annual performance reviews as defined in this report, as a percentage of the total number of eligible BMO employees. Data is gathered for all BMO employees enterprise-wide, and is reported as at the end of the fiscal year.

### Ethics training

The percentage of employees who completed the Code of Conduct course of the annual Ethics, Legal & Compliance Training (ELCT) program. Reported for all BMO employees with an “active” status, as well as covered contingent talent.

### Executive officer

The Chief Executive Officer (CEO) and executives who report directly to the CEO.

### Financed emissions

A financial institution's Scope 3 category 15 emissions as defined by the Corporate Value Chain Accounting Reporting Standard of the GHG Protocol and the PCAF's Global GHG Accounting & Reporting Standard for the Financial Industry. Includes the Scope 1, 2 and 3 emissions of BMO clients, as relevant, that are attributable to BMO.

### First Nations participating in BMO's On-Reserve Housing Loan Program

The number of First Nations in Canada that have been approved for the On-Reserve Housing Loan Program, which provides financing for eligible individuals wishing to build or purchase a personal residence located on a reserve. This program does not include renovation loans. The number is reported for the specified period, and for Canada only.

### Full-time equivalent (FTE) employees

The total number of full- and part-time employees in the organization, expressed as a 'full-time equivalent', based on the hours in a standard work week and adjusted for overtime hours. This metric is used to calculate the composition and headcount of the BMO workforce by group and region.

### Gender equity in senior leadership roles

The representation of women in senior leadership roles. Data is reported as at the specified date.

### Hours of learning

The total amount of time (in hours) that BMO employees spend building skills through formal, informal and on-the-job learning.

### Human Rights learning hours

The total amount of time (in hours) BMO employees spent completing the core courses in the Ethics, Legal & Compliance Training (ELCT) program (Code of Conduct, Anti-Corruption and Anti-Bribery, Information Security and Privacy Matters, Information Security and Privacy Matters for Managers, Accessibility and our Customers, Anti-Money Laundering, and Health and Safety), as well as two courses related to Human Rights: Nisitohamowin (Understanding Indigenous Perspectives in Canada), and Learn from Difference for All. Learning hours are reported for all BMO employees over the fiscal year.

### Indigenous banking business

The total outstanding amount of all loans, deposits and term investments originated or administered by BMO for Canadian Indigenous communities and businesses through Canadian Commercial Banking, Canadian Business Banking and the On-Reserve Housing Loan Program.

### Indigenous communities with which BMO has a relationship

The number of First Nations, Inuit, Métis and other Indigenous communities with which BMO has a financial relationship. The number is reported as at the specified date, and for Canada only.

### Indigenous peoples across our workforce

The total number of BMO employees who identify themselves as First Nations, Inuit or Métis. Employees who are Indigenous may or may not live on a reserve, and may or may not have status under Canadian legislation. The number is reported for Canada only.

### Information Security and Privacy Matters training

The percentage of employees who completed the Information Security and Privacy Matters course of the annual Ethics, Legal & Compliance Training (ELCT) program. Reported for all BMO employees with an “active” status, as well as covered contingent talent.

### Investment in learning

The total enterprise cost of learning, including design, development and delivery of formal and informal learning programs and resources, participation in external programs and certifications (including tuition, travel and materials), and the management of learning technologies and BMO Institute For Learning (IFL), our corporate university.

### Learn from Difference for All training

Learn from Difference For All is BMO's signature learning program that provides all colleagues with awareness and tangible action to help us create an environment with zero barriers to inclusion, where everyone feels valued, respected and heard.

### Lending to carbon-related assets

The value of net loans and acceptances connected to the energy and utilities sectors, excluding water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers, and waste management companies. The amount is expressed as a percentage of total loans and acceptances, net of allowance for credit losses on impaired loans, and is reported as at the specified date.

### Loans for sustainable clients and projects

The total monetary value of lending authorized through labelled green or social loans, and sustainability-linked loans, and lending or guarantees authorized to clients operating in sustainable sectors, clients advancing social sustainability outcomes (e.g., women-owned businesses and Indigenous communities and individuals), or clients using the funds for sustainable purposes (e.g., electric and hybrid vehicle loans and loans recognized under the terms of the Community Reinvestment Act (U.S.)).

### Loans made available under BMO's On-Reserve Housing Loan Program

The total monetary value of loans authorized to Indigenous customers under BMO's On-Reserve Housing Loan Program. The amount is reported for the specified period, and for Canada only.

### Loans to women-owned businesses

The total monetary value of loans outstanding to women-owned businesses. The amount is reported as at the specified date, and for Canada only.

### Low- to moderate-income home mortgage lending (BMO EMpower)

Mortgage lending including flexible homebuying and down payment assistance programs offering up to \$10,000 for homebuyers in low- to moderate-income communities.

**Municipal and non-profit lending (BMO Empower)**

Lending to municipal and non-profit clients, such as health care, higher education, and government entities and traditional not-for-profits, and including the issuance of municipal bonds across the United States.

**Net Promoter Score (NPS)**

The percentage of customers who would recommend BMO to a friend or colleague. Data is gathered in a survey that uses a 0-10 point scale. “Detractors” are defined as those who provide a rating of 0-6, “Passives” are defined as those who provide a rating of 7 or 8, and “Promoters” are defined as those who provide a rating of 9 or 10. The NPS score is calculated by subtracting the percentage of “Detractors” from the percentage of “Promoters”.

**New hires**

The number of external hires to fill permanent BMO full-time or part-time roles.

**New women employees**

The number of external hires who identify as women as a percentage of total BMO external hires.

**Number of locations serving Indigenous communities**

The number of BMO branches located on Indigenous lands or Inuit territories, as defined by the Government of Canada. The number is reported for Canada only.

**Open positions filled by internal candidates**

The number of open positions filled by current employees as a percentage of the total number of open positions adjusted for entry-level roles and campus internship positions, which by their nature are filled by external candidates. Data is gathered for Canada and the United States and covers permanent and temporary positions, including full-time and part-time positions.

**People of Colour in senior leadership roles – Canada**

The total number of BMO employees in senior leadership roles (see definition) who identify as non-white or ethnically non-Caucasian, other than Indigenous peoples. Being a member of a visible minority is unrelated to citizenship, place of birth or religion. The number is reported for Canada only.

**People of Colour in senior leadership roles – United States**

The total number of BMO employees in senior leadership roles (see definition) comprising of the following groups: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latinx, Native Hawaiian or Other Pacific Islander, and Two or More Races. The number is reported for United States only.

**People of Colour in our workforce**

The number of BMO employees who identify as People of Colour as a percentage of BMO’s total workforce. Includes all permanent employees as well as all active employees and employees on paid leave at BMO Financial Group. The number is reported as at the specified date and is reported for Canada and the United States.

**Persons with disabilities across our workforce**

The total number of BMO employees who have a long-term or recurring physical, mental, sensory, psychiatric or learning disability and who:

- due to their disability have been accommodated in their current job or workplace; or
- consider themselves to be disadvantaged in employment by reason of their disability due to workplace barriers; or
- believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of their disability.

Disabilities may be visible and/or non-visible. The number is reported for Canada and the United States.

**Philanthropic giving, community engagement, supplier/business diversity initiatives and diverse talent programs targeted at systemic change (BMO Empower)**

The total monetary value of donations to charitable organizations as well as spending commitments and programs to integrate diverse suppliers into BMO’s supply chain and to accelerate the recruitment, development and advancement of talent in underrepresented segments across the United States.

**Race**

Some employee-related data is categorized by race, based on employees’ self-identification as members of visible minorities in Canada or as People of Colour in the United States.

**Scope 1 emissions**

A reporting organization’s direct greenhouse gas (GHG) emissions. Direct GHG emissions occur from sources that are owned or controlled by the company; for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; and emissions from the chemical production in owned or controlled process equipment.

**Scope 2 emissions**

A reporting organization’s emissions associated with the generation of electricity, heating and cooling, or steam, purchased for the company’s own consumption.

**Scope 3 emissions**

A reporting organization’s indirect emissions other than those covered in Scope 2. Examples of a company’s Scope 3 activities are extraction and production of purchased materials, transportation of purchased fuels, use of sold products and services, and financed emissions.

**Self-serve transactions**

Self-serve transactions includes deposits, bill payments, internal funds transfers, withdrawals and e-transfers sent across ATM and digital channels (Canada), or deposits, bill payments, internal transfers, withdrawals and Zelle (P2P) transactions sent across ATM and digital channels (United States).

**Senior leadership roles**

The total number of BMO employees in senior leadership roles in Canada and the United States. Senior leadership roles include Managing Director, Vice-President, Senior Vice-President, Executive Vice-President, Group Head and CEO.

**Seniority**

Some employee-related data is categorized by level of seniority based on four compensation grade bands:

- Senior leadership (refer to Senior leadership roles definition)
- Senior management
- Mid-career
- Early career

**Small business cards and lending customers – United States**

The number of small business customers who have a credit or credit card relationship (or both) with BMO. The number is reported as at the specified date, and for United States only.

**Small business lending – Canada**

The total monetary value of loans to business customers with annual revenues of \$10 million or less and/or lending needs under \$1 million across Canada. The number is reported as at the specified date and is reported for Canada.

**Student opportunities for Black, Indigenous, People of Colour youth**

Student interns in Canada that started in Fiscal 2021 that identified as a Minority or Indigenous peoples during their application process, as a percentage of all student interns in Canada that started in fiscal 2021.

### Substantiated complaints regarding breaches of customer privacy and losses of customer data

All complaints escalated to a privacy regulator and determined to be well-founded, involving a substantiated breach of customer privacy or loss of customer data.

### Sustainable bond underwriting

The total monetary value of financing that BMO has participated in and raised for bonds that are labelled green, social, sustainable, impact, sustainability-linked, or transition. We account for the total deal value where BMO played a lead role, and we account for our proportionate share of the deal value where BMO played a non-lead role.

### Sustainable equity and debt financing

The monetary value of financing that BMO has participated in and raised through the public or private issuance of equity, equity-linked or debt securities for clients that are sustainable, or where the use of proceeds is sustainable. We account for the total deal value where BMO played a lead role and our proportionate share of the deal value where BMO played a non-lead role.

### Sustainable finance advisory

The monetary value of advisory deals, such as initial public offerings and special purpose acquisition companies, that BMO participated in for clients operating in sustainable sectors or pursuing sustainable outcomes. We account for our proportionate share of the deal value where BMO played a lead or non-lead role.

### Sustainable investments

The total amount of funds that BMO deployed for the BMO Impact Investment Fund, for recognition under the terms of the Community Reinvestment Act (U.S.), and for operational efficiency improvements to our corporate real estate portfolio.

### Sustainable sectors and outcomes

For the purpose of tracking progress toward our sustainable finance commitment, sustainable sectors and outcomes include activities within the scope of our Sustainable Financing Framework and activities related to but not limited to:

- Clean transportation: electric and hybrid vehicles, vehicular and mechanical efficiency, vehicle battery technology.
- Education: secondary and post-secondary institutions, special purpose institutions, educational support services.
- Employment services: employment agencies, professional employer organizations.
- General green: green labelled transactions or transactions that involve multiple green outcomes (as defined here).
- General social: social labelled transactions or transactions that involve multiple social outcomes (as defined here).
- General sustainable: sustainable labelled transactions or transactions that involve multiple green and social outcomes (as defined here).
- Green buildings: energy efficiency, properties with a LEED certification or other certification of sustainability, real estate companies with proceeds directed to green outcomes.
- Health care: ambulatory health care services, hospitals, nursing and residential care facilities, health and welfare funds.
- Indigenous peoples: Indigenous communities and individuals.
- Low-carbon energy: low-carbon energy generation, energy storage.
- Public administration.
- Social assistance: social, religious and civic organizations.
- Sustainable agriculture: organic food production or distribution, food quality enhancement, agricultural companies with use of proceeds directed to sustainable outcomes, greenhouse operations.
- Waste management: recycling and hazardous waste treatment and disposal.
- Women and/or racial equality: women- or minority-owned businesses.

### Total pledged through BMO Employee Giving Campaign

The total amount of money pledged for local United Way organizations and other charities across North America during BMO's Employee Giving Campaign.

### Total turnover rate

The number of permanent BMO employees who voluntarily resigned or were involuntarily terminated during the reporting period as a proportion of the average total number of permanent BMO employees at the start and the end of the reporting period.

### Voluntary turnover rate

The number of permanent BMO employees who voluntarily resigned (including retirement) during the reporting period as a proportion of the average total number of permanent BMO employees at the start and the end of the reporting period.

### Women, Black and Latinx-owned small business lending (BMO EMpower)

Lending to businesses with annual revenues of \$10 million or less and total combined credit exposure at BMO of \$50 thousand or less, that are at least 51% owned and controlled by individuals who self-identify as Black, Latinx, and/or woman. Each eligible business must have a physical business presence (or if no physical location, a mailing address for its headquarters) in at least one of the following states: Arizona, Florida, Illinois, Indiana, Kansas, Minnesota, Missouri or Wisconsin. In addition to access to capital, BMO's Black and Latinx Business program and its Women in Business program both provide customers with educational resources, planning tools, and access to partnership opportunities to help them make their businesses more resilient and scalable.

### Women in executive officer roles

The percentage of executive officers who identify as women. Data is reported as at the specified date.

### Women in our workforce

The number of BMO employees who identify as women as a percentage of BMO's total workforce. Includes all permanent employees as well as all active employees and employees on paid leave at BMO Financial Group in Canada and the United States. Data is reported as at the specified date.

### Women-owned businesses

Businesses where at least one of the owners is a woman.

### Women-owned businesses supported

The total number of women-owned businesses with which BMO has a financial relationship. The amount is reported as at the specified date, and for Canada only.

# Cautionary statement regarding forward-looking information

Certain statements in this report are forward-looking statements under the United States Private Securities Litigation Reform Act of 1995 (and are made pursuant to the 'safe harbour' provisions of such Act) and applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements with respect to customer growth and support, sustainable lending and underwriting targets, net zero financed emissions targets, reducing operational GHG emissions and inclusivity and diversity. Forward-looking statements are typically identified by words such as "targeting", "committed", "commitment", "ambition", "goal", "expect", "plan", "will", "may", "aim to" and other similar expressions.

By their nature, forward-looking statements are based on various assumptions and are subject to inherent risks and uncertainties. Certain statements made in this report use a greater number and level of assumptions and estimates and are over longer time frames than many of our required disclosures. These assumptions and estimates are highly likely to change over time. Certain statements in this report are based on hypothetical or severely adverse scenarios and assumptions, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk. While future events discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of the disclosures required under Canadian or U.S. federal securities laws. In addition, our climate risk analysis and net zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. As a result, we expect that certain disclosures made in this report are likely to be amended, updated or restated in the future as the quality and completeness of our data and methodologies continue to improve.

We caution readers of this report not to place undue reliance on our forward-looking statements as the assumptions underlying such statements may not turn out to be correct and a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, commitments, ambitions, plans or goals expressed in the forward-looking statements. Such factors include, but are not limited to: the availability of comprehensive and high-quality GHG emissions data, the evolution of our lending portfolios over time, the need for active and continued participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the development and deployment of new technologies and industry-specific solutions, international cooperation, the development of regulations internationally, our ability to successfully implement various initiatives under expected time frames, the compliance of various third parties with our policies and procedures and legal requirements and those other factors set out on page 19 of BMO's 2021 Annual Report. We caution that the foregoing list is not exhaustive of all possible factors. These factors should be considered in addition to other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

BMO does not undertake to update any forward-looking statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law.



Need help?

Email us at: [sustainability@bmo.com](mailto:sustainability@bmo.com)



## BMO's Sustainability Leaders Podcast

BMO's Sustainability Leaders podcast series introduces you to the innovative minds and diverse perspectives that are pushing the boundaries in sustainability good practice.

<https://sustainabilityleaders.bmo.com/en/home/sustainability-leaders-podcast/>



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