

BMO Financial Group

2023 Sustainability Report Data Pack and Glossary



This Data Pack provides quantitative sustainability performance data that supports our disclosures and supplements the Sustainability Scorecard included in our Sustainability Report – enhancing transparency for investors, analysts and other interested parties.¹ The Glossary defines 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, 2023

Data

Unless otherwise noted:

is as of October 31, 2023

is enterprise-wide, including Bank of the West

may be rounded

dollar amounts are in Canadian dollars²

◆ KPMG has provided limited assurance of this figure in 2023. Please see KPMG’s Independent Limited Assurance Report in our [2023 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
- GRI Content Index
- SASB Disclosure
- Data Pack and Glossary
- Climate Report
- Sustainable Bonds Impact Report
- Principles for Responsible Banking Reporting and Self-Assessment

[Learn more here](#)

- Annual Report to Shareholders
- Management Proxy Circular

¹ This Data Pack includes voluntary disclosures on sustainability topics, including climate-related risks and opportunities, that may not be, and are not necessary to be, incorporated into our required disclosures, in which 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.

² Financial information is presented as of October 31, 2023 and does not reflect reclassifications to certain financial results and measures that were effective November 1, 2023, including those related to the adoption of IFRS 17, Insurance Contracts.



Thriving Economy

Financial inclusion

Women

| | 2023 | 2022 | 2021 | Target |
|--|---------|---------|---------|-----------------|
| Loans to women-owned businesses – Canada (\$ billions) | \$10.3 | \$10.3 | \$10.2 | - |
| Women-owned businesses supported – Canada (#) | 146,242 | 134,590 | 119,440 | 179,000 by 2025 |

Indigenous communities in Canada

| | 2023 | 2022 | 2021 | Target |
|---|---|-------|-------|-----------------------|
| Indigenous banking business – Canada (\$ billions) | \$11.6 | \$7.1 | \$6.4 | \$9.5 billion by 2025 |
| First Nations participating in BMO's On-Reserve Housing Loan Program – Canada (#) | 107 ◆ | 108 | 124 | - |
| Indigenous communities with which BMO has a relationship – Canada (#) | 284 | 268 | 270 | - |

Small businesses

| | 2023 | 2022 | 2021 | Target |
|---|---------|---------|---------|----------------------------------|
| Small business lending – Canada (\$ billions) | \$6.5 | \$6.3 | \$5.5 | \$7 billion by 2025 ¹ |
| Small business cards and lending customers – United States (#) ² | 70,000+ | 31,000+ | 23,000+ | 40,000 by 2025 |
| Canadian defence community customers (#) | 104,407 | 94,500 | 85,200 | 100,000 by 2025 |

Equitable and accessible banking

Number of clients receiving complimentary or discounted services

| | 2023 | 2022 | 2021 |
|---------------------------------------|-----------|-----------|-----------|
| Canada | | | |
| Seniors | 1,298,606 | 1,247,221 | 1,221,210 |
| University and high school students | 308,024 | 287,644 | 288,102 |
| Local and non-profit organizations | 36,827 | 38,403 | 40,000 |
| United States | | | |
| Under 25 (including college students) | 68,739 | 65,216 | 59,217 |
| Non-profit organizations | 19,376 | 19,625 | 20,169 |

Financial literacy

| | 2023 | 2022 | 2021 |
|--|-------|-------|-------|
| Participants in financial literacy sessions offered by BMO U.S. (#) ² | 9,321 | 6,067 | 7,868 |

◆ KPMG has provided limited assurance of this figure.

¹ The target has been revised to align with the way we now report on small business lending within our new Canadian Business Banking line of business.

² There was a significant increase in 2023 due to the Bank of the West acquisition.



Sustainable Future

Sustainable finance¹

Sustainable financing

Sustainable financing by transaction type (\$ billions)

| | 2023 | 2022 | 2021 | Total since fiscal 2019 | Target |
|---|------------------|---------|---------|-------------------------|-----------------------|
| Capital to finance clients pursuing sustainable outcomes | \$68.61 ◆ | \$89.98 | \$70.74 | \$330.44 | \$300 billion by 2025 |
| Sustainable bond underwriting | \$41.67 | \$33.26 | \$31.61 | \$156.50 | |
| Loans for clients and projects pursuing sustainable outcomes | \$17.73 | \$50.74 | \$28.01 | \$123.34 | |
| Sustainable equity and debt financing | \$7.02 | \$2.86 | \$9.84 | \$42.85 | |
| Sustainable finance advisory services | \$1.62 | \$2.57 | \$0.82 | \$5.45 | |
| Sustainable investments (including BMO Impact Investment Fund) | \$0.57 | \$0.55 | \$0.46 | \$2.30 | |

Sustainable financing by outcome (\$ billions)

| | 2023 | 2022 | 2021 | Total since fiscal 2019 |
|---------------------------------|----------------|---------|---------|-------------------------|
| Sustainable | \$26.61 | \$65.28 | \$35.27 | \$166.78 |
| Green | \$31.63 | \$13.82 | \$26.74 | \$115.99 |
| Low-carbon energy | \$7.41 | \$3.11 | \$5.59 | \$39.19 |
| General green | \$20.04 | \$7.59 | \$10.06 | \$47.73 |
| Green buildings | \$0.09 | \$0.34 | \$5.31 | \$8.76 |
| Waste management | \$0.60 | \$0.73 | \$3.63 | \$8.79 |
| Clean transportation | \$1.68 | \$1.67 | \$1.57 | \$7.19 |
| Sustainable agriculture | \$1.81 | \$0.38 | \$0.58 | \$4.33 |
| Social | \$10.37 | \$10.88 | \$8.73 | \$47.67 |
| Health care | \$1.25 | \$3.15 | \$1.94 | \$15.18 |
| Gender equality ² | \$4.15 | \$3.51 | \$3.47 | \$15.33 |
| General social | \$3.95 | \$2.50 | \$2.35 | \$11.26 |
| Education | \$0.21 | \$0.25 | \$0.46 | \$2.96 |
| Indigenous peoples ² | \$0.81 | \$1.47 | \$0.51 | \$2.94 |

◆ KPMG has provided limited assurance of this figure.

¹ This section excludes Bank of the West and BMO Radicle activities. In 2023, the definition for sustainable outcomes was revised (See Glossary). Results for 2019 to 2022 have been restated.

² 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

Engagement¹

| | 2023 | 2022 | 2021 |
|---|-------|------|------|
| Companies engaged on sustainability topics | 1,003 | 848 | 781 |
| Board and senior executive level meetings held with companies | 415 | 219 | 223 |
| Engagements that influenced change ² | 220 | 216 | 320 |

Company engagement themes

| | 2023 | 2022 | 2021 |
|---|------|------|------|
| Corporate governance | 30% | 18% | 23% |
| Climate change | 24% | 29% | 21% |
| Environmental stewardship, including biodiversity | 15% | 19% | 8% |
| Human rights | 13% | 9% | 8% |
| Labour standards | 11% | 15% | 28% |
| Public health | 4% | 7% | 10% |
| Business conduct | 3% | 3% | 2% |

¹ Totals include engagements conducted on behalf of BMO GAM by the responsible engagement overlay (reo) service.

² Engagements are considered to have influenced change when an investee company makes tangible improvements in its policies and practices that align with our voting and engagement activities.

Operational efficiency¹

| Activity data | 2023 | 2022 | 2021 | Target |
|--|----------------|---------------|----------------|---|
| Employees (full-time equivalent) | 47,819 | 46,722 | 43,863 | |
| Occupied building space (m ²) ² | 1,478,541 | 1,543,776 | 1,615,796 | |
| Green-certified building space (%) | 26% | - | - | |
| LEED-certified building space (%) | 18% | - | - | |
| Energy consumption | | | | |
| Fuels (MWh) ^{3,4} | 171,809 | 168,418 | 171,115 | |
| Electricity and steam (MWh) ⁴ | 292,830 | 310,234 | 325,863 | |
| Renewable energy certificates (RECs) purchased (MWh) | 291,788 | 308,819 | 325,442 | |
| Electricity from renewable sources (% of electricity consumed) | 100% | 100% | 100% | 100% annually |
| Greenhouse gas emissions | | | | |
| Scope 1 emissions (tonnes CO ₂ e) ⁶ | 33,350 | 34,083 | 33,661 | 30% reduction by 2030 vs. 2019 baseline |
| Scope 2 location-based emissions (tonnes CO ₂ e) ^{6,7} | 56,357 | 54,788 | 63,634 | Progress to date: 34% ⁵ |
| Scope 2 market-based emissions (tonnes CO ₂ e) ^{6,7} | 315 | 295 | 88 | |
| Scope 3 category 1 emissions from purchased goods and services (tonnes CO ₂ e) ⁸ | Not available | Not available | 435,335 | |
| Scope 3 category 5 emissions from waste sent to landfill (tonnes CO ₂ e) ^{6,9} | 433 | 667 | 1,047 | |
| Scope 3 category 6 emissions from business travel (tonnes CO ₂ e) ^{6,10} | 11,820 | 6,297 | 1,919 | |
| Total operational GHG emissions (tonnes CO₂e) | 101,960 | 95,835 | 100,261 | |

(continued on next page)

¹ This section excludes Bank of the West. Metrics reflect August 1 through July 31.

² Represents buildings occupied as at the end of the reporting period.

³ Includes natural gas, heating oil, propane and diesel used to heat our buildings based on utility invoices, and fuel used in company-owned vehicles.

⁴ When actual natural gas or electricity data for our facilities is not available, we prepare estimates by applying energy use intensity factors based on energy use in similar buildings and geographies.

⁵ In the period from 2020 to 2023, the annual reduction in our GHG emissions either met or came close to our 2030 target due to significant capital upgrades to our buildings and the hybrid working arrangements we put in place following the COVID-19 pandemic. We plan to re-assess our operational GHG emissions reduction target in 2024 to account for the impact of our acquisition of Bank of the West.

⁶ An independent third party, Morrison Hershfield, has provided reasonable assurance for all of BMO's Scope 1 and Scope 2 emissions and some Scope 3 emissions. The verification statement can be found on our [website](#).

⁷ In accordance with GHG Protocol's Scope 2 Guidance, we report both location-based and market-based Scope 2 emissions. In calculating Scope 2 emissions related to electricity, we apply location-based Scope 2 grid emission factors, and we apply market-based Scope 2 emission factors for our REC purchases. Location-based Scope 2 emissions is used for the purposes of setting targets and tracking emissions.

⁸ Scope 3 category 1 emissions include Scope 1, 2 and 3 GHG emissions of our suppliers apportioned to BMO based on our purchasing spend. In accordance with the GHG Protocol, these emissions have been calculated using a spend-based approach, using fiscal year 2021 spend data and a combination of supplier emissions data and sector emission intensity factors provided by S&P. We have not independently validated the accuracy of those factors. There is a data lag to calculations due to the timing of release of supplier emissions data from CDP Supply Chain.

⁹ Scope 3 category 5 emissions include indirect GHG emissions from solid waste sent to municipal landfills from select facilities in North America, for which waste audits were conducted or diversion reports were available. Data availability represents approximately 21% of our occupied building space globally in 2023, 21% in 2022 and 21% in 2021. Other facilities are not represented, primarily due to difficulties in obtaining data from branch locations.

¹⁰ Scope 3 category 6 emissions include indirect GHG emissions from employee business travel in non-company owned assets, such as travel by air, rail, and ground, based on bookings made internally. Emissions from corporate fleets are included in Scope 1 emissions. There was a significant increase in 2023 due to COVID-19 travel restrictions lifting.



| Activity data (continued) | 2023 | 2022 | 2021 | Target |
|---|---------|---------|---------|------------------------------------|
| Greenhouse gas emissions (continued) | | | | |
| Scope 1 and 2 GHG intensity (tonnes CO ₂ e/FTE) | 1.88 | 1.90 | 2.22 | |
| Carbon credits retired (tonnes CO ₂ e) | 45,918 | 41,342 | 36,715 | |
| GHG reductions from RECs purchased (tonnes CO ₂ e) | 56,042 | 54,493 | 63,546 | |
| Net operational GHG emissions (tonnes CO ₂ e) | 0 | 0 | 0 | Carbon neutral operations annually |
| Global electricity supply procured from renewable sources (%) | 100% | 100% | 100% | 100% annually |
| Waste management | | | | |
| Waste generated – landfill (tonnes) ¹ | 756 | 692 | 790 | |
| Waste generated – recycled or reused (tonnes) ¹ | 1,730 | 1,629 | 1,499 | |
| Waste diverted from landfill (%) | 69.6% | 70.2% | 65.5% | |
| E-waste diverted from landfill (%) | 96.3% | 95.6% | 91.5% | |
| Water consumption | | | | |
| Water consumption (m ³) ² | 436,075 | 246,897 | 498,837 | |

¹ Represents data on waste generated from select facilities in North America for which waste audits were conducted or diversion reports were available. Data availability represents approximately 21% of our occupied building space globally in 2023, 21% in 2022 and 21% in 2021. Other facilities are not represented, primarily due to difficulties in obtaining data from branch locations.

² Represents data on water consumption from select facilities in North America for which water consumption data were available through utility invoices. Data availability represents approximately 49% of our occupied building space globally in 2023, 51% in 2022 and 52% in 2021. Other facilities are not represented due to limited source data.



Inclusive Society

Diversity, equity and inclusion

| Representation goals (%) | 2023 | 2022 | 2021 | Goal |
|---|---------|-------|-------|--------------------|
| Gender equity in senior leadership roles – enterprise-wide ¹ | 42.3% ◆ | 42.0% | 41.2% | 40% to 60% by 2025 |
| Gender equity in senior leadership roles – Canada and United States | 42.3% | 42.2% | 41.8% | |
| People of Colour in senior leadership roles – Canada ² | 25.4% ◆ | 25.1% | 24.2% | 31% by 2025 |
| People of Colour in senior leadership roles – United States | 26.6% ◆ | 26.5% | 24.5% | 30% by 2025 |
| Indigenous peoples across our workforce – Canada | 1.4% ◆ | 1.4% | 1.3% | 1.6% by 2025 |
| Persons with disabilities across our workforce – Canada and United States | 5.6% ◆ | 5.6% | 4.5% | 5% to 7% by 2025 |
| 2SLGBTQ+ representation across our workforce – Canada and United States | 5.0% ◆ | 4.3% | 2.2% | 3% by 2025 |
| Workforce (%) | | | | |
| Employees by age range | | | | |
| Gen Z | 14.1% | 12.8% | 9.6% | |
| Millennial | 43.5% | 44.1% | 43.4% | |
| Gen X | 30.6% | 31.0% | 32.9% | |
| Boomers | 11.8% | 12.1% | 14.1% | |
| Employees by seniority | | | | |
| Senior leadership | 1.4% | 1.5% | 1.5% | |
| Senior management | 16.3% | 16.9% | 15.8% | |
| Mid-career | 35.8% | 35.4% | 34.9% | |
| Early career | 46.5% | 46.2% | 47.8% | |

(continued on next page)

◆ KPMG has provided limited assurance of this figure.

¹ Our Zero Barriers to Inclusion goal for 2025 for gender equity in senior leadership roles is enterprise-wide.

² Apart from when used in alignment with Canada's Employment Equity Act, the term "visible minority" is replaced by "People of Colour" throughout this report.



| (continued) | 2023 | 2022 | 2021 | Target |
|---|-------|-------|-------|--------------|
| Gender (%) | | | | |
| Women in our workforce | 53.8% | 52.9% | 53.6% | |
| Women as a percentage of new employees | 54.7% | 51.1% | 53.3% | |
| Women by seniority | | | | |
| Executive officer | 27.3% | 27.3% | 27.3% | |
| Senior leadership | 42.3% | 42.0% | 41.2% | |
| Senior management | 35.3% | 35.2% | 34.3% | |
| Mid-career | 46.9% | 45.9% | 45.9% | |
| Early career | 66.0% | 65.2% | 66.1% | |
| Women promoted – enterprise-wide | 54.3% | 61.2% | 54.6% | |
| Women in technology positions | 24.5% | 24.3% | 23.2% | |
| Women in STEM positions | 31.8% | 31.3% | 31.6% | |
| People of Colour (%) | | | | |
| People of Colour in our workforce | | | | |
| Canada | 41.7% | 41.2% | 40.8% | |
| United States | 25.9% | 29.7% | 29.3% | |
| Student opportunities for Black, Indigenous and People of Colour – Canada and United States | 56.0% | 56.2% | 51.0% | |
| Black and Hispanic/Latino interns and entry-level employees – United States | 33.0% | 23.6% | 28.0% | |
| People of Colour employees promoted – Canada and United States | 36.9% | 39.5% | 59.9% | |
| Other | | | | |
| Employees educated to learn from difference ¹ | 96.7% | 93.3% | 89.6% | 100% by 2025 |

¹ This amount excludes Bank of the West. The metric was broadened in 2022 to include the development of diversity and inclusion-focused learning. Performance in 2022 and 2023 includes multiple programs (see Glossary).



Our employee value proposition

Talent attraction and retention

| Hiring | 2023 | 2022 | 2021 |
|--|--|-------------|-------------|
| Total number of new hires (#) | 8,647 | 12,480 | 8,989 |
| Open positions filled by internal candidates (%) | 46% | 42% | 53% |
| New hires by age range (%) | | | |
| Gen Z | 36.9% | 32.9% | 34.4% |
| Millennial | 45.2% | 48.9% | 48.2% |
| Gen X | 15.0% | 15.0% | 14.2% |
| Boomers | 2.9% | 3.2% | 3.2% |
| New hires by gender (%) | | | |
| Female | 54.7% | 51.1% | 53.3% |
| Male | 45.3% | 48.9% | 46.7% |
| New hires by race (%) | | | |
| People of Colour | 36.9% | 40.6% | 40.0% |
| New hires by seniority (%) | | | |
| Senior leadership | 0.4% | 0.3% | 0.2% |
| Senior management | 6.6% | 7.5% | 4.6% |
| Mid-career | 20.0% | 27.4% | 17.9% |
| Early career | 73.0% | 64.8% | 77.3% |
| Turnover (%) | 2023 | 2022 | 2021 |
| Total turnover rate¹ | | | |
| Enterprise-wide | 16.7% ◆ | 18.9% | 18.9% |
| Canada | 13.7% ◆ | 19.1% | 18.0% |
| United States | 23.3% ◆ | 18.8% | 20.6% |

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◆ KPMG has provided limited assurance of this figure.

¹ In 2022, we updated our calculation of turnover rate to reflect changes in the organization's structure to provide a consistent and accurate comparison of data over time. Results for 2021 have been restated to reflect this change.



| Turnover (continued) | 2023 | 2022 | 2021 |
|--|---------|-------|-------|
| Voluntary turnover rate^{1,2} | | | |
| Enterprise-wide | 11.8% ◆ | 15.9% | 15.0% |
| Canada | 10.6% ◆ | 16.5% | 15.0% |
| United States | 14.4% ◆ | 14.4% | 15.3% |
| Voluntary turnover rate by age range | | | |
| Gen Z | 26.7% | 39.0% | 38.0% |
| Millennial | 11.8% | 17.8% | 16.8% |
| Gen X | 5.8% | 7.5% | 7.2% |
| Boomers | 10.7% | 11.0% | 14.5% |
| Voluntary turnover rate by gender | | | |
| Female | 12.2% | 16.3% | 15.5% |
| Male | 11.2% | 15.3% | 14.0% |
| Voluntary turnover rate by race | | | |
| People of Colour | 10.0% | 17.2% | 15.8% |
| Non-People of Colour | 12.9% | 15.1% | 14.6% |
| Voluntary turnover rate by seniority | | | |
| Senior leadership | 2.7% | 4.9% | 5.3% |
| Senior management | 5.0% | 6.8% | 6.9% |
| Mid-career | 6.7% | 10.6% | 10.3% |
| Early career | 18.1% | 22.9% | 20.8% |
| Involuntary turnover rate³ | | | |
| Enterprise-wide | 5.0% | 3.1% | 4.0% |
| Canada | 3.1% | 2.6% | 3.1% |
| United States | 9.0% | 4.4% | 5.3% |

◆ KPMG has provided limited assurance of this figure.

¹ In 2022, we updated our calculation of turnover rate to reflect changes in the organization's structure to provide a consistent and accurate comparison of data over time. Results for 2021 were previously restated to reflect this change.

² In 2023, voluntary turnover rates declined in our Canadian and U.S. legacy operations, reflecting improvements in retention and the stabilization of the labour market following the relatively high turnover rates in the previous year. In the U.S. this improvement was offset by our inclusion of the results for Bank of the West, which had higher turnover rates than BMO U.S. both before and after the acquisition. Bank of the West employee exits are counted in turnover metrics beginning February 1, 2023.

³ We note increased involuntary turnover in both the U.S. and Canada as a result of management actions to streamline operations across our expanded North American footprint post Bank of the West acquisition.



Learning and skills development

| | 2023 | 2022 | 2021 | Target |
|--|-----------|-----------|-----------|----------------|
| Employees equipped with future-focused skills (#) ¹ | 21,620 | 19,400 | 7,560 | 20,000 by 2025 |
| Employees who received annual performance reviews (%) | 100% | 100% | 100% | 100% annually |
| Hours of learning (#) | 1,854,000 | 1,823,000 | 1,169,000 | |
| Average learning hours per full-time employee (#) | 33 | 40 | 27 | |
| Investment in learning and skills development (\$ millions) ² | \$96 | \$67 | \$60 | |

Employee engagement³

| | 2023 | 2022 | 2021 |
|--|---|------|------|
| Employee engagement index | 86% ◆ | 85% | 80% |
| Employee engagement index by age range (%) | | | |
| Gen Z | 86% | 85% | 83% |
| Millennial | 85% | 84% | 78% |
| Gen X | 87% | 87% | 81% |
| Boomers | 88% | 86% | 83% |
| Employee engagement index by gender (%) | | | |
| Female | 87% | 86% | 81% |
| Male | 85% | 84% | 79% |
| Employee engagement index by race (%) | | | |
| People of Colour – Canada | 86% | 85% | 80% |
| Non-People of Colour – Canada | 85% | 83% | 79% |
| People of Colour – United States | 88% | 89% | 83% |
| Non-People of Colour – United States | 87% | 87% | 80% |
| Employee engagement index by seniority (%) | | | |
| Senior leadership | 93% | 93% | 90% |
| Senior management | 87% | 87% | 82% |
| Mid-career | 87% | 86% | 79% |
| Early career | 85% | 84% | 80% |

◆ KPMG has provided limited assurance of this figure.

¹ The metric was broadened in 2022 to include engagement in “BMO Forward” plus a range of new learning programs that were launched to target future-focused skills. Performance in 2022 and 2023 includes multiple programs (see Glossary).

² There was a significant increase in 2023 due to the Bank of the West acquisition.

³ This section excludes Bank of the West.



Health and well-being

| | 2023 | 2022 | 2021 |
|------------------------|---------|--------|--------|
| Sick days ¹ | 107,554 | 90,228 | 73,644 |
| Fatalities | 0 | 0 | 0 |

Community impact

Community giving

| | 2023 | 2022 | 2021 |
|---|----------|--------|--------|
| Donations – Canada and United States (\$ millions) ² | \$84.0 ◆ | \$69.3 | \$66.3 |

Community giving by focus area (%)

| | 2023 | 2022 | 2021 |
|---|-------|-------|-------|
| Health and social services (includes hospitals and federated appeals) | 28.9% | 42.4% | 41.0% |
| Arts and culture | 15.3% | 20.2% | 20.9% |
| Education | 22.3% | 19.3% | 20.1% |
| Civic/community services and economic development | 20.3% | 14.2% | 13.6% |
| Other | 13.2% | 3.9% | 4.4% |

Employee giving and volunteering

| | 2023 | 2022 | 2021 |
|--|---------|---------|---------|
| Employee volunteer hours ^{2,3} | 62,000+ | 47,000+ | 31,000+ |
| Total pledged through BMO Employee Giving Campaign (\$ millions) | \$31.2 | \$27.0 | \$23.0 |

Pro bono program

| | 2023 | 2022 | 2021 |
|------------------------------------|------|------|------|
| Canada (#) | | | |
| Number of new agencies or projects | 0 | 0 | 0 |
| Total volunteer hours | 238 | 299 | 198 |
| Number of volunteers | 26 | 22 | 20 |
| United States (#) | | | |
| Number of new agencies or projects | 4 | 3 | 3 |
| Total volunteer hours | 136 | 170 | 534 |
| Number of volunteers | 30 | 14 | 45 |

◆ KPMG has provided limited assurance of this figure.

¹ This amount excludes Bank of the West.

² There was a significant increase in 2023 related to the Bank of the West acquisition.

³ Hours contributed in the United States (except U.S. pro bono) represent the calendar year.



Foundation of Trust

Corporate governance

| | 2023 | 2022 | 2021 |
|--|------|------|------|
| Number of Board members | 14 | 13 | 13 |
| Percentage of independent directors | 93% | 92% | 92% |
| Average annual Board attendance (%) | 98% | 99% | 99% |
| Average tenure of members of Board of Directors (years) | 8 | 8 | 7 |
| Women on Board of Directors (% of independent directors) | 54% | 50% | 50% |
| People of Colour on Board of Directors (% of independent directors) | 15% | 8% | 8% |
| Board members identified as having sustainability skills and experience (% of independent directors) | 77% | 75% | 75% |

Environmental and social risk management

Climate change

| | 2023 | 2022 | 2021 |
|--|--|-------|------|
| Lending to carbon-related assets – Metric 1 (non-renewable energy and power generation) ¹ (%) | 1.5% ◆ | 1.4% | 1.9% |
| Lending to carbon-related assets – Metric 2 (includes Metric 1 plus transportation, materials and buildings, and agriculture, food and forest products) ² (%) | 20.4% ◆ | 19.8% | – |

Equator Principles reporting

BMO became a signatory to the Equator Principles (EP) in 2005. The EP provide a risk management framework that has been adopted by financial institutions for identifying, assessing, and managing environmental and social risk in project-related transactions that fall within the scope of the framework. BMO recommitted to the EP in 2006 and 2012.

The Project Finance group within Corporate Banking serves as the first line of defence and is responsible for identifying whether a project-related transaction falls within the scope of the EP framework. The Corporate Banking team has more than a dozen members who review project-related transactions and confirm whether they comply with the EP framework, as part of the commercial lending process at BMO.

The Corporate and Commercial Credit team reviews the Corporate Banking recommendations and is responsible for approving such transactions.

The Sustainability Office, which reports to the Chief Sustainability Officer, is also involved in reviewing and confirming EP transactions, and is notified of EP transactions as part of Environmental and Social Risk Rating due diligence, as applicable. Corporate Banking regularly engages a third-party environmental consultant to assess the consistency of project-related financing transactions with the EP. If the consultant's findings call for further clarification, the Sustainability Office may be asked to provide additional guidance. This is determined on a case-by-case basis.

Additionally, if Corporate Banking determines that a transaction is not within the scope of the EP framework or does not require the engagement of a third-party consultant (i.e., for smaller or less complex transactions), the Sustainability Office can provide guidance to advise on the applicability of EP framework to the project, so that the Corporate Banking determination is aligned with the EP. The Sustainability Office may also be consulted on complex transactions when Corporate Banking or the Corporate and Commercial Credit team requires additional guidance.

The EP framework is incorporated into BMO's credit and risk management policies and procedures in alignment with the requirements of our Environmental and Social Risk General Financing Guideline, our Project Finance Financing Guideline, and certain sector-specific Financing Guidelines.

Additionally, BMO has developed internal training and guidance on the application of the EP framework.

◆ KPMG has provided limited assurance of this figure.

¹ This metric is aligned with the TCFD Recommendations' 2017 guidance and is defined as the value of net loans and acceptances connected to the energy and utilities sectors as a percentage of total net loans and acceptances, net of the allowance for credit losses on impaired loans. It does not include water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers and waste management companies.

² This metric is aligned with the TCFD Recommendations' 2021 guidance and includes sectors covered in Metric 1 as well as transportation, materials and buildings, and agriculture, food and forest products.



Project finance

In fiscal 2023, BMO closed eight project finance transactions under the Equator Principles IV. The breakdown is as follows:

| | Category A | Category B | Category C |
|---|------------|------------|------------|
| Sector | | | |
| Mining | 1 | 1 | 0 |
| Infrastructure | 0 | 0 | 1 |
| Oil and gas | 0 | 1 | 0 |
| Power | 0 | 3 | 0 |
| Others | 0 | 0 | 1 |
| Region | | | |
| Americas | 1 | 5 | 2 |
| Europe, Middle East and Africa | 0 | 0 | 0 |
| Asia Pacific | 0 | 0 | 0 |
| Country designation | | | |
| Designated | 1 | 5 | 2 |
| Non-designated | 0 | 0 | 0 |
| Independent review | | | |
| Yes | 1 | 5 | 1 |
| No | 0 | 0 | 1 |
| Total deals reaching financial close | 1 | 5 | 2 |

| Project | Sector | Host country/project location | Calendar year of financial close | Category |
|-------------------------------------|----------------|-------------------------------|----------------------------------|----------|
| Blackwater | Mining | Canada | 2023 | A |
| BW Gold Limited | Mining | Canada | 2023 | B |
| Crystal Hill Solar, LLC | Power | United States | 2023 | B |
| Moraine Sands Wind Power, LLC | Power | United States | 2023 | B |
| Paragon RNG LLC | Oil and gas | United States | 2023 | B |
| South Niagara Hospital DBFM Project | Infrastructure | Canada | 2023 | C |
| Sandy Ridge Wind 2, LLC | Power | United States | 2022 | B |
| Undisclosed | Other | United States | 2022 | C |



Project finance advisory services

No project finance advisory services transactions reached financial close in fiscal 2023.

Project-related corporate loans

Two project-related corporate loans reached financial close in fiscal 2023.

Project-related refinancing and acquisition finance

No project-related refinance or acquisition finance transactions reached financial close in fiscal 2023.

Data security

| | 2023 | 2022 | 2021 |
|--|--|-------|-------|
| Information Security and Privacy Matters training (% completion) ¹ | 99.3% | 99.7% | 99.1% |
| Substantiated complaints regarding breaches of customer privacy and losses of customer data (#) ² | 0 ◆ | 1 | 1 |
| Phishing test exercises per employee (#) ³ | 12 | 12 | 12 |
| Average phishing test pass rate in the past 12 months (%) | 96.5% | 97.1% | 94.6% |

Business conduct

| | 2023 | 2022 | 2021 |
|---|-------|-------|-------|
| Ethics training (% completion) ¹ | 99.4% | 99.7% | 99.0% |
| Anti-bribery and anti-corruption training (% completion) ¹ | 99.3% | 99.7% | 99.2% |

Human rights

| | 2023 | 2022 | 2021 |
|-------------------------------|---------|---------|---------|
| Human Rights learning (hours) | 284,827 | 254,286 | 222,699 |

Customer experience

| Customer loyalty ⁴ | 2023 | 2022 | 2021 |
|---|-----------|-----------|-----------|
| Customer loyalty surveys completed (#) | 1,150,547 | 1,086,075 | 1,041,742 |
| Net Promoter Score® (NPS) – enterprise-wide | 59 | 57 | 55 |

◆ KPMG has provided limited assurance of this figure.

¹ This amount excludes Bank of the West. Completion rates above 95% are considered acceptable from a risk management perspective.

² In 2021, we updated the definition of substantiated complaints to include any complaints determined to be well-founded by a privacy regulator.

³ BMO's procedures and frequency in conducting phishing tests either meet or exceed industry standards.

⁴ This section excludes Bank of the West.



Escalated complaints in 2023

In Canada, if customers are dissatisfied with the resolution of their complaint, they can escalate the complaint for further review; there are two levels of escalation. In the United States, escalation occurs when front-line teams working to resolve a customer complaint seek assistance and further review from other areas within the bank, or when a complaint is submitted to a BMO executive or external regulatory organizations. In each jurisdiction, less than 3% of all complaints were escalated in 2023. One of the primary reasons for escalation in both jurisdictions was third-party financial scams and fraud. Service issues and fees also accounted for a significant number of escalated complaints, particularly with rising interest rates and market volatility. We apply the insights gained from reviewing complaints to improve our product and service offerings.

In Canada, escalated volumes doubled from 2022 as the Financial Consumer Protection Framework became effective in 2023, broadening the definition of a customer complaint and introducing more stringent requirements for logging complaints. Another driver of increased escalation volumes was customer fraud and scams. In the United States, we doubled the size of our customer base as we completed the acquisition of Bank of the West. The percentage of escalated complaints remained relatively flat year-over-year at just under 3%. In addition, a new centralized process was implemented across the U.S. Customer Advocacy team for promotional offer concerns, leading to improved reporting of these concerns.

Canada

| | |
|----------------------|-----|
| Fraud | 23% |
| Quality of service | 12% |
| Fees and charges | 7% |
| Transaction issues | 5% |
| Interest issues | 4% |
| Payment issues | 3% |
| Product features | 3% |
| Chargeback issues | 3% |
| Credit bureau issues | 2% |
| Other | 38% |

United States

| | |
|--|-----|
| Promotional offers on deposit accounts | 23% |
| Mortgage and lending – servicing and collections | 19% |
| Fraud | 15% |
| Digital banking issues | 7% |
| Quality of service | 6% |
| Deposit account fees | 2% |
| Other | 28% |

Innovation and digitalization

| | 2023 | 2022 | 2021 |
|---|-------|-------|-------|
| Active digital users – North America (thousands) ¹ | 3,898 | 3,598 | 3,417 |
| Self-serve transactions – North America (%) | 90.7% | 89.9% | 89.6% |
| Digital adoption – Canada (%) ² | 72.1% | 70.3% | 68.3% |
| Digital adoption – U.S. (%) ^{2,3} | 60.7% | 55.6% | 51.8% |

¹ Reclassification of data occurs over time. Results for 2021 and 2022 have been restated, with minor changes.

² In 2022, the methodology for measuring digital adoption was revised to exclude customers with only joint accounts, in order to align with an external benchmark. Results for 2021 were previously restated to reflect this change.

³ This amount excludes Bank of the West.

Glossary

2SLGBTQ+

2SLGBTQ+ refers to individuals who identify as two-spirit, lesbian, gay, bisexual, trans man, trans woman, queer, genderqueer, pansexual, X, asexual, non-conforming and other.

2SLGBTQ+ representation across our workforce

The number of BMO employees who identify as 2SLGBTQ+ as a percentage of the total BMO workforce. Includes all permanent BMO 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 digital users

The number of BMO deposit customers who logged into online or 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

In 2023, we removed pre-boomers from our data due to the small population size.

Anti-Bribery and Anti-Corruption training

The percentage of BMO employees who have 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.

Average learning hours per full-time equivalent employee

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

Average phishing test pass rate in the past 12 months

The number of BMO employees who successfully completed a randomly conducted phishing test, as a percentage of all BMO employees tested, in a given year.

Black and Hispanic/Latino interns and entry-level employees

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

Canadian defence community customers

The number of BMO customers (and their families) who are members of Canada’s defence community, and who have received exclusive offers through the Canadian Defence Community Banking program. This includes BMO customers who are employed in the Canadian defence and security sectors, including Canadian Armed Forces veterans and members of the National Police Federation and Canadian Coast Guard. The number is reported as at the specified date, and for Canada only.

Capital directed to affordable and accessible housing

The total authorized amount of lending to clients with developments that meet the definition of ‘affordable’ housing set out by Canada Mortgage and Housing Corporation (CMHC), the total authorized amount of loans for BMO On-Reserve Housing Loan Program (see definition), and the total amount of securitized affordable mortgage pools under the Canada Mortgage Bond program.

Carbon credits retired

A carbon credit is a tradeable certificate representing one tonne of CO₂e from GHG emission reductions or GHG removals. By retiring the carbon credits in a public registry, we are able to offset a portion of our operational emissions. Retiring carbon credits ensures they cannot be used again or further traded.

Circular economy

A systems solution framework, driven by design, that addresses global challenges such as climate change, biodiversity loss, waste, and pollution. It is based on three principles: eliminate waste and pollution, circulate products and materials (at their highest value), and regenerate nature. Source: [Ellen MacArthur Foundation](#)

Climate commercialization

Business strategies and offerings – products, services, and advice – that support our clients in their transition to a net-zero world. This would include financing or other banking activities that help our clients advance climate mitigation and adaptation efforts.

Climate finance

Capital mobilized for clients and projects pursuing positive climate outcomes across transaction types: sustainable bond underwriting, loans to clients and projects pursuing sustainable outcomes, sustainable equity and debt financing, sustainable finance advisory services, and sustainable investments (see individual definitions for each transaction type). Positive climate outcomes could include clean transportation, low-carbon energy, green buildings, waste management and sustainable agriculture (see individual definitions of each outcome under “sustainable outcomes”).

Customer loyalty surveys

A method for collecting feedback from BMO customers and measuring their experience involving transactions or relationships with BMO. The 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.

Customers in crisis

Customers who are facing financial hardship because of an emergency situation.

Digital adoption

The percentage of BMO deposit customers who logged into online or mobile banking in the last 90 days, excluding joint account-only customers.

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 identify opportunities for improving 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 BMO 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 donations. 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.

Employees educated to learn from difference

The number of BMO employees who were active or on paid leave at the end of the fiscal year and completed one or more of BMO’s *Learn from Difference* programs during the year, as a percentage of all BMO employees who were active or on paid leave at the end of the fiscal year.

Glossary

Employees equipped with future-focused skills

The number of BMO employees who have completed one or more of BMO's future-focused learning and skills development programs, aimed at increasing acumen in critical skill areas for the future of work, either developed internally or offered through vendor partnerships. Reported for all BMO employees with an "active" status, as well as covered contingent talent.

Employee volunteer hours

The total amount of time recorded (in hours) that BMO employees have dedicated to volunteering, including time volunteered both during and outside working hours

Employees who received annual performance reviews

The number of BMO employees who have 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 BMO employees who completed the Code of Conduct course in 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

An individual who is a chair, vice-chair or president; a chief executive officer or chief financial officer; or a vice-president in charge of a principal business unit, division or function, including sales, finance or production; or who is performing a policy-making function.

Facilitated emissions

Refers to GHG emissions attributable to financial institutions in their role as facilitators in the issuance of capital market instruments.

Fatality

Any death due to a workplace injury/accident.

Financed emissions

A financial institution's Scope 3 category 15 emissions as defined by the Corporate Value Chain Accounting and Reporting Standard of the GHG Protocol and the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. Includes relevant Scope 1, 2 and 3 emissions of BMO clients, 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 BMO 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-time and part-time employees across 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.

Green-certified building space

Represents buildings occupied as at the end of the reporting period with green building certifications that include LEED, ISO 14001, EPA Energy Star, BOMA, BREEAM and BEAM, out of the global occupied building space.

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

The total amount of time (in hours) that BMO employees spend to complete the core courses of 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 courses related to human rights in the BMO *Learn from Difference* programs (refer to "Employees enabled to learn from difference" definition).

Indigenous banking business

The total outstanding amount of all loans, deposits and term investments originated or administered by BMO for Indigenous communities and businesses in Canada 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 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 BMO employees who have 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.

Interested party

Entity or individual that can reasonably be expected to be affected by BMO's activities, products and services, or whose actions can reasonably be expected to affect BMO's ability to successfully implement strategies and achieve objectives. Includes employees, customers, shareholders, suppliers, local communities, government, civil society organizations, among others.

Investment in learning and skills development

The total enterprise cost of learning hours and skills development programs, which includes the design, development and delivery of formal and informal learning programs and resources, participation in external programs and certifications (including tuition, travel and materials), and management of learning technologies and the BMO Institute for Learning (IFL).

Involuntary turnover rate

The number of permanent BMO employees who were involuntarily terminated during the reporting period, as a percentage of the average total number of permanent BMO employees at the start and end of the reporting period. Involuntary terminations include employee departures initiated by BMO, such as layoffs, dismissals, or terminations for cause.

LEED-certified building space

Represents buildings occupied as at the end of the reporting period with Leadership in Energy and Environmental Design (LEED), out of the global occupied building space.

Lending to carbon-related assets (Metric 1)

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 the allowance for credit losses on impaired loans, and is reported as at the specified date.

Lending to carbon-related assets (Metric 2)

The value of net loans and acceptances for sectors covered in Lending to carbon-related assets (Metric 1) as well as transportation, materials and buildings, and agriculture, food and forest products. The amount is expressed as a percentage of total loans and acceptances, net of the allowance for credit losses on impaired loans, and is reported as at the specified date.

Glossary

Loans for clients and projects pursuing sustainable outcomes

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 pursuing social sustainability outcomes (e.g., women-owned businesses and Indigenous communities and individuals), or clients using the funds for sustainable purposes (e.g., loans for electric and hybrid vehicles, and loans eligible for recognition under the terms of the *Community Reinvestment Act* (U.S.)).

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.

Net Promoter Score (NPS)

The percentage of BMO customers who would recommend BMO to a friend or colleague. Data is gathered in a survey that uses a 10-point scale. “Detractors” are defined as those who provide a rating between zero and 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”.

Newcomers to Canada

Immigrants, permanent residents, foreign workers, and international students, as well as displaced Ukrainian citizens.

New hires

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

New women employees

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

Open positions filled by internal candidates

The number of open positions at BMO filled by current BMO employees as a percentage of the total number of open positions at BMO, adjusted for entry-level roles and campus

internship positions, which by definition 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 facing disability, accessibility, linguistic or literacy challenges

We define disability as any physical, mental, intellectual, cognitive, learning, communication, functional and/or sensory impairment or limitation that, in interaction with a barrier, hinders a person’s full and equal participation in society.

People of Colour employees promoted

The number of BMO employees who identify as People of Colour who were promoted as a percentage of the total number of promotions at BMO in the fiscal year. The number is reported for Canada and the United States.

People of Colour in our workforce

The number of BMO employees who identify as People of Colour as a percentage of the total BMO workforce. Includes all permanent BMO 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.

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 the following groups: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races. The number is reported for the United States only.

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 a potential employer is likely to consider them to be disadvantaged in employment by reason of their disability.

Disabilities may be visible or not visible. The number is reported for Canada and the United States.

Phishing test exercises per employee

The total number of random phishing tests that were conducted per BMO employee within a given year.

Pro bono program

Our pro bono program was launched in 2015 to provide legal services to low-income and vulnerable community members who are unable to afford these services. BMO employees volunteer their time and skills to help individuals with legal advice and access to justice. They handle a variety of matters, from education support for students in need to assistance for seniors and claims for asylum. Our program welcomes contributions from across the organization and is primarily staffed by legal and compliance professionals.

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 are released from sources that are owned or controlled by the company (e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles); and include emissions from the chemical production in owned or controlled process equipment. Source: [GHG Protocol](#).

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. There are two methods for Scope 2 accounting. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposely chosen. It derives emission factors from contractual instruments. Source: [GHG Protocol](#).

Scope 3 emissions

A reporting organization’s indirect emissions other than those covered in Scope 2. A company’s Scope 3 emissions include emissions associated with the extraction and production of purchased materials, the transportation of purchased fuels, the use of sold products and services, and financed emissions. Source: [GHG Protocol](#).

Self-serve transactions

Self-serve transactions are transactions that are completed online, mobile, in ATM networks and telephone banking.

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.

Senior citizens

Individuals 60 years of age or older, who are conducting transactions for personal purposes.

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 either an active business credit card or business lending relationship (or both) with BMO. The number is reported as at the specified date, and for the United States only.

Small business lending – Canada

The total monetary value of loans to BMO business customers across Canada with annual revenues of \$10 million or less and/or lending needs under \$1.5 million. The number is reported as at the specified date and for Canada only.

Student opportunities for Black, Indigenous, People of Colour youth

Student interns in Canada who started in the fiscal year and identified as People of Colour or Indigenous during the application process, as a percentage of all student interns in Canada who started at BMO in the fiscal year.

Students in Canada

Students in Canada who are attending a college or university, including international students and students attending medical or dental school.

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 at BMO.

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 total 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 we account for our proportionate share of the deal value where BMO played a non-lead role.

Sustainable financing

Capital mobilized for clients and projects pursuing sustainable outcomes across transaction types: sustainable bond underwriting, loans to clients and projects pursuing sustainable outcomes, sustainable equity and debt financing, sustainable finance advisory services, and sustainable investments (see individual definitions for each transaction type).

Sustainable finance advisory services

The total monetary value of capital raised in advisory services, such as initial public offerings and special purpose acquisition companies, which 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 deployed by BMO for the BMO Impact Investment Fund; that were recognized under the terms of the *Community Reinvestment Act* (U.S.); or directed to operational efficiency improvements in our corporate real estate portfolio.

Sustainable outcomes

For the purpose of tracking progress toward our sustainable finance commitment, sustainable outcomes include sectors and activities that contribute to sustainability outcomes related to but not limited to:

- Clean transportation: electric and hybrid vehicles, vehicular and mechanical efficiency, vehicle battery technology for private or public transportation.
- Education: secondary and post-secondary institutions, special purpose institutions, educational support services.

- General green: transactions labelled as green or transactions that involve multiple green outcomes (as listed here).
- General social: transactions labelled as social or transactions that involve multiple social outcomes (as listed here).
- General sustainable: transactions labelled as sustainable or transactions that involve multiple green and social outcomes (as listed here).
- Green buildings: energy efficiency, properties with, or that plan to obtain, 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 and energy storage.
- 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.
- Gender equality: women-owned businesses.

Total pledged through BMO Employee Giving Campaign

The total amount of money pledged by employees for local United Way organizations and other charities across our footprint during the BMO Employee Giving Campaign.

Total turnover rate

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

Underserved communities, people with low or moderate household income

Communities or people who are facing financial challenges because of low wages, rising prices and economic uncertainty.

Voluntary turnover rate

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

Women in executive officer roles

The percentage of executive officers at BMO (see definition) 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 the total BMO workforce. Includes all permanent employees at BMO Financial Group in Canada and the United States, as well as all active BMO employees and employees on paid leave. Data is reported as at the specified date.

Women in STEM positions

The number of women employees across BMO who work in the areas of Data analytics and reporting or Technology, as a percentage of all employees working in these areas.

Women in technology positions

The number of women employees in the Technology and Operations line of business across BMO who work in the areas of Technology governance, Technology leadership or Technology operations, as a percentage of all employees working in these areas.

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.

Women promoted

The number of women promoted at BMO, as a percentage of the total number of promotions at BMO in the fiscal year.

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, sustainable investment targets, BMO's Climate Ambition, net zero financed emissions targets, reducing operational GHG emissions, inclusivity, diversity and development. 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, both general and specific in nature. 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 there is significant risk that 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 and standardization of climate-related measurement methodologies, climate-related conditions and weather events, 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, the evolution of customer behaviour, international cooperation, the development of regulations internationally, the challenges of balancing emission reduction targets with an orderly and inclusive transition and geopolitical factors that impact global energy needs, our ability to gather and verify data, 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, general economic and market conditions in the countries in which we operate, exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters, global capital markets activities and those other factors set out in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report that may affect our future results and our ability to anticipate and effectively manage risks arising from all of the foregoing factors. 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.

Material economic assumptions underlying the forward-looking statements contained in this document include those set out in the Economic Developments and Outlook section, and the Allowance for Credit Losses section, of BMO's 2023 Annual Report, as updated by quarterly reports.

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.

Other disclaimers

This report includes voluntary disclosures on customer growth and support, sustainable lending and underwriting targets, sustainable investment targets, operational GHG emissions and targets, climate-related opportunities and risks, governance, strategy, risk management and metrics and targets that may not be, and are not required to be, incorporated into our mandatory 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.

Any third-party information contained in this report or otherwise used to derive information in this report is believed to be reasonable and reliable, but no representation or warranty is made by BMO as to the quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information. Specifically, the methodologies utilized to measure operational GHG emissions and financed emissions, set targets and track future progress against these targets, use emissions information and estimates that have been derived from third-party sources, which Bank of Montreal believes to be reasonable. Further, in the absence of counter party specific emissions data, some financed emissions will be estimated using the best information available, including that provided by third-party sources. In no event shall Bank of Montreal be liable (whether in contract, tort, equity or otherwise) for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such information contained herein. Certain third-party information, such as Scope 3 emissions and emissions factors, may change over time as methodologies evolve and are refined. These inherent weaknesses with current methodologies and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Bank of Montreal. While we are not aware of any misstatements regarding the industry, company or market data presented in this report, such data and estimates involve important uncertainties, risks, and assumptions and are subject to change based on various factors, including those discussed under the heading "Cautionary statement regarding forward-looking information" above.

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