

BMO Financial Group

2023 Sustainability Accounting Standards Board (SASB) Disclosure

The Sustainability Accounting Standards Board (SASB) has developed a set of industry-specific standards to help businesses identify, manage and disclose information related to sustainability that could have material financial significance for investors and other interested parties.¹

BMO's 2023 SASB Disclosure aligns with the SASB Standards that are relevant to our operating groups and lending activities, including the standards for asset management and custody activities, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance, as applicable. Our reporting includes references to other published materials where the information can be found, and covers the year ended October 31, 2023. BMO has been preparing disclosures aligned with the SASB Standards since 2019.

The SASB standards are now a part of the IFRS Foundation. The IFRS Foundation's International Sustainability Standards Board (ISSB) is maintaining and enhancing the SASB standards to enhance international applicability to support the implementation of *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 - Climate-related Disclosures*. We acknowledge the release of updated SASB Standards in June 2023 to align with IFRS S2 and in December 2023 to improve the ease of application of SASB Standards and IFRS S1. We have begun to adopt new topics and metrics related to financed emissions from the June 2023 update and will continue to evolve our SASB disclosures in line with ISSB requirements.

Legend

AR - [BMO Financial Group 2023 Annual Report to Shareholders](#)

Climate Report - [2023 Climate Report](#)

Data Pack - [2023 Sustainability Report Data Pack and Glossary](#)

PC - [Notice of Annual Meeting of Shareholders and Management Proxy Circular](#)

Supplementary Information - [Supplementary Financial Information for the Quarter Ended October 31, 2023](#)

Sustainability Report - [2023 Sustainability Report and Public Accountability Statement](#)

¹ This report includes or refers to voluntary disclosures on sustainability topics, including climate-related risks and opportunities, that may not be, and are not required 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.



SASB code	SASB accounting metric	2023 disclosure
DISCLOSURES CROSSING MULTIPLE SECTOR STANDARDS, REPORTING AT A BMO FINANCIAL GROUP LEVEL		
Business ethics		
FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities, and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	See page 80 (Business conduct – Committed to doing what's right) and page 81 of the Sustainability Report (Business conduct – Whistleblower Channel).
Data security		
FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	See page 26 of the Sustainability Report (Tracking our progress – Substantiated complaints regarding breaches of customer privacy and losses of customer data).
FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<p>See page 76 (Data security) and page 78 of the Sustainability Report (Financial Crimes Unit).</p> <p>The following information pertains to BMO Financial Group:</p> <p>Approach to identifying vulnerabilities in information systems that pose a data security risk</p> <ul style="list-style-type: none"> • BMO's vulnerability identification and remediation process aligns with industry standards, including the requirements for information security certification under ISO 27001:2013, and is independently audited for compliance and operational effectiveness on an annual basis. BMO conducts periodic external and internal vulnerability scans utilizing an industry-leading software solution. An independent partner also conducts external penetration testing at least once a year. Identified vulnerabilities are verified, risk-rated, tracked, monitored and reported on for timely remediation within established targets. • BMO continues to invest in enterprise technological infrastructure including a state-of-the-art security hub, and our "follow-the-sun" operating model enables our teams to work globally across North America, Europe and Asia to detect, prevent, respond to, and recover from security threats and incidents. At the same time, we continually enhance processes to improve BMO's capabilities to prevent, detect and recover from cyber security threats and incidents, in order to keep customers, employees and their data safe. • BMO also works with various suppliers of security and software to augment internal resources and technology capabilities, with the objective of responding effectively in a rapidly evolving threat landscape. <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
DISCLOSURES CROSSING MULTIPLE SECTOR STANDARDS, REPORTING AT A BMO FINANCIAL GROUP LEVEL (continued)		
Data security (continued)		
FN-CB-230a.2 FN-CF-230a.3 (continued)	Description of approach to identifying and addressing data security risks (continued)	<p>Approach to addressing data security risks and vulnerabilities</p> <ul style="list-style-type: none"> • BMO is committed to keeping customer information secure, while also providing professional business services at a high level of reliability. We follow established cyber security practices in our internal IT environment, which meets international standards as well as industry and business expectations. To address the rapidly evolving threat landscape, we utilize resilient, agile technologies and we make significant investments in the continuous improvement of BMO's information security posture. • BMO is also committed to building and maintaining a solid foundation for our information security position by providing appropriate management support, and by instilling an enterprise-wide culture of security awareness. This involves: <ul style="list-style-type: none"> - A three-lines-of-defence model that supports effective risk management and compliance monitoring. - Appropriate segregation of duties, organizational structures, reporting lines, authorities and security responsibilities. - A dedicated security risk governance function that monitors key risk metrics in order to assess the current state of our business operations and risk profile. • BMO continuously monitors and mitigates any exposure to information security risks. This involves the implementation of: <ul style="list-style-type: none"> - Policies and standards for information security and privacy. - Secure processes for the classification, handling and storage of information. - Data loss prevention technologies to monitor for potential data leakage. - End-point protection and network security. - An annual mandatory security awareness learning program for all employees. - Frequent reporting to our executives, external regulators, and internal and external auditors. - Self-assessment against recognized frameworks and process benchmarking. <p>Trends observed in type, frequency and origination of attacks on data security and information systems</p> <ul style="list-style-type: none"> • No single area is more vulnerable to attack than any other area. As BMO is a large enterprise with a significant technology and user footprint, our infrastructure and employees may frequently be subject to an opportunistic attack, and less frequently to a targeted attack. Any such events are in line with the overall industry threat landscape and risk profile. <p>Policies and procedures for disclosing incidents involving breaches of data security to customers</p> <ul style="list-style-type: none"> • Depending on the nature of the breach, incidents involving suspected or actual breaches of data security or information systems must be reported to either our Privacy Office or our Information Security team, which then manages our response to the incident. This includes notifying BMO's regulators and affected customers in accordance with all applicable regulatory requirements and business agreements. <p>Data and system security efforts related to new and emerging cyber threats and attack vectors</p> <ul style="list-style-type: none"> • The BMO Financial Crimes Unit is responsible for managing all aspects of cyber security, information security, internal and external fraud, crisis and continuity management, and physical security. The unit brings together capabilities previously distributed from across the enterprise within an integrated central function, with a fusion centre operating model that supports both intelligence-gathering and response recovery. • BMO has a highly qualified Cyber Threat Intelligence and Analytics team, which proactively monitors emerging threats that could impact BMO's employees, processes, technology and customers by gathering and analyzing threat-related information from various commercial, industry, government, internal and open sources. The team also conducts threat hunting exercises on a regular basis to identify potentially malicious activity. We continually evaluate our cyber security controls in response to threat intelligence reports and forecasts. <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
DISCLOSURES CROSSING MULTIPLE SECTOR STANDARDS, REPORTING AT A BMO FINANCIAL GROUP LEVEL (continued)		
Data security (continued)		
FN-CB-230a.2 FN-CF-230a.3 (continued)	Description of approach to identifying and addressing data security risks (continued)	<p>Data and system security efforts related to new and emerging cyber threats and attack vectors (continued)</p> <ul style="list-style-type: none"> We continue to make investments in defensive technology, internal processes and human resources in order to prevent, or detect and manage any emerging cyber security threats within BMO. These measures include the benchmarking and review of best practices across the banking and cyber security sectors, evaluating the effectiveness of our key controls and developing new controls as necessary, all of which inform our ongoing investments in technology and human resources. In addition, senior management reviews BMO's information security management system at regular intervals to ensure its day-to-day suitability, adequacy and effectiveness, and makes timely decisions for continuous improvement. <p>Degree to which BMO's approach is aligned with external standards or frameworks and/or legal or regulatory frameworks for managing data security</p> <ul style="list-style-type: none"> BMO is a highly regulated organization and is subject to independent reviews on a periodic basis. Based on our benchmarking, we have determined that BMO's cyber security capabilities are on par with our industry peers, are aligned with the framework of the U.S. National Institute of Standards and Technology (NIST), and meet the requirements for ISO 27001:2013 certification in information security. We have achieved the target maturity level for all identified controls, and we continue to enhance our cyber security position in response to cyber threat intelligence reports and forecasts. BMO was the first Canadian bank to obtain ISO 27001 certification for information security, and we have also been certified (Tier IV) by Uptime Institute for our high-fault-tolerant data centre.
Employee diversity and inclusion		
FN-AC-330a.1 FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<p>See page 25 of the Sustainability Report (Tracking our progress – Diversity, equity and inclusion). See page 8 of the Data Pack (Diversity, equity and inclusion).</p> <p>Leadership accountability</p> <ul style="list-style-type: none"> At BMO, our leaders' advocacy for diversity, equity and inclusion (DEI) starts at the top – our CEO, Darryl White, is a champion of inclusivity. In November 2017, on his first day as CEO, Mr. White signed on as a Catalyst CEO Champion for Change and affirmed his commitment to "reviewing and improving the pipeline of women of diverse backgrounds for advancement and empowering them with a strong support system." Mr. White is Chair, Catalyst Canada Advisory Board, and has been a member of the Board of Directors of Catalyst since March 2021. In 2020, on behalf of BMO, Mr. White signed the BlackNorth CEO Pledge. In 2012, we established the BMO Leadership Committee for Diversity, Equity and Inclusion (LCDEI), an enterprise-wide committee of more than 20 senior executives, which oversees our progress toward the achievement of our DEI objectives and enables inclusive practices with our colleagues, customers and communities. The committee is co-chaired by Sharon Haward-Laird, General Counsel, a member of the BMO Executive Committee who is appointed by the CEO. The LCDEI sets out the strategic DEI priorities that guide BMO's development, along with specific action plans and aspirational workforce representation goals. A DEI update is presented to the Board of Directors on an annual basis. We have included an assessment of BMO senior leaders' performance in supporting diversity goals, and we link executive compensation to our DEI priorities. In addition, all employees' annual Personal Performance Assessments include an assessment of their contributions to promoting the value of DEI in the workplace. The BMO model for DEI governance combines leadership accountability and a grassroots approach, with support from more than 25,000 members of our 11 Employee Resource Groups (ERGs). Each ERG is sponsored by at least one senior executive. <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
DISCLOSURES CROSSING MULTIPLE SECTOR STANDARDS, REPORTING AT A BMO FINANCIAL GROUP LEVEL (continued)		
Employee diversity and inclusion (continued)		
FN-AC-330a.1 FN-IB-330a.1 (continued)	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees (continued)	<p>Workforce representation</p> <ul style="list-style-type: none"> • BMO establishes aspirational workforce representation goals by identifying gaps, removing barriers and holding leaders and managers accountable for supporting our workforce goals. We include a Workforce Representation Dashboard in the materials prepared for the Performance Committee since 2018. Chaired by the CEO and consisting of 40 of BMO's most senior leaders, this committee meets quarterly to discuss progress on our aspirational goals. In 2021, the Diversity Dashboard was expanded to incorporate an in-depth qualitative overview of our progress on the BMO Zero Barriers to Inclusion strategy and a quarterly view of workforce representation of diversity across the workforce. • In 2020, BMO announced five-year aspirational workforce representation goals that address specific gaps in workplace equity for members of equity-deserving communities, including Black, Indigenous, People of Colour, Latino and 2SLGBTQ+ individuals. Our workforce representation is an ambitious extension of the multi-year inclusion strategy we set out in 2017. In 2021 and 2022, we reported our progress toward these goals every quarter. In 2023, we welcomed approximately 9,000 employees through the acquisition of Air Miles and Bank of the West, and we made further improvements in workforce representation, including: <ul style="list-style-type: none"> - Black senior leaders; - 2SLGBTQ+ employees; - employees identifying with a visible or invisible disability; and - accelerated the Indigenous inclusion strategy. • Since 2020, we have made progress relative to 8 of 9 aspirational workforce representation goals. <p>Culture of inclusion</p> <ul style="list-style-type: none"> • BMO enables an online voluntary option for employees to self-identify during onboarding, and is available throughout their tenure. On a regular basis, BMO activates an awareness campaign, referred to Count Me In (CMI), to highlight the importance of employees being open about their individual differences and promoting individual needs as they relate to our DEI priorities. We are able to measure our progress, identify gaps in workforce equity and focus on opportunities to better meet our employees' needs by investing in programs that provide intentional educational resources and development. CMI is designed to foster ongoing trust among our employees, enhance employee understanding of commonalities and distinctions across colleagues, reinforce the purpose of self-identification and inspire belonging. In 2021, the regular CMI launched and primarily focused on self-identification among employees with disabilities. Its mandate has broadened to encourage self-identification and self-advocacy across all diverse segments. We continue to simplify the steps to self-identification for our employees with enhanced digital options and reinforce data governance principles related to personal information. • The CMI campaign takes a holistic enterprise-wide approach that engages leaders and employees across all lines of business to encourage self-identification for all BMO employees, with support from members of our Employee Resource Groups (ERGs). In order to build awareness among our leaders and employees about the business value of inclusivity, we share practical actions and behaviours for creating an inclusive environment in the workplace. The CMI Campaign includes the North American workforce and by the end of 2023, over 86% have self identified. • We continue to advance the inclusion journey and learning roadmap, focused on building capabilities to foster a work environment that is psychologically safe. • In the Annual Ambition 2025 Winning Culture Checkup, 90% of employees said that BMO values diversity of thought and inclusion of all people, backgrounds and experiences. <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
DISCLOSURES CROSSING MULTIPLE SECTOR STANDARDS, REPORTING AT A BMO FINANCIAL GROUP LEVEL (continued)		
Systemic risk management (continued)		
FN-CB-550a.2 FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Stress testing is a key element of our risk and capital management frameworks. See page 85 of the AR (Stress Testing). We are developing a climate scenario analysis program to explore climate-specific vulnerabilities to enhance our resilience to climate-related risks, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This program includes the evaluation of transition and/or physical risks, where relevant and potentially significant, across a selection of climate-sensitive portfolios, and we will continue to expand the scope of these analyses across sectors and risk types in line with internal policies and any applicable regulatory requirements. This program will be integrated into stress testing and capital adequacy assessment as capabilities mature and in alignment with regulatory expectations. See page 116 of the AR (Environmental and Social Risk); and page 39 of the Climate Report (Climate-related scenario analysis).
ASSET MANAGEMENT AND CUSTODY ACTIVITIES		
Activity metrics		
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management	BMO reports assets under administration and assets under management (AUM). See page 52 of the AR (BMO Wealth Management – Key Performance Metrics and Drivers). BMO does not disclose a breakdown of registered and unregistered AUM.
FN-AC-000.B	Total assets under custody and supervision	OSFI requires that BMO, as a domestic systemically important bank (D-SIB), disclose on an annual basis information related to the 13 indicators utilized in the global systemically important bank (G-SIB) assessment methodology, including assets under custody. See the Disclosure for Global Systemically Important Banks section in our 2023 Q3 Report to Shareholders .
Transparent information & fair advice for customers		
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers. Include a description of the nature, context, and any corrective actions taken as a result of the monetary losses	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities, and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
Incorporation of ESG Factors in Investment Management & Advisory		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening	We include this information in BMO's annual reporting on the Principles for Responsible Investment (PRI). Our most recent report is available on the PRI website .
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	See page 45 of the Sustainability Report (Sustainable finance – Responsible investing). Further information: page 16 of the Climate Report (Strategy). BMO Global Asset Management Responsible Investing Policy . (continued on next page)

SASB code	SASB accounting metric	2023 disclosure
ASSET MANAGEMENT AND CUSTODY ACTIVITIES (continued)		
Incorporation of ESG Factors in Investment Management & Advisory (continued)		
FN-AC-410a.2 (continued)	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies (continued)	<p>The following information pertains to BMO Global Asset Management (BMO GAM).</p> <p>Incorporation of ESG factors in investment processes and strategies</p> <ul style="list-style-type: none"> • As a long-term institutional investor, we seek to understand the fundamental factors driving risks and opportunities at the companies we invest in on behalf of our investors. Some ESG factors and trends may be sector or location specific, such as the management of biodiversity-related risks, while others are deemed important across all sectors and locations, such as risks related to combatting climate change. <ul style="list-style-type: none"> – ESG Integration: ESG integration is the consideration of financially material ESG factors, along with other factors, within qualitative and/or quantitative investment analysis and decision-making in order to gain a more comprehensive understanding of risk and long-term opportunity. For BMO GAM’s responsible investment branded funds that use ESG integration as a strategy, ESG factors are a significant component of the investment decision-making process. In contrast, for BMO GAM’s responsible investment integrated funds that use ESG integration as a strategy, while ESG factors may be considered by these funds, such factors are not necessarily weighted heavily in the investment decision-making process. BMO GAM tailors its approach to ESG integration for each specific fund’s investment strategy and asset class in order to ensure that the resulting analyses are relevant and meaningful for each investment process. – Screening: Certain investment strategies may use exclusionary screening by industry and/or ESG rating (as determined by the portfolio manager) to define the investable universe. To determine the eligibility of companies for investment under these strategies, we have criteria, including MSCI ESG ratings for those companies that fall below a certain level relative to their peers, that measure their exposure and response to critical sustainability issues, emerging sustainability issues, changes in regulation and other developments. Responsible investment branded funds must meet a set of common criteria regarding minimum sustainability performance and each fund is subject to specific investment guidelines outlining its sustainability specifications. Only responsible investment branded funds, other than BMO Brookfield Global Renewables Infrastructure Fund, BMO Clean Energy ETF Fund, BMO Global Climate Transition Fund and BMO Women in Leadership Fund, may use an exclusionary screening by industry strategy. Only responsible investment branded funds may use exclusionary screening by ESG rating strategy. – Thematic: BMO GAM offers a number of thematic investment solutions which seek to generate long-term returns by investing in companies that are working to meet specific sustainability challenges. Portfolio managers of certain funds, for example, BMO Brookfield Global Renewables Infrastructure Fund, BMO Clean Energy ETF Fund, BMO Global Climate Transition Fund and BMO Women in Leadership Fund may focus on companies with positive characteristics in regards to one or more particular ESG factor. Only responsible investment branded funds may use this strategy. <p>Implementing ESG across investment teams</p> <ul style="list-style-type: none"> • ESG integration activities which our investment teams may consider for particular fund mandates are governed and overseen by BMO GAM’s Responsible Investment Working Group, which approves policies setting out our approach to responsible investment. • Each of our investment teams may identify and integrate material ESG factors along with other factors into their investment decision-making process with the support of BMO GAM’s Responsible Investment team. BMO GAM portfolio managers and analysts have access to a wide range of ESG data, ratings, models, and research – both third party and proprietary – which they may use to identify potential investment opportunities and risks that are then further analyzed to determine their relevance to the particular fund’s mandate. • We continuously seek to strengthen the feedback loop that brings together consideration of material ESG factors alongside other factors, and the experience our Responsible Investment team has gained through stewardship activities (i.e., engagement and voting) to inform our portfolio managers’ investment decision-making processes. The Responsible Investment team conducts regular cross-team meetings and presentations on relevant ESG issues, including thematic webinars; sharing engagement and voting data across platforms that are accessible to our investment teams; encouraging analysts and portfolio managers to address ESG issues in their meetings with investee companies, or conducting meetings jointly; and closely involving investment teams when exercising the right to vote at company shareholders’ meetings and designing engagement programs.

SASB code	SASB accounting metric	2023 disclosure
ASSET MANAGEMENT AND CUSTODY ACTIVITIES (continued)		
Incorporation of ESG Factors in Investment Management & Advisory (continued)		
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>See page 45 of the Sustainability Report (Sustainable finance – Responsible investing). The following information pertains to BMO GAM.</p> <p>Policies and procedures</p> <p>Please see our website for information on the following policies and approaches:</p> <ul style="list-style-type: none"> • Responsible Investing Policy • Stewardship Policy • Climate Action Approach • Social Equality Approach • Corporate Governance Guidelines • Expectations of Environmental Practices • Expectations of Social Practices • Expectations of Governance Practices <p>Proxy voting approach</p> <ul style="list-style-type: none"> • See Policies and procedures (above). Our Corporate Governance Guidelines set out a consistent philosophy and approach to corporate governance and our exercise of voting rights. • BMO GAM publishes all vote reports on our website, including the rationale for our voting decisions. We also communicate with investee companies about any resolution on which our in-house team decides to vote against management, in order to make those companies aware of our decision and the rationale. <p>Investee engagement approach</p> <ul style="list-style-type: none"> • Engagement is carried out by our Responsible Investment team, in close partnership with our fund investment teams. Our approach is based on the following principles: <ul style="list-style-type: none"> – Prioritization: In order to set targets or identify areas for engagement, the Responsible Investment team regularly monitors the performance of investee companies in managing the ESG issues that may give rise to significant risks or opportunities related to long-term investor value, and tracks any emerging trends in governance and sustainability that could affect companies operating within a sector or across sectors. This monitoring and research activity significantly overlaps with the third party and the proprietary ESG monitoring systems that support our ESG integration practices. – Setting objectives: Setting specific engagement objectives and tracking results are necessary in order to assess progress and make informed decisions about next steps. Our Responsible Investment team takes the lead in developing these objectives but consults and collaborates with our investment teams to ensure that our messages to investee companies are robust and consistent. We strive to clearly communicate our engagement objectives and expectations to those companies, including an outline of the outcomes we would consider to be successful. – Tracking results: We log and report activity in real time in an online engagement database. This includes engagement activity, method of engagement, company response and instances of change. We track the progress of our engagements (at issue level for each investee company), and we itemize successful engagements and related milestones. Our engagement and milestone entries aim to summarize the context and materiality of our objectives and the impact of the progress made by the investee company. <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
ASSET MANAGEMENT AND CUSTODY ACTIVITIES (continued)		
Incorporation of ESG Factors in Investment Management & Advisory (continued)		
FN-AC-410a.3 (continued)	Description of proxy voting and investee engagement policies and procedures (continued)	Investee engagement approach (continued) <ul style="list-style-type: none"> - Escalation: If we determine that our initial engagement efforts have been unsuccessful, we will then consider escalation strategies, such as contacting a company's board of directors, using proxy voting, filing a resolution, reducing our exposure or divesting our holdings (subject to the decision of the portfolio manager for the relevant fund). - Reporting: Details of our stewardship activities are reported publicly in our Responsible Investment Annual Report. • Our internal systems track the level at which engagement takes place. This may be at the board or senior executive level, or with operational or investor relations specialists, depending on the nature of the engagement. We seek board-level engagement where possible. • BMO GAM regularly publishes the results of its research on individual engagement topics on our website. We also report on the ESG-related impact of some of our investment funds, including our BMO Sustainable Opportunities Canadian Equity Fund and our BMO Women in Leadership Fund. For clients, we frequently include data and case studies related to engagement in our reporting.
Financed emissions – asset management		
FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	58.65 tCO ₂ e/US\$ million invested, as at June 2023. Our calculation of emissions intensity is based on our investee companies' operational (Scope 1 and 2) emissions. Scope 3 emissions were excluded this year, as current data disclosure lack the rigour necessary to serve as reliable and consistent inputs in our analysis.
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	US\$11.63 billion, as at June 2023.
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	9.52%, as at June 2023.
FN-AC-410b.4	Description of the methodology used to calculate financed emissions	The above figures are related to assets committed to the Net Zero Asset Managers (NZAM) initiative. We assess and track the intensity of financed emissions for assets under management committed to the NZAM initiative using internal analytical tools that are aligned with the Net Zero Investment Framework methodology set out in the Paris Aligned Investor Initiative, which is an approved NZAM framework.
Systemic risk management		
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Our liquidity risk management programs are summarized in the annual report for each relevant fund. The reports are available on our website .
Description of approach to informing customers		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Due to the highly regulated nature of our business and our size and historical presence in the marketplace, some BMO covered employees are involved in the ordinary course of business in investment-related investigations, consumer-initiated complaints, private civil litigation or other regulatory proceedings pursued against either BMO, one of our subsidiaries, or directly against one of our employees. Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings.

SASB code	SASB accounting metric	2023 disclosure
ASSET MANAGEMENT AND CUSTODY ACTIVITIES (continued)		
Description of approach to informing customers (continued)		
FN-AC-270a.3	Description of approach to informing customers about products and services	See page 87 of the Sustainability Report (Consumer protection and transparency). Compensation and incentive plans at BMO are designed to encourage and reward performance that aligns with expectations of appropriate behaviours. Our performance management process balances our employees' achievements and the way they demonstrate our values. Sales force training reinforces these expectations. In our compensation and incentive plans, employees are compensated based on sales revenue generated. Sales revenue will generally be recognized when a customer opens an account and may be reversed if a customer cancels a service or does not use a product. Customers can raise and escalate concerns through defined processes. Regular monitoring of our sales force, along with audits and reviews of our policies and procedures, ensures the continued integrity of our sales practices and processes.
COMMERCIAL BANKS		
Activity metrics		
FN-CB-000.A	(1) Number and (2) value of chequing and savings accounts by segment: (a) personal and (b) small business	BMO reports the average value of Personal Banking and Commercial Banking deposits. See page 46 (Canadian P&C) and page 50 (U.S. P&C) of the AR. BMO does not disclose the number of accounts or a breakdown of chequing and savings accounts.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	BMO reports the value of loans by product within Personal Banking and by industry within Commercial Banking. See page 130 of the AR (Table 5: Net Loans and Acceptances – Segmented Information – Net Business and Government Loans by Industry). BMO also reports, by province, the amount of money authorized to be made available as debt financing to firms in Canada and the number of firms to which debt financing was made available. See page 98 of the Sustainability Report (Business debt financing).
Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	See page 23 of the Sustainability Report (Tracking our progress – Women-owned businesses supported; Indigenous communities with which BMO has a relationship); page 40 of the Sustainability Report (Sustainable finance – Loans for sustainable clients and projects); and page 29 of the Sustainability Report (Financial inclusion).
FN-CB-240a.3	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers	See page 35 of the Sustainability Report (Financial inclusion – Number of customers receiving complimentary or discounted services).
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers and description of financial literacy initiatives	See page 36 of the Sustainability Report (Financial literacy).
Incorporation of ESG Factors in Credit Analysis		
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	See page 73 of the Sustainability Report (Environmental and social risk management). Further information: page 87 (Credit and Counterparty Risk Management) and page 116 (Environmental and Social Risk) of the AR.

SASB code	SASB accounting metric	2023 disclosure
COMMERCIAL BANKS (continued)		
Financed emissions – lending		
FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	See pages 44-56 of the Climate Report (Metrics and Targets – Financed emissions and Appendix).
FN-CB-410b.2	Gross exposure for each industry by asset class	See pages 44-56 of the Climate Report (Metrics and Targets – Financed emissions and Appendix).
FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	See page 45 of the Climate Report (Business and government lending portfolio analysis).
FN-CB-410b.4	Description of the methodology used to calculate financed emissions	See pages 44-56 of the Climate Report (Metrics and Targets – Financed emissions and Appendix). Further information: pages 37-55 of the 2022 Climate Report (Metrics and Targets – Financed emissions and Appendix); and pages 29-41 of the 2021 Climate Report (Metrics and Targets – Financed emissions).
CONSUMER FINANCE		
Activity metrics		
FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	As at the end of fiscal 2023, BMO had 4.37 million unique customers with an open credit card account across personal, single-serve and wealth customers.
FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	As at the end of fiscal 2023, BMO had 4.20 million open credit card accounts across personal, single-serve and wealth customers.
Customer privacy		
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	<p>BMO does not disclose the number of account holders whose information is used for secondary purposes.</p> <p>Further information:</p> <p>Manner in which account holder consent is received with respect to use of information for secondary purposes</p> <p>We require meaningful consent for any use of personal information for a secondary purpose, including marketing. Customers can manage their direct marketing preferences to opt out of some or all of our direct marketing communications. BMO does not sell personal information.</p> <p>Extent to which information is disclosed to account holders regarding use of information for secondary purposes</p> <p>Our Privacy Code describes the use of personal information, including: the purposes for which we collect personal information; who may have access to such personal information; the manner in which we use personal information, including for secondary purposes; and to whom we may disclose the personal information. This information is provided to account holders at onboarding and in compliance with all applicable privacy laws.</p> <p>(continued on next page)</p>

SASB code	SASB accounting metric	2023 disclosure
CONSUMER FINANCE (continued)		
Customer privacy (continued)		
FN-CF-220a.1 (continued)	Number of account holders whose information is used for secondary purposes (continued)	<p>Regulatory environment related to account holder privacy in which BMO operates</p> <p>BMO complies with all applicable privacy laws and regulations in the jurisdictions in which it operates. Our Privacy Office proactively monitors privacy-related regulatory requirements and their impact on our business operations. This monitoring covers all of the jurisdictions in which we operate and embeds our global privacy principles in group-wide risk/compliance management. We adhere to our Global Privacy Principles (bmo.com/privacy) in our handling of any personal information, and we have adopted customer privacy policies, codes and procedures in each of our locations to ensure that our customers continue to place their trust in BMO.</p> <p>BMO website – Privacy Code – Canada and Digital Privacy Policy</p> <p>BMO U.S. website – U.S. Consumer Privacy Notice, Digital Privacy Policy, California Consumer Privacy Act (CCPA) Privacy Policy and CCPA Request Form</p> <p>BMO Privacy Code – European Union and United Kingdom</p> <p>BMO Privacy Code – Hong Kong and Singapore</p> <p>BMO Privacy Code – Mainland China</p> <p>BMO Privacy Code – Japan</p>
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities, and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	See FN-CF-220a.2 (above).
INVESTMENT BANKING AND BROKERAGE		
Activity metrics		
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	We report the underwriting and advisory fees earned in BMO Capital Markets from securities offerings in which we act as an underwriter or agent, fees earned from structuring and administering loan syndications, and fees earned from providing merger-and-acquisition services and structuring advice. See page 37 of the AR (Non-Interest Revenue). BMO does not report the number and value of transactions.
Incorporation of ESG Factors in Investment Banking & Brokerage Activities		
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry	BMO tracks and reports on the value of sustainable finance activity. See page 24 of the Sustainability Report (Tracking our progress – Sustainable finance); and page 40 of the Sustainability Report (Sustainable finance – Sustainable financing by transaction type).
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	BMO tracks and reports on the value of sustainable finance activity. See page 24 of the Sustainability Report (Tracking our progress – Sustainable finance); and page 40 of the Sustainability Report (Sustainable finance – Sustainable financing by transaction type and Sustainable financing by outcome).
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	See page 39 of the Sustainability Report (Sustainable finance); page 45 of the Sustainability Report (Responsible investing); and page 73 of the Sustainability Report (Environmental and social risk management). Further information: page 116 of the AR (Environmental and Social Risk).

SASB code	SASB accounting metric	2023 disclosure
INVESTMENT BANKING AND BROKERAGE (continued)		
Professional integrity		
FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Due to the highly regulated nature of our business and our size and historical presence in the marketplace, BMO Nesbitt Burns Inc. (BMO NB) is involved in disciplinary actions and regulatory investigations in the ordinary course of business. In some instances, notices of hearings are issued. BMO NB is also subject to legal proceedings and enters into settlement agreements in the ordinary course of business. Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	See FN-IB-510b.1 (above).
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care. Describe the nature, context and any corrective actions taken as a result of the monetary losses	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	BMO's Code of Conduct sets out our non-negotiable expectations of behaviour for all employees and serves as a guide for ethical and responsible decision-making. The Code of Conduct applies to the BMO Board of Directors, the directors of the boards of BMO's subsidiaries, and all employees of BMO Financial Group.
Employee incentives and risk taking		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	See page 89 of the PC (Material risk-takers).
MORTGAGE FINANCE		
Activity metrics		
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	BMO reports the value of residential and non-residential mortgages. See page 19 of the Supplementary Information (Balance Sheet). BMO reports the value of residential mortgages past due but not impaired. See page 33 of the Supplementary Information (Loans past due not impaired). In addition, BMO reports the following information related to residential mortgages. See page 92 of the AR: <ul style="list-style-type: none"> • Value of residential mortgages insured and uninsured, and average loan to value (LTV) ratio of uninsured mortgages • Value of home equity lines of credit (HELOCs) • Residential mortgages by remaining term of amortization BMO does not report the number and value of mortgages originated.

SASB code	SASB accounting metric	2023 disclosure
MORTGAGE FINANCE (continued)		
Lending practices		
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators. Include a description of the nature, context, and any corrective actions taken as a result of the monetary losses	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
Discriminatory lending		
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all borrowers, by FICO scores above and below 660	BMO reports the value of insured and uninsured mortgages, HELOCs, and the average LTV ratio for uninsured residential mortgages and HELOCs. See page 33 of the Supplementary Information. BMO does not report the value of mortgages issued to minority borrowers or mortgages issued by credit score.
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending. Include a description of the nature, context, and any corrective actions taken as a result of the monetary losses	Page 208 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	<p>The BMO Code of Conduct and our values of integrity, empathy, diversity and responsibility define the way we do business, which includes the way we treat our customers.</p> <p>Discrimination is a violation of the BMO Code of Conduct and the commitments we have made as part of the BMO Statement on Human Rights. Further information: page 82 of the Sustainability Report (Human rights).</p> <p>In addition, BMO's credit risk management framework incorporates governing principles that are defined in a series of corporate policies and standards and apply to specific operating procedures. These are reviewed on a regular basis and modified when necessary to keep them current and consistent with our risk appetite. The structure, limits (both notional and capital-based), collateral requirements, monitoring, reporting and ongoing management of our credit exposures are governed by these credit risk management principles.</p> <p>Lending officers in the operating groups are responsible for recommending credit decisions based on the completion of appropriate due diligence, and they assume accountability for the related risks. With limited exceptions, credit officers in Enterprise Risk and Portfolio Management approve all credit transactions and are accountable for providing an objective independent assessment of the lending recommendations and risks assumed by the lending officers. All of these skilled and experienced individuals in the first and second lines of defence are subject to a rigorous lending qualification process and operate in a disciplined environment with clear delegation of decision-making authority, including individually set lending limits, which are reviewed annually.</p> <p>Further information: page 87 of the AR (Credit and Counterparty Risk).</p>

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