

BMO Financial Group

2023 Sustainability Report and Public Accountability Statement



A successful future for BMO and our customers depends on the sustainability of the environment, communities and economies in which we operate.

BMO plays an important role at the heart of communities. We're leveraging our position as one of the largest financial institutions in North America to create new opportunities, support communities and manage risks to our long-term growth. As we strive to **Boldly Grow the Good in business and life**, we report on our progress in these pages.

3 Message from the CEO

4 Message from the General Counsel

5 About BMO

Anchored by our Purpose, our goal is to continue to build a high-performing, digitally enabled, future-ready bank with a winning culture.

Read about BMO, our Purpose, and the progress we made this year on our commitments to play our part in support of a thriving economy, a sustainable future and an inclusive society.

6 Who we are

7 Our Purpose

8 BMO's Bold Commitments

9 Strategy

Sustainability is embedded in our strategy. Read about our efforts as we continue to build a high-performing, digitally enabled bank and incorporate sustainability so that BMO is ready for the future.

10 Our strategy

12 Supporting the Sustainable Development Goals

17 Convening and collaboration for sustainability

18 Awards for our work

19 Focus Areas

We focus our sustainability efforts on areas that are important to our business, our customers and our communities.

Read about the ways we identify important topics and engage with interested parties – and about the progress we made in 2023.

20 Determining our priority sustainability topics

21 Engaging interested parties

22 Tracking our progress

27 Thriving economy

37 Sustainable future

55 Inclusive society

69 Foundation of trust

89 Glossary

Defines the terms we use and our approach to measuring performance.

96 Public Accountability Statements

Our 2023 Public Accountability Statements describe some of the contributions we made to the Canadian economy and society this year.

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



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.

We published our last report in March 2023.

Past reports are available on our website

<https://our-impact.bmo.com/reports>

Reporting frameworks

Except as otherwise noted, disclosure in this report aligns with the following sustainability reporting frameworks, as applicable:

Global Reporting Initiative (GRI)

Sustainability Accounting Standards Board (SASB) Standards

Task Force on Climate-related Financial Disclosures (TCFD)

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 dollars¹

◆ KPMG has provided limited assurance of this figure in 2023. KPMG's Independent Limited Assurance Report is on [page 93](#).

¹ 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.

Message from the CEO



Building a sustainable future is core to our Purpose, to **Boldly Grow the Good in business and life**. Our Climate Ambition – to be our clients’ lead partner in the transition to a net-zero world – is a top priority. BMO’s sustainability efforts focus on promoting a thriving economy and fostering an inclusive society – founded upon the strong reputation we’ve built through ethical business practices, client service culture, and responsible risk management.

This report details progress made during the 2023 fiscal year to live our Purpose.

We’ve made significant progress.

For a more sustainable future, we pledged to mobilize \$300 billion in capital by 2025 to help our clients pursue sustainable outcomes. By the end of 2023, we surpassed this target – two years ahead of schedule. We are evaluating new targets we can establish to drive our sustainable and climate finance goals.

A thriving economy requires financial inclusion – supporting business owners from underrepresented communities, as well as investing in the communities we serve across North America. As we expanded into new markets with the acquisition of Bank of the West in 2023, we grew the scope of our community engagement. BMO’s U.S. Community Benefits Plan, known as BMO EMpower 2.0, commits more than US\$40 billion to support organizations and communities.

Fostering an inclusive society starts with progress made within our own organization to realize the full power of diversity, equity and inclusion to drive stronger outcomes for our customers. This goal extends to how we support the communities where we live and work.

We are proud of the recognition we’ve earned as a sustainability leader. BMO is ranked among the best places to work and is recognized for its commitment to Zero Barriers to Inclusion. We continue to be listed among the most sustainable companies in the world – notably, ranked for the 19th straight year on the Dow Jones Sustainability Index. BMO was also recognized as the world’s top financial institution for helping make progress in support of a just and sustainable economy by the World Benchmarking Alliance. And, for the seventh consecutive year, we were recognized as one of the World’s Most Ethical Companies by Ethisphere.

Achievement like this recognizes the work of our people and their commitment to **Boldly Grow the Good in business and life**. Guided by our Purpose, we will continue to make progress for a thriving economy, a sustainable future and an inclusive society.

A handwritten signature in black ink, appearing to read 'D. White', with a stylized flourish at the end.

Darryl White
Chief Executive Officer
BMO Financial Group

Message from the General Counsel and Executive Committee Sponsor for Sustainability



In my role as General Counsel and Executive Committee Sponsor for Sustainability, as well as in my new role as Chair of the BMO Climate Institute, I am proud to oversee BMO's work developing sustainable solutions to support our clients, which is driven by our Purpose and our commitment to build a thriving economy, a sustainable future and an inclusive society.

We have positioned ourselves to be our clients' lead partner in the transition to a net-zero world, and our acquisition of Bank of the West has expanded the reach of our Climate Ambition to new markets, enabling us to partner with even more clients. As our clients navigate changing opportunities and risks that come with decarbonizing their businesses and building climate resilience, the BMO Climate Institute has continued to serve as an important thought leader, on topics like decarbonization, resilience, social impact and biodiversity. The Climate Institute has played and will continue to play an important role in convening industry, the public sector, academia and investors.

Another way we're building a sustainable future is through our work to make our own operations more sustainable and to promote frameworks and target-setting for a sustainable banking system. We were the only Canadian bank to join the newly formed UN Principles for Responsible Banking Nature Target Setting Working Group, developing good practice approaches to integrating biodiversity into our environmental and social risk management approach.

We are also focused on the significant business opportunities presented by the transition to a net-zero world. We're advancing a climate commercialization strategy that builds on our work in sustainable finance. For personal banking and wealth management customers, we have made it easier to access our product offerings linked to sustainability, including clean energy-focused exchange-traded funds and BMO InvestorLine's ESG Insights tool.

Recognizing that a thriving economy is only possible when we have an inclusive society, we have continued to prioritize support to local communities through lending, investing, giving and engagement. As BMO's Executive Champion of Diversity, Equity and Inclusion and the Executive Sponsor for BMO for Women, I am proud to share that this year:

- BMO earned a place on the 2023 Report on Business, Women Lead Here list for the third consecutive year. This is an annual benchmark recognizing Canadian businesses with the highest achievement for executive gender diversity.
- We were recognized by Bloomberg's Gender-Equality Index for the eighth year in a row. The global index recognizes companies committed to gender equality and inclusivity within the workplace and the community and publicly demonstrates each company's commitment to equality and advancing women.
- We launched a new e-Learning course "Respecting Pronouns: The Importance of Inclusion" to support 2SLGBTQ+ education and allyship with customers and colleagues.
- Our BMO Celebrating Women Grant Program continues to support women-owned businesses in Canada and the U.S. with grant money to help women entrepreneurs take their businesses to the next level.

This year's work has demonstrated that we remain steadfast to our Purpose, to **Boldly Grow the Good in business and life**, for our clients, colleagues and the communities we serve. I'm optimistic about what is to come.

A handwritten signature in black ink, appearing to read "Sharon Haward-Laird". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sharon Haward-Laird
General Counsel
Executive Committee Sponsor for Sustainability
and BMO for Women
Executive Champion of Diversity, Equity and Inclusion
Chair, Climate Institute
BMO Financial Group

About BMO

BMO is continuing to build a high-performing, digitally enabled, future-ready bank with engaged employees and a winning culture. We are focused on helping our customers make real financial progress, and on financing our clients' growth and innovation, while also investing in our workforce. Anchored by our Purpose, we are driven by our strategic priorities for growth, strengthened by our approach to sustainability and guided by our culture as we build a foundation of trust with our communities, and interested parties.

This section tells you about BMO, our Purpose, and our progress against our commitments to build a thriving economy, sustainable future, and inclusive society with zero barriers.

One Client Leadership

Business groups partner across BMO to deliver an industry-leading customer experience. We work together as one team aligned in our objective of exceeding our customers' expectations as we help them make real financial progress.

Who we are

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America.

We provide a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services. We serve 13 million customers across Canada and the United States, and in select markets globally, through three integrated operating groups.

13 million
customers globally

\$1.29 trillion
in total assets

8th largest
bank in North America by assets

206 years
serving customers since 1817

Personal and Commercial (P&C) Banking

Provides financial products and services to customers across North America. Personal and Business Banking helps customers make real financial progress through an extensive network of branches, contact centres, digital banking platforms and automated teller machines. Commercial Banking offers valuable industry expertise, local presence and a comprehensive range of commercial products and services.

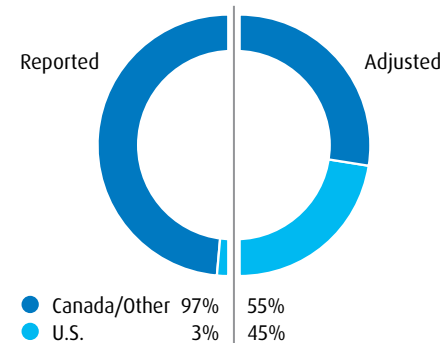
BMO Wealth Management (BMO WM)

Serves a full range of clients, from individuals and families to business owners and institutions, offering a wide spectrum of wealth, asset management and insurance products and services aimed at helping clients make real financial progress through planning, growing, protecting and transitioning their wealth. Our asset management business is focused on making a positive impact and delivering innovative financial solutions and strategies for our clients.

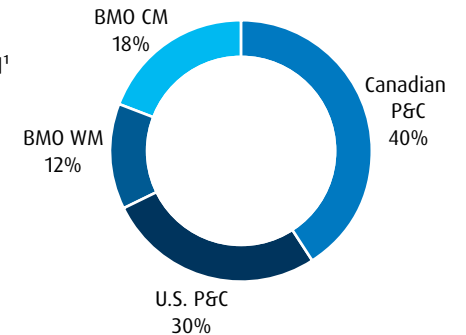
BMO Capital Markets (BMO CM)

Offers a comprehensive range of products and services to corporate, institutional and government clients. BMO Capital Markets has thousands of professionals around the world enabling the growth aspirations of our clients across the bank.

Net Income by Geography



Reported Net Income by Operating Group²



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.

¹ Adjusted net income by geography is a non-GAAP ratio. For further information, see the Non-GAAP and Other Financial Measures section on page 95.

² Percentages determined excluding results in Corporate Services.

Our Purpose

BMO's Purpose to **Boldly Grow the Good in business and life** empowers us to explore new opportunities that will support our customers and communities – because we believe that success can and must be mutual.

**BOLDLY GROW
THE GOOD**

IN BUSINESS AND LIFE



For a Thriving Economy

Providing access to capital and valuable financial advice – investing in businesses, supporting home ownership and strengthening the communities we serve, while driving innovation that makes banking easier

US\$40 billion+ for communities

BMO EMpower 2.0 is our five-year plan to help address key barriers for minority businesses, communities and families. We've committed more than US\$40 billion in funding across the United States, with over US\$16 billion targeted for California. The plan goes beyond financial support – these partnerships foster deep community engagement, supporting meaningful impact at the local level.

Expansion of Zero Barriers to Business

We extended BMO's Zero Barriers to Business program for businesses owned by women and members of Black, Hispanic/Latino and Native American communities across BMO's expanded U.S. footprint. The program aims to help remove historical barriers faced by underserved and marginalized groups, offering inclusive banking products, services and resources. The program extended to Canada for Black and Indigenous entrepreneurs.



For a Sustainable Future

Being our clients' lead partner in the transition to a net-zero world, delivering on our commitments to sustainable financing and responsible investing

"Radicle" change

BMO acquired Radicle, a leader in carbon advisory services and solutions, reinforcing our Climate Ambition. In fiscal year 2023, we helped our clients develop and originate 1.2 million carbon credits.

Commercializing climate opportunities

Since integrating BMO's Climate Ambition into our strategic priorities, we have been building a strong foundation of climate offerings and a leading position in sustainable finance, including the development of innovative products, like sustainability-linked deposits and the BMO Retrofit Program.



For an Inclusive Society

Committing to zero barriers to inclusion through investments, financial products and services, and partnerships that remove systemic barriers for underrepresented customers, employees and communities – and drive inclusion and equitable growth for everyone

An inclusive workplace

BMO's commitment to a diverse and inclusive workplace was recognized in 2023, with a top score on the Disability Equality Index, and being named as one of the Best Places to Work for Disability Inclusion by Disability:IN and The American Association of People with Disabilities.

Supporting research

BMO committed \$5 million to the Centre for Addiction and Mental Health to establish the Krembil Centre for Neuroinformatics – a global hub, using machine learning and mathematical models to advance our understanding of brain disorders.

Getting it right

BMO launched *Respecting Pronouns: The Importance of Inclusion*, a new course for employees. Presented by the BMO Pride employee resource group, the course offers help and guidance in supporting 2SLGBTQ+ education and allyship for customers and colleagues. Together, our words and actions let others know BMO is a safe space for everyone.

BMO's Bold Commitments

Our commitments for a thriving economy, a sustainable future and an inclusive society are measurable business-led goals to grow the good and support BMO's long-term success. They evolve as community needs, BMO priorities and market realities change.

This dashboard shows our commitments and our progress to date. Our targets continue to evolve to meet the needs of our clients, communities and interested parties, ensuring we are continuously evaluating key drivers of our Purpose to **Boldly Grow the Good in business and life.**

For a Thriving Economy

Providing access to capital and valuable financial advice – investing in businesses, supporting home ownership and strengthening the communities we serve, while driving innovation that makes banking easier



Target: \$7 billion¹ by 2025
Support small businesses in Canada through lending



Target: 40 thousand by 2025
Increase the number of U.S. small business cards & lending customers



Target: 179 thousand by 2025
Increase the number of women-owned businesses that we support across our Canadian footprint



Target: 100 thousand by 2025
Increase the number of Canadian defence community customers



Target: \$9.5 billion by 2025³
Increased by \$1.5 billion in 2023
Increase the size of BMO's Indigenous Banking business

BMO EMpower 2.0
US\$40 billion+
by 2028

Community Benefits Plan⁴

[See page 33](#)

For a Sustainable Future

Being our clients' lead partner in the transition to a net-zero world, delivering on our commitments to sustainable financing and responsible investing



Target: \$300 billion by 2025
Mobilize \$300 billion in capital to clients pursuing sustainable outcomes (through green, social and sustainable lending, underwriting, advisory services, and investment)⁵



Target: \$350 million by 2025
Increased by \$100 million in 2022
Deploy our Impact Investment Fund, seeded with \$350 million in capital

Target
Net zero
by 2050

Be our clients' lead partner in the transition to net-zero financed emissions by 2050

[See page 13](#)

For an Inclusive Society

Committing to zero barriers to inclusion through investments, financial products and services, and partnerships that remove systemic barriers for underrepresented customers, employees and communities – and drive inclusion and equitable growth for everyone



Target: 100% by 2025
Educate all employees to learn from difference



Target: 20 thousand employees by 2025
Equip employees with future-focused skills

Target
Zero barriers
by 2025

Zero barriers to inclusion for our colleagues, customers and communities, for a more equitable future for all

[See page 15](#)

¹The 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.

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

³The total outstanding amount of all loans, deposits and term investments originated or administered by BMO for Canadian Indigenous communities and businesses through Canadian Commercial Banking, Canadian Business Banking and the On-Reserve Housing Loan Program.

⁴In November 2022, BMO exceeded our five-year, US\$5 billion BMO EMpower commitment to tackle disparities that minorities face including educational resources, gaining access to capital, and wealth building opportunities.

⁵Includes sustainable bond underwriting, sustainable equity and debt financing, sustainable finance advisory services, loans for clients and projects pursuing sustainable outcomes, and sustainable investments. For more information on our accounting methodology, see page 40.

⁶This amount excludes Bank of the West. The metric was broadened in 2022 to include the development of diversity and inclusion-focused learning (see Glossary).

⁷The 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 (see Glossary).

Strategy

Sustainability is embedded in our strategy and is fundamental to our Purpose.

This section tells you how we approach sustainability to support our goal to build a high-performing, digitally enabled bank that's ready for the future.

Our strategy

At BMO, we continue to build a high-performing, digitally enabled, future-ready bank with engaged employees and a winning culture. We are focused on helping our customers make real financial progress, and on financing our clients' growth and innovation, while also investing in our workforce. Anchored by our Purpose, we are driven by our strategic priorities for growth, strengthened by our approach to sustainability and guided by our culture as we build a foundation of trust with our communities, and interested parties.

Our Purpose commitment

Our commitments for a thriving economy, a sustainable future, and an inclusive society are reflected in our active, direct response to today's most pressing challenges.



For a Thriving Economy

Providing access to capital and valuable financial advice – investing in businesses, supporting home ownership and strengthening the communities we serve, while driving innovation that makes banking easier



For a Sustainable Future

Being our clients' lead partner in the transition to a net-zero world, delivering on our commitments to sustainable financing and responsible investing



For an Inclusive Society

Committing to zero barriers to inclusion through investments, financial products and services, and partnerships that remove systemic barriers for underrepresented customers, employees and communities – and drive inclusion and equitable growth for everyone

Anchored by our Purpose

BMO has a deep sense of purpose.

We are leveraging our position as one of the largest financial institutions in North America to create opportunities for our communities and our stakeholders to make positive, sustainable change – because we believe that success can and must be mutual. Our commitments for a thriving economy, a sustainable future and an inclusive society are reflected in our active, direct response to today's most pressing challenges.

Strengthened by our approach to sustainability

Our commitment to sustainability is embedded in our strategy and is fundamental to our Purpose.

We identify the most significant effects of our business operations, products and services on interested parties and the communities in which we operate. We take steps to manage our business in a manner that is consistent with our risk management- and commercial opportunity-aligned sustainability objectives, considering our impact on communities, society and interested parties. We apply a variety of sustainability practices and benchmarks to capture opportunities and manage risks in key areas such as sustainable finance, climate change, human rights, and diversity, equity and inclusion.

Driven by our growth strategy

The strength and consistency of our performance are essential to realizing our Purpose.

We aim to deliver top-tier total shareholder return and achieve our financial objectives by aligning our operations with, and executing on, our strategic priorities.

Guided by our culture

Four core values shape our culture and underpin our choices and actions:

- **Integrity**
- **Diversity**
- **Responsibility**
- **Empathy**

Our strategic priorities

Keeping the fundamentals of our strategy consistent, we renewed our priorities for fiscal 2024 to reflect our strong momentum in an environment of ongoing transformation:

- > **World-class** loyalty and growth, powered by One Client Leadership, bringing the full suite of BMO's products, services and advice to our clients
- > **Winning Culture** driven by alignment, empowerment and recognition
- > **Digital First** for speed, scale and the elimination of complexity
- > **Be our clients' lead partner** in the **transition** to a **net-zero world**
- > **Superior management** of **risk, capital** and **funding** performance

Sustainability embedded in strategy

At BMO, sustainability is embedded in our strategy. We leverage sustainability efforts to capture opportunities and manage risks in key areas, such as sustainable finance, climate change, human rights, and diversity, equity and inclusion. Our *priority sustainability topics* are aligned to our strategic priorities. See page 20 to learn more about our process for identifying and confirming these priority topics.

Our strategic priorities and related priority sustainability topics

World-class loyalty and growth, powered by One Client Leadership

[Climate change](#)
[Consumer protection and transparency](#)
[Customer experience](#)

[Financial inclusion](#)
[Innovation and digitalization](#)
[Sustainable finance](#)

Winning culture driven by alignment, empowerment and recognition

[Climate change](#)
[Community impact](#)
[Customer experience](#)

[Diversity, equity and inclusion](#)
[Our employee value proposition](#)

Digital first for speed, scale and the elimination of complexity

[Climate change](#)
[Customer experience](#)

[Our employee value proposition](#)
[Innovation and digitalization](#)

Be our clients' lead partner in the transition to a **net-zero world**

[Climate change](#)
[Environmental and social risk management](#)

[Operational efficiency](#)
[Sustainable finance](#)

Superior management of risk, capital and funding performance

[Business conduct](#)
[Climate change](#)
[Consumer protection and transparency](#)
[Corporate governance](#)
[Data security](#)

[Environmental and social risk management](#)
[Financial Crimes Unit](#)
[Human rights](#)
[Operational efficiency](#)
[Sustainable procurement](#)

Helping shape the future of banking

In 2021, BMO was among the first Canadian banks to sign the United Nations [Principles for Responsible Banking](#) (UNPRB), an international framework for a sustainable banking system.

BMO published its second [PRB Reporting and Self Assessment](#) in 2023. Read more about how BMO is [convening and collaborating](#) to understand and address the issues that affect our business and the world around us.

Executive compensation and Sustainability

Embedded in our strategy, and fundamental to the bank's Purpose, sustainability is integrated into BMO's executive compensation design. See page 72 to learn about how sustainability is embedded into our corporate governance and executive compensation.

Supporting the Sustainable Development Goals

Consistent with BMO’s strategy for sustainable growth, in 2021, BMO was one of the first North American banks to sign the UN Principles for Responsible Banking, which focus on accelerating the rate of progress on realizing the United Nations Sustainable Development Goals (SDGs).

Here are the nine SDGs that are most relevant to the long-term success of our business, providing BMO with opportunities to make a positive and lasting impact.

	Our impact	Learn more
1 1.4	No poverty We have products and services tailored to underrepresented segments of our community.	Customer experience Financial inclusion
5 5.1, 5.5, 5.a	Gender equality We are a champion of diversity, equity and inclusion in our workforce. We also support women-owned businesses by providing access to financial services, and we actively support initiatives aimed at empowering girls and women.	Diversity, equity and inclusion Financial inclusion
7 7.2, 7.3, 7.a	Affordable and clean energy BMO advises on, finances and invests in renewable energy projects and clean energy technologies. We are also committed to stimulating market demand and driving industry growth by purchasing a supply of renewable energy equivalent to our global electricity use.	Climate change Operational efficiency Sustainable finance
8 8.3, 8.5, 8.7, 8.10	Decent work and economic growth We offer equitable employment opportunities in our operations, and we support small businesses and entrepreneurs to promote economic growth.	Our employee value proposition Financial inclusion Human rights Sustainable procurement
10 10.2, 10.3	Reduced inequalities We work to remove barriers to social and economic inclusion among our employees. We offer increasingly digitalized products and services that are tailored to underrepresented groups, and we partner with non-profit organizations to advance initiatives focused on inclusive local economic opportunity.	Community impact Customer experience Diversity, equity and inclusion Financial inclusion Innovation and digitalization
11 11.6	Sustainable cities and communities We manage our environmental impact and our use of resources, and we partner with our customers to build more sustainable buildings and promote community development initiatives.	Climate change Operational efficiency
13 13.1, 13.3	Climate action We are pursuing our Climate Ambition to be our clients' lead partner in the transition to a net-zero world.	Climate change Sustainable finance Environmental and social risk management
16 16.4, 16.5	Peace, justice and strong institutions We set high standards of ethical and responsible conduct for ourselves, our customers and our partners to enhance the effectiveness and accountability of institutions, consistent with our obligations under applicable law.	Business conduct Data security Consumer protection and transparency Financial Crimes Unit Corporate governance Human rights
17 17.6	Partnerships for the goals We work with industry, government, academia and investors to understand and address the issues that affect our business and the world around us, to accelerate change and support the realization of the SDGs. This includes sharing knowledge, expertise, technology and financial resources to scale positive impact.	Convening and collaboration for sustainability

The [UN 2030 Agenda for Sustainable Development](#) outlines 17 SDGs and 169 targets in areas of critical importance for humanity and the planet.



Our focus on climate

BMO's Climate Ambition

To be our clients' lead partner in the transition to a net-zero world

As a global bank, we are partnering with our clients to assist them in their transition to a low-carbon operating environment, identifying and advancing solutions that meet net-zero emissions and climate objectives. This ambition is explicitly linked to our enterprise commercial strategy and we are working to realize this ambition through a four-pillar climate strategy:

Commitment

Acting on our commitment to a sustainable future, we're advancing the transformation to a net-zero world.

- Maintain carbon neutrality and 100% renewable electricity purchases for our operations and pursue a 30% emissions reduction by 2030.
- Target net-zero financed emissions in our lending by 2050 with intermediate targets for financed emissions reductions to be achieved in partnership with clients.
- Commit to transparency in emissions measurement and performance.

Capabilities

BMO's Energy Transition and Sustainable Finance groups, supported by the BMO Climate Institute, provide thought leadership on climate change and finance, enabling us to be a premier advisor to clients and partner on climate risk and opportunity.

- Leverage BMO's sophisticated analytical capabilities to understand the impacts of climate change.
- Generate insights that enable our business, clients, and partners to flourish in the evolving climate landscape.
- Provide thought leadership informed by data-driven research and expertise.

Client Partnership and Commercialization

We are committed to helping our clients adapt to climate change, offering products and services that support their transition to a net-zero economy.

- Engage with customers to advance climate adaptation strategies.
- Enable our clients' net-zero transitions with a tailored suite of green advisory, investment, lending and deposit products.
- Be a "one-stop-shop" for clients to meet their climate finance needs.

Convening for Climate Action

The BMO Climate Institute is driving insights and bringing together industry, government, researchers and investors to catalyze the climate conversation, collaborate on solutions and accelerate a socially and economically just net-zero transition.

- Unite BMO employees and equip them with knowledge to inform meaningful climate policy and business activities.
- Develop solutions for climate-sensitive sectors in North America.
- Explore the synergies between climate and social impact goals.



Our history of climate action

2007

First purchase of renewable energy

2009

Became lead investor in the Greening Canada Fund for carbon offset projects
Named to the CDP Global 500 Carbon Disclosure Leadership Index for the first time

2018

Began reporting in line with TCFD
Delivered Board of Directors climate change risk and disclosure training

2020

Achieved 100% renewable electricity across our global operations
Included climate change in our Enterprise Risk Appetite Statement and introduced climate-related key risk metric
Developed digital climate risk analytics platform

2022

Rolled out enterprise-wide “Climate Change Essentials” training for all BMO employees and Board of Directors
Introduced our Environmental and Social (E&S) Risk Corporate Policy
Established and chaired the Government of Canada’s Sustainable Finance Action Council (SFAC), and its Net-Zero Capital Allocation Working Group

2008

Established operational GHG footprint and first emissions reduction target
Became the first Canadian financial institution to achieve ISO 14001:2004 certification for a large office building

2010

Achieved carbon neutrality in operations
Named to the CDP Global 500 Carbon Performance Leadership Index for the first time

2019

Established Sustainable Finance team and our first sustainable finance target
Issued first sustainability bond
Incorporated climate change into our enterprise-wide Risk Taxonomy

2021

Joined the Partnership for Carbon Accounting Financials (PCAF) and began quantifying our financed emissions
Signed the United Nations (UN) Principles for Responsible Banking
Launched BMO’s Climate Ambition
Established the BMO Climate Institute
Established the Energy Transition Group within BMO Capital Markets
Joined the Net-Zero Banking Alliance (NZBA)

2023

Advanced our climate commercialization strategy, focused on integrating BMO Radicle’s capabilities, mobilizing the Commercial Bank strategy and implementing cross-bank enablers
Established dedicated E&S Risk Management team within Enterprise Risk and Portfolio Management
Completed climate scenario analyses covering physical and transition risk on climate-sensitive wholesale lending portfolios, transition risk on the trading book, physical risk on real estate lending, and physical risk on BMO’s own operations
Chaired the Canadian Bankers Association’s Environmental Specialists Group and Climate Scenario Analysis Working Group
Launched an internal Climate Products and Services page to support lines of business
Launched our Greener Future Financing program
Joined the UN Principles for Responsible Banking Nature Target Setting Working Group to innovate nature target-setting for banks
Joined the Net Zero Engagement Initiative to expand BMO GAM’s Paris-aligned engagements to European-domiciled companies

Driving zero barriers to inclusion

BMO's *Zero Barriers to Inclusion 2025* is a multi-year strategy that supports equity, equality and inclusion. Its focus is on providing access to opportunities and enabling growth of our colleagues, our customers, and the communities we serve, in furtherance of our collective success.

**BOLDLY GROW
THE GOOD**

IN BUSINESS AND LIFE

Zero Barriers to Inclusion 2025

Colleagues

We will cultivate an inspiring culture where everyone feels respected and heard. We strive to provide an equitable employee experience – one that supports inclusion and wellness, with improved access to development and career advancement for colleagues facing systemic barriers.

Customers

We will provide our diverse customer base greater access to inclusive banking products, services and resources. We're committed to meeting our customers' distinct needs by acknowledging their unique expectations and experiences.

Communities

We will be leaders in creating a genuinely inclusive society by building strong relationships that foster inclusion, racial justice and Truth and Reconciliation, and by promoting inclusive local economic opportunities.

Practices

Talent Strategies

We will accelerate efforts to recruit, develop and advance talent from all groups, including from underrepresented groups, while enabling wellness and psychological safety in the workplace.

Education

Our commitment extends to ongoing education in inclusive behaviour, anti-racism, and shared Black and Indigenous history.

Opportunities for Youth

We will focus on providing student opportunities through our BIPOC youth program.

Black and Hispanic/Latino Advisory Council

Focus on employee experiences, development and engagement opportunities for Black and Hispanic/Latino talent.

Indigenous Advisory Council (IAC)

The IAC will provide guidance on BMO's policies and practices in education, employment and economic empowerment for First Nations, Métis and Inuit customers, colleagues and communities.

Unique Customer Programs

We will advance programs for Indigenous customers, increasing our investment in women entrepreneurs, and providing Safe Space and pronoun initiatives for 2SLGBTQ+ individuals.

Inclusive Policies and Practices

We will extend our efforts to create and expand inclusive, accessible and equitable experiences for the diverse customers we serve.

Black and Hispanic/Latino Opportunity

Dedicated support for Black and Hispanic/Latino entrepreneurs, providing increased access to working capital, educational resources and partnerships.

Partnering and Building Coalitions

We will actively drive opportunities for inclusive socio-economic development and provide financial education and mentoring for youth.

Investment in Change

We will play our part to build a more just society – especially for groups facing systemic barriers – through investments in organizations that advance health and educational equity, as well as inclusive local economic opportunities and Truth and Reconciliation.

Supplier Diversity Program

We will mentor and integrate diverse suppliers into our supply chain, promoting diversity in our procurement practices.

Indigenous Advisory Council (IAC)

Informing BMO policies and practices in education, employment and economic empowerment for First Nations, Métis and Inuit.

> BMO partnered with local students and CPS Lives – a non-profit organization that brings together Chicago public school students with an artist to collaborate on a project – to create a mural at BMO's main Chicago branch expressing hope, unity and the desire for a more inclusive community.

Forging a new partnership with Indigenous peoples

Our third annual Indigenous Partnerships and Progress Report – Wicihitowin ᐱᐸᐱᐸᐱᐸᐱᐸ – highlights BMO’s ongoing efforts to stand beside and support our Indigenous colleagues, customers and partners. Our Indigenous Banking Unit plays an important role in advancing Indigenous economic growth and cultivating trust with Indigenous customers, businesses and communities. BMO’s engagement is grounded by three pillars – education, employment and economic empowerment – that support our commitment to Zero Barriers to Inclusion for all.

In response to the Truth and Reconciliation Commission of Canada’s calls to action, we are determined to build transformative partnerships with Indigenous peoples that advance reconciliation nationwide.

Our long-standing commitment to Indigenous customers, colleagues, and communities is discussed further in this report:

- 30 [Financial inclusion – Indigenous communities in Canada](#)
- 57 [Diversity, equity and inclusion](#)
- 82 [Human rights](#)

Wicihitowin ᐱᐸᐱᐸᐱᐸᐱᐸ

Zero Barriers to Inclusion 2025



Education

Understanding our shared history is foundational to advancing Reconciliation, and at BMO, we prioritize creating pathways to promote greater learning and awareness for all about the rich cultures of Indigenous Peoples.



Employment

We are proud to be an employer of choice for talented Indigenous individuals across North America as we work to enhance the representation of Indigenous Peoples, and remove barriers to career advancement for First Nations, Inuit and Métis employees.



Economic Empowerment

Indigenous communities and businesses need supportive policies, tools, and access to the right financial products and services. BMO supports efforts to remove legislative barriers that hinder economic development and we are committed to advancing growth and prosperity for our Indigenous customers.

Practices

Breaking Down Barriers

\$5.1 million

contributed to awards and scholarships, out of a total of \$19 million in donations and pledges in support of Indigenous causes across Canada.

67%

of Indigenous leaders at BMO participated in a full-day Professional Development workshop created exclusively for Indigenous-identifying employees to design their professional career development goals.

Advancing Understanding

10,000+ downloads

BMO is providing free access to the public to Nisitohitamowin (see page 59) – more than 90% of BMO employees have completed the course, as have more than 10,000 individuals outside the bank.

Partnerships for Progress – Nurturing Indigenous Talent

37%

of last year’s new hires in Technology & Operations identify as Indigenous – the result of BMO’s intentional commitment to increase representation of Indigenous employees.

67% hire rate

Following a 6-month internship – a unique partnership with Amazon Web Services and PLATO to provide training, leading to full-time employment.

Culture of Inclusivity

95%

Retention among Indigenous employees enrolled in BMO’s Miikana Career Pathways Program. Indigenous employees are now much more likely to self-identify to gain access to programs like Miikana – the number has grown 29% since 2019 when Miikana was introduced.

Economic Self-Determination

\$11.6 billion

in Indigenous banking services to advance economic self-determination in partnership with Indigenous communities nationwide, maintaining momentum achieved in previous years.

\$237 million

in authorized loans for housing in Indigenous communities through BMO’s On-Reserve Housing Loan Program. More than 260 Indigenous communities in Canada have a banking relationship with BMO.

Supplier Diversity Program

\$77 million

in 2021, we committed to procure \$10 million from certified Indigenous-owned businesses by the end of 2023. We’ve exceeded that commitment six-fold.

Convening and collaboration for sustainability

We work with industry, government, academia and investors to understand and address the environmental and social risks that affect our business and the world around us.

Net-Zero Banking Alliance (NZBA)

Industry-led and convened by the United Nations, the NZBA unites leading banks that are committed to working with their clients to align their lending and investment activities with pathways to net-zero emissions by 2050.

Partnership for Carbon Accounting Financials (PCAF)

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assessing and disclosing the greenhouse gas (GHG) emissions associated with their loans and investments.

Equator Principles (EP)

EP is a risk management framework adopted by financial institutions. BMO became a signatory in 2005, and actively contributed to the EP4 update, which included climate change, Indigenous rights, and environmental and social risk management.

United Nations Environment Program – Finance Initiative (UNEP FI)

BMO was one of the first Canadian banks to sign the UN Principles for Responsible Banking (PRB) in 2021, and participates in several working groups:

- UNEP FI Global Steering Committee – providing executive input on strategic direction, structural issues and budget decisions
- PRB Core Group – developing the Vision for 2030, adapting and extending the PRB framework in line with evolving contexts and expectations

- Nature Target Setting Working Group – providing guidance to global banks on setting nature-related targets, in alignment with the objectives of the Kunming-Montreal Global Biodiversity Framework, which seeks to reverse nature loss by 2030.

Financial Industry Associations

BMO participates in working groups of the Canadian Bankers Association, Institute of International Finance and the Bank Policy Institute, focused on environmental and social risk, climate change and sustainable finance.

Responsible Investment Association (RIA)

BMO serves as a sustaining member, advising on strategic RIA projects and programs.

Net Zero Asset Managers initiative (NZAM)

An international group of asset managers committed to achieving net-zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C, and supporting investing aligned with net-zero emissions by 2050 or sooner. BMO GAM was a founding signatory of NZAM.

International Sustainability Standards Board (ISSB)

BMO supports the ISSB in its aim to develop consistent, comparable, and reliable global sustainability standards to meet the needs of interested parties. We supported Canada's successful bid to host an office of the ISSB in Montreal, Quebec, and we remain engaged in the ISSB process.

Collaboration with universities

BMO is collaborating with several universities to foster positive impacts across multiple areas:

- University of Saskatchewan – established the BMO chair in Regenerative Agriculture and BMO Soil Analytical Laboratory
- University of Calgary – supported the Renewable Fuel Initiative to find innovative and cost-effective solutions to produce renewable fuels
- Permafrost Institute, YukonU Research Centre – supported the establishment of the Permafrost Institute and permafrost research and solutions
- Rush University System for Health – supported the founding of the RUSH BMO Institute for Health Equity, to coordinate, scale and sustain health equity programs in Chicago
- University of Ottawa – helped fund construction of new facilities and established the Canada Research Chair in Indigenous Health
- Western University – established a new cross-campus leadership program at the Ian O. Ihnatowycz Institute for Leadership, to support small and medium-sized businesses
- University of Waterloo – supported research on the use of green hydrogen to capture carbon dioxide from power plants, and iron, steel and cement factories, for conversion to useful by-products.

Sustainable Finance Action Council (SFAC)

BMO served as co-chair of Canada's SFAC Net-Zero Capital Allocation working group, which is mandated to develop and harmonize specific practical recommendations for mobilizing capital flows in support of the transition to net zero.

Thought leadership

The BMO Climate Institute

The BMO Climate Institute, established in 2021, is an enterprise resource that coordinates climate action across the bank and externally. It is a centre of expertise that convenes climate knowledge, data and resources in order to be our clients' lead partner in the transition to a net-zero world.



BMO's Sustainability Leaders Podcast

BMO's Sustainability Leaders Podcast won Platinum in the podcast category at the 2023 Hermes Creative Awards and Gold for the Best Business Podcast at the 20th Annual International Business Awards. Since its launch in 2019, 135 episodes have been published, advancing the dialogue on leading approaches to sustainability. Topics in 2023 included energy transition; carbon credits; social equity; and biodiversity.
<https://sustainabilityleaders.bmo.com/en/home/sustainability-leaders-podcast/>

Awards for our work

This is some of the recognition we're receiving as we integrate sustainability across our business.¹

Dow Jones Sustainability Index

North America Index – S&P Global

World's Most Ethical Companies®

Ethisphere®

Best 50 Corporate Citizens in Canada

Corporate Knights

Gender-Equality Index

Bloomberg

#1 2022 Financial System Benchmark – World Benchmarking Alliance

#1 Corporate Partner (BMO U.S.) – United Way of Metro Chicago

#1 Canada Mobile Banking Emerging Features Benchmark 2023 – Insider Intelligence

#1 in Customer Satisfaction – J.D. Power 2023 Canada Retail Banking Satisfaction Study

5-Star Rating in Employment for the 2023 Corporate Inclusion Index™ (BMO U.S.) – Hispanic Association on Corporate Responsibility (HACR)

Best 50 Corporate Citizens in Canada 2023 – Corporate Knights

BEST Award 2023 – Association for Talent Development (ATD)

Best Commercial Bank in Canada – World Finance Magazine

Best Commercial Bank in the U.S. – World Finance Magazine

Best Employer for Diversity (BMO U.S.) – Forbes

Best Performing Bank in Canada, Top 1000 World Banks 2023 – The Banker, The Financial Times

Best Places to Work for Disability Inclusion (BMO U.S.) – The Disability Equality Index®

Best Private Bank in Canada – World Finance Magazine

Best Private Bank in the U.S. – World Finance Magazine

Best Retail Bank in Canada – World Finance Magazine

Best Workplaces for Innovators – Fast Company's Top 30 Companies

Bloomberg Gender-Equality Index (2023)

Canada's Best Employers for Diversity 2023 – Forbes

Canadian Workplace Well-Being Award 2023 – Canadian Positive Psychology Association

Climate Change Partner Award 2023 (BMO GAM) – Institutional Connect

Co-op Employer of the Year – University of Toronto (Scarborough)

Core Offering Innovation – Qorus-Accenture Innovation Award

Dow Jones Sustainability Index – North America Index – S&P Global

Emissions Reduction Leadership and Innovation Excellence 2023 – race2reduce Commercial Real Estate Trailblazers (CREST Awards)

Energy Efficiency – NRG Energy Excellence in Energy Awards

FTSE4Good Index Series – FTSE Russell

Global 100 Most Sustainable Corporations in the World 2023 – Corporate Knights

Gold certificate in the Progressive Aboriginal Relations™ (PAR) program – Canadian Council for Aboriginal Business

Impact Award in Cash Management and Payments – Datas Insights

Innovation in Retail Customer Experience for NewStart® – BAI Global Innovation Awards

Overall leader in Canadian Mobile Banking Scorecard – Javelin Strategy & Research

Pro Bono Partner Award 2023 – Corporate Pro Bono

Retail Digital Banking Award and Customer Financial Resilience Award – 2023 Celent Model Bank Awards

Social Bond of the Year (Sovereign category) – Environmental Finance

Sustainability Bond of the Year (Supranational category) – Environmental Finance

Sustainability-Linked Loan of the Year (Americas) – Environmental Finance

Top 3 2023 Digital Broker (BMO InvestorLine) – Globe and Mail

U.S. President's Volunteer Award – 2023 Junior Achievement USA

Women Lead Here 2023 Benchmark – Report on Business Magazine

World's Most Ethical Companies® – Ethisphere Institute®

¹ All awards are from 2023 fiscal year unless otherwise stated. For a complete list, refer to [Awards and Recognition](#).

Focus Areas

Sustainability efforts at BMO focus on areas that are important to the long-term success of our business, our customers, and our stakeholders.

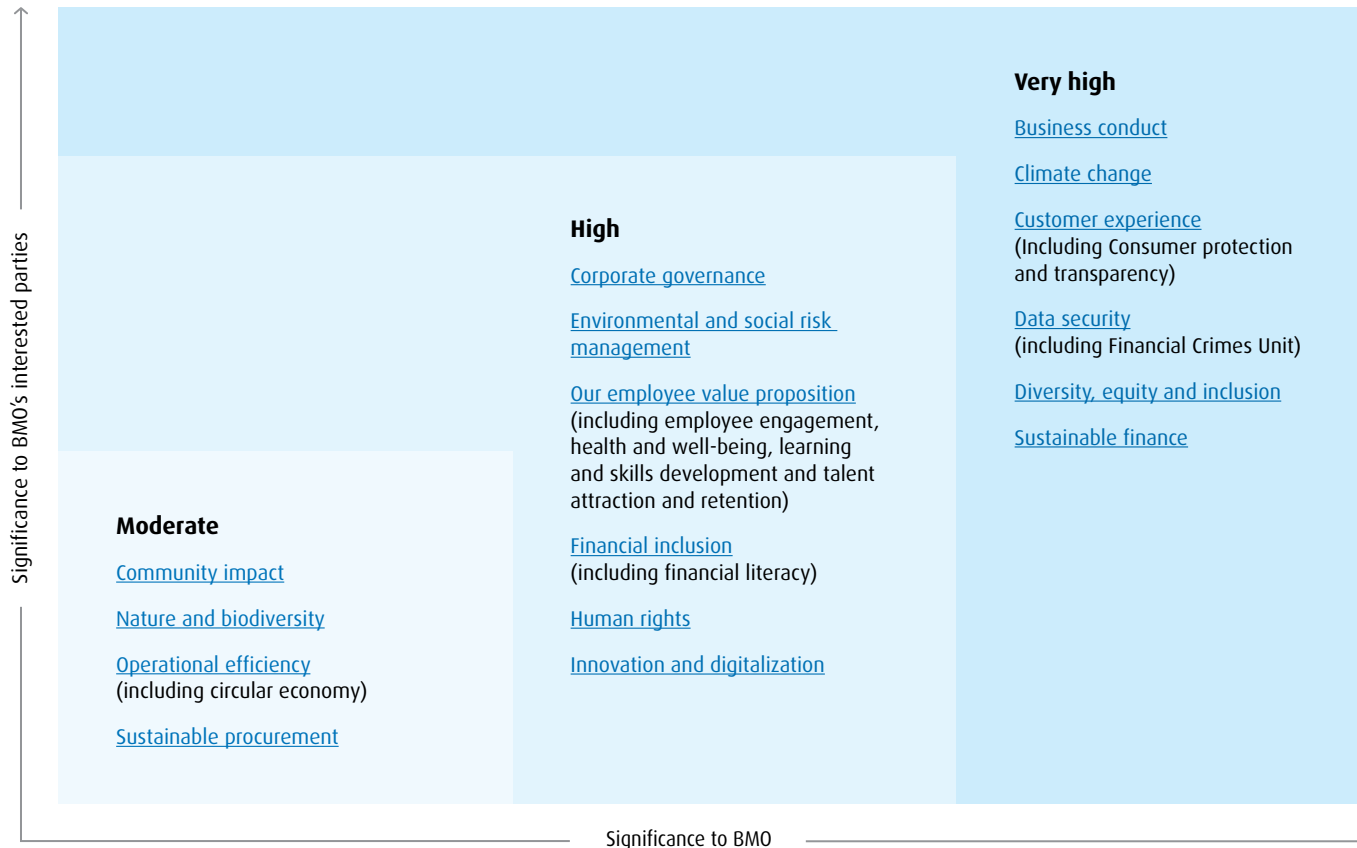
This section outlines how we determine what's important, how we engage with interested parties, and the progress we made in 2023 to advance our four focus areas: a thriving economy; a sustainable future; an inclusive society; and a strong foundation of trust.

Determining our priority sustainability topics

Our sustainability efforts are focused on areas that matter most to our business, as informed by their importance to our customers, and other interested parties. We actively engage with internal and external parties throughout the year to gather feedback on and inform our approach to various sustainability topics (see page 17 and 21).

We determine our priority sustainability topics through an assessment based on the Global Reporting Initiative's (GRI) approach to materiality,¹ which is intended to identify important topics for the purposes of sustainability reporting.

The 2023 significance matrix includes 16 priority sustainability topics, which we group into four focus areas: Thriving economy, Sustainable future, Inclusive society, and Foundation of trust.



¹ Materiality for the purposes of this report is different than how we address materiality for disclosure requirements under securities laws. This approach means that this report includes voluntary disclosures on sustainability topics, including climate-related risks and opportunities, that may not be required to be incorporated into our 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.

Determining our priority sustainability topics

We used Datamaran's artificial intelligence and big data platform for our 2023 assessment of priority sustainability topics, and our continuous monitoring of topics.

1 Identify sustainability topics

We selected and customized sustainability topics relevant to BMO using Datamaran's library of hundreds of sustainability issues.

2 Determine importance to interested parties

We determined the importance of each topic to interested parties with the assistance of the Datamaran platform which has:

- benchmarked the latest reporting of more than 620 financial sector companies in the countries where we operate
- reviewed more than 2,000 mandatory sustainability-related regulations and more than 2,000 voluntary sustainability-related policy initiatives relevant to the financial services sector in the countries where we operate
- reviewed financial services sector media, including more than 63,000 news articles

3 Determine significance to BMO

To determine how important these topics are to BMO's own reputation risk management or commercial opportunities, we surveyed a representative sample of employees across the enterprise as well as BMO's Sustainability Council members.

4 Approve significance matrix

We mapped the results on a significance matrix, which we reviewed with BMO's Sustainability Council, Disclosure Committee, and the Audit and Conduct Review Committee of the Board of Directors as part of the approval process for the Sustainability Report.


Engaging interested parties

By maintaining regular, open and meaningful communication with interested parties, we can better understand the issues that are important to them, and therefore are important to us. Here is a snapshot of the ways we engaged in 2023.

	Customers	Employees	Communities	Shareholders and investors	Government, NGOs and industry	Suppliers
How we engaged in 2023	<p>Newsletters and email</p> <p>Events and conferences</p> <p>Research surveys and usability testing</p> <p>Consultations, working groups and partnerships</p> <p>Media, outreach forums, webinars and podcasts</p> <p>Impact reporting and thought leadership</p>	<p>Email, quarterly calls, internal blogs and videos</p> <p>Town halls, meetings, listening sessions, feedback channels, forums and employee resource groups</p> <p>Events, conferences, advisory boards and executive networks</p> <p>Surveys, focus groups, learning programs, workshops and orientation sessions</p>	<p>Indigenous Advisory Council and Black and Hispanic/Latino Advisory Council meetings</p> <p>Community partnerships and donations, volunteering, sponsorships, social impact initiatives, speaking engagements and networking events</p>	<p>Email, conference calls and video conference calls</p> <p>Investor networks and stewardship</p> <p>Responding to investor requests for information</p>	<p>Industry associations, organizations, panels and events</p> <p>Technical committees, advisory and working groups</p> <p>Benchmarking surveys and education sessions</p> <p>Universities, colleges, local chambers of commerce and public policy consultations</p>	<p>Meetings and conferences</p> <p>Speaking engagements</p>
Topics we discussed	<p>Thriving economy</p> <ul style="list-style-type: none"> Financial inclusion – support for Black entrepreneurs; regional ally partnerships to improve access to capital; fair lending and responsible banking; employment and economic empowerment; newcomer transition and employment opportunities; supporting women business owners; reducing barriers to accessibility <p>Sustainable future</p> <ul style="list-style-type: none"> Sustainable finance – sustainable financing and responsible investing trends; clean tech innovations; energy transition; nature and biodiversity Operational efficiency – carbon footprint; carbon offsets and renewable energy purchases <p>Foundation of trust</p> <ul style="list-style-type: none"> Innovation and digitalization – online platform design Data security – cyber security education; fraud prevention; protection of customer data 	<p>Thriving economy</p> <ul style="list-style-type: none"> Financial inclusion – support economic recovery, focused on advancing small business and inclusive opportunity <p>Sustainable future</p> <ul style="list-style-type: none"> Sustainable finance – responsible investing trends and solutions Climate change – climate-related risks, opportunities and implications for BMO Operational efficiency – circular economy; waste and energy reduction; decarbonization; embodied carbon; biodiversity <p>Inclusive society</p> <ul style="list-style-type: none"> Diversity, equity and inclusion – identifying barriers to inclusion; 2SLGBTQ+; racial justice; accessibility; learn from difference; leadership and empowerment Employee value proposition – career success; rewards and recognition; employee satisfaction; mental health; stress; parenting; work-life balance; working remotely; learning and skills development <p>Foundation of trust</p> <ul style="list-style-type: none"> Data security – cyber security awareness and planning Financial crimes – fraud prevention Business conduct – ethics; artificial intelligence; culture; code of conduct; whistleblowing initiatives 	<p>Thriving economy</p> <ul style="list-style-type: none"> Financial inclusion – Indigenous topics, including cultural sensitivity, customer identification, residential schools, affordable housing, well-being of Indigenous women; community benefits plan and U.S. <i>Community Reinvestment Act</i> <p>Inclusive society</p> <ul style="list-style-type: none"> Community impact – mental health; inclusive local economic opportunity; gender-balanced and equitable donations portfolio; public policy support for the non-profit sector; student mentorships DEI – gender equity; deepening partnership with the Indigenous Advisory Council 	<p>Sustainable future</p> <ul style="list-style-type: none"> Sustainable finance – sustainable financing; responsible investing; sustainability risks and opportunities Climate change – risk and opportunity management; transition planning; climate-related disclosures Environmental and social risk management – biodiversity; human rights <p>Inclusive society</p> <ul style="list-style-type: none"> Diversity, equity and inclusion – racial equity audits <p>Foundation of trust</p> <ul style="list-style-type: none"> Corporate governance – alignment of executive compensation and sustainability performance; human rights; Finance Against Slavery and Trafficking Data security – cyber security; fraud prevention 	<p>Strategy</p> <ul style="list-style-type: none"> Principles for Responsible Banking – impact analysis <p>Thriving economy</p> <ul style="list-style-type: none"> Financial inclusion – target-setting; affordable housing; support for Black, Indigenous and other underserved entrepreneurs and diverse customers <p>Sustainable future</p> <ul style="list-style-type: none"> Sustainable finance – sustainable financing and responsible investing Climate change – risk and opportunity management; transition planning; target-setting and disclosure Environmental and social risk management – biodiversity; new regulations Operational efficiency – resource efficiency; target-setting <p>Inclusive society</p> <ul style="list-style-type: none"> Employee value proposition – workforce pipeline <p>Foundation of trust</p> <ul style="list-style-type: none"> Business conduct – regulatory compliance and risk management; ethics and compliance Data security – privacy regulatory changes; open banking; cyber security; fraud prevention Human rights – legislative compliance 	<p>Sustainable future</p> <ul style="list-style-type: none"> Operational efficiency – carbon footprint; circular economy; waste diversion Sustainable procurement – BMO supplier diversity program; educational webinars on quantifying emissions; CDP Supply Chain program

Tracking our progress

This Sustainability Scorecard tracks our performance on delivering sustainable value for our shareholders, customers and employees. Additional data can be found in our 2023 Sustainability Report Data Pack and Glossary, available on our [website](#).

 Economic value generated and distributed ¹		2023	2022	2021	Target
Financial strength (reported measures)	Net income (\$ millions)	\$4,377	\$13,537	\$7,754	
	Revenue (\$ millions)	\$31,199	\$33,710	\$27,186	
	Net revenue (\$ millions) ²	\$29,260	\$34,393	\$25,787	
	Net efficiency ratio (%) ²	72.5%	47.1%	60.1%	
	Average return on equity (%)	6.0%	22.9%	14.9%	
	Diluted earnings per share (\$)	\$5.68	\$19.99	\$11.58	
	Diluted earnings per share growth (%)	(71.6)%	72.7%	53.3%	
	Effective tax rate (%)	25.3%	24.3%	24.4%	
Financial strength (adjusted measures)³	Net income (\$ millions)	\$8,675	\$9,039	\$8,651	
	Revenue (\$ millions)	\$33,378	\$26,533	\$27,157	
	Net revenue (\$ millions) ²	\$31,439	\$27,216	\$25,758	
	Net efficiency ratio (%) ²	59.8%	55.8%	56.5%	
	Average return on equity (%)	12.3%	15.2%	16.7%	
	Diluted earnings per share (\$)	\$11.73	\$13.23	\$12.96	
	Diluted earnings per share growth (%)	(11.4)%	2.1%	68.0%	
	Effective tax rate (%)	22.3%	22.8%	22.7%	
Shareholder value	Total annual shareholder return, 1-year (%)	(12.5)%	(3.1)%	75.9%	
	Total annual shareholder return, 3-year (%)	14.3%	13.4%	15.7%	
	Dividends declared per share (\$)	\$5.80	\$5.44	\$4.24	
Value to society	Goods and services purchased – Canada and United States (\$ millions)	\$8,742	\$6,382	\$5,257	
	Salaries, benefits and other compensation (\$ millions)	\$11,515	\$8,795	\$8,322	
	Taxes and levies paid (\$ millions)	\$2,681	\$5,297	\$3,324	

For information on the bank's financial performance, including medium-term financial objectives, please refer to the 2023 Annual Report to Shareholders

¹ 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.

² Reported and adjusted net revenue and measures calculated based on net revenue, including reported and adjusted net efficiency ratio, are non-GAAP measures and ratios. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). For further information, see the Non-GAAP and Other Financial Measures section on page 95.

³ Adjusted results and measures are non-GAAP. For further information, see the Non-GAAP and Other Financial Measures section on page 95.

Tracking our progress


Thriving economy

	2023	2022	2021	Target
Financial inclusion				
<i>Women</i>				
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
<i>Indigenous communities</i>				
Indigenous banking business – Canada (\$ billions) ¹	\$11.6	\$7.1	\$6.4	\$9.5 billion by 2028
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	
<i>Small businesses</i>				
Small business lending – Canada (\$ billions)	\$6.5	\$6.3	\$5.5	\$7 billion by 2025
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
<i>Financial literacy</i>				
Participants in financial literacy sessions offered by BMO U.S. – United States (#) ²	9,321	6,067	7,868	

◆ KPMG has provided limited assurance of this figure.

¹ The total outstanding amount of all loans, deposits and term investments originated or administered by BMO for Canadian Indigenous communities and businesses through Canadian Commercial Banking, Canadian Business Banking and the On-Reserve Housing Loan Program.

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

Tracking our progress



		2023	2022	2021	Target
Sustainable finance¹	Capital to finance clients pursuing sustainable outcomes (\$ billions) ²	\$68.61 ◆	\$89.98	\$70.74	\$300 billion by 2025
	Capital deployed and committed for BMO Impact Investment Fund (\$ millions) ³	\$57.6	\$68.2	\$44.0	\$350 million by 2025
	Capital directed to affordable and accessible housing (\$ billions) ⁴	\$7.2	\$2.5	-	\$12 billion by 2030
Climate change	Lending to carbon-related assets – Metric 1 (non-renewable energy and power generation) (%) ⁵	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) (%) ⁶	20.4% ◆	19.8%	-	
Operational efficiency⁷	GHG emissions from fuel (CO ₂ e) (Scope 1) ⁸	33,350 tonnes	34,083 tonnes	33,661 tonnes	30% reduction by 2030 vs. 2019 ⁹ Progress to date: 34%
	GHG emissions from electricity and steam (CO ₂ e) (Scope 2 location-based) ^{8,10}	56,357 tonnes	54,788 tonnes	63,634 tonnes	
	GHG emissions from electricity and steam (CO ₂ e) (Scope 2 market-based) ^{8,10}	315 tonnes	295 tonnes	88 tonnes	
	GHG emissions from purchased goods and services (CO ₂ e) (Scope 3 category 1) ¹¹	Not available	Not available	435,335 tonnes	
	GHG emissions from waste sent to landfill (CO ₂ e) (Scope 3 category 5) ^{8,12}	433 tonnes	667 tonnes	1,047 tonnes	
	GHG emissions from business travel (CO ₂ e) (Scope 3 category 6) ^{8,13}	11,820 tonnes	6,297 tonnes	1,919 tonnes	
	Total operational GHG emissions (CO ₂ e)	101,960 tonnes	95,835 tonnes	100,261 tonnes	
	Carbon credits retired (CO ₂ e)	45,918 tonnes	41,342 tonnes	36,715 tonnes	
	GHG reductions from renewable energy credits purchased (CO ₂ e)	56,042 tonnes	54,493 tonnes	63,546 tonnes	
	Net operational GHG emissions (CO ₂ e)	0 tonnes	0 tonnes	0 tonnes	Carbon neutral operations annually
Global electricity use procured from renewable sources (%)	100%	100%	100%	100% annually	

◆ KPMG has provided limited assurance of this figure.

¹ This section excludes Bank of the West and BMO Radicle activities.

² Results for 2019 to 2022 have been restated, to reflect an update to our definition of sustainable outcomes (see Glossary).

³ This metric is accounted for in the capital to finance clients pursuing sustainable outcomes.

⁴ In 2023, the methodology for capital to affordable and accessible housing was updated to ensure accurate comparison of data over time. Results for 2022 have been restated.

⁵ 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 for 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.

⁶ 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.

⁷ This section excludes Bank of the West. Metrics reflect August 1 through July 31.

⁸ 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](#).

⁹ In 2023, we saw emissions reduction that surpassed the 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.

¹⁰ 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.











¹¹ This amount excludes Bank of the West. 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.


¹² 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.

¹³ 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.

Tracking our progress

 Inclusive society

		2023	2022	2021	Target
Diversity, equity and inclusion¹	Gender equity in senior leadership roles – enterprise-wide (%) ²	42.3% 	42.0%	41.2%	40-60% 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 (%) ³	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%	5-7% by 2025
	2SLGBTQ+ representation across our workforce – Canada and United States (%)	5% 	4.3%	2.2%	3% by 2025
Employees educated to learn from difference (%) ⁴	96.7%	93.3%	89.6%	100% by 2025	
Employee value proposition	<i>Talent attraction and retention</i>				
	Total number of new hires (#)	8,647	12,480	8,989	
	Open positions filled by internal candidates (%)	46%	42%	53%	
	Total turnover rate – enterprise-wide (%) ⁵	16.7% 	18.9%	18.9%	
	Voluntary turnover rate – enterprise-wide (%) ^{5,6}	11.8% 	15.9%	15.0%	
	<i>Learning and skills development</i>				
	Employees equipped with future-focused skills (#) ⁷	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 hours	1,823,000 hours	1,169,000 hours	
	Average learning hours per full-time employee (FTE)	33 hours	40 hours	27 hours	
	Investment in learning and development (\$ millions) ⁸	\$96	\$67	\$60	
	<i>Employee engagement</i>				
	Employee engagement index ⁹	86% 	85%	80%	
Community impact	<i>Community giving</i>				
	Donations – Canada and United States (\$ millions) ⁸	\$84.0 	\$69.3	\$66.3	
	<i>Employee giving and volunteering</i>				
	Employee volunteer hours ¹⁰	62,000+ hours	47,000+ hours	31,000+ hours	
Total pledged through BMO Employee Giving Campaign (\$ millions)	\$31.2	\$27.0	\$23.0		

 KPMG has provided limited assurance of this figure.

¹ Workforce representation goals and targets are aspirational and are not quotas or mandated targets.

² Our Zero Barriers to Inclusion goal for gender equity in senior leadership roles is enterprise-wide.

³ 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.

⁴ 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).

⁵ 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.

⁶ 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.

⁷ The metric was broadened in 2022 to include engagement in "BMO Forward" as well as a range of new learning programs that were launched to target future-focused skills. Performance in 2022 and 2023 includes multiple programs (see Glossary).

⁸ There was a significant increase in 2023 related to the Bank of the West acquisition.

⁹ This amount excludes Bank of the West.

¹⁰ There was a significant increase in 2023 related to the Bank of the West acquisition. Hours contributed in the United States (except U.S. pro bono) represent calendar year.

Tracking our progress

 Foundation of trust

		2023	2022	2021	Target
Corporate governance	Percentage of independent directors	93%	92%	92%	
	Average tenure of members of Board of Directors	8 years	8 years	7 years	
	Women on Board of Directors (% of independent directors)	54%	50%	50%	No less than 1/3
	People of Colour on Board of Directors (% of independent directors)	15%	8%	8%	
Data security	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	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	Human rights learning hours	284,827 hours	254,286 hours	222,699 hours	
Customer experience⁴	Customer loyalty surveys completed (#)	1,150,547	1,086,075	1,041,742	
	Net Promoter Score® – enterprise-wide	59	57	55	
Innovation and digitalization	Active digital users – North America (thousands) ⁵	3,898	3,606	3,419	
	Self-serve transactions – North America (%)	90.7%	89.9%	89.6%	
	Digital adoption – Canada (%) ⁶	72.1%	70.3%	68.3%	
	Digital adoption – U.S. (%) ^{6,7}	60.7%	55.6%	51.8%	

♦ 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 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.

⁵ Reclassification of data occurs over time. Results for 2021 and 2022 have been restated, with minor changes.

⁶ Digital adoption is the percent of deposit customers that logged on in the last 90 days. 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.

⁷ This amount excludes Bank of the West.

Thriving economy

The health of our bank is directly linked to the long-term prosperity of our customers and communities, and to sustained economic growth. By offering specialized products and accessible services to our many diverse customers – including women entrepreneurs, small business owners and members of Indigenous, Black, Hispanic/Latino and other underserved groups – our aim is to create an economy that benefits everyone.

What we focus on

29 Financial inclusion – We offer a wide range of financial products and services, as well as networking opportunities and educational initiatives, to help our customers make real progress to become more financially stable and resilient. We work to facilitate home ownership, accessible banking and share access to professional networks; we aim to create employment opportunities and grow the good in the communities we serve.

Alignment with SDGs

- 1** No poverty
1.4
- 5** Gender equality
5.1, 5.a
- 8** Decent work and economic growth
8.3, 8.10
- 10** Reduced inequalities
10.2, 10.3
- 17** Partnerships for the goals
17.6

[See page 12](#)



Addressing food insecurity in the north



> Benjamin Feagin Jr., CEO of AgriTech North and Fabian Prince Velez, Chief Operating Officer
Photography: Tony McGuire/Theymedia

Food insecurity is a major issue in Canada’s northern Indigenous communities, where food costs can be significantly higher than in urban centres. Benjamin Feagin Jr., CEO of AgriTech North and a member of the Métis community, is on a mission to change that.

AgriTech is a vertical farming company using innovation to enhance sustainability, food security and affordability in Canada’s northern and remote Indigenous communities. “We’re trying to innovate around existing technologies to find lower-tech ways to do the same job – but that are more sustainable and less energy-intensive,” says Benjamin. For example, they’re exploring ways to combine vertical farming – which generates heat, with greenhouse production – which requires heat.

They’re also planning to work with First Nations governments to help them establish food sovereignty in their own communities. “We want to help others implement the successes we have in our area,” says Benjamin.

BMO is focused on being our clients’ lead partner in the transition to a net-zero world – and Seleen Mostow, Relationship Manager at BMO, is excited to support AgriTech’s mission to reduce food costs by 25%. “BMO’s helping them remain sustainable so they can focus on achieving year-round growing that has net-zero emissions and is energy-independent,” she says. “We can make a difference at BMO by supporting businesses that do so much good in our communities – this is why I love my job.”



Financial inclusion

We offer a wide range of financial products and services designed to meet the needs of small business owners, and we are working to understand and address the needs of communities that have been historically marginalized and underserved.

Who has responsibility

Product groups within the various lines of business: for example, the Indigenous Banking and BMO for Women units in Canada and Zero Barriers to Business program in Canada and the U.S. These units work with BMO's Leadership Committee for Diversity, Equity and Inclusion, an enterprise-wide committee of more than 20 senior executives

Oversight is provided by Head of Canadian Business Banking and Head of U.S. Business Banking. The U.S. Regulatory Committee oversees BMO's performance and initiatives related to the *Community Reinvestment Act (CRA)*

What it includes

- Women
- Indigenous communities in Canada
- Small businesses
- Community investment
- Meeting the needs of every BMO customer
- Financial literacy

Women

Across North America, women are shaping the financial landscape by:

- building wealth at a faster pace than men
- ascending the leadership ladder, breaking barriers to reach prominent positions
- becoming business owners, a rapidly emerging category that now represents roughly 40% of the market.¹

We aim to earn the trust of women investors, entrepreneurs and professionals, so that they make BMO their bank of choice. We introduce new banking products and services that can be tailored to fit every financial situation, enabling real financial progress. We celebrated International Women's Day 2022 by announcing a \$5 billion commitment of funding over five years to support women business owners in Canada.

Our Advocate Strategy is an initiative focused on offering support for women as they grow their businesses, execute their strategies and plan for their future. Our Advocates, who have built careers

in lines of business across BMO, are strengthening our partnerships with organizations like the Women Presidents Organization, GroYourBiz and Women Get on Board. Together, they form a vital network of communities committed to supporting women leaders.

We continue to focus on creating more opportunity for women in financial services and technology through our community relationships. Our WMNfintech program and investment in the Female Innovators Lab grow and help to commercialize women founders in the financial technology space. These programs not only support founders but bring their innovation to our customers to make real financial progress.

As a champion of gender equity for all, we have made a bold commitment to increase the number of women-owned businesses we support across our Canadian footprint. This commitment was formalized when we became a signatory to the UN Women's Empowerment Principles in 2019 – the first Canadian bank to take this step.

The BMO for Women program serves as a catalyst in the development of partnerships, by hosting events and podcasts and launching new initiatives with resources that empower and advance women.

2023 highlights – Women

Advocating for women • Launched our Advocate Strategy, an initiative that connects women business owners and investors with BMO banking professionals who are committed to sharing their expertise.

Investing in women entrepreneurs across North America • Provided better access to capital, educational resources and partnerships for women-owned businesses in the U.S. through our BMO for Women-Owned Businesses program.
• Partnered with and invested in the Female Innovators Lab, the largest early-stage Fintech fund for women founders.

Supporting women entrepreneurs around the world • Continued our partnership with global innovation hub 1871 to sponsor and operate the largest women Fintech accelerator program across North America, resulting in hundreds of jobs created and over \$30 million in funding raised.
• Continued our sponsorship of WE Empower UN SDG Challenge, a global event in support of women entrepreneurs who are dedicated to sustainable business practices and climate action.

Levelling the playing field • Partnered with FIFA Women's World Cup to build a balanced and equitable sponsorship portfolio for men's and women's teams and became an official supporter of the 2023 FIFA Women's World Cup™ in North America.

2023 BMO for Women statistics

\$10.3 billion

in loans to women-owned businesses in Canada

146.2 thousand

women-owned businesses supported in Canada

This is a BMO Bold Commitment – [see page 8](#)

¹ Sources: [American Express](#) and [Women of Influence+](#)



Indigenous communities in Canada

BMO has nurtured strong partnerships with Native American and Indigenous Canadian communities for decades.

Our engagement is grounded on the three pillars – employment, education and economic empowerment – which form the foundation of our commitment to advancing Truth and Reconciliation across Canada.

Our *Indigenous Advisory Council*, composed of leaders from First Nations, Métis and Inuit communities nationwide, guides us as we move forward along this path.

Our strategy for employment, the first pillar, involves recruiting talented individuals in Indigenous Canadian and Native American communities and introducing them to our *Miikana Career Pathways* program – an initiative that provides one-on-one career support, development and advancement.

Our strategy for the second pillar, education, includes our learning programs and our *Sharing Circle* ERG, which are deepening our shared understanding, fostering awareness and self-identification, and celebrating Indigenous Canadian and Native American cultures. Over the next decade, we plan to contribute more than \$17.7 million in funding to charitable and non-profit Indigenous organizations. In addition, BMO Capital Markets has donated more than \$4.2 million to Indspire, an Indigenous educational charity since its inception in 2005.

Our strategy for economic empowerment, the third pillar, includes financial literacy initiatives aligned with the financial products and services we offer through our banking network in Indigenous Canadian and Native American communities. Our *Indigenous Personal Banking* program provides personalized support and pricing designed to cater to both status and non-status members across all Indigenous to Canada communities. Our *On-Reserve Housing Loans Program* offers innovative financing options for eligible individuals seeking to build, buy or renovate homes on-reserve. We also support economic empowerment with trust services, investment solutions and long-term financing options for on-reserve infrastructure projects and economic development.

We are proud to have earned seven consecutive Gold-level Progressive Aboriginal Relations™ (PAR) certifications from the Canadian Council for Aboriginal Business. BMO has retained its PAR certification for more than 20 years.

2023 highlights – Indigenous communities in Canada

Supporting Indigenous-led organizations

- Contributed \$800,000 to three Indigenous organizations focused on education and cultural reclamation: Ka Ni Kanichihk, to support the Home for Reconciliation expansion; Teach For Canada – Gakinaamaage, to extend access to educational resources to 19 additional First Nations partners; and the Woodland Cultural Centre, to help build a new state-of-the-art cultural centre.

Launching new entrepreneur programs

- Introduced BMO *Zero Barriers to Business for Indigenous Entrepreneurs* program to create a more robust and efficient pathway for Indigenous entrepreneurs to access capital through traditional financial institutions, with more flexible underwriting criteria and the resources they need to succeed.
- Supported Indigenous entrepreneurs in the Treaty 7 First Nations Marketplace at the Calgary Stampede, removing one of the barriers to financial progress by covering their daily table fees.

Celebrating Indigenous Canadian cultures and communities

- Contributed \$350,000 to the Museum of North Vancouver in support of welcoming Indigenous knowledge keepers and maintaining cultural practitioners and creating employment opportunities for Indigenous peoples.
- Published *Wichitowin* ᐃᓕᐱᐃᐅᐃᓂᓂ, our third annual *Indigenous Partnerships and Progress Report*, highlighting BMO's commitment to Indigenous communities and recognizing our shared urgency of dismantling systemic barriers along the path to reconciliation.

BMO Indigenous Banking

\$11.6 billion

in deposits, loans and investments in approximately 260 Indigenous communities across Canada

This is a BMO Bold Commitment – [see page 8](#)

Learn more from [Wichitowin, BMO's 2023 Indigenous Partnerships and Progress Report](#)

95

local branches serving Indigenous communities, 14 full-service branches, one business banking office, 20 ATMs, two mobile branches

7

consecutive Gold-level Progressive Aboriginal Relations™ (PAR) three-year certifications



Small businesses

We are actively supporting small businesses – key drivers of economic growth. We have programs to help small businesses make real financial progress, particularly in underserved communities, in the face of economic challenges such as inflation, rising interest rates and supply chain disruptions. These challenges continue to have a disproportionately negative impact on businesses owned by women and members of minority groups.

The Canada Emergency Business Account (CEBA) program offered government-funded interest-free loans to small businesses during the COVID-19 pandemic. To prepare for the closing of the CEBA pandemic-era loan program in early 2024¹, we introduced a CEBA remediation program. This program helps small and medium-sized businesses repay loans and access partial loan forgiveness – valuable support during a critical period.

We are improving access to capital through our special-purpose credit programs (SPCPs) in the United States. We also offer specialized accounts, customized credit cards, lines of credit and online resources for small businesses that are intended to remove systemic barriers. Our expanded and automated BMO Business Xpress application platform streamlines credit applications, which has reduced processing time to as little as 20 minutes.

The BMO Zero Barriers to Business program aims to break down barriers for historically underserved and marginalized groups in the United States and Canada. The program provides better access to working capital loans, as well as educational resources and partnerships, including supportive networks and alternative funding sources. The program is part of BMO EMpower 2.0, where BMO committed \$200 million in lending to support the progress of minority-owned businesses in the United States. BMO committed \$100 million to support both Black entrepreneurs (previously called Business Within Reach: BMO for Black Entrepreneurs) and Indigenous entrepreneurs in Canada.

2023 Small business statistics

\$6.5 billion

small business lending in Canada

This is a BMO Bold Commitment – [see page 8](#)

70 thousand+

small business cards and lending customers in the United States

This is a BMO Bold Commitment – [see page 8](#)

2023 highlights – Small businesses

Breaking down barriers for business

- Expanded specialty lending program Zero Barriers to Business to cover more businesses. In the U.S., the program is aimed at women and members of Black, Hispanic/Latino, Indigenous and Native American communities. The program expanded to business owners in 22 states. The program is Canada-wide to support Black and Indigenous entrepreneurs.
- Since program inception in 2020, more than \$82 million in authorized credit has been provided for 3,700 small business owners.

Helping small businesses make real financial progress

- Introduced CEBA replacement program, offering support to approximately 51,000² small businesses in Canada as they make final payments on pandemic-related loans and help them access partial loan forgiveness.
- Provided more than \$500 million in new authorized lending to small businesses across Canada in 2023.
- Continued our sponsorship of Humber College Entrepreneurship, helping prepare the next generation of diverse Canadian entrepreneurs with a five-year series of training and development workshops, as well as the three pitch streams in the BMO Launch Me Competition: Women Innovators, Groundbreakers and New Graduate Startups.

Extending support for minority-owned businesses

- Collaborated with Chicago Bulls, Milwaukee Bucks and Chicago Blackhawks to celebrate six minority-owned businesses that are making a positive difference in their community. Through the BMO EMpower Share the Limelight program, we share BMO brand marketing assets twice a season to help local minority-owned businesses reach a wider audience of potential customers.

¹ CEBA loan holders eligible for partial loan forgiveness if repayment made before January 18, 2024.

² This value is as at January 18, 2024.



Community investment

Banks and other financial institutions can – and in some cases are required to – play an important role in building a more equitable society, working to remove economic barriers, reduce the racial wealth gaps and promote more inclusive practices in the financial services industry. In our day-to-day business at BMO – lending, investing, giving and community engagement – we look for opportunities to accelerate positive change and remove barriers to inclusion within the financial services industry, consistent with our obligations under applicable law.

In Canada, we focus on supporting underrepresented businesses. We have committed \$5 billion in funding over five years to support women entrepreneurs and boost the economy (see page 29). The BMO NewStart® program offers services and support for newcomers to Canada (see page 35). To create a more inclusive Canadian business environment, BMO has launched *BMO Zero Barriers to Business* for Black and Indigenous entrepreneurs and committed \$100 million to this program to provide underserved businesses with greater access to working capital, educational resources, and professional partnerships to start up, scale up, and grow their business.

In the United States, we are responding to the demands of a rapidly changing economic and social landscape with the BMO EMpower program – driving meaningful financial progress and working to support racial equity in a more inclusive society. After surpassing our initial goal of \$5 billion in funding in just over two years¹, we launched BMO EMpower 2.0 in April 2023, adding more resources for our commitment to growing the good in our communities.

BMO EMpower 2.0 is a five-year, more than US\$40 billion [Community Benefits Plan](#), with more than US\$16 billion of its funding targeted for communities in California – a formal commitment made to the bank’s U.S. regulators as part of our acquisition of Bank of the West. Along with this significant financial commitment, the plan involves building strategic partnerships and deep community engagement in markets across our expanded U.S. footprint. To develop the plan, we consulted with many community partners, including Rise Economy, formerly known as California Reinvestment Coalition, and the Alliance to Close the Racial Wealth Gap, and we invited input from more than 85 community groups across the country in listening sessions facilitated by the National Community Reinvestment Coalition. The plan reinforces BMO’s focus on advancing home ownership and the growth of small businesses in low-to-moderate income neighbourhoods and communities of colour, with lending and investment to support affordable housing and economic development, as well as philanthropic giving. By combining access to capital and community-driven investment – together with our partners – we can provide meaningful support for financial inclusion at the local level. For more information, please visit our [website](#).



Community reinvestment under the U.S. Community Reinvestment Act (CRA)

In the United States, banks like BMO must provide support that meets the credit needs of the communities they serve, especially communities with lower income levels, as required by the *Community Reinvestment Act (CRA)*. BMO has earned an “Outstanding” rating in recent CRA evaluations. The rating also involved a recognition of some components of the BMO EMpower program. For example, in the United States, we work with non-profit partners to offer an average of US\$10,000 in down-payment assistance to first-time homebuyers. We also offer financial literacy programs that can help them make real financial progress and build savings for unexpected expenses. We partner with organizations like the Illinois Housing Development Authority to deliver programs in every state within the expanded BMO U.S. footprint. These programs offer affordable mortgages that make home ownership possible for more people in minority groups and communities with lower income levels. We have also expanded our support for small businesses with women, Native American, Black and Hispanic/Latino owners. We offer specialized loan products for these customers, with broader credit criteria and competitive interest rates, in accordance with applicable law. See page 36 for more information on BMO’s financial literacy initiatives.

¹ Prior to the launch of the new BMO EMpower 2.0 plan in April 2023, BMO EMpower surpassed its initial commitment of \$5 billion in funding, reaching a total of \$6.3 billion in loans and investments by March 2023 – 2.5 years after its launch.



The table below provides details of our commitments across the BMO EMpower 2.0 program over the next five years, along with some of our key initiatives in 2023.

BMO EMpower 2.0 – Our 5-year \$40+ billion commitment

	Growing small businesses	Strengthening communities	Advancing home ownership
5-year capital commitment (USD)	\$16.5 billion	\$17.5 billion	\$7.5 billion
Primary focuses	<ul style="list-style-type: none"> • Small business lending to underrepresented communities. • Small business programs that support Women, Black, Hispanic/Latino, and Native American-owned businesses. Philanthropic support for Community Development Financial Institutions (CDFIs) and other organizations that provide training and support for these small businesses in underserved communities. 	<ul style="list-style-type: none"> • Community development lending and investments for affordable housing, economic development, low-income housing, new market tax credits, CDFIs, CRA-qualified private equity and other loan funds. • BMO Community Impact Fund to provide funding and/or financing to CDFIs and other community development borrowers to support their work in low-to-moderate income (LMI) communities, including climate resiliency initiatives. 	<ul style="list-style-type: none"> • Lending to homebuyers with low-to-moderate incomes and members of communities of colour • Expand low-down payment and LMI portfolio home mortgage lending products. • Native Community Housing Fund to support affordable housing on tribal trust lands. • Expansion and philanthropic support of financial education programs on affordable homeownership. • Substantially increase number of CRA mortgage bankers and relationship managers to provide greater outreach and service to LMI borrowers and communities of colour.
2023 highlights	<ul style="list-style-type: none"> • Expanded the reach of our Zero Barriers to Business program from eight to 22 states. Since launching the program in late 2020, US\$80 million in small business loans have been approved, funding more than 3,400 small businesses. • Developed Spanish language materials to enable more effective communication and allow us to better serve the needs of Spanish-speaking business owners and clients. • Committed philanthropic funds to support CDFIs and other not-for-profit organizations providing technical and other support to grow small businesses by providing better access to capital, education, and partnerships, helping owners make their businesses more resilient and scalable. 	<ul style="list-style-type: none"> • Committed funding to the Enterprise Community Partners Preservation Next Program to preserve 100-150 affordable homes in California, and provided nearly US\$1 billion in loans to build, rehab and preserve 4,300 affordable housing units across our footprint. • Provided US\$15 million in financing for an 82-unit income-restricted veteran housing complex in Illinois, and US\$9.9 million for 204 affordable family apartment units mixed with retail in New Mexico. • Donated to Thrive Scholars Los Angeles to support the launch of its Diverse Talent Initiative that helps under-resourced students of colour prepare for college and careers. 	<ul style="list-style-type: none"> • Committed US\$3 million over two years to advance home ownership in low-income and minority communities through grants to non-profit partners, housing agencies and community organizations supporting minority home ownership, affordable housing development and financial progress. • Partnered with the National Association of Real Estate Brokers to launch a new down-payment assistance program for graduates of historically Black colleges and universities and predominately Black institutions to support Black homeownership. • Expanded the BMO Welcome Home Grant Special Purpose program with additional funding for home ownership in underserved communities in several new U.S. markets.



Equitable and accessible banking

We strive to better serve our diverse customer base, working to provide equitable and accessible banking services that meet their needs, while helping them achieve financial independence and stability.

Client segment	Products, services and outreach	2023 highlights and support
Underserved communities, people with low or moderate household income¹	<ul style="list-style-type: none"> Maintained our Outstanding performance rating for compliance with the <i>Community Reinvestment Act</i> Maintained partnership with SpringFour, which facilitates connections between customers in financial distress and resources that can enable them to make progress toward financial stability Introduced BMO Boost Secured Credit Card to help customers build a credit history, and made CreditView available to every customer to help them view their credit score and make decisions to improve it 	<ul style="list-style-type: none"> Joined Aspen Institute’s Working Group for Inclusive Finance to develop recommendations for building a financial system in which everyone can benefit from access to a full suite of financial services, in support of household financial stability, resilience and security Funded the Financial Well-Being Data Hub, operated by the Urban Institute in support of actionable data-based solutions to advance equity and improve household financial security BMO U.S. partnered with the National Association of Real Estate Brokers, the premier network of black professionals which includes a down payment assistance program supporting graduates of historically Black colleges and universities and predominately Black institutions. This program is part of the bank’s goal to fund US\$7.5 billion to improve access to home ownership, including expanding BMO’s Welcome Home Grants. More than half of this funding is expected to benefit people and members of communities of colour. Expanded Zero Barriers to Business program, to support businesses owned by women and Native Americans, offering them better access to capital, educational resources and networking opportunities Conducting analysis to advance our understanding of climate impacts on low-to-moderate income communities and connecting this information into our <i>Community Reinvestment Act</i>, philanthropic, and partnership-building programs to better address the needs of those communities
People facing disability, accessibility, linguistic or literacy challenges	<ul style="list-style-type: none"> Complied with accessibility standards across North America, as set out in the <i>Accessibility for Ontarians with Disabilities Act</i> and the <i>Americans with Disabilities Act</i>; worked to align our practices with new standards introduced in the <i>Accessible Canada Act</i> Maintained dedicated Accessibility Plan, which addresses employee learning, workplace accommodations for people with disabilities, design of public spaces, provision of accessible emergency information, and more 	<ul style="list-style-type: none"> Advanced our Accessibility Plan to align with the <i>Accessible Canada Act</i>, working to make Canada barrier-free by 2040 Published Accessibility Plan brochures detailing BMO’s strategy for improving accessibility, available on our website and in various accessible formats, upon request Developed formal process for customers to share feedback on their accessibility concerns, which is helping us identify challenges and make BMO as barrier-free as possible Continued to improve barrier-free access at branches and ATMs, with features like audio directions and braille on functional surfaces Continued to offer alternative formats and expand the scope of documents available on request (English/French versions; large print, braille, audio and e-text formats); offered services through alternative channels, including audio-enabled ATMs and Telecommunications Relay Service²
Customers in crisis	<ul style="list-style-type: none"> Supported customers during natural disasters in North America – flooding in Nova Scotia, wildfires across Canada, and tropical storm damage in states such as California and Florida – as they faced significant financial stress, including loss of personal and business property Conducted email outreach to customers experiencing the impact of these natural disasters, taking into consideration the region and the gravity of their situation, to inform them that “BMO is here to assist” 	<ul style="list-style-type: none"> Provided expanded package of relief options to customers who suffered loss or damage: <ul style="list-style-type: none"> In Canada: options include payment accommodations, deferral of payments on certain personal loans and mortgages, skip-a-payment options for credit cards, Everyday Banking plan right-sizing and fast-tracking of BMO Insurance claims In the U.S: options include deferral of payments on certain personal loans and mortgages, extension of payment due dates, waiving of non-BMO ATM transaction fees, overdraft fees and monthly maintenance fees for depositors During Hurricane Idalia, offered disaster relief options through the Emergency Relief Program, with temporary waivers, extended payment dates, and low-interest loans, to support customers impacted by the hurricane

¹ Under the U.S. *Community Reinvestment Act* (CRA), the term “low and moderate income” refers to communities in certain geographic areas with levels of income that are between certain ranges, as determined by the Census Bureau. In a low-income community, there is a median family income of less than 50% of the area median income. In a moderate-income community, the median family income is at least 50% and less than 80% of the area median income.

² We offer sign language interpretation services in English and French at Canadian branches, free of charge, for American Sign Language (ASL) and Langue des signes québécoise (LSQ). Virtual sign language interpretation is also available through a partnership with Canadian Hearing Services. Upon request, we provide materials in alternative formats (English and French) – large print and tactile-guidance cheques, as well as large print, braille, audio and e-text formats for various statements. Our services include audio-enabled ATMs and Telecommunications Relay Service for the Deaf or hard of hearing, available through our customer contact centres.



Client segment	Products, services and outreach	2023 highlights and support
Newcomers to Canada	<ul style="list-style-type: none"> Launched pre-arrival program for newcomers from 13 countries to open Chequing account in minutes and apply for GIC up to 12 months before arriving in Canada Developed targeted financial products and services for newcomers to Canada under our BMO NewStart program, including bank accounts with no monthly fee for one year, applications for a credit card with no Canadian credit history, fee waivers for global money transfers, special mortgage offers and seamless digital international money transfer solutions Partnered with a number of newcomer agencies, associations and organizations helping newcomers move to Canada to drive BMO as bank of choice both in pre- and post-arrival stages and to equip newcomers with the knowledge essential for financial success in their new environment Continued community involvement through partnerships with organizations that support newcomers 	<ul style="list-style-type: none"> Awarded with the 2023 BAI Global Innovation Award for the launch of the market-leading digital Pre-Arrival Account Opening for newcomers to Canada Launched an offering for newcomers providing cash offers and benefits related to chequing and savings accounts, credit cards, and investment and lending products Launched BMO SmartProgress, a free online financial education platform offering newcomers a customized, on-demand and interactive learning experience Announced a strategic relationship with Immigration.ca to equip newcomers with knowledge and solutions essential for success in Canada Formed an exclusive relationship with Immigrant Services Calgary (ISC) and opened a new branch inside ISC headquarters in Calgary to provide specialized guidance and resources that can help newcomers transition to their new lives in Canada
Members of the Canadian defence community	<ul style="list-style-type: none"> Served more than 100,000 members of the defence community in Canada, surpassing our goal to increase the size of this customer segment by 2025 Provided services for customers on more than 30 military bases and units across Canada through more than 90 Canadian Defence Community Branches (CDCBs) Maintained dedicated websites and exclusive personal and business banking offerings Official bank of the Canadian Defence Community Canadian Defence Community Entrepreneurs BMO Support Our Troops Mastercard 	<ul style="list-style-type: none"> Reached our 2025 service milestone to increase the number of Canadian defence community customers two years ahead of schedule Raised over \$1 million to support morale and welfare services for Canadian forces through the BMO Support Our Troops Mastercard
Students in Canada	<ul style="list-style-type: none"> Developed targeted financial products and services for domestic students in Canada, including bank accounts with no monthly fee while in school and for up to 12 months after graduation, dedicated students credit card, and personalized lending application flow with cash offers Maintained a dedicated Student Banking website offering financial support, with tips for students on budgeting, expense tracking, building a credit score and being textbook-smart Continued community involvement through partnerships with universities and colleges 	<ul style="list-style-type: none"> Launched market-leading student offering providing value of up to \$725, including cash offers and benefits related to chequing and savings accounts and lending products Launched budget calculator tool to help students manage expenses and get a big picture look at their finances. Partnered with universities and colleges across Canada to equip students with the knowledge essential for financial success
Senior citizens	<ul style="list-style-type: none"> Continued to improve services for senior customers, reflecting BMO's adherence to the Seniors Code principles, featured on our website. See page 87 for more. Enhanced seniors' section of our website, adding links to accessible in-branch services available to senior customers, including details on sign language services and alternate statement formats Maintained a dedicated section of our website for senior customers to locate banking products and services tailored to their needs 	<ul style="list-style-type: none"> Delivered enhanced employee training on issues affecting our customers who are seniors, including information on scams that are currently targeting seniors Published a Commitment to the Delivery of Banking Services to Seniors letter on our website, reporting on BMO's performance in relation to the principles of the Seniors Code, and in the BMO 2023 Annual Report in relation to the Regulatory Reporting Guide issued by the Financial Consumer Agency of Canada Enhanced the search function on our website to make it easier for seniors to find relevant information

Number of customers receiving complimentary or discounted services

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



Financial literacy

BMO is committed to the financial literacy of our customers. We offer access to trustworthy educational resources and practical information about banking that can help them make more informed financial decisions – building their confidence and promoting financial inclusivity.

We support this commitment to financial literacy in several ways:

- We provide students across the United States with opportunities to develop practical financial literacy through our extensive partnerships with Junior Achievement.
- Our *Business Banking* and *BMO for Women* websites feature articles, videos and podcasts that support financial literacy.
- We host *Meetings in a Box*, a networking initiative at our U.S. branches that offers financial literacy sessions for business owners, delivering targeted presentations on topics that can help them make better financial decisions – personal credit or business credit, short-term lending or long-term lending, cash flows or special-purpose credit programs.
- We publish a free online Business Focus newsletter every quarter, with business resources, tips and advice delivered directly to each participating customer’s email inbox.
- We include a specialty landing page in *Women In Business*, *Native-Owned Businesses* and *Black & Hispanic/Latino Businesses*, with resource hubs that offer relevant articles, digital tools and templates, and educational webinars, videos and podcasts.
- We sponsor a number of events across our U.S. footprint, including Black Women’s Expo, Latina Expo, Chicago City Treasurer’s Financial Empowerment Weekend and the St. Louis Small Business Expo, which feature free workshops delivered by BMO employees.



2023 highlights – Financial literacy

Helping women entrepreneurs thrive

- Sponsored the Nasdaq Entrepreneurial Center’s Summer 2023 Milestone Makers, a mentorship and coaching program for women entrepreneurs that prepares them for success. Participants were the first all-women cohort of entrepreneurs working with companies focused on the UN SDGs.
- Created BMO for Women Advocates team of 21 Business Banking and Commercial advisors across Canada to support women customers.

Providing programs to Indigenous communities

- Developed financial literacy programs with the guidance of our *Indigenous Advisory Council* and offered education sessions for Indigenous communities and individuals on budget planning, banking services, finance, credit, and investment planning.

Promoting free online financial education

- Launched BMO SmartProgress™ for newcomers in Canada, a free online financial education tool that provides customized, on-demand and interactive learning experience, with bite-sized content on topics such as budgeting, credit management, homeownership and investing.
- Introduced BMO SmartProgress™ financial literacy modules available in Spanish to anyone on bmo.com. Since launching in June 2023, nearly 8,500 modules have been completed.

Coaching the next generation

- Contributed volunteer hours and close to US\$500,000 in financial support to students, enabling them to develop financial skills and literacy through partnerships with Junior Achievement in Wisconsin, Michigan, Arizona and Southern California.

Growing business literacy

- Hosted more than 100 Meetings in a Box with 1,000+ clients and prospects in attendance. Meetings in a Box have been held in key markets in Arizona, Florida, Illinois, Indiana, Kansas, Minnesota, Missouri, and Wisconsin with sessions on targeted topics that can help minority-owned small businesses make real financial progress.

Sustainable future

One of BMO's strategic priorities is to be our clients' lead partner in the transition to a net-zero world.

As we play our part in building a more sustainable future, we are advancing our strategy for sustainable growth across our lines of business, mobilizing sustainable finance to support our clients in their efforts to do the same.

What we focus on

- 39 Sustainable finance** – leveraging BMO's lending, underwriting, advisory, global transaction banking, and global markets capabilities to build a sustainable future, and sharing our financial expertise to help our clients achieve their sustainability goals.
- 48 Climate change** – supporting our clients in the transition to a net-zero world, with forward-looking solutions that can drive real progress.
- 51 Operational efficiency** – minimizing the environmental impact of BMO's business operations by improving our operational efficiency.
- 54 Sustainable procurement** – ensuring our supply chain and purchasing programs support positive environmental and social outcomes, while seeking to avoid any negative impacts.

Alignment with SDGs

- 1 No poverty**
1.4
- 5 Gender equality**
5.a
- 7 Affordable and clean energy**
7.2, 7.3, 7.a
- 8 Decent work and economic growth**
8.3, 8.10
- 10 Reduced inequalities**
10.2, 10.3
- 11 Sustainable cities and communities**
11.6
- 13 Climate action**
13.1, 13.3
- 17 Partnerships for the goals**
17.16

[See page 12](#)



BMO Retrofits as a path to net zero



> Centennial Building at 1660 Hollis St. in Halifax, NS

Photography: Dave Hamilton / HAMILTON East

This year, BMO launched a first-of-its-kind program to help commercial building owners obtain financing to execute energy efficiency retrofits of their business spaces. Retrofits are retroactive improvements to building systems and fixtures designed to save on utilities while simultaneously cutting carbon emissions.

According to the UN Environment Program, Global Alliance for Buildings and Construction, carbon emissions from the building sector are the highest ever recorded and, in Canada alone, over 10 million buildings can benefit from energy efficiency retrofits.

As of January 2024, BMO is the first bank in Canada to pioneer a unique retrofits financial ecosystem that provides clients access to impact capital through the Canada Infrastructure Bank (CIB), long-term refinancing through BMO, guaranteed efficiency savings through delivery partners like Siemens and Ameresco, and accreditation through the Canada Green Building Council (CAGBC). The offering rolled out in April 2023, initially within Commercial Bank Canada's Real Estate Finance and Income Property Finance teams, and then expanded in the following months.

Sidewalk Real Estate Development (Sidewalk RED), a Halifax-based developer, is one of the first BMO clients to utilize this one-of-a-kind offering. They believe in a unique approach to reuse historic buildings and are committed to unlocking value that others may overlook as a more sustainable way of reshaping urban neighbourhoods, reducing carbon emissions and improving building efficiency across their portfolio.

"Thanks to BMO's new retrofit financing program, we're able to convert a largely vacant office building into 141 units of desperately needed rental housing in the heart of downtown Halifax. By choosing to convert an existing building, rather than build new, we can both decarbonize the building's day-to-day operations, and save over 5,000 tonnes of embodied carbon emissions," said Joe Nickerson, Vice President and Partner, Sidewalk RED. "Our aim is to embed both the social and environmental dimensions of ESG into our development philosophy and do our part to build better neighbourhoods."



Sustainable finance

We are leveraging BMO’s lending, underwriting, advisory, global transaction banking, and global markets capabilities and sharing BMO’s expertise with our customers to help them achieve their sustainability goals.

Who has responsibility

Head of Sustainable Finance, overseen by the Sustainable Finance Steering Committee, comprised of BMO executives and chaired by the CEO and Group Head, BMO Capital Markets Investment Committee at BMO Global Asset Management (BMO GAM), chaired by the Chief Investment Officer

Investment Management Committee at BMO Private Investment Counsel Inc. (BPIC), and Managed Assets Investment Committee at BMO Nesbitt Burns Inc., both chaired by Head of Investment Manager Research

What it includes

- Sustainable finance
- Responsible investing

BMO’s Bold Commitment for sustainable finance [\(see page 8\)](#)

	Total since fiscal 2019	2025 target
Sustainable financing:		
Mobilize \$300 billion in capital to finance clients pursuing sustainable outcomes	\$330 billion in capital	\$300 billion

BMO’s Sustainable Finance team supports businesses, governments and investors as they align their financial objectives with broader, forward-looking sustainability goals. We work closely with these clients in order to understand their changing needs, while also considering shifts in market conditions and BMO’s strategic priorities.

Since 2019, we have mobilized \$330 billion in capital to clients pursuing sustainable outcomes, surpassing our commitment of \$300 billion by 2025. This support included sustainable bond underwriting, loans to clients and projects pursuing sustainable outcomes, sustainable equity and debt financing, sustainable finance advisory services, and sustainable investments.

2023 highlights – Sustainable finance

Providing sustainability-linked financing	<ul style="list-style-type: none"> • Developed an innovative new sustainability-linked deposit (SLD) product for Zurn Elkay Water Solutions, a leading engineered water solutions company. We helped the company set ambitious targets for its Scope 1 and 2 GHG intensity in line with its longer term goal of a 50% reduction by 2030 against 2021 levels.
Helping clients meet sustainability goals	<ul style="list-style-type: none"> • Completed our acquisition of Radicle Group Inc. (now called BMO Radicle), a leader in GHG measurement, carbon credit origination and environmental commodity trading, advancing BMO’s climate strategy. • Acted as sustainability advisor to Bell Canada on its first sustainability-linked derivatives, supporting its objective of helping to create a sustainable future and making progress on its science-based target of a 58% reduction in operational GHG emissions by 2030 from a 2020 base year. • Launched a first-of-its-kind program with Canada Infrastructure Bank (CIB), helping the owners of Canadian commercial buildings secure financing for energy retrofits that will align their properties with net-zero emissions goals.
Mobilizing capital for an equitable future	<ul style="list-style-type: none"> • Acted as joint-lead underwriter on five Sustainable Development Bonds issued by the World Bank (International Bank for Reconstruction and Development) during the year. • Celebrated the 19th year of our Equity Through Education initiative, featuring a live market opening at a BMO trading desk and raising \$1.65 million to support new opportunities for students who face financial barriers.
Funding a greener world	<ul style="list-style-type: none"> • Provided approximately US\$50 million in equipment lease financing for Plug Power, a leading provider of comprehensive hydrogen solutions. • Delivered financial support for GameChange Solar, a top-three solar mounting/tracker solutions provider in the utility scale market. • Helped sequester 60,286 tonnes of carbon through BMO’s Trees from Trades program, which raised enough funds in its first two years that will support planting 253,334 trees and crops in forests across Southeast Asia and Africa.
Leadership in sustainable financing	<ul style="list-style-type: none"> • Three BMO clients received Environmental Finance Awards: Gilman won Sustainability-Linked Loan (SLL) of the Year – Americas (with BMO as Sustainability Structuring Agent); the Government of Canada won Social Bond of the Year – Sovereign, for its Ukraine Sovereignty Bond (with BMO as Co-Lead Manager); and the World Bank won Sustainability Bond of the Year – Supranational (with BMO as Lead Manager).

Supporting clients as they work to achieve their sustainability goals

BMO’s Sustainable Finance team collaborates with clients to integrate sustainability into their strategic planning and financing arrangements. Leveraging our lending, underwriting, advisory and global markets capabilities, we can explore innovative new ideas and forward-looking solutions to help them achieve their sustainability goals.

Our commitments around sustainable finance also support the United Nations Sustainable Development Goals (UN SDGs) and the transition to a net-zero economy.



Tracking our sustainable finance activities

The Sustainability Office, the BMO Climate Institute and the Sustainable Finance team play important roles in identifying new opportunities for sustainable finance. BMO has internal processes in place to monitor these business activities. We track BMO’s sustainable finance activities by transaction type and sustainable outcome.

In 2023, we surpassed our commitment to mobilize \$300 billion through:

- **Sustainable bond underwriting:** We track the value of financing we participate in and raise for sustainability- or transition-labelled bonds.
- **Sustainable equity and debt financing:** We track the value of financing we participate in and raise through the public or private issuance of equity, equity-linked or debt securities for clients pursuing sustainable outcomes.
- **Sustainable finance advisory services:** We track the value of capital raised in advisory services that we participate in for clients pursuing sustainable outcomes.
- **Loans for clients and projects pursuing sustainable outcomes:** We track the value of lending authorized through sustainability-labelled loans, sustainability-linked loans, sustainable clients, and clients using the funds to pursue sustainable outcomes.
- **Sustainable investments:** We track the value of funds deployed by the BMO Impact Investment Fund; investments recognized under the terms of the *Community Reinvestment Act* (U.S.); and investments to improve the operational efficiency of our corporate real estate portfolio.

For bond underwriting and equity and debt financing, we account for the total deal value where BMO played a lead role, and our proportionate share of the deal value where we played a non-lead role. For advisory, we account for our proportionate share of the deal value. For lending and investment, we account for the total monetary value of the authorized loan or the investment. Refer to the Glossary of Terms for more information about how we define transaction types and sustainable outcomes.

The tables at right set out the total amounts mobilized in BMO’s sustainable financing by transaction type and sustainable outcome since 2019.

60%

progress to date toward our \$12 billion commitment to finance affordable and accessible housing by 2030

Sustainable financing by transaction type¹

(\$ billions)	2023	2022	2021	Total since fiscal 2019
Sustainable bond underwriting	\$41.67	\$33.26	\$31.61	\$156.50
Loans to 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 ²)	\$0.57	\$0.55	\$0.46	\$2.30
Capital to finance clients pursuing sustainable outcomes	\$68.61 ♦	\$89.98	\$70.74	\$330.44

Sustainable financing by outcome¹

(\$ billions)	Total since fiscal 2019	
Indigenous peoples ²	\$2.94	1%
Education	\$2.96	1%
General social	\$11.26	3%
Health care	\$15.18	4%
Gender equality ²	\$15.33	5%
Social	\$47.67	14%
Sustainable agriculture	\$4.33	1%
Clean transportation	\$7.19	2%
Green buildings	\$8.76	3%
Waste management	\$8.79	3%
Low-carbon energy	\$39.19	12%
General green	\$47.73	14%
Green	\$115.99	35%
Sustainable	\$166.78	51%

♦ 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 In order to avoid double counting, all loans to women-owned businesses and Indigenous individuals or communities that also have other sustainable lending characteristics are reported as loans only under those other sustainable lending characteristics.



Sustainable financing examples in 2023

Sustainable bond underwriting

Government of Canada

- Co-Lead Manager on the \$500 million Ukraine Sovereignty Bond issued by the Government of Canada, to support the Government of Ukraine in providing essential services to Ukrainians, such as restoring energy infrastructure

Hertz

- Joint Bookrunner on a US\$800 million offering of green asset-backed securities by Hertz

Hydro One

- Joint Bookrunner on a \$1.05 billion multi-tranche inaugural sustainable bond

Sustainable equity and debt financing

Vistra Energy Corporation

- Joint Lead Arranger for Vistra Energy Corporation for its US\$3 billion financing to support the acquisition of Energy Harbor Corporation, which is the second largest non-regulated nuclear generation company in the US with a complementary retail energy business serving approximately one million customers in six U.S. states.

Loans for clients and projects pursuing sustainable outcomes

Banco do Brasil

- Entered a unique arrangement to provide trade loans linked to sustainability, with an emphasis on exporting Brazilian agricultural products supporting sustainable and low-carbon agriculture.

Acted as Structuring Agent on Sustainability-Linked Loans (SLL):

- US\$150 million SLL for Centamin, linked to alignment with ESG priorities and performance metrics for reduction in carbon emissions, improvement in gender diversity, and workforce development
- US\$250 million SLL for Torex, linked to achieving sustainability performance targets, including safety and climate change, and alignment with Responsible Gold Mining Principles issued by the World Gold Council

Sustainable finance advisory services

Zurn Elkay Water Solutions

- Acted as Sustainability Structuring Agent on an innovative new sustainability-linked deposit product, which connects the interest paid on a deposit account to the client's performance against defined sustainability targets. Zurn Elkay is not only on track to meet its initial sustainability targets, it has also set new goals for further improvements in its supplier diversity, air emissions, waste reduction, plastic bottle elimination, engineering and research and development spending, and total recordable incident rate.

Wolf Midstream Canada LP

- Acted as Financial Advisor to Wolf Midstream Canada on an Indigenous equity partnership transaction, whereby a group of five Alberta-based First Nations and Métis settlements have acquired a minority interest (approximately 43%) in the Access NGL Pipeline System (Access NGL) from Wolf.

BMO Radicle

BMO acquired Radicle Group Inc. (now called BMO Radicle) in December of 2022. BMO Radicle's team of over 100 dedicated carbon professionals brings deep technical expertise to provide sustainability solutions for our clients across Canada, U.S., and Australia. BMO Radicle's key service areas include:

- Carbon credit development and trading
- Carbon accounting software and training via Climate Smart
- Technical sustainability advisory

Energy Transition Group

We work with clients to explore the opportunities that are emerging alongside the global transition in energy production and consumption. The Energy Transition Group draws on industry sector specialists from BMO's energy, power utilities and infrastructure, metals and mining, industrials, food consumer and retail and sustainable finance groups.



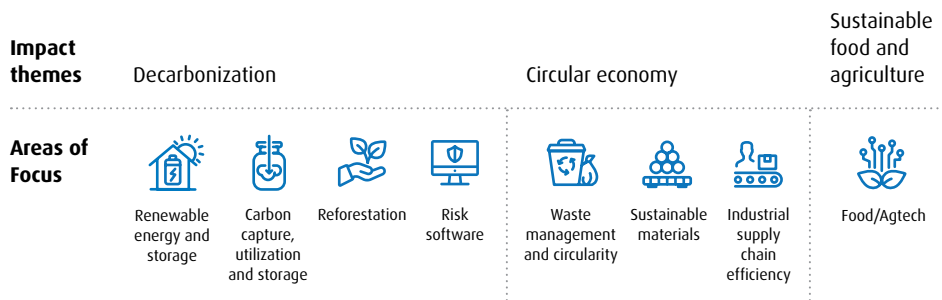
Impact Investment Fund

The Fund’s objective is to find and scale impactful solutions that facilitate the achievement of our corporate clients’ sustainability goals across three themes:

- **Decarbonization** – including electrification, energy efficiency, energy storage and GHG emissions mitigation.
- **Circular economy** – including waste management, recycling, and sustainable products, packaging and materials.
- **Sustainable food and agriculture** – including product innovation and operational efficiency enhancement.

To identify new opportunities in these areas, we look at companies that have developed promising technology and generated some commercial revenue – and can also demonstrate an ability to secure more funding as they scale their innovative solutions.

We also take steps to confirm that our investments make a positive impact, and we explain our assessment of positive impacts in BMO’s 2023 [Operating Principles for Impact Management Disclosure Statement](#). By year-end 2023, we had committed or invested a total of \$192 million through the Fund since its launch in 2019.



BMO Impact Investment Fund – Investment examples in 2023

Decarbonization

- Busbud is a global platform for providers of transportation services using buses and other shared vehicles, through both B2B and B2C channels. Its mission is to provide affordable, accessible and sustainable travel options through technology.

Sustainable food and agriculture

- Sound Agriculture, an agricultural input and technology company dedicated to building a more agile and resilient agriculture system, is focused on nutrient efficiency and advanced plant breeding platforms.



➤ Sound Senior Agronomist, Jessica Pupo performs field tests of silage corn plants in southern Washington
 Photography: Lucas Oliver Oswald



BMO Sustainable Bond Program

In 2019, we established the BMO Sustainable Bond Program to support our Purpose and advance our commitments for a sustainable future, an inclusive society and a thriving economy. This program is helping us make progress in several key areas:

- **Climate Ambition:** We are focused on being our clients’ lead partner in the transition to a net-zero world.
- **Zero Barriers to Inclusion 2025:** We are providing access to opportunities and enabling growth of our colleagues, our customers, and the communities we serve.
- **Sustainable Finance:** We are committed to financing projects that deliver positive social and environmental outcomes.
- **Sustainability Engagement:** We are engaging with investors and other interested parties on sustainability issues.
- **UN Principles for Responsible Banking:** We are implementing these principles across our business operations.

Our Sustainable Bond Program also enables investors who are interested in sustainability issues to more clearly understand our approach to financing sustainable projects – and assess the alignment of our approach with their own goals. As we continue to develop the program, we are becoming more aware of how sustainability impacts our organization and we are building relationships that support BMO’s overall commitment to sustainability.

We have issued two sustainable bonds to date under this program:

- our inaugural US\$500 million three-year BMO Sustainability Bond, which matured on November 1, 2022; and
- our first social bond, the C\$750 million five-year BMO Women in Business Bond, issued on International Women’s Day in 2021.

The BMO Sustainable Bonds program remains active and opportunities for future issuances will be considered by BMO Treasury in partnership with the BMO Sustainability Office. We are currently updating our Sustainable Bond Framework for future issuances.

Asset category	Sustainable Development Goals	% of assets allocated ¹
Social asset categories		
Women-owned business lending	5 Gender equality	100%
Lending to small and medium-sized enterprises with at least one woman owner	8 Decent work and economic growth	

How we use bond proceeds

An amount equivalent to the net proceeds from the BMO Women in Business Bond is currently funding, or is otherwise supporting, project finance loans, general corporate finance loans and/or equity investments that advance the United Nations Sustainable Development Goals (SDGs).

As of July 31, 2023, all of the bond’s proceeds had been allocated to eligible asset categories. If a bond does not allocate all its proceeds, we keep the remaining amount in cash or easily convertible assets, following our liquidity management policy as outlined in the BMO Sustainable Financing Framework.

The United Nations 2030 Agenda for Sustainable Development sets 17 SDGs and provides details on 169 associated targets, focusing on critical global issues for the well-being of all of humanity and the world we share.

We help businesses explore new opportunities to build a more sustainable future for their communities. Find out more in the BMO [2023 Sustainable Bonds Impact Report](#).

¹See the Independent Limited Assurance Report from KPMG in our [2023 Sustainable Bonds Impact Report](#).



We offer BMO's retail customers a variety of financial products and services linked to sustainability.

Retail product offerings linked to sustainability

Mortgages and lines of credit

- Introduced the [bmo.com/ecofriendlyhome](https://www.bmo.com/ecofriendlyhome) page to support our customers in the transition to a greener future by providing information about greening a home in Canada, leveraging existing home financing solutions (e.g., Homeowner Readiline product).
- Partnered with insurers of our existing Canadian mortgage products to help our customers make real financial progress:
 - **A shared equity program administered by Canada Mortgage and Housing Corporation (CMHC)**, as well as participation in more than 30 affordable housing programs offered across Canada
 - **Eco Plus (formerly Green Home) insurance rebate program, with CMHC**, focused on reducing the impact of housing on climate change and supporting Canada's plan to reach carbon neutrality by 2050
 - **Energy-Efficient Advantage Program, with Canada Guaranty**, supporting initiatives that raise awareness of the environment and the need for its ongoing protection
 - **Energy Efficient Housing Program, with Sagen**, to reward homebuyers purchasing energy-efficient homes or making renovations that deliver significant energy savings
 - **Rate discounts** for borrowers in Canada, offered for personal loans that will be used for sustainability-related purposes (e.g., installing solar panels).

ESG-linked GICs

- **Canadian Market GIC**, a progressive GIC (PGIC), is our first GIC linked to an ESG index, with the objective of supporting sustainability, preserving capital and delivering a high rate of return over the medium term.

Investment vehicles

- **BMO Sustainable Portfolios**, investing primarily, directly and indirectly, in global equities and/or fixed income securities selected using a responsible investment approach.
- **BMO Sustainable Opportunities Canadian Equity Fund**, with the objective of achieving long-term capital appreciation by investing primarily in Canadian issuers, taking a responsible investing approach and using sustainability analysis to identify high-quality businesses with strong management and attractive valuations.
- **BMO Sustainable Opportunities Global Equity Fund**, offering long-term capital growth by investing in a globally diversified portfolio of companies, but excluding investments in companies primarily involved in the development of fossil fuels and related infrastructure.
- **BMO Sustainable Opportunities China Equity Fund**, investing primarily in Chinese equities using a responsible investment approach that are listed on stock exchanges in the People's Republic of China, Hong Kong or Taiwan, as well as securities listed on other stock exchanges that benefit from exposure to China.
- **BMO Brookfield Global Renewables Infrastructure Fund**, primarily investing in global renewable resource and sustainable infrastructure companies, taking a responsible investing approach to evaluate companies' performance.
- **BMO Sustainable Global Balanced Fund**, with the objective of achieving long-term capital growth, consistent with the preservation of capital, taking a responsible investing approach and building a balanced portfolio of global equity and fixed-income securities.
- **BMO Women in Leadership Fund**, investing primarily in North American companies that promote a gender-diverse leadership environment, selecting equity securities for investment by applying specific criteria – for example, companies at which women represent at least 25% of the board of directors, or companies that have a female CEO.
- **BMO Clean Energy ETF Fund**, delivering returns similar to those from exchange-traded funds that primarily invest in companies with operations related to clean energy, by investing up to 100% of its assets in securities of BMO Clean Energy Index ETF.
- **BMO Sustainable Bond Fund**, investing primarily in Canadian dollar-denominated investment-grade fixed-income instruments issued or guaranteed by Canadian federal and provincial governments and issued by Canadian corporations using a responsible investment approach.
- **BMO Sustainable Global Multi-Sector Bond Fund**, investing primarily in a diversified pool of global fixed-income securities, such as bonds and debentures issued by governments and corporations, and taking a responsible investing approach.
- **BMO Global Climate Transition Fund**, investing primarily in equity securities of companies from around the world that may focus on the global transition to a low carbon economy.



Responsible investing

Sustainability considerations alongside other relevant factors are an integral part of long-term risk management and value creation

BMO is committed to building a more sustainable future through responsible investing.

We believe that sustainability factors, along with all other relevant factors, should be considered as part of the investment decision-making process when managing risks and creating value over the long term. We seek to understand, assess and manage the short-term and long-term impacts of sustainability issues in our investment decisions. We monitor emerging trends and developments, using what we learn to inform the conversations we often have with the companies we invest in – and with other industry parties. We publish our research regularly, sharing the results with our clients and peers.

BMO Global Asset Management

As a steward of our clients' capital, BMO Global Asset Management (BMO GAM) implements a responsible investing approach through:

- ESG integration
- Engagement
- Proxy voting
- Policy advocacy
- Industry collaboration
- Products and solutions
- Market education

ESG integration

Investment teams at BMO GAM may consider environmental, social and governance (ESG) factors, alongside other factors, when making investment decisions in relevant mandates. We do this to limit exposure to ESG risks in our investments over the long term. We analyze ESG factors separately for each investment strategy and asset class for accuracy and relevance. Our investment teams use qualitative and/or quantitative ESG evaluation metrics and research from third-party service providers and our Responsible Investing team to inform their analysis.

Reporting and transparency

We report on our responsible investing activities, including our engagement program, voting practices and policy advocacy, in our BMO GAM Responsible Investment Annual Report and other reports, such as our annual UN PRI disclosure. We also provide various Responsible Investing policies and approaches on our [website](#).

2023 highlights – Responsible investing

Promoting human rights due diligence

- Published "Respect and Protect: The state of human rights due diligence in Corporate Canada" – a comprehensive research report on human rights due diligence (HRDD).
 - Assessed 29 of the largest Canadian companies across six sectors using the methodology of two leading benchmarks to evaluate their implementation of due diligence, based on the United Nations Guiding Principles (UNGPs).
- Joined the PRI Advance initiative, a collaborative effort that focuses on human rights and companies in high-risk sectors.

Supporting responsible investing in Private Wealth

- Hosted an annual internal Responsible Investment due diligence conference for all BMO Private Wealth advisors and counsellors.
- Shared thought leadership through marketing materials, media appearances and internal webinars, ensuring our sales force has access to reliable educational resources and is prepared to meet the nuanced needs of our clients with responsible investment objectives.
- Entered into partnerships with global investment managers to offer our clients industry-leading responsible investment strategies.

Receiving recognition

- BMO GAM was awarded Institutional Connect's 2023 Climate Change Partner Award in recognition of the responsible investment team's innovation and progress in its approach to addressing climate change in the firm's investment management process, stewardship strategy and market education.

Products and solutions

BMO GAM offers 17 investment funds that have been branded as responsible investments as at September 30, 2023. These funds must adhere to specific responsible investing guidelines and ESG factors are a significant component of the investment decision-making process. They provide solutions for clients with responsible investing practices or specific ESG factors as their main investment goals. In addition, we offer a suite of responsible investment integrated funds that use ESG integration as a strategy. While ESG factors may be considered by these responsible investment integrated funds, such factors are not necessarily weighted heavily in the investment decision-making process.

Engagement

We actively engage with the management and directors of the companies in which BMO GAM invests. Our objective is to offer our support for each company's progress, understand more clearly its management of ESG risks and opportunities, contribute to positive sustainability outcomes, and share our perspective on best practices. This engagement allows us to gain insights into any significant ESG factors, advocate for our clients' investment objectives, suggest improvements in the company's ESG practices, and encourage enhanced disclosure.



Each year, we select priority topics for our engagement program. In addition to more conventional ESG risks, we focus on two systemic challenges: Climate Action and Social Equality. Our engagement can be either proactive – prioritizing our efforts based on our analysis of an investee company’s management of these risks; or reactive – establishing a dialogue with the company after identifying significantly lagging ESG performance or ESG-related controversies that are having an adverse impact.

Proxy voting

As active stewards of our clients’ capital, proxy voting is an important responsibility for us. Our voting guidelines promote good governance and responsible management of environmental and social matters. We regularly engage with companies, before and after voting, to clarify our expectations and explain our voting decisions. In fiscal year 2023, we voted on 67,208 items at 6,565 shareholder meetings¹.

Policy advocacy

We leverage our position as institutional investors to share our views on proposed standards and regulations related to ESG, sustainability and responsible investment. We actively participate in investment industry forums in order to provide input to regulators and standard setters as they develop new ESG standards. (See 2023 policy advocacy by issue on the right.)

Industry collaboration

We are an active participant in global and local investment industry collaborations, because we believe that working together enables us to pursue positive outcomes more effectively. Collaborations with like-minded investors can also add to our knowledge and skills, enhancing our engagement efforts. We currently participate in 17 ESG-related investor initiatives and networks, and we support statements and commitments encouraging both public and private organizations to adopt practices that support long-term sustainable value creation.

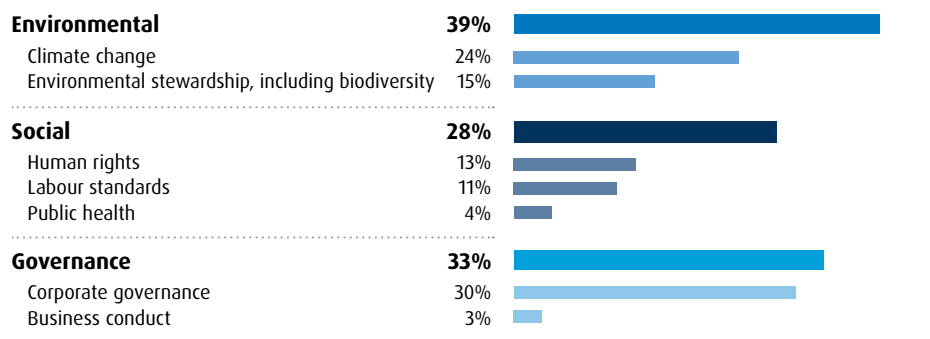
Market education

We regularly publish articles that offer thought leadership and our views on sustainability issues, as well as detailed research on ESG topics and updates on responsible investing trends. This year, BMO GAM published 16 pieces offering thought leadership on a diverse range of topics, from reconciliation to biodiversity.

2023 engagement by issue¹

During fiscal year 2023, BMO GAM had 2,989 engagements across 1,003 companies, held 415 board and senior executive-level meetings, and influenced change in the outcomes of 220 engagements².

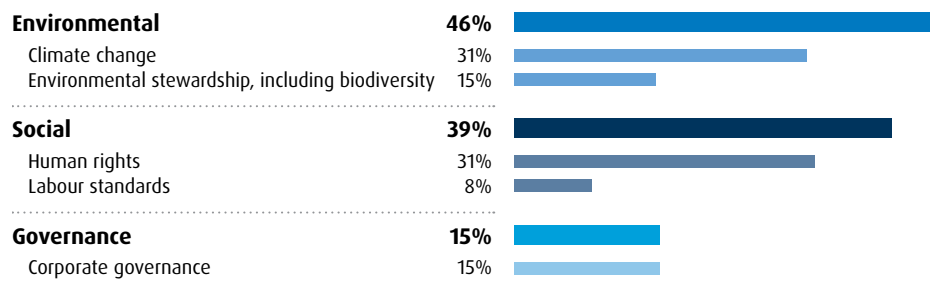
Engagement themes



2023 policy advocacy by issue

During fiscal year 2023, BMO GAM participated in 8 policy submissions or statements to governments or regulators.

Policy advocacy topics



¹This total includes engagements and proxy voting conducted on behalf of BMO GAM by a third-party responsible engagement overlay (reo) service.

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



BMO Private Wealth

BMO Private Wealth offers a range of investment services through BMO Private Investment Counsel, which provides discretionary investment management, and through BMO Nesbitt Burns, a full-service brokerage.

The members of our multidisciplinary team combine their expertise to develop solutions that meet the growing demand for responsible investing strategies. An optimal solution aligns the sustainability goals of each BMO Private Wealth client – goals such as building a more sustainable economy, upholding labour standards, advancing human rights, ensuring equitable compensation, or facilitating access to health care – with their investment objectives. Our offerings of investment services support our Purpose and our commitments for a thriving economy, a sustainable future and an inclusive society.

We consider ESG criteria in our selection of sub-advisors for BMO Private Wealth, and in our marketing of certain investment products as responsible, sustainable or linked to ESG performance. These criteria also guide our due diligence and oversight activities. Many of the sub-advisors we select are signatories to the UN PRI. In addition, many of the financial and investment products and services we offer through BMO Private Wealth have been developed by taking an integrated advisory approach to responsible investing, with sub-advisors assigning a priority to each ESG factor. This approach may also involve incorporating ESG considerations into our investment analyses, engaging with investee companies, and exercising voting rights to improve a company's sustainability performance.

We recognize that most of our clients are guided by their own diverse preferences and intentions when they consider responsible investing. The BMO Private Wealth investment offerings include a wide range of responsible investing and ESG-focused products that address our clients' objectives. Some clients may have specific religious or political preferences, which might require an ESG exclusion strategy, while others may want to invest in a net-zero future, which could involve an ESG-related thematic strategy that provides exposure to the energy transition.

Our onboarding process for new sub-advisors includes a responsible investing practices survey. Our initial assessment of the effectiveness of these sub-advisors with respect to various ESG criteria is based on their survey responses. We also invite an external third-party consultant to assign ESG ratings for many of our investment managers. For our internal investment advisors and counsellors, we offer conferences, information sessions and educational opportunities that enhance their understanding of ESG-related risks and sustainability issues. We also develop educational materials on responsible investing, which we share with our clients and our sales force.



Climate change

We are committed to supporting our clients in the transition to a net-zero world.

Reaching the goal of net-zero emissions by 2050 will involve a massive transformation across all sectors of the global economy – and banks are in a unique position to help finance this transition. BMO’s Climate Ambition is to be our clients’ lead partner in the transition to a net-zero world. The table below summarizes our approach to capturing climate-related opportunities and managing risks, presented in the Task Force on Climate-related Financial Disclosures (TCFD) framework. In 2023, we made significant advances in our approach to climate-related governance, strategy, risk management, and metrics and targets. You can read more details in our 2023 Climate Report.

2023 Task Force on Climate-related Financial Disclosures (TCFD) Summary

Governance

We have embedded climate risks and opportunities into our governance structure

Supporting responsible business behaviour, performance and long-term sustainability

Board

The full Board of Directors is actively engaged in overseeing BMO’s climate strategy.

Board members received a training module on Climate Change Essentials for BMO in addition to quarterly sustainability newsletters and updates which include climate-related topics.

Each standing committee of the Board has a role to play in overseeing aspects of BMO’s sustainability program that fall within their purview. The Board and/or its committees were engaged on climate-related topics that included:

- sustainability-related governance
- climate-related targets and transition action plans
- climate risk program
- sustainability-related disclosure, including the Climate Report
- sustainability and climate regulatory developments
- aligning executive compensation with performance on sustainability objectives
- BMO’s Climate Ambition and climate strategy

See page 72 for more details on board oversight of climate change related topics.

Management

Management of BMO’s approach to climate change is conducted by the following Executive Committee members and groups:

- Chief Executive Officer
- General Counsel & Executive Committee Sponsor for Sustainability and Chair, BMO Climate Institute
- Chief Risk Officer
- Chief Financial Officer
- Chief Human Resources Officer and Head of People, Culture and Brand
- Heads of Operating Groups
- Legal and Regulatory Compliance, including Chief Sustainability Officer, Sustainability Office and the BMO Climate Institute
- Enterprise Risk and Portfolio Management, including Environmental & Social Risk Management
- Office of the Chief Accountant
- Corporate Real Estate; Communications and Social Impact; Diversity, Equity and Inclusion
- Operating Groups

Management committees and forums

Management engages in several committees and forums, including:

- ESG Executive Committee
- Sustainability Council
- Disclosure Committee
- Risk Management Committee
- Risk Executive Committee
- Reputation Risk Management Committee
- Enterprise Regulatory Committee
- Impact Investment Fund Investment Committee
- BMO Global Asset Management (GAM) Investment Committee
- Climate Commercialization Working Group
- North American Commercial Banking Climate Steering Committee
- Personal and Business Banking Climate Council
- Sustainable Bonds Working Group
- Sustainable Finance and Climate Directive Working Group
- Sustainability- and Climate-related Financial Disclosure Working Group
- Climate and Sustainability Thought Leadership Forum
- Climate CoLab
- Climate Scenario Analysis Working Group

(continued on next page)



2023 Task Force on Climate-related Financial Disclosures (TCFD) Summary (continued)

Strategy	We integrate climate-related opportunities into our business, building on our existing strengths and capabilities
Net-zero outcomes as a key organizing principle for our business	<ul style="list-style-type: none"> Continued to implement the PCAF and NZBA frameworks. Developed decarbonization roadmaps for commercial real estate lending portfolio and identified opportunities for carbon emission reductions by our clients.
Expanding climate-related capabilities across our operations	<ul style="list-style-type: none"> Continued to advance the work of the BMO Climate Institute focused on three key pillars – thought leadership and engagement, tools and capabilities and capacity building in four themes: decarbonization, resilience, climate and social impact, and biodiversity. Established our Climate Commercialization Working Group, a sub-committee of the ESG Executive Committee, to coordinate climate finance matters related to our Climate Ambition. Advanced our climate-related data and analytics program focused on building technology solutions to optimize the acquisition, identification and utilization of climate and sustainability data throughout the bank. Developed a multi-year roadmap to build our data and analytics capabilities to enable risk reporting, inform decisions, and track our progress on internal climate commercialization goals and other climate-related metrics. Conducted analysis to increase our understanding of climate impacts on low- to moderate-income communities and connect this information into our <i>Community Reinvestment Act</i>, philanthropic, and partnership-building programs to expand our support of the communities where we operate. Developed an enterprise-wide training roadmap to equip our employees with the knowledge and expertise to effectively engage clients on their net-zero journeys.
Supporting clients on their carbon transition journey	<ul style="list-style-type: none"> Continued to execute a coordinated enterprise climate commercialization strategy, championed by the ESG Executive Committee, with support from the BMO Climate Institute, and operationalization through the Climate Commercialization Working Group. Offered a range of carbon-related products, services and capabilities to clients across our businesses. Launched an internal Climate Products and Services intranet page to support lines of business. Completed the acquisition of Radicle Group Inc., a leader in GHG measurement, advisory, carbon credit origination and environmental commodity trading, advancing the bank’s commercial strategy regarding climate change.
Advancing our climate strategy	<ul style="list-style-type: none"> Continued to improve our environmental management system, which covers Scope 1, 2, and 3 upstream emissions and BMO’s Carbon Neutrality Program. Advanced our carbon offset diversification strategy with the purchase of 16,000 tonnes of voluntary offsets from The Great Bear (Haida Gwaii) Forest Carbon Project.
Convening for climate action	<ul style="list-style-type: none"> Collaborated with numerous associations, initiatives, working groups, multi-stakeholder partnerships and universities to advance climate action.

(continued on next page)



2023 Task Force on Climate-related Financial Disclosures (TCFD) Summary (continued)

Risk management

We consider climate change to be a transverse risk driver that manifests through our identified material risks

Incorporating climate change considerations into our enterprise risk management framework

- Embedded environmental and social risk considerations, including on climate risk, into enterprise policy documentation as appropriate in partnership with policy owners.
- Continued to develop heatmaps to aid in identifying physical and transition risk across our lending portfolio, trading book and physical operations, which help us prioritize our risk assessment efforts, including scenario analysis exercises.
- Risk tolerance thresholds remain in effect for climate-related key risk metric, lending to carbon-related assets, determined using 2017 guidance from the TCFD, and informed by financed emissions and decarbonization pathway modelling.
- Advanced the identification of the transverse impacts of climate risk across each risk type in the Risk Taxonomy.

Expanding climate-related scenario analysis and capabilities

- Onboarded third-party data and tools to continue the build-out of capacity to conduct climate scenario analysis.
- Conducted several scenario analysis exercises to evaluate the transition and physical risks on our portfolio of wholesale loans to several climate-sensitive sectors, physical risks on our portfolio of Canadian and U.S. residential mortgages, market risk to our trading and underwriting portfolio under a delayed transition, and physical risk on the operations of the bank and significant suppliers.

Engaging with stakeholders on climate change

- Doubled the number of strategic suppliers engaged through the CDP Supply Chain program, accounting for 75% of our supplier spend.
- Monitored and responded to evolving international standards and regulations by conducting independent research, participating in global forums, and engaging in dialogue with our internal and external stakeholders.

Metrics and targets

We track and report on opportunities and risks associated with climate change

Measuring progress towards net zero through robust and transparent reporting

- Quantified and disclosed our Scope 1 and 2 emissions, and specific categories of Scope 3 emissions (categories 1, 5, 6, and 15 – purchased goods and services, waste generation, business travel and financed emissions of our investments).
- Pursued a 30% emissions reduction target within our operations by 2030 – a target determined using science-based approaches.
- Continued to achieve carbon neutrality for our own operations each year since 2010 and achieved 100% renewable electricity supply each year since 2020.
- Continued to track lending to carbon-related assets using the TCFD 2017 and 2021 guidance definitions. In 2023, the Board began to monitor our exposure to carbon-related assets under the 2021 TCFD definition. Our exposures to carbon-related assets have declined since 2019.
- Targeting net-zero financed emissions in our lending by 2050 and continued to track our financed emissions performance (BMO's Scope 3 emissions, category 15 – investments) for the following sectors: lending related to upstream oil and gas, power generation in Canada, the purchase of personal automobiles in Canada, residential mortgages in Canada, and agriculture.
- Expanded our sector coverage to include commercial real estate in our quantification and disclosure of financed emissions.



Operational efficiency

As part of our Climate Ambition, we are minimizing the environmental impact of our business operations by improving our operational efficiency and decarbonizing our corporate real estate portfolio.

Who has responsibility

Chief Sustainability Officer, Chief Procurement Officer and Global Head, Corporate Real Estate
 Overseen by ESG Executive Committee and the Audit and Conduct Review Committee of our Board of Directors

BMO is committed to making smarter, more responsible choices that grow the good and support a sustainable future while managing our own risks and reducing operational costs. We consider local and global environmental impacts when making business decisions, and we focus on:

- Decarbonizing our buildings to reduce our environmental impact
- Measuring, reducing and publicly reporting our GHG emissions
- Using resources wisely and managing waste efficiently by following circular economy principles
- Supporting biodiversity conservation in our communities
- Achieving cost reductions.

Our approach is guided by the BMO ECO⁵ strategy and framework:

1

Energy management and carbon neutrality

Maintain carbon neutrality by using less energy to limit operational emissions, purchasing renewable energy certificates, and purchasing net-zero aligned carbon offsets.

2

Sustainable transport

Minimize the environmental impact of our business travel by including hybrid vehicles in our fleet and encouraging online collaboration, where appropriate, to limit air travel.

3

Sustainable materials

Use low-carbon building materials, make efficient use of building materials, and transition to carbon-positive materials in our construction projects. We source environmentally friendly cleaning products, and wood and paper products from sustainably managed forests, and we are working to reduce our paper use.

4

Waste management

Reduce the amount of waste we send to landfills. We are working with partners to divert waste and improve our recycling and reuse performance. We follow circular economy principles.

5

Sustainable procurement

Consider environmental and social factors when we make purchasing decisions (see page 54).

2023 highlights – Operational efficiency

Improving our energy efficiency

- Implemented Kyoto cooling system at our Scarborough Computer Complex to improve energy efficiency and deliver \$2.9 million in cost savings over five years.
- Optimized performance of central chilled-water systems for cooling our core data centre.
- Piloted smart lighting controls at two branches in Wisconsin to reduce electricity use.

Offsetting our carbon footprint

- Diversified our carbon offset portfolio by adding credits from the Great Bear Improved Forest Management project, which is owned and managed by the Coastal First Nations in British Columbia.

Enhancing our Environmental Management System

- Continued to enhance our environmental management system (EMS) by adding new capabilities related to Scope 1, 2 and 3 GHG emissions and BMO's Carbon Neutrality program; and purchased a supply of renewable energy and offsetting carbon credits.
- Began implementing ISO 14001 across our essential facilities, with the objective of achieving third-party ISO certification for our Canadian data centres in 2024.

Sustainable materials

- Continue to partner with suppliers providing construction materials, fixtures and furniture which minimize environmental impacts such as high recyclable content, Forest Stewardship Council certified, and materials with Environmental Product Declarations.

Waste management

- Continue to target 80% diversion by volume for Construction and Demolition waste.
- Expanded furniture waste diversion program to include all eligible decommissioning and renovation projects across North America, resulting in a total of 80 eligible projects in 2023 averaging 85-90% diversion rate, 698 tonnes diverted, including over 65 tonnes donated to 36 charities.



Energy use and emissions management

We are committed to reducing our operational energy use and associated GHG emissions. Our Corporate Real Estate team implements its Global Energy Management Playbook with a goal to align energy and emissions reductions with decarbonization pathways for the corporate real estate sector. We are focused on operational efficiency improvements and capital upgrades to our buildings that result in decarbonization. We have analyzed energy use intensities and emissions intensities on an individual site basis and have identified opportunities at our data centres and retail branch network. Our operational decarbonization roadmap includes initiatives to improve cooling technology in our data centres, LED retrofit programs and HVAC system improvements for our retail branches, and projects to reduce natural gas consumption through fuel switching in regions where the carbon intensity of the electricity grid is low.

We track and analyze our Scope 1 and 2 GHG emissions, as well as upstream Scope 3 GHG emissions associated with waste generation, business travel and for the first time this year purchased goods and services. Since 2008, we have set and met four multi-year enterprise-wide GHG emission reduction targets.

Taking a science-based approach, our current target is a reduction of 30% in Scope 1 and Scope 2 GHG emissions by 2030 from a 2019 baseline. We are making progress toward this target by investing in energy-efficiency initiatives – lighting retrofits, operational improvements, heating and cooling infrastructure upgrades at BMO data centres – and by analyzing the performance of each building envelope. 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. The results of our performance in terms of GHG emissions are verified each year by a third party. 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.

Our operations have been carbon neutral since 2010. Operational GHG emissions include Scope 1 emissions from fuel use in owned or controlled assets, Scope 2 emissions from electricity and steam consumption, and Scope 3 emissions from waste sent to landfill and from commercial business travel. BMO's carbon neutrality strategy balances three priorities: being more energy-efficient and limiting operational emissions; purchasing renewable energy certificates (RECs); and purchasing net-zero aligned carbon offsets. Our [2023 Sustainability Report Data Pack and Glossary](#) shows how carbon credits and renewable energy certificates are used to attain carbon neutral operational GHG emissions. Our operational emissions are third-party verified on an annual basis.

We neutralize Scope 2 emissions from electricity use through the purchase of Green-e certified or equivalent RECs. In every year since 2019, we have reached our goal of matching 100% of our global electricity consumption with energy from renewable sources, supporting the global transition to cleaner energy sources and the growth of those sources. We achieved this by leveraging our relationships with the operators of solar, wind and low-impact hydro-electricity projects in the regions covered by our operational footprint. The remainder of our operational emissions are offset through the purchase of net-zero aligned carbon credits, which are Verified Carbon Standard certified or equivalent. A full list of other project descriptions is on our [website](#).

BMO supports projects by purchasing high-quality voluntary carbon offset credits that were independently verified

BMO is a supporter of the Great Bear Improved Forest Management project, part of the B.C. Forest Carbon Offset Protocol. In 2023, we purchased carbon credits generated from this forest management initiative as part of our Carbon Neutrality program, helping to protect old growth forests while supporting the ongoing development of the carbon offset market. Coastal First Nations in the southern part of the larger Central Coast Land and Resource Management Plan area, have created a conservation economy, and through offset generation, they're able to preserve ecologically and culturally rich landscapes and create jobs in the project area. This project protects forests that were previously available for logging and reduces emissions caused by harvesting, road building, and other forestry operations. The Great Bear Rainforest project generates up to 1,000,000 tCO₂e in credits per year over its 25-year lifespan by protecting 218,000 hectares of land now designated as Conservancies or Biodiversity, Mining and Tourism Areas. The project was initially approved under the *Greenhouse Gas Reduction Targets Act*, and this approval has been extended under the *Greenhouse Gas Industrial Reporting and Control Act*.



Building design and construction

We focus on the energy efficiency of our office and retail locations during their design, construction and renovation. This includes incorporating energy-efficient features and sustainable materials. We strive to purchase building materials that are manufactured locally, as well as materials with recycled content, in order to minimize our impact on the environment.

We choose materials that contain either low levels of harmful chemicals (i.e., volatile organic compounds, or VOC) or no such chemicals, in order to safeguard the health of the people in and around our buildings. We also select more durable materials with longer service lives, which limits the amount of waste sent to landfills.

Our guidelines align with industry best practices set by Green Building Councils, the International WELL Building Institute and similar non-profit organizations. We have obtained WELL Health + Safety Ratings for all 15 of our major office buildings in North America. These best practices help us conserve energy and support better health in our facilities. We have also achieved Leadership in Energy and Environmental Design (LEED) certifications at many BMO offices and branch locations around the world. More details can be found in the 2023 Sustainability Report Data Pack and Glossary.

We are building our first net-zero retail branch in 2024 that will meet all requirements for Passive House and Zero Carbon certification. This branch will incorporate advanced technology and engineering systems that meet high energy performance requirements, offering healthy interior environments and low-or-no GHG emissions – and making it the first commercial bank buildings in the world to meet Passive House standards. This project will provide proof of concept for advanced industry practices, preparing the way for net zero and net-zero-ready construction.

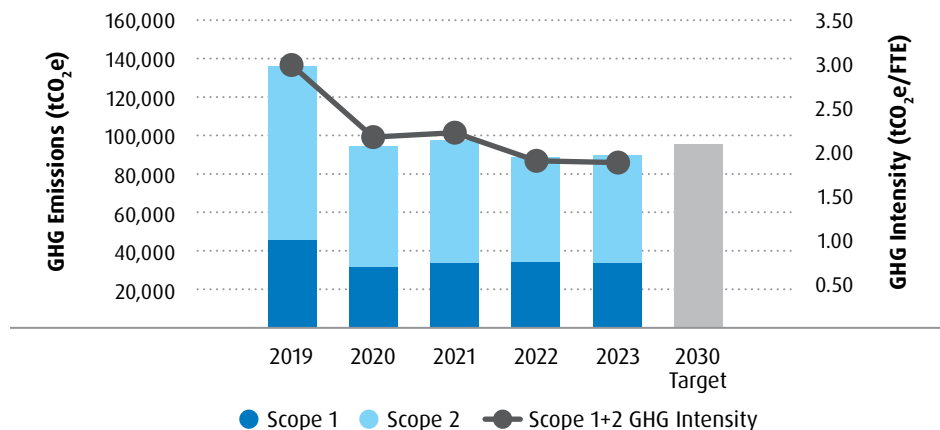
Working toward zero waste and a circular economy

Circular-economy principles call for the wiser use of resources. Their primary objective is to maximize the value of natural resources by reusing, repairing, refurbishing, repurposing or recycling products and materials. Circular-economy principles can serve as guidelines for companies working to meet their sustainability goals, reduce their exposure to risks, and make progress toward their environmental and social objectives. At BMO, we are planning to incorporate these circular-economy principles across our business operations, which will help us move forward on BMO’s sustainability goals.

BMO’s procurement teams are working on eliminating single-use plastics across our global operations. We are also exploring innovative new approaches to reducing carbon emissions. We partner with our preferred suppliers to give new life to old equipment. This helps prevent the harmful emissions that would be associated with manufacturing new equipment and defers the impact of sending old equipment into the waste/recycling stream.

We work with partners like Compugen, a company that takes away old technology equipment and refurbishes it for resale in other markets, such as school districts and small businesses. This prevents emissions and earns carbon credits. For the twelve-month period ended July 31, 2023, we earned credits equivalent to 9,030 tonnes of carbon by repurposing used technology equipment and diverting it from the waste/recycling stream. We also partner with Teknion, a Canadian furniture company, to avoid sending used furniture to landfills by reselling or recycling it or donating it to charities. This has kept more than 700 tonnes of furniture out of landfills and prevented emissions of more than 2,000 tonnes of CO₂e.

We are planning to partner with more suppliers in 2024, including Indigenous-owned businesses, to further enhance the furniture and construction waste diversion program across our portfolio.



Our Scope 3 financed emissions are discussed in our [2023 Climate Report](#).



Sustainable procurement

We strive to support positive environmental and social outcomes in our supply chain and minimize any adverse effects from our purchasing programs.

Who has responsibility

Chief Procurement Officer
Chief Sustainability Officer

BMO's Supplier Code of Conduct sets out the standards we expect our suppliers to meet. The code covers integrity, fair dealing and sustainability, which includes:

- **Doing business responsibly** by complying with laws and regulations regarding conflicts of interest, anti-corruption, anti-money laundering, and by adopting sustainable practices
- **Treating workers fairly** by adhering to ethical business practices regarding human rights, employment, diversity, inclusion, workplace safety, security and health.

We select our suppliers carefully by examining and assessing their environmental and social responsibility practices. Our procurement team works with our Sustainability Office to identify and monitor any exposures to environmental and social risk in our supply chain.

We participate in the Carbon Disclosure Project (CDP) supply-chain program. This program helps us track the GHG emissions associated with our primary suppliers, allowing us to more accurately determine the Scope 3 emissions associated with the goods and services we purchase.

Supplier diversity¹

We prioritize supplier diversity, aiming to integrate suppliers representing the diversity of our customers, employees and communities in our supply chain. This commitment contributes to building a sustainable future for our communities. We are committed to building long-term relationships with diverse suppliers, ensuring these companies can benefit from equal access to business opportunities. In return, we expect our suppliers to provide similar opportunities within their own supply chains.

We have incorporated metrics for supplier diversity into our procurement practices in North America. The BMO Procurement team is focused on inclusion across these areas:

- **Sourcing** – identifying eligible diverse suppliers and including them in our procurement competitions. This includes incorporating diversity-related conditions into our contracts with major suppliers and holding them accountable for supplier diversity efforts.

- **Reporting** – consistently tracking our inclusion metrics and reporting results quarterly to BMO's Enterprise Supplier Diversity Council and Leadership Committee for Diversity, Equity and Inclusion. This provides visibility and senior executive awareness of these efforts. These metrics include purchases from certified diverse businesses, and purchases as a percentage of addressable procurement spending.
- **Partnerships** – establishing corporate partnerships with organizations advocating for supplier diversity and certifying diverse owned businesses. This demonstrates BMO's commitment to building relationships with diverse supplier communities and continuously advancing inclusivity in our procurement programs.
- **Education** – engaging with diverse business communities, through one-on-one meetings and offering business development programs. We encourage these businesses to register in our supplier portal for consideration in future procurement opportunities.
- **Mentorship and business development** – through BMO Elevate, our diverse business development program, we provide networking, education and mentoring. To date, we have developed and mentored over 40 businesses through the program.

2023 highlights – Sustainable procurement

Building on the success of our climate-related programs

- Launched a new internal Sustainable Procurement site to share information and resources internally.
- Increased awareness of our suppliers and internal supplier managers about the CDP supply chain program with information sessions, educational resources and other communications. This resulted in achieving best-in-class participation at ~200 suppliers with a 75% response rate.
- Enhanced our tracking of Scope 3 GHG emissions associated with the goods and services we purchase.

Helping our suppliers track emissions

- Partnered with BMO Radicle to support our suppliers in calculating their emissions, using its Climate Smart tool.

Enhancing transparency and partnership

- Introduced a new internal dashboard for our supplier managers offering insights into the CDP survey status and estimated GHG emissions impact of our suppliers, to improve transparency and partnership among our internal partners and build cross-functional ownership of climate action initiatives.

Advancing our diverse supplier spending goals

- More than doubled our procurement spending with Tier I certified diverse businesses, compared to the previous year.
- Collaborated with the BMO Enterprise Supplier Diversity Council's nine working committees to set goals for each line of business, identifying opportunities to shift procurement spending to diverse suppliers.
- Launched third cohort of BMO Elevate, a 10-month program that offers networking, education and mentoring to groups of certified diverse businesses. To date, more than 40 potential suppliers have completed the program.

¹Businesses are accredited as diverse suppliers based on whether they are owned, managed and operated by individuals who represent diversity; these include businesses owned by women and military veterans, as well as minority, disabled, lesbian, gay, bisexual, transgender and Indigenous groups or individuals.

Inclusive society

BMO is one of the largest financial institutions in North America. Our history includes a long-standing commitment to building an inclusive society. By leveraging our position in the banking and financial services sector, we are working to advance diversity, equity and inclusion for our colleagues, customers, and the communities across our business footprint, so that everyone has an opportunity to thrive.

What we focus on

- 57 Diversity, equity and inclusion** – we are committed to building a culture of belonging, promoting diversity, equity and inclusion across our workforce and ensuring that BMO employees have access to opportunities for learning and developing future-focused skills.
- 60 Our employee value proposition** – we are dedicated to providing a fulfilling experience for our current and prospective employees that aligns with their personal aspirations.
- 66 Community impact** – we recognize that our communities, and the organizations that help sustain them, are at the heart of building a thriving economy, a sustainable future and an inclusive society. That’s why we give and why we support our employees’ volunteer activities and donations.



Alignment with SDGs

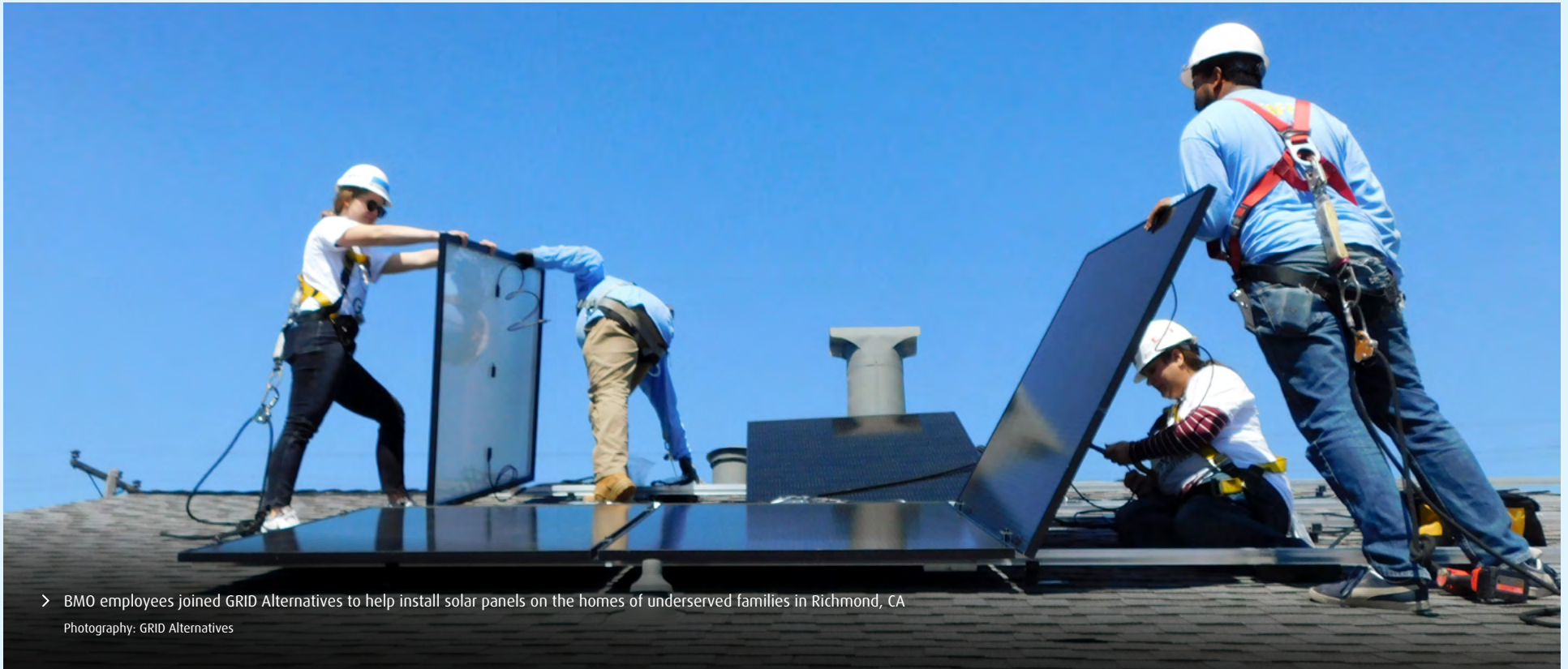
- 4 Quality education**
4.4
- 5 Gender equality**
5.1, 5.5, 5.a
- 8 Decent work and economic growth**
8.3, 8.5, 8.7
- 10 Reduced inequalities**
10.2, 10.3
- 17 Partnerships for the goals**
17.16

[See page 12](#)

> Carmell Macklin, owner of Macklin Hauling Inc.
Photography: Kevin A. Roberts
Custom hat embroidery courtesy of Anish Branding, Nepean, ON



Supporting community-powered renewable energy



> BMO employees joined GRID Alternatives to help install solar panels on the homes of underserved families in Richmond, CA
Photography: GRID Alternatives

It is increasingly apparent that communities that face systematic inequality are also disproportionately impacted by climate change and climate disasters. Investments to support climate resilience and economic well-being are a critical lever to supporting these communities.

This year, BMO announced a US\$3 million donation in support of GRID Alternatives' low-to-no-cost solar energy systems and storage, clean mobility, and job training programs for underserved families throughout California and Colorado and Tribal communities across the western United States. GRID Alternatives, the nation's leading non-profit solar installer, partners with organizations to build community-powered solutions to enable access to renewable energy.

"We are excited for this new partnership with BMO," said Erica Mackie, GRID's CEO. "This investment will help us in our efforts to ensure that communities that have historically faced climate injustice and pollution have access to the benefits of renewable energy. We are grateful to BMO for their support and their commitment to creating sustainable communities."

BMO's support is helping GRID install solar systems for 1,200 families and provide 250 battery-powered systems and 1,400 charging stations for individuals in underserved communities over the next three years. The installations will reduce greenhouse gas emissions by 145,000 tons per year and transition participants' energy consumption to be 70-80% solar. BMO's funding will also enable GRID to expand its relationships with Tribal communities to develop local talent through workforce development programming and solar installation training.



Diversity, equity and inclusion

We are dedicated to creating a work environment that reflects the diversity of our customers and the communities we serve. It is our goal to foster a culture of belonging – where the unique backgrounds, perspectives and lived experiences of our employees are valued, and everyone has equitable access to opportunities and advancement.

Who has responsibility

Chief Human Resources Officer and Head of People, Culture and Brand, working with the Chief Talent Officer, Chief Inclusion Officer, U.S. Chief Human Resources Officer and BMO's Leadership Committee for Diversity, Equity and Inclusion, an enterprise-wide committee of more than 20 senior executives

Executive Committee and Human Resources Committee of our Board of Directors

Our commitment

BMO is focused on enhancing a work environment of inclusion driven by inclusive leadership practices and programs and initiatives that achieve meaningful and sustainable advances in inclusion and equity – among our employees and in our work environment.

Our Diversity, Equity and Inclusion (DEI) team works with BMO's Leadership Committee for Diversity, Equity and Inclusion to establish strategic priorities and provide governance for initiatives related to our DEI priorities – supported by the employee-led efforts of our 11 [Employee Resource Groups](#), which now have a combined total of over 25,000 members representing nearly 50% of the bank's global employee population.

Our DEI priorities are aligned with the commitments we have made under the Catalyst Accord, the UN Women's Empowerment Principles, the UN LGBTI Standards of Conduct for Business and the BlackNorth CEO Pledge. In addition, we support the work of the Truth and Reconciliation Commission of Canada and its 94 Calls to Action, as well as the UN Declaration on the Rights of Indigenous Peoples.

Further to BMO's existing commitment to equity, equality and inclusion and engagement with shareholders, BMO has agreed to build on its *Zero Barriers to Inclusion* strategy and engage a third party to conduct a review of certain employment practices and certain business practices with a focus on racial equity. The review of employment practices will occur in 2024 and the review of business practices will occur in 2025 with the results being made public following the completion of the review.

Employee representation

BMO's *Zero Barriers to Inclusion* strategy rests on three pillars – colleagues, customers and communities. We have clearly identified aspirational goals for workforce representation, and we hold our leaders, managers and employees accountable for our progress toward them. The annual performance objectives for each of our Group Heads are based in part on inclusive leadership practices aligned with our Winning Culture and building a workforce reflective of the communities we serve measured relative to our aspirational workforce representation goals. Our ongoing implementation of the *Zero Barriers to Inclusion* strategy is reviewed each quarter by the Performance Committee, which is led by the CEO and includes members of our senior leadership.

2023 highlights – Diversity, equity and inclusion

Making progress toward an inclusive economy

- Donated \$1.5 million to the Institute for Gender and the Economy (GATE) at University of Toronto's Rotman School of Management to support research on gender and a caring economy, and to help fund BMO GATE MBA Fellowships.
- Enhanced the military leave policy for military reservists providing greater financial peace of mind, especially during periods of military training and/or deployment. Job-protected, unpaid leave was also made available for employees with Reservist family members, offering more flexibility as they take care of loved ones while a member of the family serves.

Supporting Indigenous-led organizations

- Contributed \$800,000 to three Indigenous organizations focused on education and cultural reclamation: Ka Ni Kanichihk, to support the Home for Reconciliation expansion; Teach For Canada – Gakinaamaage, to extend access to teaching resources for 19 additional First Nations partners; and the Woodland Cultural Centre, to support the construction of a new state-of-the-art facility.

Enhancing our inclusive benefits

- Introduced an internal online Accessibility Hub, where employees can access information and learn how to share accessibility concerns, enabling us to promptly identify employee needs and update BMO's policies.
- Updated our Ethics, Legal and Compliance training to equip employees to provide services that are accessible and comply with accessibility policies and regulations, including changes to the *Accessible Canada Act* (ACA).
- Enhanced our benefits program to include coverage for gender affirmation procedures for employees or their eligible dependents that are transitioning. Expenses will be reimbursed for surgical procedures performed in Canada that are not covered by a provincial or territorial health insurance plan.
- Provided financial assistance for employees who choose to grow their families through fertility (up to \$20,000, for drug and treatments) and up to \$20,000 for surrogacy, or adoption expenses.
- Increased our mental health coverage for mental health practitioners from \$3000 in 2022 to \$7000 in 2023, regardless of what medical option they choose, making this benefit equitable for all employees.

(continued on next page)



For BMO employees who have, or may have, accessibility challenges, our [Accessibility Plan](#) – which considers the lived experiences of our employees – sets out our commitments related to workplace accommodations, workspace design, employee learning and accessible emergency information. We have a formal process through which employees can share their feedback on accessibility issues and identify workplace accessibility challenges. We review our employment practices regularly, in order to identify any barriers to an equitable workplace experience for our employees.

Zero barriers to inclusion	2025 goals	2023 representation
Gender equity in senior leadership roles – enterprise-wide	40%-60%	42.3% ◆
People of Colour in senior leadership roles – Canada	31%	25.4% ◆
Black employees in senior leadership roles – Canada	3.5%	2.4%
People of Colour in senior leadership roles – United States	30%	26.6% ◆
This is a BMO Bold Commitment – see page 8		
Black employees in senior leadership roles – United States	7%	7.1%
Hispanic/Latino employees in senior leadership roles – United States	7%	4.3%
Indigenous peoples across our workforce – Canada	1.6%	1.4% ◆
This is a BMO Bold Commitment – see page 8		
Persons with disabilities across our workforce – Canada and United States	5%-7%	5.6% ◆
2SLGBTQ+ representation across our workforce – Canada and United States	3%	5% ◆

Senior leadership

We are committed to developing a leadership group that reflects the diversity of our workforce and the customers and communities we serve – and we are investing in the future leadership potential of our employees, offering career development programs. In our *Leadership Planning* program, we draw up detailed development plans that can help talented individuals grow into leadership roles, with an emphasis on fostering diversity and inclusion.

Fair pay

BMO is dedicated to delivering competitive compensation programs that provide fair and equitable pay opportunities to our employees. Our commitment to fair pay is foundational to our values and directly aligned to our purpose and winning culture. It’s also a principle that reinforces our long-standing reputation as an employer of choice, helping us attract talented individuals who reflect our growing North American footprint.

◆ KPMG has provided limited assurance of this figure.

2023 highlights – Diversity, equity and inclusion (continued)

Supporting the 2SLGBTQ+ community

- Supported 2SLGBTQ+ education and allyship with the launch of *Respecting Pronouns: The Importance of Inclusion* – a new digital learning guide on the importance of pronouns, outlining steps that can create a safer and more inclusive environment for customers and colleagues.
- Sponsored 2SLGBTQ+ events, including participation in Pride Parade events across key locations including San Francisco, Chicago, Toronto, Montreal, in addition to several other cities across the BMO business footprint driving incredible engagement with our colleagues, customers and community. We also continued our long-standing sponsorship of the Pride Remembrance Run in Toronto among other activation activities in support of building allyship.

Elevating our supplier base

- Offered networking, mentoring and business opportunities through BMO Elevate, our diverse supplier development program, BMO Elevate, including *Perfecting your Pitch*, a three-hour working session to help suppliers introduce their products and services to BMO executives.
- More than tripled our spending with diverse businesses since 2020.

Awards and recognition

- Received our seventh consecutive Progressive Aboriginal Relations Certification from the Canadian Council for Aboriginal Business, recognizing BMO as a good business partner for Indigenous businesses, a great place to work for Indigenous employees, and committed to prosperity in Indigenous communities.
- Recognized by the Globe and Mail for Excellence in Diversity Among Senior Leaders and included by Report on Business in its 2023 Women Lead Here list – for the third consecutive year.
- BMO received top score on the Disability Equality Index for the eighth consecutive year and was recognized as one of the Best Places to Work for Disability Inclusion in the United States. Also awarded a five-star rating by the Hispanic Association on Corporate Responsibility in its 2023 Corporate Inclusion Index.
- Included in the Bloomberg Gender-Equity Index for the eighth consecutive year.



Our employee value proposition

A unique and compelling employee value proposition is a key component of an effective talent attraction and retention strategy. Our approach to engaging, developing and investing in our people is aligned with BMO’s strategic priorities, and is articulated in our Employee Value Proposition. Anchored by our suite of Total Rewards, it offers clear and meaningful answers to the question “Why work at BMO?”

Our Employee Value Proposition

We articulate how you should feel when working at BMO

...by providing clarity on what you will experience throughout your career

...and support this with a comprehensive suite of Total Rewards, so that you can make progress along with our customers and our business at every stage in your career

Inspired and fulfilled

Shape the future you want to see

- Make tomorrow better
- Do meaningful work
- Make a positive impact
- Drive the future

Valued and heard

Feel a sense of real belonging and respect

- You belong here
- Be heard
- Have a clear path to success
- Celebrate big ideas

Motivated and empowered

Build the career you aspire to have

- Be part of a winning team
- Keep learning
- Make it your own
- Find room to grow
- Learn from the best in the business

Supported in living well

Experience the balance, support and flexibility you need

- Make use of flexible work options
- Access programming that supports your total wellness
- Make investments in your future

BMO’s suite of Total Rewards is integral to our Employee Value Proposition. It encompasses fixed salaries and performance-linked incentive programs with higher awards for better performance; matching contributions to savings and retirement plans; share ownership plans that allow everyone at BMO to benefit from the value they help create; and a high-value package of benefits and incentives that offer a variety of options for participants, complemented by an extensive and inclusive total wellness offering.

Who has responsibility

Chief Human Resources Officer and Head of People and Culture, working with the Chief Talent Officer, Chief Inclusion Officer, Chief Total Rewards Officer and BMO’s senior leadership team

Overseen by the Human Resources Committee of our Board of Directors

What it includes

- Talent attraction and retention
- Learning and skills development
- Employee engagement
- Health and well-being



Talent attraction and retention

BMO is recognized as a respected employer of choice, able to attract talented individuals across our North American footprint.

Our culture of belonging thrives on feedback, which enables our managers to provide informed coaching, recognition and constructive input. Our award-winning learning and skills development programs support career mobility and personal growth – and we also take an internal-candidates-first approach to recruiting and promoting talented employees. We are committed to our DEI priorities, which are integral to our Purpose. Our Employee Value Proposition and talent strategies incorporate labour market trends and insights and employee listening survey results, which has helped us maintain our position as an employer of choice.

Attraction

Our unique Employee Value Proposition differentiates us from our competitors and is the foundation of our talent attraction strategies, programs and practices.

A team of dedicated BMO business leaders and talent advisors promote our Employee Value Proposition through various social and in-person channels. They share employee stories on our online recruitment technology platforms, spotlight career journeys on LinkedIn, provide support for community events and speak at leadership conferences.

We make ongoing refinements to our talent acquisition practices, as well as our online recruitment technology platforms to deliver a clear and simple personalized proposition. This enables us to identify, hire and promote talented individuals who can contribute to our business performance while also reflecting the diverse communities we serve. We continue to invest in our recruitment platforms, automating processes, personalizing interactions and building the capacity to convey a unique, individualized experience for each potential employee, regardless of their current employment status, career history or geographic location.

100%

employees received annual performance reviews

Over 75%

enrolment in Employee Share Ownership Program

2023 highlights – Talent attraction and retention

Attracting diverse talent

- Sponsored the 32nd annual national conference of the Black Law Students’ Association of Canada (BLSA Canada), held in Halifax, Nova Scotia. Awarded four scholarships of \$10,000 to Black law students, each of which included mentorship and financial literacy resources.

Expanding our talent offerings

- Implemented Workday’s Career Hub, equipping our employees with digital tools that level the playing field for access to career development opportunities.
- Added to the number of our ERGs by introducing *BMO Parents*.
- Made significant investments in technology-focused learning and skills development through our partnerships with Microsoft, Pluralsight and Skillsoft and others, to attract new technology talent and support existing teams as they provide innovative digital experiences for our customers.

Attracting and retaining early-career talent

- Introduced new hiring process to attract and retain early-career talent, including recent graduates seeking careers in technology. *Early Talent Super Days* brings together small groups of candidates for individual virtual job interviews. Employment offers are extended within 24 hours – much faster than the industry standard.
- Launched *First Year Experience*, a program that helps recent graduates make a smooth transition to employment at BMO with orientation sessions, networking, professional development and coaching.

Receiving awards and recognition

- Recognized among the top 30 *Best Workplaces for Innovators* by Fast Company in its fifth annual list of organizations that foster enterprise-wide innovation.
- Received Management Co-op Employer of the Year Award from the University of Toronto (Scarborough) for the skills development opportunities offered by BMO to students in its growing co-op program.
- Recognized by l’Office québécois de la langue française for promoting French in the workplace, ensuring that French language and culture are valued across our Canadian footprint.



Retention

We support the personal and professional goals of our employees. We offer them new experiences, different roles and opportunities for personal growth that can help them build the careers they desire.

Our culture promotes alignment, empowerment and recognition, helping strong performers build careers at BMO and realize their potential. We actively support this culture, which is aligned with our Purpose, our *Zero Barriers to Inclusion* strategy and our DEI priorities. Our talent retention strategies make it easy for employees to explore various career opportunities within BMO. We take an internal-candidates-first approach to recruiting and promoting talented employees, and our managers are well-prepared for regular, informed and meaningful career discussions with the members of their teams.

We offer an inclusive workplace and hybrid work arrangements. The workspaces at BMO locations have been designed to support collaboration and meaningful connections, with the flexibility to accommodate the needs of our employees across North America. Whether they are working remotely, in a hybrid work arrangement, or in person at a BMO location, our workplace priorities encourage collaboration, learning, well-being and inclusion.

Our commitments to learning (see [Learning and skills development](#)) and recognition play an important role in retaining talented employees. We offer employees opportunities for advancement and personal growth at every stage of their careers with BMO.

In a high-performing culture, employees are motivated to perform better every day. BMO employees set individual goals that align with BMO's objectives. Employees meet with their manager throughout the year to review their performance and discuss any necessary adjustments. With a focus on strategic clarity and performance transparency, expectations are set and performance is assessed transparently in terms of "what" outcomes are achieved (individual goals aligned with organizational goals and strategy) and "how" (behaviours in line with our winning culture, purpose and values, and Code of Conduct). Every October, employees participate in a year-end performance review that summarizes the check-ins they have had during the year with their manager. Team and individual performance are then recognized and celebrated with both financial and non-financial rewards.

Total Rewards

BMO's Employee Value Proposition is anchored by a suite of Total Rewards that support our employees' financial progress, their unique priorities, their well-being and their growth. Our employees enjoy a comprehensive package of benefits and incentives that is aligned to BMO's purpose and reviewed every year to support key moments in our employees' lives.

Our philosophy includes:

- **Rewards and incentives that create value** and support employees' financial progress;
- **Benefits that provide choice and advantages for total well-being** with programs that offer inclusive health benefits complemented by a top-tier total wellness offering; and
- **Programming that celebrates employees and supports a winning culture**, with programs that recognize employees in their day-to-day work, celebrate their successes and highlight their career service milestones.

An enabler of talent attraction and retention, our Total Rewards offering continues to be strong and sustainable reflecting our commitment to three key principles: market competitiveness; shared responsibility; and managing affordability and risk.

2023 highlights – Total Rewards

Real financial progress

- Enhanced rewards in key frontline roles for new colleagues from Bank of the West with US\$20 per hour minimum wage and additional incentive award eligibility for fiscal year 2024.
- The participation rate for our Employee Share Ownership Plan in Canada remained above 75%, allowing employees to benefit from the value they help create.
- We encouraged employees to grow their personal savings, promoting BMO's 100% match of voluntary employee contributions to defined contribution pension plans in Canada and 401k and health savings accounts (HSA) in the United States.

Advantages for work and life

- We offer free access to the Headspace mindfulness app for employees in North America and up to four friends or family members.
- Eligibility for our U.S. maternity and parental benefits was extended to 16 weeks, with up to 24 weeks of job-protected leave.
- Participation rates in programs like Virtual Tutoring for employees' school-age children rose to record levels during the year.

Total well-being

- Our coverage for mental health care in Canada doubled in 2023.
- Free virtual health care is available to all BMO employees across North America, and is actively promoted year-round.
- A refreshed voluntary medical benefits program was announced in the United States, combining features of the current programs offered by BMO and Bank of the West to provide value and limit costs. For example, new income-based cost-sharing supports were added to partially offset sharply rising health care costs in the United States.
- Various workplace campaigns showcased the wellness benefits of taking planned time away from work.

Zero Barriers for All

- Additional supports for fertility treatments and adoption are available for employees and their eligible dependents as well as support for surrogacy for employees in Canada.
- Coverage for gender affirmation care has been rolled out in Canada to complement our existing U.S. offering.
- Up to five days off can be taken each year to observe traditional Indigenous practices, and coverage has been extended to include eligible Indigenous healing practices and ceremonies.
- Employees can take time off to observe reiligious holidays and participate in religious practices.



Learning and skills development

Digital First is a strategic priority for BMO – and we realize that preparing for the future involves more than investments in technology. We are actively helping our employees develop cutting-edge skills, and build careers that matter to them at BMO. Our managers provide continuous coaching, feedback and recognition to support employee growth.

We are investing in targeted programs like cloud computing, data and analytics, agile methodologies and IT operations. These programs include skills assessments, AI-driven development plans and on-demand learning to introduce new cutting-edge skills to our workforce.

Our “future of work” learning program and tools enable all employees to develop the skills they need for success in a digital world. This program addresses essential digital topics, including data science, cyber security, robotics and ethical AI, as well as human capabilities, including empathy, judgment, resilience and cultural intelligence.

We offer a range of learning opportunities that deepen employees’ readiness for their current roles, help with future career goals and broaden their personal interests. These opportunities range from short learning experiences to comprehensive re-skilling programs that span several months. Our goal is to build future-focused capabilities, both technical and human, that prepare our employees to meet emerging demands in areas like risk management, ethics, and legal and regulatory compliance.

Each year, BMO employees participate in learning programs including courses, conferences, strategy sessions and hackathons. *BMO IFL – the Institute for Learning*, delivers structured, cohort-based learning programs and immersive experiences, both online and in person. Our Line of Business Learning Teams offer training, tools and techniques tailored to fit each of our operating groups’ business objectives. We provide various resources through our online learning platform, including videos, articles, podcasts, courses and e-books, as well as opportunities for collaborative learning. We are continually refining these platforms to deliver a heightened, personalized experience and provide equitable access to career development opportunities that are related to each employee’s personal goals.

We are dedicated to advancing our learning technology and data platforms to gather talent intelligence and insights that will inform decision-making and support the development of skilled talent pools. We are also refining the metrics we use to evaluate the effectiveness of our learning programs, the range of skills our employees have acquired, and support how they deliver on BMO’s strategic priorities.

2023 highlights – Learning and skills development

- Expanding Indigenous IT cloud-based skills**
 - Added 18 new individuals from Indigenous communities to our talent pool for cloud-based services through the Amazon Web Services (AWS) re/Start program. They joined BMO as interns at the end of the 12-week cloud-based skills development program. PLATO Testing – Canada’s only Indigenous-led IT services and training firm – teamed up with BMO and AWS to deliver the program, which prepares participants for careers in technology.
- Building high-impact skills**
 - Invested in Pluralsight, an intensive technical training program, to help nearly 3,500 employees improve their data analytics and literacy, while building skills in key areas, including the Agile platform and AWS. Pluralsight has enabled our employees to respond to changing business needs.
- Creating meaningful career paths**
 - Implemented Career Hub from Workday, enhancing employees’ access to career development opportunities. Over 45% of our employees shared information about their skills, enabling us to offer personalized learning recommendations and development opportunities. More than 1,000 employees completed nearly 2,000 assessments in at least 150 topics, using the Skills Benchmark program from Skillsoft, which returned personalized learning recommendations for them.
- Receiving recognition and awards**
 - Achieved the top ranking of the 2023 ATD BEST Awards, a prestigious global award for our integration of talent development into organizational strategy and corporate culture. BMO was one of only two Canadian companies – and the only Canadian bank – on the list of 2023 winners.

BMO’s learning and development strategy is essential to our goal of building a digitally enabled, future-ready bank. Our digital-first approach encompasses personalized learning, real-world work experiences and mentorship opportunities that empower our employees to succeed at every stage of their careers.

2023 progress

1,854,000

hours of learning

21.6 thousand

employees are equipped with future-focused skills

This is a BMO Bold Commitment – [see page 8](#)

\$96 million

investment in learning and development

96.7%

of employees are enabled to learn from difference

This is a BMO Bold Commitment – [see page 8](#)



Employee engagement

A strong connection between our corporate culture and our employees' performance is an integral part of our enterprise strategy. Our culture of engagement and high performance motivates our employees to focus on making BMO the strongest, most competitive company it can be. And the stronger our performance, the more we are able to grow the good – for our customers, our colleagues and our communities. Engaged employees also have an important part to play in shaping BMO's future, as well as their own, and they are active participants in our community impact and outreach programs.

We actively listen to employees to fulfill BMO's Employee Value Proposition. Their feedback helps us better understand their experiences in the workplace, and we are responding by providing opportunities for skills development and greater visibility to ongoing career opportunities that are most meaningful to employees.

We have also taken steps to establish more frequent and constructive connections with our employees. BMO's senior leadership team in collaboration with our Human Resources leadership team have developed and implemented a strategic listening strategy across the enterprise. This measures our employees' engagement, as well as their workplace experiences, their confidence in our strategic priorities and BMO's Code of Conduct, and how they experience our corporate culture. Employee engagement and experience measures are benchmarked against global companies and financial institutions so that we can continually strive for top-tier performance.

We have programs in place that enable us to connect with our employees at every stage of their careers at BMO – from initial hiring to ongoing skills development and opportunities for personal growth – and as they transition out of the company. We also maintain several channels through which employees can share any concerns about the workplace. We believe it is important to capture this feedback and bring it forward for resolution.

More details are available in the 2023 Sustainability Report Data Pack and Glossary.

2023 highlights – Employee engagement

Advancing our winning culture

- The results of our Ambition 2025 Winning Culture Checkup survey provided data for a digital dashboard – a display of metrics for team member feedback, engagement and alignment with BMO's culture – for 7,000 managers, the highest number to date.
- We invited our new colleagues from Bank of the West to describe their onboarding experience as they joined BMO, helping us establish a useful baseline for adaptation into BMO's culture.
- Through our Winning Culture Checkup survey, employees highlighted continued strengths in their experience, engagement and pride in working at BMO, as well as consistent progress on other strategic priorities. BMO's Employee Engagement Index is at 86%, on par with the Leading Company Benchmark.¹

Confidence in achieving our 2025 Ambitions

- In our Ambition 2025 Winning Culture Checkup survey for 2023, 83% of employees reported they "have confidence that BMO can achieve its Ambition 2025 strategic objectives."

Highlights from the 2023 Winning Culture Checkup Survey²

86%[◆]

employee engagement index

88%

proud to work for BMO

90%

believe BMO values diversity of thought and inclusion of all people, backgrounds and experiences

92%

feel their experience working at BMO meets their expectations

86%

would recommend BMO's products and services to people they know

84%

would recommend BMO to people they know as a great place to work

[◆] KPMG has provided limited assurance of this figure.

¹ Leading Company Benchmark represents the 75th percentile score in a group of leading companies, including financial institutions, that have asked the same question in a minimum of 10 external surveys. The Qualtrics leading company database includes more than 19 million respondents from 865 companies including 10% of the Fortune 500 list.

² This survey included 41,000 respondents across BMO, and had an 88% response rate. The survey excluded employees from Bank of the West.



Health and well-being

Our public [Statement on Health and Well-Being](#) articulates our commitment to the mental, physical, social and financial well-being of every BMO employee. Fostering a workplace culture of belonging – and enabling employees in every BMO workplace to thrive by offering them opportunities for growth – is essential to maintaining the overall health and well-being, productivity and resilience of our workforce.

We understand that every individual has a unique need for personal wellness, so we offer a range of resources and support that address our employees’ needs and help them make real progress on their personal goals. For example, we offer flexibility and hybrid work arrangements, as well as paid time away from work, Virtual Tutoring for employees’ children, web-based cognitive behaviour therapy, a mindfulness app, online fitness resources, back-up care for children and elders, job-protected leave and Bereavement Leave, and employee discounts.

Each year, we review our benefits claims, competitive market practices and funding from governments, as well as inflation forecasts and any recent changes in legislation. This annual review helps us improve our benefits package and meet changing demands while ensuring long-term financial sustainability.

As a financial institution, we are equally committed to both our employees and our customers. Our Financial Wellness program includes:

- Discounts on BMO banking products and services, offered through our internal Best of BMO program, along with the opportunity to connect with a Certified Financial Planner for both short-term and long-term financial planning;
- Educational resources, including:
 - access to self-guided financial wellness resources through our BMO Smart Progress portal ([Canada](#) | [United States](#));
 - tool kits for assessing financial well-being – including budgeting, managing cash flows, debt and savings, and planning for the future – as well as the emotional impacts of financial stress;
 - training modules on debt management and insurance, financial planning for each stage of life, and retirement planning; and
 - educational resources for choosing a financial planner, retirement planning, and will and estate planning.

2023 highlights – Health and well-being

Supporting women’s health

- Launched a Women’s Health series to discuss topics that may be perceived as “taboo” in the workplace – including fertility, women’s mental health, menopause and elder care – in partnership with the Cleveland Clinic, successfully promoting internal wellness resources. Given the success of this series, we are also planning a Men’s Health series.

Making mental health a priority

- Introduced Mental Health Care Navigation and Resources guides, highlighting benefits and resources that can help employees and their family members make mental health a priority, including: details on BMO’s comprehensive coverage for mental health care; links to resources that are available at no cost, such as community support groups and government programs; and tips for performing self-checks, asking for support and finding appropriate, individualized care.

Offering flexible work options

- We offer flexible work arrangements through hybrid work models, work-shortened weeks, flexible time opportunities, part-time work or shared jobs.
- We provide compassionate care leave, job-protected leave, and bereavement leave with paid time off.

Supporting different parenthood pathways

- Introduced a Pathways to Parenthood strategy, which recognizes the diverse ways families can be formed, and extended our Parental Leave program to include not only birth parents, but also those who become parents through adoption or surrogacy.

Supporting Zero Barriers

- Invited employees to make use of wellness centres and other specialized spaces, such as lactation areas and prayer rooms, now open in many of our new and existing office locations.



Community impact

Our communities, and the organizations that help sustain them, are at the heart of building a thriving economy, a sustainable future and an inclusive society. That's why we give – and that's why we support our employees' volunteer activities and donations.

Growing the good at BMO

We are committed to:

Grow communities – we believe economies thrive when communities thrive.

Grow the future – we are working to achieve a more sustainable future for our customers, colleagues and communities.

Grow for all – we are building a more inclusive society by increasing access to programming and services, with a focus on marginalized, underserved and vulnerable communities.

Who has responsibility

Chief Communications and Social Impact Officer

Overseen by the Chief Human Resources Officer and Head of People, Culture & Brand

What it includes

- Community giving
- Employee giving and volunteering



Community giving

We believe economies thrive when communities thrive. Through strategic partnerships and targeted programs, we provide communities with tools and resources that can help them become stronger and more resilient. From supporting education and the arts to offering financial literacy workshops and resources for neighbourhood resiliency, we continue to invest in building strong and thriving communities.

We are working toward a more sustainable future for our customers, colleagues and communities. Environmental stewardship is a responsibility we take seriously. By supporting sustainability projects and eco-conscious endeavours, we can contribute to achieving a greener, more sustainable future for generations to come.

We are building a more inclusive society for all by increasing access to programming and services, with a focus on marginalized, underserved and vulnerable communities. Inclusivity is at the core of our community giving efforts. We actively support a range of diversity, equity and inclusion programs, contributing to a future where individual differences are celebrated. In support of Truth and Reconciliation, we donated more than \$3.6 million to fund the work of reclaiming and preserving Indigenous culture and history.

We regularly benchmark and measure our performance, so that we can engage more effectively as a community partner. By collecting and analyzing this data, we are better able to make informed decisions, evaluate program outcomes and drive meaningful and sustainable change in furtherance of a successful future for all.

We seek opportunities to collaborate with partners across various sectors and disciplines, so that we can share our commitment to delivering innovative and sustainable solutions for ever-evolving challenges. Our objective is to seed transformational change. In 2023, we allocated a total of \$84 million ♦ in donations to registered charities and non-profit organizations across Canada and the United States, of which \$43 million represented donations in Canada. We conduct an annual review of our Community Giving Operating Procedures and update them as needed. Going forward, we are planning to build on our Community and Employee Giving strategy with a focus on setting goals and measuring our progress.

2023 Community giving at a glance	% of total
Health and social services (includes hospitals and federated appeals)	28.9%
Arts and culture	15.3%
Education	22.3%
Civic/Community services and economic development	20.3%
Other	13.2%

♦ KPMG has provided limited assurance of this figure.

2023 highlights – Community giving

- Growing communities**
- Provided \$6.3 million to 59 United Ways across North America to support work they do to improve lives, transform neighbourhoods and raise prospects for employment and financial empowerment in vulnerable populations. This includes the Inclusive Local Economic Opportunity (ILEO) project in Toronto, Ontario and the Neighbourhood Network program in Chicago, Illinois.
 - Donated US\$520,000 to support 27 Junior Achievement chapters and provide outreach to more than 400,000 young people in underserved communities across our U.S. footprint to improve their financial futures, providing lessons in career readiness, entrepreneurship and financial literacy.
 - Pledged \$500,000 to HomeSpace Society to support their Sierra Place project which converted an empty office tower in downtown Calgary, Alberta into 80 units of affordable housing, including space for non-profit service delivery to provide wrap-around supports.

- Growing the future**
- Donated US\$3 million to GRID Alternatives to support low-to-no-cost solar power generation and storage systems, as well as clean mobility and job training, for underserved families in California and Colorado, and Native American communities in western U.S.
 - Gifted \$2 million to the University of Saskatchewan to support forward-looking research in regenerative and digitized agriculture at the BMO Soil Analytical Laboratory, as well as the Jarislawsky and BMO Research Chair in Regenerative Agriculture. BMO's support will help shape the future of Canadian agriculture, accelerating innovation and contributing to global food security.
 - Provided \$1 million in funding to the University of Calgary, Simpson Centre School of Public Policy to support the Agricultural Literacy for Healthier People and Planet program, a public education program that will use analytical and outreach skills to improve how people choose their food and better understand the agricultural system producing it.

- Growing for all**
- Donated \$750,000 to LEAP Pecaut Centre for Social Impact to support the Women's Economic Well-being Initiative, a program that catalyzes large scale economic inclusion by working to address the long-standing barriers preventing women from equity deserving groups from achieving full economic well-being.
 - Contributed \$500,000 to San Francisco LGBT Center to support expansion of its youth and financial services programs, which will allow it to provide 500 hours of individual mental health services and enable more than 250 individuals to participate in one-on-one financial or first-time home buyer counselling annually.
 - Provided \$1 million to University of Victoria, Gustavson School of Business in support of the Indigenous Advancement of Cultural Entrepreneurship program providing culturally sensitive and community-tailored entrepreneurial and business education delivered in Indigenous communities to alleviate barrier to program access.
 - Promoted fairness in sport with funding to support a new women's program at the CF Montréal Academy that reached 45 players; launching the TFC Women in Soccer Fellowship program to place more women in business and operations roles across North American professional soccer; partnered with Ontario Soccer to develop the BMO Girls Play ON! program, which aims to reach over 100,000 girls across Ontario and donated \$100,000 to the LAFC Foundation to expand community-based soccer programming.



> BMO employees volunteering at a food bank with Central City Neighborhood Partners in Los Angeles

Employee giving and volunteering

BMO's high-performance culture is helping us drive progress in the communities we serve. Our Purpose powers us to do more – to join with our communities and harness our collective strengths and capabilities to make a difference. Because when we give, good grows here.

Giving back is an essential element of BMO's culture. Every year, our employees come together in our annual Employee Giving Campaign. Our partnership with United Way is helping us accelerate progress on better access to education, health care and other community resources across North America.

Our employees also contribute their time and knowledge outside the workplace, volunteering in local initiatives in their communities and generously sharing their talents with non-profit organizations, many through non-profit board service. We take pride in our reputation as a community builder and champion for progress, and we provide them with opportunities to support the causes they care about. In 2023, our employees collectively volunteered more than 62,000 hours of service in non-profit organizations, working to achieve positive and sustainable change.

We also offer free legal services to low-income and vulnerable individuals through our pro bono program, in partnership with local non-profit organizations. We believe this is an essential community service, in line with our Purpose to Boldly Grow the Good *in business and life*. The program offers legal services both online and in person.

2023 highlights – Employee giving and volunteering

- Pledging community support**
- BMO's [Walk so Kids Can Talk](#) campaign in support of Kids Help Phone and youth mental health raised more than \$3.5 million. BMO employees represented 80% of registrants and raised \$2 million, an increase of 27% from 2022.
 - This year, 88% of our employees took part in BMO's Employee Giving Campaign, pledging a record-breaking total of \$31 million to charitable organizations – almost half of which went to our strategic partner, the United Way.
 - BMO's Employee Giving Campaign was rated #1 for participation and giving per capita by United Way Worldwide and #1 within the industry.

- Caring for the environment**
- Supported Earth Day clean-up events – BMO employees in Chicago volunteered in a Clean Up Give Back event, while BMO employees in Milwaukee volunteered with Milwaukee River Keepers.
 - On National Tree Day, hundreds of BMO employees volunteered at 15 sites across Canada to plant more than 6,300 trees to green urban and suburban areas and raise awareness of the important role trees play in the health and well-being of people and their communities.
 - Supported One Tree Planted and its Urban Action Fund, with over 40,000 trees planted, restoring over 80 hectares of land in California and Oregon.

- Continuing our pro bono commitments**
- Partnered with Norton Rose Fulbright to provide volunteers for the Pro Bono Ontario Free Legal Advice Hotline in July, providing legal services to more than 600 clients and making a meaningful difference in the lives of individuals faced with destabilizing legal problems. Our volunteer lawyers also partnered with lawyers from Stikeman Elliott LLP in March 2023, for the Hotline as part of Financial Institution Pro Bono Day, which is organized by Corporate Pro Bono, a project of Pro Bono Institute.
 - BMO stepped up again to support the National Immigrant Justice Center in the United States, taking on new cases in support of asylum seekers fleeing persecution in their home countries.
 - Offered programs in support of Pride Month in June, including a Justice in Action sprint through Baker McKenzie and Lambda Legal on behalf of 2SLGBTQ+ youth.
 - BMO was recognized by Pro Bono Institute with its 2023 Corporate Pro Bono (CPBO) Partner Award for playing an important part, in collaboration with more than 60 legal departments, to address global social justice challenges by conducting research projects for non-governmental organizations that serve vulnerable populations.

2023 employee giving and volunteering

62,000+

employee volunteer hours in 2023

\$31 million

total pledged through BMO Employee Giving Campaign

Foundation of trust

BMO's reputation is built on a strong foundation of trust and a track record of responsible risk management. Our long-established ethical business practices translate into enduring relationships and we continue to grow the good through sound corporate governance, and by protecting the data, privacy and security of interested parties.

What we focus on

- 71 Corporate governance** – BMO's enduring commitment to sound corporate governance has helped us earn and preserve the trust of our communities, society and interested parties.
- 73 Environmental and social risk management** – managing our exposures to environmental and social risks across our business operations and lines of business, including our clients, employees and suppliers.
- 76 Data security** – Safeguarding data is front and centre in everything we do. We are committed to providing constant, continuous protection for the privacy and data of our customers, employees and business operations.

- 78 Financial Crimes Unit** – As we advance our Digital First and Future Ready strategies, our focus on cyber security, fraud, physical security and the resilience of our IT and infrastructure as well as the safety of our customers and employees is critical. We are integrating and extending our security capabilities and reinforcing our operational resilience.
- 79 Business conduct** – BMO's core values of integrity, diversity, responsibility and empathy are grounded in our commitment to the highest ethical standards.
- 82 Human rights** – We are committed to upholding fundamental human rights everywhere we do business.

- 84 Customer experience** – We provide solutions for our customers at every stage of their relationship with BMO, aiming for world-class loyalty and growth, powered by One Client leadership. Our commitment extends to ensuring customer confidence and trust in BMO as their bank, emphasizing continuous improvement in consumer protection and transparency practices.
- 88 Innovation and digitalization** – We strive to create meaningful and innovative digital experiences that connect us with our customers, to help them make real financial progress.

Alignment with SDGs

- 7 Affordable and clean energy**
7.2, 7.3, 7.a
- 10 Reduced inequalities**
10.2, 10.3
- 11 Sustainable cities and communities**
11.6
- 13 Climate action**
13.1, 13.3
- 16 Peace, justice and strong institutions**
16.4, 16.5
- 17 Partnerships for the goals**
17.16

[See page 12](#)



Partnering with clients to protect against cybercrime and fraud



In today's environment, cybercrime and fraud are growing threats to both companies and individuals. It's essential for organizations to ensure they're doing everything they can to help protect their clients.

That's why in 2023, BMO's Financial Crimes Unit (FCU) worked with partners across the enterprise to launch an **always-on fraud prevention program for clients**, featuring updates on the latest scams and tips to help stay safe. Launched in October 2023, the program first highlighted key red flags within a common 'phishing' text message to help protect clients against impersonation fraud.

Information was shared both physically in branches and digitally across multiple platforms, including BMO.com, emails and social media, achieving more than 2.5 million impressions on social media alone. Program messaging will continue to be refreshed so that clients are kept up to date on the latest scams.

This campaign is among a growing list of initiatives BMO is using to help empower our clients and safeguard BMO against cybercrime. Other examples include:

- **Sharing the latest fraud and cybercrime trends and scams** and tips for protection on [BMO.com/Security](https://www.bmo.com/Security).
- Providing **clients with cyber security presentations and FCU Fusion Centre tours** to share BMO's innovative approach to cyber security.
- Conducting **fraud awareness and prevention webinars** for Online Banking for Business clients.
- Running **comprehensive, multi-channel awareness** campaigns empowering both clients and employees with the latest cyber and fraud tips during our annual Fraud Prevention Month in March and Cyber Security Awareness Month in October.

More information about the work of our Financial Crimes Unit can be found [here](#).



Corporate governance

BMO's steadfast commitment to sound corporate governance has helped us earn and retain the trust of our communities, society and interested parties. Our high standards of governance align with emerging best practices, and meet or exceed any legal or regulatory requirements that apply to BMO.

Who has responsibility

BMO's Board of Directors

What it includes

- About our Board of Directors
- Sustainability governance

About our Board of Directors

Sound corporate governance is the foundation for responsible business behaviour and integral to BMO's performance and long-term success.

The primary function of our Board of Directors is to provide stewardship on behalf of all BMO's interested parties, set a general direction for the business, and bring an independent perspective and a broad range of experience to its oversight of BMO and its activities. The board has four committees to help it carry out its responsibilities: the Audit and Conduct Review Committee, the Governance and Nominating Committee, the Human Resources Committee, and the Risk Review Committee. Each committee is presided over by an independent chair, and all committee members must be independent directors.

Building an effective board

Consistent with best practices for a board's composition and structure, we actively seek out candidates for our board who are well-informed, have relevant experience and backgrounds that reflect diversity, and are independent from management. We believe this approach leads to better decision-making and more effective oversight, contributing to BMO's success over time.

Out of the 14 members of our board, 13 are independent. Our CEO, Darryl White, is a member of the board, which is a requirement under the *Bank Act* (Canada).

The board positions itself to be made up of highly qualified directors whose diverse backgrounds reflect the changing demographics of the markets in which BMO operates, the talent available with the expertise required, and the bank's evolving customer and employee base. Under our [Board Diversity Policy](#), the committee considers only candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities and considers diversity criteria including gender, age, ethnicity and geographic background, with particular focus on potential candidates from Black, Indigenous peoples, People of Colour, 2SLGBTQ+ and disability communities.

Under the policy, the board aspires to have each gender comprise at least one-third of the independent directors. Seven of our 13 independent directors, or 54%, are women, three of the board's four standing committees are chaired by women and two of our directors identify themselves as Persons of Colour (Asian and Black).

We provide BMO's directors with topical information and resources designed to enrich their knowledge and support them in their roles. Our orientation program for new directors serves as a comprehensive introduction to BMO's business and operations. The 2023 program included sessions on customer loyalty, our Digital First priority, our Winning Culture, and insights into risk, regulatory, governance and economic environments in which we operate. As part of this year's program, directors also received quarterly and ad hoc briefings on emerging regulatory developments.

BMO's board has adopted a skills matrix with the ideal list of skills for directors which includes understanding and experience with sustainability. Board members are provided with monthly substantive educational materials on sustainability-related matters and updates on climate-related topics. Ten of our 13 current independent directors have experience and skills related to environmental, social or governance matters. Our [2024 Management Proxy Circular](#) provides details about our directors, skills matrix and director education.

Good governance practices

Our high corporate governance standards align with emerging best practices and meet or exceed the legal and regulatory requirements of the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE) as applicable. We monitor regulatory changes and emerging best practices to remain at the forefront of sound corporate governance.

BMO governance snapshot

Leading governance practices

- Code of Conduct grounded in our values
- Separate chair and CEO positions
- Board and committee chair term limits
- Policy on interlocking directors
- Board Diversity Policy
- No hedging of BMO securities
- Director and executive share ownership guidelines
- Annual "say on pay"
- Non-executive directors unable to participate in BMO stock option plan
- Leading subsidiary governance practices

Board expertise

- Independent
- Elected annually
- Elected individually (not slate)
- Majority voting policy
- Orientation, continuing education and assessment
- Tenure policy
- Conflict of interest policy
- Proxy access policy



Sustainability governance

We have embedded our sustainability commitments and strategies into our governance framework. Responsibility for the oversight of sustainability is included in the mandates of our Board of Directors and each standing committee has responsibility for the oversight of sustainability that fall within its purview.

BMO's General Counsel is the Executive Committee Sponsor for Sustainability. The General Counsel, who reports to the CEO, is accountable for BMO's exposure to legal and regulatory risk and reputation risk, as well as our business conduct and ethics, procurement and sustainability, including climate change.

The ESG Executive Committee chaired by the General Counsel, provides oversight and leadership for our sustainability strategy, including our Climate Ambition. The committee provides enterprise coordination that links our climate expertise, risk evaluations and commercialization strategy, enabling an agile and market-responsive approach to risks and opportunities, in accordance with the bank's strategy and consistent with its applicable legal and regulatory obligations. BMO's Chief Sustainability Officer (CSO) serves as the Secretary of this committee.

In addition, BMO has a Sustainability Council, which is a leadership forum for dialogue on our sustainability efforts. Management committees and forums comprised of senior management oversee and support a coordinated enterprise-wide approach to sustainability governance. These include, but are not limited to: Disclosure Committee, Risk Management Committee, Reputation Risk Management Committee, Enterprise Regulatory Committee, Impact Investment Fund Committee, and the BMO Global Asset Management Investment Committee. Additional committees, forums and working groups are established as needed to improve our management of sustainability- and climate-related risks and opportunities and to align our approach across the enterprise, in accordance with the bank's strategy and consistent with its applicable legal and regulatory obligations.

Our Board of Directors oversees sustainability matters

Board of Directors Board mandate	Audit and Conduct Review Committee Committee charter	Governance and Nominating Committee Committee charter	Human Resources Committee Committee charter	Risk Review Committee Committee charter
<ul style="list-style-type: none"> Promotes a culture of integrity, sets general direction and alignment with Purpose, and oversees compliance with our <i>Code of Conduct</i> Develops our approach to corporate governance Oversees the strategic planning process and its implementation Oversees risk management, internal controls and organizational structure Oversees communications and public disclosure, including the reporting process Oversees key leadership succession planning. 	<p>Oversees issues related to:</p> <ul style="list-style-type: none"> Integrity of financial reporting Effectiveness of internal controls Qualifications, independence and performance of the independent auditors Transactions involving related parties, conflicts of interest and confidential information Standards of ethical business conduct Sustainability governance and disclosure, including as related to climate change External assurances and attestations regarding sustainability metrics oversight Compliance with legal and regulatory requirements. 	<p>Oversees issues related to:</p> <ul style="list-style-type: none"> Governance principles and guidelines Board composition, including performing public searches and retaining independent recruitment firms to identify qualified diverse candidates Director development, assessment and succession planning Director compensation Subsidiary oversight Coordination of effective committee oversight Allocation of sustainability matters among the board and its committees. 	<p>Oversees issues related to:</p> <ul style="list-style-type: none"> Human resources strategies Talent development, retention and succession planning Employee diversity, equity and inclusion and health and well-being Compensation principles and policies oversight and their alignment to risk management and sustainability, and governance CEO and senior executive appointment and compensation Builds links between executive pay, BMO's strategic priorities and priority sustainability issues. 	<p>Oversees issues related to:</p> <ul style="list-style-type: none"> Risk appetite framework and governance Management of the bank's environmental and social risks, including climate change Identification and management of risk Adherence to risk management corporate policies Compliance with risk-related regulatory requirements.

Executive compensation and Sustainability

Embedded in our strategy, and fundamental to the bank's Purpose, sustainability is integrated into BMO's executive compensation design. 25% of executive variable pay funding is tied to the achievement of our Purpose and strategic objectives, which are non-financial goals. Each year, we include sustainability in our Purpose and strategic objectives, as well as in the individual goals for our executives, to capture opportunities and manage risks in areas such as sustainable finance, climate change, and diversity, equity and inclusion. This approach is central to delivering on our strategy, Purpose and commitments for a thriving economy, a sustainable future and an inclusive society. See page 42 of our [2024 Management Proxy Circular](#) to read about our strategic results for 2023 and their link to sustainability.

BMO's CSO reports to the General Counsel and leads the Sustainability Office, which includes the BMO Climate Institute. They collaborate with partners across the bank to capitalize on climate-related opportunities and manage risks. They support the General Counsel's mandate and lead sustainability and climate-related strategy development, bank-wide initiatives on environmental and social risk in partnership with Enterprise Risk and Portfolio Management and others, and the climate change commercialization strategy jointly with Corporate Strategy-Enterprise Transformation. The Sustainability Office also leads sustainability-related disclosure, operational sustainability strategy and supports Finance with its sustainability-focused investor relations, and Treasury and our Sustainable Finance teams with our approach to sustainable finance.



Environmental and social risk management

We are working to better understand the potential impact of environmental and social risks on our business and operations, and on our clients, employees and suppliers. Our strategic planning and decision-making integrate a consideration of these risks, with a focus on achieving our sustainability goals.

Who has responsibility

Chief Risk Officer, General Counsel, Chief Sustainability Officer, and Head of Environmental & Social Risk Management

Overseen by the Audit and Conduct Review Committee and Risk Review Committee of our Board of Directors. In addition, as described on page 72, the board's Human Resources Committee oversees the alignment of executive compensation and programs with our sustainability objectives.

Environmental and social risk (E&S risk) is the potential for loss or harm, directly or indirectly resulting from environmental and social factors. The activities and operations of BMO and its interested parties, including our employees, suppliers, customers, and communities, can expose BMO to E&S risk. E&S risk may emerge over a range of time frames, from short term to long term. E&S risk may drive financial, legal, operational, reputational, strategic and other risks to BMO's financial condition. Our approach to managing E&S risk is part of BMO's Enterprise-wide Risk Management Framework.

Environmental and social factors that may give rise to E&S risk include, but are not limited to:

- Climate change
- Pollution and waste
- Energy, water and other resource usage
- Biodiversity and land use
- Human rights
- Diversity, equity and inclusion
- Labour standards
- Community health, safety and security
- Land acquisition and involuntary resettlement
- Indigenous Peoples' rights
- Cultural heritage.

2023 highlights – Environmental and social risk management

- Climate scenario analysis**
- Introduced a climate scenario analysis program that can deliver consistent results for climate-related risks and opportunities facing the financial sector and other key client sectors.
 - Licensed and integrated data sets and analytics tools to accelerate climate scenario analysis.
 - Completed several scenario analyses of material portfolios and sectors, covering credit, market and operational non-financial risks.

- Defining our appetite for E&S risk**
- Identified E&S risk as a transverse risk driver with the potential to impact all other material risks to the bank.
 - Articulated our risk appetite for E&S risk at the enterprise level, with a commitment to implement sustainable practices and strategies to reduce adverse environmental and social risks and impacts, including those arising from climate change, on BMO and interested parties.
 - Continually tracking a board-level key risk metric – lending to carbon-related assets – at the enterprise level to help us remain within our risk appetite boundaries.

- Assessing E&S risk**
- Aggregated data collected from environmental and social risk rating (ESRR) tools for internal dashboards, providing insights and identifying opportunities for improvement.
 - Updated ESRR tools with targeted questions to refine the capture and assessment of risk, including a new Client Transition Readiness Assessment.
 - Established a first line of defence risk function within the Capital Markets operating group to support the management of environmental and social risk factors of clients and products.



In 2022, BMO introduced and implemented a new Environmental & Social Risk Corporate Policy (“E&S Risk CP”). The E&S Risk CP provides the foundation for BMO to more fully integrate E&S risk considerations into and across our existing Enterprise-wide Risk Management Framework (ERMF), as well as increase our ability to identify, assess, manage, monitor, and report on E&S risk, consistent with applicable regulatory requirements and expectations. The E&S Risk CP further cements the importance BMO places on the management of E&S risk, consistent with other risks to the bank, including by outlining the board’s expectation regarding integration of E&S risk considerations across the ERMF and noting how E&S risk will be articulated in existing policy documents.

The Enterprise Risk & Portfolio Management and Sustainability teams work with the lines of business and Corporate Services to manage BMO’s E&S risk and achieve our sustainability goals. They focus on integrating E&S risk into BMO’s operational and business decision-making processes, including financing and lending activities, and the procurement of goods and services. The teams regularly report to management committees, forums and board committees on key developments in sustainability and climate change.

Corporate Audit independently evaluates the quality and effectiveness of internal control, risk management and governance systems and processes within BMO using a dynamic, risk-based plan. Audit results are reported to management regularly; each quarter the Chief Auditor provides audit results to the Audit and Conduct Review Committee together with key themes, trends and views of matters of high criticality to the bank.

We regularly benchmark our sustainability practices against international standards, including the Performance Standards on Environmental and Social Sustainability issued by the International Finance Corporation (IFC) and the Guiding Principles on Business and Human Rights set out by the United Nations. In order to be better informed about emerging E&S risks, we participate in forums and consultations with other financial institutions related to E&S risk management and disclosure. We also monitor and respond to climate-related litigation trends and the rapidly evolving rule-making activities of regulatory and supervisory authorities.

Responsible lending

BMO makes decisions regarding the provision and terms of its products and services based on an individualized assessment of the risks – including E&S risks – posed by the prospective customer or customer transaction to BMO’s financial condition, consistent with the bank’s applicable legal and regulatory obligations.

This risk-based approach means customers operating in higher risk sectors or engaging in higher risk activities are subject to enhanced due diligence. Our Enterprise and Credit Risk Management Frameworks outline our governance structures, including our enhanced due diligence policies and processes. Our Environmental and Social Risk Financing Guideline provides overall direction for identifying, assessing and managing E&S risk in the context of credit risk decision-making processes. We also have sector-specific financing guidelines to help us identify and measure E&S risks in higher risk sectors and determine how to factor these risks into our decision-making in light of the bank’s board-approved risk appetite.

In 2023, we reviewed our approach to E&S risk management as part of our implementation roadmap and integration of Bank of the West. Best practices from Bank of the West were identified through the gap analysis and these enhancements will be employed to strengthen the bank’s E&S risk management.

We track and report on our lending to carbon-related assets and we are implementing the quantification and target-setting methods for financed emissions developed by the Partnership for Carbon Accounting Financials (PCAF) and the Net-Zero Banking Alliance (NZBA).

Equator Principles

The Equator Principles (EP) provide a voluntary risk management framework for identifying, assessing and managing E&S risk associated with financial transactions within its scope.

2023 reporting	Category A	Category B	Category C
Project finance			
Total deals reaching financial close	1	5	2

BMO became a signatory to the EP in 2005 and is a member of the EP Biodiversity Working Group. In line with this commitment, we apply environmental and social screening in order to categorize and assess projects based on the magnitude of their potential impacts, and we track and report publicly on transactions within the scope of the EP every year. Further information on BMO’s in-scope transactions is available in our [2023 Sustainability Report Data Pack and Glossary](#).



Biodiversity

BMO seeks to play our part to support the goals of the Kunming-Montreal Global Biodiversity Framework (GBF). Adopted at COP15 on December 19, 2022, the GBF calls for urgent and meaningful action to halt and reverse biodiversity loss by 2030, and to align financial flows with the vision of “living in harmony with nature” by 2050. During 2023, BMO participated in the work of the Taskforce on Nature-related Financial Disclosures (TNFD). As a signatory to the UN Principles for Responsible Banking (PRB), BMO was the only Canadian financial institution to participate in the PRB Nature-related Target-Setting Working Group, supporting the development of guidance and a practical framework for banks to address nature loss and align with the GBF. BMO is a member of the Equator Principles (EP) Biodiversity Working Group and also joined the Partnership for Biodiversity Accounting Financials, which is building a harmonized approach for financial institutions to measure the impact of loans and investments on biodiversity and assess their related dependence on ecosystem services. As a member of the Sustainable Finance Virtual Network (SFVN) established by the Canadian Fixed-Income Forum, BMO leads its Natural Capital working group, which meets regularly to discuss key developments related to biodiversity and nature-based solutions.

BMO has begun to pilot the TNFD recommendations, and we are building our internal capacity for integrating nature considerations into our decision-making practices. We completed a preliminary analysis of BMO’s lending portfolio using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool, which is improving our understanding of the sectors in our portfolio that may be exposed to nature-related E&S risks and that depend on, or impact, nature. We are exploring opportunities to integrate biodiversity into our geospatial analytics capabilities to identify the intersection of moderately dependent and highly dependent sectors with ecologically sensitive locations. We are also engaging with our clients to discuss their approach to managing nature-related E&S risks in their business operations. In the next year, we will continue to engage with industry partners and initiatives to advance this work.

At our operations, we partnered with Alvéole to host 13 beehives at multiple locations across North America. The hives had approximately 650,000 honeybees helping pollinate up to 325 million flowers, shrubs and trees in surrounding communities. As a member of the Conservation Alliance, BMO supports its mission to protect wild places and outdoor spaces. In 2023, we participated as a panellist in the inaugural Conservation Alliance Summit to discuss the role of business in raising awareness and advancing conservation and sustainability.

Listen to [BMO’s Sustainability Leaders Podcast](#) on Protecting Outdoor Spaces: The Conservation Alliance in Conversation and Becoming Nature Positive in the Mining Sector



You can read more about BMO’s approach to climate change in our [2023 Climate Report](#)



Data security

Interested parties trust BMO to safeguard their data and protect their privacy. In the face of ongoing and rapidly evolving cyber security threats, we are committed to ensuring robust and continuous protection for the privacy and data of our customers, employees and business operations.

Who has responsibility

Chief Information Security Officer
Chief Privacy Officer

Overseen by the Risk Review Committee and Audit and Conduct Review Committee of our Board of Directors

What it includes

- Information and cyber security
- Privacy

Information and cyber security

We take a rigorous approach to protecting the data embedded within every BMO business transaction, safeguarding our customers’ privacy and personal information, preventing fraud and ensuring robust and continuous cyber security. We also offer guidance to our customers on the steps they can take to protect themselves.

Our technology lets our teams in North America, Europe and Asia work together to prevent, detect and respond to and recover from online threats and incidents. For instance, our Cyber Threat Intelligence and Analytics team looks for possible dangers by collecting and analyzing data from different sources, including businesses, governments and open platforms. The team regularly conducts “threat hunting” exercises that identify exposures to potentially malicious activity. As and when needed, we engage external specialists to supplement our internal resources and technology capabilities, enhancing our capacity to respond swiftly to an ever-changing threat landscape.

We continue to improve our defensive technology and procedures by assessing and benchmarking best practices in financial services and cyber security. We also evaluate the effectiveness of our internal controls and make improvements where necessary, supported by ongoing targeted investments in infrastructure and human resources.

We follow industry standards for security, including ISO 27001 and the National Institute of Standards and Technology (NIST) framework. Our information security management system has ISO 27001:2013 certification. Our policies, standards, procedures and guidelines are aligned with the NIST framework, and we keep them up to date so they remain relevant, address current and emerging risks, and comply with applicable regulatory requirements. We have achieved our targeted levels of maturity for all identified controls, and we continue to reinforce our cyber security posture in response to forecasts from cyber-threat intelligence sources.

We conduct an annual internal audit of BMO’s information security management program and associated processes. We are also subject to periodic external audits by third-party auditors and regulatory bodies. Our cyber security metrics and monitoring program incorporates industry best practices.

2023 highlights – Information, cyber security and privacy

Securing our data

- Implemented advanced Digital First capabilities, including augmented agility, cloud engineering and analytics. Significantly reduced processing time for an initial set of risk and regulatory reports by utilizing cloud computing.
- Maintained well-defined trajectory for cloud adoption, with migration completed for Transportation Finance, select market and credit risk use cases, and an initial set of application programming interfaces (APIs).
- Developed security measures and monitoring capabilities to secure our environment and adapt to an ever-changing threat landscape.

Responding to heightened need for security, fraud and cyber security provisions

- Added resources to our Financial Crimes Unit (FCU) in response to heightened cyber, fraud and physical security requirements. Elevated our detection and response capabilities, improved identity and access management and built greater resilience against digital and physical attacks.

Harnessing the power of AI

- Enhanced our ability to collect, mine and analyze data, and developed new business processes driven by artificial intelligence (AI).
- Achieved greater uptime and availability for customer-facing technology and improved our ability to monitor, detect and respond to problems more effectively.

Enhancing privacy choices for our customers

- Made updates to comply with new privacy regulatory changes in California and Quebec so that our customers can more easily manage their privacy preferences when visiting our websites.



Privacy

BMO is entrusted by our customers, employees, shareholders, partners and regulators to safeguard their privacy. We are constantly adapting to the evolving regulatory environment, and we have policies, systems and technological defences to identify, manage and minimize our exposure to privacy-related risks.

Every BMO employee plays a critical role in securing our customers' data and following privacy-related regulations. All employees complete our annual *Ethics, Legal and Compliance training* every year to understand their obligation to protect our customers' privacy and safeguard their data. This training is updated each year to address any new regulatory requirements, and to provide comprehensive insights into privacy incidents and reporting. We also deliver targeted privacy training to employees that is relevant to their role at BMO. Our *Code of Conduct* emphasizes the importance of safeguarding customer data.

Our Chief Privacy Officer oversees our Privacy Office and program, and reports directly to the office of our General Counsel. Our Privacy program sets out our approach to managing and reporting on any exposures to privacy-related risks.

The Privacy Office oversees compliance of our *Privacy Principles* and *Privacy Code*. We also take steps to check that our suppliers who handle customer data for us follow these rules. The Privacy Office proactively monitors new regulatory requirements related to privacy that may affect our business and privacy practices wherever we do business. Our *Global Privacy Principles* guide our management of risk and our compliance with legal and regulatory expectations across the enterprise.

We maintain relationships with the federal, state and provincial regulators, who oversee our privacy-related performance. Our Privacy Office employees are active members of the International Association of Privacy Professionals. We also participate in advocacy efforts to improve privacy rules, working with groups like the Canadian Bankers Association, the Bank Policy Institute, the American Bankers Association and the Business Council of Canada. Our Corporate Audit team conducts regular audits of our Privacy program to provide reasonable assurance that the program remains in compliance with applicable regulations and functions effectively across the enterprise.

Any incidents involving a suspected or an actual breach of privacy must be promptly reported to the Privacy Office, which manages our response. The Privacy Office monitors key privacy risk metrics, including the total number of privacy-related incidents and the volume of complaints referred to our regulator. These metrics are reported to senior management every quarter, and to the Audit and Conduct Review Committee of our Board of Directors annually.

Transparency and our *Global Privacy Principles*

We take a transparent approach to handling personal information. Our *Global Privacy Principles*, and our *Privacy Codes* for every jurisdiction in which BMO does business, are available on our website at bmo.com/privacy. These guiding principles and codes detail how we inform our customers about the nature of the personal information we may collect, use and disclose. They also outline our provisions for the retention of that information and the safeguards in place for the protection of any related data, as well as our customers' choices and rights regarding the data. For instance, our customers have the right to decide whether they would like to receive marketing from BMO.

Our *Privacy Risk Directive*, *Global Privacy Principles* and *Privacy Codes* govern the collection, use, disclosure and handling of personal information at BMO. They apply to all interactions with our customers, and in BMO's group-wide compliance management efforts, ensuring effective privacy risk mitigation. We also have contracts with our service providers that require them to meet the same standards of privacy and confidentiality we uphold.

In 2023, we made updates to comply with new privacy regulatory changes in California and Quebec so that our customers can more easily manage their privacy preferences when visiting our websites. We updated BMO's Canada Privacy Code, Digital Privacy Policy, U.S. Consumer Privacy Notice and California Consumer Privacy Policy. Whenever feasible, we recognize and respond to Global Privacy Control (GPC) signals transmitted by web browsers. If a customer is using a GPC-enabled web browser, our U.S. BMO.com website will treat such a signal as a valid request to opt out of sharing their personal information. We also implemented the California Privacy Choices link for residents of California when they visit the U.S. BMO.com website, as well as adding a banner on our Canada BMO.com website to inform visitors that they can manage their privacy preferences.

Our mandatory *Ethics, Legal and Compliance training* covers topics like information security and privacy.

We support the Global Privacy Control for opting out of sharing personal information on our U.S. BMO.com website.

We maintain consistent privacy practices and disclosure language across the bank to help our customers understand how and why we use their personal information and their rights and choices regarding it.



Financial Crimes Unit

As we advance our Digital First and Future Ready strategies, our continued focus on cyber security, fraud, physical security and the resilience of our information technology (IT) systems, infrastructure and our people has never been greater. The threat landscape continues to evolve, and we are working to strengthen our integrated security capabilities and enhance our overall resilience.

Who has responsibility

Head, Financial Crimes Unit (reporting to the Chief Technology and Operations Officer)

Overseen by the Audit and Conduct Review Committee of our Board of Directors

What it includes

- Cyber security
- Enterprise fraud management
- Physical security
- Resilience and integration

BMO's Financial Crimes Unit (FCU) combines our cyber security, enterprise fraud management, physical security, and resilience and integration capabilities to address the growing threat landscape and security environment to support the safe and effective operation of our day-to-day business activities.

The collaborative approach taken by the FCU heightens BMO's capacity to detect, prevent, respond to and recover from all security threats. Central to the FCU's approach is its Fusion Centre model, which brings BMO's security teams together with representatives from our lines of business and Corporate Services areas. This allows the deployment of a range of fully integrated security capabilities, aligned with BMO's winning culture and values.

With offices in the United States, Canada, the United Kingdom and Singapore, the FCU maintains a global presence. It operates under "follow-the-sun" model, ensuring continuous protection for our business operations, our customers and our employees against threats to their security, around the clock.

The FCU's structure is supported by four pillars:

- **Cyber Security** safeguards our business operations and our customers by implementing effective cyber security and data security strategies, supporting BMO's success in a highly competitive global environment.
- **Enterprise Fraud Management** focuses on providing BMO with industry-leading fraud prevention, balancing containment and profitability with the delivery of an extraordinary customer experience.
- **Physical Security** oversees People and Property Protection programs in all regions where BMO operates. We provide the FCU Physical Security Standards, outlining BMO's requirements to physical protection and process control.
- **Resilience and Integration** focuses on enhancing operational resilience across BMO and advancing FCU's goals related to integration, efficiency, and delivering business value.

2023 highlights – Financial Crimes Unit

Reinforcing our security posture

- Successfully integrated the customers, employees, processes and technology that accompanied our acquisition of Bank of the West – with no incidents reported.
- Further reinforced BMO's security posture by achieving key milestones for the implementation of new endpoint, cloud and identity access management technologies that protect our enterprise, our employees, our customers and our key systems against sophisticated cyber-threats.

Enhancing customer protection

- Implemented new fraud technology capabilities to improve the enterprise's ability to detect, prevent, mitigate and analyze fraud events.
- Deployed new call centre technology and launched chargeback and disputes platform for U.S. debit card disputes, enhancing customer protection.

Enabling smooth return to work

- Enabled seamless, secure transitions as employees returned to work around the world.
- Successfully integrated the security systems at branches into BMO as part of our acquisition of Bank of the West.

Upgrading enterprise resilience

- Implemented new technologies to strengthen the resilience of BMO's payment system applications against ransomware attacks.
- Increased resilience of facilities by assessing critical offices and data centres to identify gaps and prepare for future events and major disruptions.
- Partnered with our People and Culture team and Lighthouse Labs to launch cyber security education program across the enterprise through BMO's ERGs.
- Delivered security awareness programs, with record-high engagements, during Cyber Security Awareness and Fraud Prevention Month, which aim to raise employees' and customers' overall cyber security and fraud knowledge.



Business conduct

BMO's core values of integrity, empathy, diversity and responsibility are grounded in our commitment to the highest ethical standards. Our reputation depends on how we engage with and treat our customers, communities, shareholders, suppliers and employees. Our recognition as one of the *World's Most Ethical Companies*® for the sixth consecutive year exemplifies the bank's commitment to doing what's right and operating with transparency, good governance and integrity.

Who has responsibility

Shared by everyone at BMO – directors, officers and employees

General Counsel

BMO's Chief Ethics Officer communicates our standards of ethical conduct so that they are clearly understood by BMO employees. Aggregated reporting to senior leadership and the board provides a holistic view of our management of business conduct and culture across the enterprise.

The Audit and Conduct Review Committee of our Board of Directors oversees the effectiveness of BMO's governance framework and every two years, or as needed, reviews and recommends BMO's *Code of Conduct* to the board for approval.

Earning the trust of our interested parties is essential to the success of our business and enables us to deliver on our Purpose. We make every effort to retain this trust, and we hold everyone at BMO responsible for its protection. We are committed to always doing the right thing and thinking about how our decisions impact interested parties and the communities we serve.

BMO's *Code of Conduct* (the Code) outlines the fundamental principles and performance standards that guide us toward doing the right thing while delivering exceptional experiences for our customers. The Code serves as our compass for ethical conduct, and its principles are non-negotiable.

The Code applies to everyone at BMO and our subsidiaries worldwide, including our directors and employees. It is reviewed annually and approved by the board every two years. Every year our employees must complete our annual *Ethics, Legal and Compliance Training* (ELCT) program and confirm that they have read, understood, complied with, and will continue to comply with, the Code. We support this program by providing helpful and relevant information and resources on our intranet site, and through ongoing training and communications.

BMO's *Supplier Code of Conduct* sets out the principles we expect our suppliers to support – our standards for integrity, fair dealing and sustainability. We update our *Supplier Code* every two years to address evolving trends, concerns and legal requirements. BMO's [Code of Conduct](#) and [Supplier Code of Conduct](#) can be accessed on our [website](#).

2023 highlights – Business conduct

Supporting an ethical culture

- Developed new training program, Speaking Up! for Managers, that guides managers in creating a safe and supportive environment for open communication, leading with integrity and confidence when handling concerns, and recognizing and preventing retaliation.
- Redesigned several ELCT courses into adaptive learning experiences, addressing each learner's current level of knowledge and providing a personalized pathway to improved learning and retention.

Assessing risk indicators

- Served as one of 10 members on a global advisory panel that led the development of a reference risk indicator library for the financial services sector, aimed at benchmarking and enhancing indicators used to monitor exposure to risks such as conduct, internal fraud and regulatory compliance.

Receiving recognition

- Recognized as one of the *World's Most Ethical Companies*® for the sixth consecutive year by Ethisphere. BMO is one of only four banks worldwide to be included in 2023 and is the only bank in Canada to have received this recognition since its inception in 2007.



Boldly Grow the Good *in business and life*. How we behave and the decisions we make at work define BMO as a bank. Our Purpose gives us permission to think big and aim higher, and it relies on every employee – without exception – adhering to the high standards we set for ourselves and choosing to do what’s right, always.

We encourage our employees to stop and ask themselves these key questions as they determine the right thing to do:

- What is your inner voice telling you?
- What if your decision makes one of tomorrow’s media headlines?
- What would the people closest to you think?

We call this our Doing What’s Right Decision-Making Model. Making good choices helps us build and maintain a strong culture at BMO.

Fostering an ethical culture

Leadership, accountability, training, effective communication and performance management – all of these work together to foster a culture of ethical behaviour. BMO has established systems to address specific risks or business practices, which include:

- Risk and reputation management
- Compliance management
- Fraud prevention
- Speaking up and anti-retaliation
- Sales practices
- Culture and employee misconduct
- Anti-bribery and anti-corruption
- Incentive management
- Conflicts of interest
- Supplier risk assessment
- Cyber security

BMO has zero tolerance for any form of bribery or corruption, whether it involves our employees or third-party partners. Our Anti-Corruption team oversees the BMO *Anti-Bribery and Anti-Corruption* program, supporting employees in adherence to anti-bribery and anti-corruption laws, avoid and identify corrupt activities, and report any suspicions of illegal conduct.

During our risk assessment process, we evaluate new business initiatives for potential misconduct before approving them. We have also centralized the oversight of conflicts of interest to reduce the risk of misconduct related to personal trading in securities and other outside business activities.

Promoting ethical best practices across our markets

BMO is committed to upholding the integrity of the global markets in which we operate. Our Legal & Regulatory Compliance team provides guidance and resources that can help our business operations comply with all relevant legal and regulatory requirements and industry best practices. BMO participated in the development of, and is committed to, additional Voluntary Commitments and Codes of Conduct to protect consumers, which are available on our [website](#).

Benchmarking and elevating our practices

We regularly assess the effectiveness of our practices through self-assessments, peer benchmarking and comparisons against best practices; an annual external audit focused on BMO’s Sarbanes-Oxley (SOX) controls related to our Code and Whistleblower Channel; internal audits and employee surveys. We make any necessary adjustments and improvements to our practices based on these assessments.

Committed to doing what’s right

Speaking up is crucial to maintaining an ethical culture. The Code requires all of us to be vigilant, and encourages every employee to be brave and speak up even when they are not 100% sure.

Employees should:

- Stay alert for possible violations of the Code, which includes legal and regulatory requirements related to BMO.
- Feel encouraged to speak up with questions, feedback and concerns. This can start with talking to their immediate manager or their manager’s manager about their concerns. They can also use our Speak Up! resources or the reporting channels outlined in the Code.
- Be assured they will not face retaliation for being open and candid.

BMO provides various ways for employees to ask questions, provide feedback and report concerns without fear of retaliation. These channels include Employee Relations, Global Investigations, the Ethics Office and our [Speak Up! whistleblower reporting service](#) for anonymous reporting.



Whistleblower Channel: In line with our commitment to doing what’s right, our Whistleblower Channel allows anyone, whether or not they work for BMO, to report suspected wrongdoing involving BMO or one of our service providers. Concerns can be raised directly to our Ethics Office by email or submitted to our Speak Up! whistleblower reporting service, which operates independently. This service provides secure, anonymous and confidential reporting, and is available 24/7 in multiple languages.

We believe our employees are confident using Speak Up! because we receive regular reports from them through our Whistleblower Channel. These include opinions, questions and feedback about BMO’s product and service offerings, as well as our policies and our positions on current issues. We also receive reports that allege misconduct, which we forward for investigation. Each allegation is reviewed, and if confirmed, we take appropriate actions, ranging from coaching sessions to termination. Even when allegations are not confirmed, we look for opportunities to reinforce our expectations for ethical conduct or improve our policies or processes.

You can access our whistleblower information page at [BMO Whistleblower Hotline](#).

99%

of employees completed Code of Conduct training course¹

99%

of employees completed *Anti-Bribery and Anti-Corruption* training course¹

Ensuring the responsible use of AI

Artificial Intelligence (AI) and advanced data analytic tools help BMO offer more advanced products and services to our customers. Measures regarding the responsible use of AI technologies include:

1

Launching a Trustworthy AI Council
in 2019, with representatives from business, technology, risk, privacy and ethics areas to guide our early AI efforts.

2

Engaging with external thought leaders, such as the World Economic Forum’s committee on the Future of AI in Financial Services, the Vector Institute, Deloitte, E&Y and industry associations, to keep our responsible AI practices up-to-date with the latest developments.

3

Creating a Trustworthy AI framework, supported by four key commitments: fairness, accountability, transparency, and trusted and secure systems. These commitments align with BMO’s values and are embedded across the AI life cycle, shaping the foundation for the rules and controls governing AI system development and deployment.

4

Establishing responsible AI development practices and risk assessments overseen by our Responsible AI Forum, a cross-functional group bringing together risk oversight expertise from across BMO with the aim to ensure that BMO’s responsible AI risks, including ethical, privacy and fair and responsible banking requirements are met.

As AI-related risks and the legal and regulatory landscape evolve, BMO continually reviews and updates our framework and practices for the responsible use of AI. We continue to adopt new processes and governance measures, as needed.

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



Human rights

We are committed to upholding fundamental human rights everywhere BMO does business.

Who has responsibility

Responsibility for human rights is shared across BMO. Our Chief Sustainability Officer, and Chief Diversity and Inclusion Officer lead our efforts to embed human rights and the United Nations Guiding Principles on Business and Human Rights across BMO’s business operations

Overseen by the board’s Risk Review Committee, and by its Audit and Conduct Review Committee as part of its broader sustainability governance, and its Human Resources Committee as part of our commitment to diversity, equity and inclusion

We have made a commitment at BMO – to our customers, employees, communities, shareholders and other interested parties – to respect human rights across our business operations, including our supply chain and our responsible investing activities through BMO GAM. In our workforce, we:

- recognize gender equality as a fundamental human right;
- support the right to freedom of association and collective bargaining (see our Statement on Freedom of Association and Collective Bargaining);
- stand against all forms of modern slavery (see our Statement Against Modern Slavery and Human Trafficking); and
- stand against discrimination in all parts of the employment life cycle, including discrimination on the grounds of ethnicity, race, disability, gender, identity or sexual orientation.

BMO supports the *Protect, Respect and Remedy* Framework of the United Nations Guiding Principles on Business and Human Rights (UNGPs), as endorsed by the UN Human Rights Council. The framework rests on three principles: state duty to protect human rights; corporate responsibility for respecting human rights; and greater access to effective remedies for victims of business-related abuse. We strive to integrate these principles into our enterprise-wide governance of business practices and operations. Our Speak Up! whistleblower reporting service is for anyone inside or outside of BMO to report suspected misconduct about BMO or one of BMO’s service providers.

We conduct due diligence to identify, assess and mitigate actual and potential adverse human rights impacts, and act based on our findings. We engage with external stakeholders to improve human rights practices in the financial services industry. Our stakeholders can seek access to remedies for perceived human rights violations through multiple channels, including BMO’s Ethics and Conduct Office, our Customer Complaint Appeal Office and the Sustainability Office.

Our approach is outlined in BMO’s *Statement on Human Rights, Code of Conduct, Supplier Code of Conduct*, and *Statement Against Modern Slavery and Human Trafficking*. Through these codes, policies and practices, we affirm BMO’s support for the International Bill of Human Rights, the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the principles of the eight International Labour Organization core conventions. BMO’s anti-money laundering program, which is designed to prevent the use of BMO’s financial products and services for the purpose of money laundering, terrorist financing or sanctioned activity, also seeks to identify the risks associated with human trafficking and modern slavery (see our [Statement on Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Measures](#)).

2023 highlights – Human rights

Supporting human rights through education

- Continued educating employees on respecting and promoting human rights across our workforce, totalling 284,827 learning hours. Learning programs include:
 - *Nisitohitamowin* ᑎᑦᐱᑦᐸᑦᐱᑦ, on Truth & Reconciliation Call to Corporate Action #92 with respect to Indigenous Peoples;
 - *Ujima*, on understanding the Black experience in North America;
 - *Road to Allyship*, to help BMO employees support and advocate for individuals who identify as 2SLGBTQ+;
 - Learn from Difference, to build a culture of belonging and foster a more inclusive environment for their colleagues, customers and communities;
 - Annual Ethics, Legal & Compliance Training, a mandatory program covering the Code of Conduct, anti-bribery and anti-corruption, accessibility, anti-money laundering, among others.

Addressing the risk of modern slavery, child labour and human trafficking in our supply chain

- Developed and introduced an enhanced social responsibility questionnaire, with a process for engaging targeted sector suppliers to explore labour practices in other countries.
- Published an annual, board-approved statement on our efforts to combat modern slavery in compliance with the *United Kingdom Modern Slavery Act 2015*, the *Australian Modern Slavery Act 2018*, and the new legislation in Canada, Section 11 of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.
- Participated in Project Recover, an initiative with Victim Services Toronto that supports survivors of human trafficking by working with Canadian creditors to remove coercive debt from the victim’s name.

Promoting human rights best practices at BMO GAM

- Conducted primary research on Canada’s adoption of human rights due diligence practices and published “[The State of Corporate Human Rights Due Diligence in Canada](#)”. This was used to inform 2023 investee company engagements to promote adoption of human rights due diligence best practices.
- Joined the PRI investor collaborative initiative, Advance, aimed at promoting adoption of the UNGP, Responsible Political Engagement and Decent Work by Canadian mining companies. BMO GAM is co-leading on engagements with three major Canadian mining companies.



Our human rights priorities

To uphold our commitment to respect fundamental human rights, BMO proactively identifies and assesses potential human rights impacts and risks. These are regularly reviewed through stakeholder engagement activities, and systematically through our sustainability materiality assessment process. We have identified the human rights areas most salient for each of our key stakeholder groups as follows:

Human rights priorities	Interested parties			
	Employees	Customers	Supply chain	BMO GAM Investments
Diversity and inclusion (see page 57)	✓	✓	✓	✓
Health and safety (see page 65)	✓	✓	✓	✓
Information security and privacy (see page 76)	✓	✓	✓	
Indigenous peoples (see page 30)	✓	✓	✓	✓
Financial inclusion (see page 29)		✓		
Anti-bribery and anti-corruption (see our Statement on Anti-Bribery and Anti-Corruption)		✓	✓	
Anti-human trafficking and anti-modern slavery (see our Statement Against Modern Slavery and Human Trafficking)		✓	✓	✓

We will seek to assess the effectiveness of our actions and track our progress of the following goals:

- Continuing work on the implementation of a supplier screening and enhanced due diligence process for major suppliers on environmental and social risk, including on the topic of human rights, forced and/or child labour and modern slavery;
- Ongoing monitoring of reports received relating to modern slavery claims made via our reporting channels, including our continued leadership of Project Protect; and
- Collaborating with industry peers and external stakeholders to develop best practice mechanisms to remedy adverse human rights impacts, including through procurement-focused working groups and industry associations like the Equator Principles, and a Financial Services Industry Sustainable Procurement roundtable.

Listen to [BMO’s Sustainability Leaders Podcast](#) on Free, Prior, and Informed consent.

Finance Against Slavery and Trafficking (FAST)

Finance Against Slavery and Trafficking (FAST) is a collaborative initiative based at the United Nations University Centre for Policy Research, mobilizing the financial sector against modern slavery and human trafficking. Given the close ties of the financial sector with the global economy, we have a unique opportunity to address these issues.

BMO joined FAST in 2019 and actively participates in meetings held by the Liechtenstein Initiative (FAST Commission). We have implemented FAST’s collective-action framework, which guides the financial sector and its stakeholders in demonstrating their commitment to eradicating modern slavery and human trafficking. As part of BMO’s commitment to this program, we have formal partnerships with the Salvation Army in Chicago and United Nations University to help survivors open bank accounts and access essential financial services. Our employees receive ongoing training in recognizing patterns related to human trafficking and we are in the process of introducing specific monitoring measures to detect human trafficking activities.

In 2023, our collaboration continued with foundations supporting survivors, and we expanded our network by partnering with new organizations in California through our Bank of the West acquisition. We also forged new partnerships with organizations in emerging California markets. More information is available in [BMO’s Statement Against Modern Slavery and Human Trafficking](#).



Customer experience

We provide solutions for our customers – in the moment, as we engage with them in real time, and at every stage of their relationship with BMO. We strive to deepen those relationships over time, so that we continue to deliver world-class loyalty and growth, powered by One Client leadership.

Who has responsibility

Employees – we expect all of our employees to put the needs of BMO’s customers at the centre of everything we do

Business Heads and Head of Loyalty and Sponsorship

Chief Marketing Officer

Net Promoter Score (NPS) targets are approved by the Human Resources Committee of our Board of Directors

Consumer protection and transparency is overseen by the Risk Review Committee and Audit and Conduct Review Committee of our Board of Directors

Our business is driven by a simple but powerful principle: our customers are at the centre of everything we do. We believe that we can provide an exceptional experience for our customers if we view our business operations through a One Client lens. We listen closely to our customers, inviting them to share their opinions and analyzing their feedback, because we know this will yield insights that help us improve. As a result, we are combining advanced digital self-serve experiences with our widely recognized advisory capabilities, empowering our customers with choices for interacting with us on their own terms.

Every line of business plays a vital role in delivering best-in-class customer experiences. We value every customer relationship, providing solutions “in the moment” and acting on customer and employee feedback. This has resulted in strong loyalty performance across our operating groups. Our customers know that we are not just a service provider; we are a trusted partner, always striving to exceed their expectations.

2023 highlights – Customer experience

Delivering world-class customer experience	<ul style="list-style-type: none"> Strengthened customer loyalty raising enterprise NPS score by two points with improvements seen across all operating groups. Ranked #1 in customer satisfaction among the Big 5 Canadian Banks in the J.D. Power 2023 Canada Retail Banking Satisfaction Study.
Empowering financial progress	<ul style="list-style-type: none"> Expanded access to BMO SmartProgress – a free online platform offering personal finance educational resources to all Canadians, with plans to offer access to all BMO customers and prospects in the United States.
Creating a seamless client experience	<ul style="list-style-type: none"> Introduced a new Estates Settlement program, including our BMO InvestorLine Agent for Executor referral arrangement with BMO Trust Company, resulting in strong client retention and case settlement, and reduced call volumes. Enhanced the BMO Active Trader client experience, optimizing research capabilities for Market Movers, supporting real-time buying power and enabling clients to capitalize on intraday price movements. Rolled out enhanced branch scanning capabilities for a quick and seamless process for opening and maintaining an account, trading, reducing the risk of lost documents, and limiting any inquiries, concerns and complaints. Launched BMO’s Concentration initiative for margin clients, providing live notifications of concentrated securities in their portfolio, and automatically updating their buying power.
Reimagining how consumers engage with BMO	<ul style="list-style-type: none"> Expanded resources for our digital client group, offering financial literacy for the gaming community through BMO NXT LVL on Twitch. Became the first bank in the world to launch a Twitch channel with more than 1,700 subscribers, and weekly sessions on investing, financial literacy and advice to help entrepreneurs start, grow and fund a business venture.
Supporting and protecting customers	<ul style="list-style-type: none"> Participated in an initiative led by the Financial Consumer Agency of Canada to strengthen financial literacy and improve outcomes for Canadians. BMO is committed to reviewing how our data can contribute to measuring impact and meaningfully “Counting Change” under the National Financial Literacy Strategy. Enhanced the Seniors Banking section of our website with articles on avoiding scams targeting seniors and strategies for preventing financial abuse of elderly individuals.
Receiving awards and recognition	<ul style="list-style-type: none"> Recognized as Best Private Bank in Canada and Best Commercial Bank in Canada by World Finance magazine. Named Canada’s best-performing bank by The Banker in its annual list of the Top 1000 World Banks.

1,150,547

customer loyalty surveys¹

59

2023 enterprise-wide Net Promoter Score¹

¹This amount excludes Bank of the West.



Measuring customer experience

We invite feedback at every stage in our customer relationships, using surveys, digital listening initiatives or our streamlined complaint handling process. This feedback drives ongoing improvements in our business operations, enhancing the solutions we offer our customers and elevating their experience at every point of contact. Net Promoter Score (NPS) is our primary metric for tracking and assessing customer experience. NPS programs are in place across our operating groups and lines of business, as well as to our branches and contact centres. We report NPS results regularly to our executive leadership team and our Board of Directors. We also use NPS metrics to assess our performance against our strategic objectives, that determine variable compensation awards for our executives. Industry studies help us assess our performance against our peers and competitors.

Our Canadian Customer Complaint Handling Process

If a Canadian customer has a concern about their banking, investment or insurance products or services, we encourage them to follow our **three-step Canadian Complaint Handling Process**.

Step 1

Share your concerns

Customers can share their concerns with a BMO representative at a branch or a BMO office, or by calling BMO Virtual Connect. We will respond to the customer, acknowledging that we have received the complaint, and we will work to address it promptly, efficiently and professionally. If we are unable to resolve their complaint within 14 days from the date it was raised, the complaint will be escalated to Step 2 of the complaint-handling process and will be reviewed by a senior officer.

Step 2

Escalate your complaint

If a complaint is unresolved after completing Step 1, or if a customer wishes to escalate a complaint sooner than 14 days from the date they reported it, the customer can choose to escalate their complaint directly to a senior officer. A response from a senior officer will be sent as soon as possible.

Step 3

Appeal your complaint

If a customer is not satisfied with the outcome of the complaint at the end of Step 1 and Step 2, they may escalate their complaint to the Customer Complaint Appeal Office (CCAO) at BMO. The CCAO reviews unresolved customer complaints and attempts to facilitate a resolution. Every complaint is carefully considered, and is assessed with fairness, integrity and respect. The appeal process considers the interests of all parties, as well as standard industry practices and applicable BMO policies.

If we anticipate that the review will take longer than expected (within 56 days for banking complaints, within 90 days for investment complaints), or if a customer is not satisfied with our final response, they can choose to take their concern to one of two external dispute resolution providers. An impartial and confidential review can be obtained from the Ombudsman for Banking Services and Investments, or the OmbudService for Life & Health Insurance.

The CCAO looks for ways to improve our internal processes and strives to respond to our customers in a fair and timely manner. Its members have been chosen for their extensive experience and familiarity with financial products and services and customer complaints. From the front lines to the external resolution services, they bring decades of collective experience in resolving complaints and concerns at every level, across many industry sectors.

For more information on the Canadian Customer Complaint Handling Process, see [Complaint Handling Process](#). For more information on the CCAO and customer complaints, see the Customer Complaint Appeal Office 2023 Annual Report and our [website](#).

Responding to our customers

Our Voice of the Customer (VOC) infrastructure enables us to gather, analyze and respond to customer feedback effectively. We have made it easy for customers to share their thoughts with us in real time, through our online channels and quick email surveys. This constant feedback loop enables us to be proactive in addressing concerns and recognizing trends, as well as identifying potential problems before they emerge. Our lines of business take any action necessary to provide an immediate solution, and the feedback helps influence product and service improvements and innovations.

Our ultimate goal is continuous improvement. For example, our customers continue to tell us they want more digital self-serve capabilities. In response, we launched several customer-centric initiatives this year, including two-way SMS for fraud management and enhanced functionality on our online banking platform and mobile app for reporting lost or stolen debit cards.

Our actions are fundamentally grounded in our customers. Our commitment to provide customers with exceptional experiences and personalized advice is enabling us to earn top-tier customer loyalty.



Our U.S. Customer Complaint Handling Process

Our U.S. customer complaint handling process is designed to resolve any concerns a customer may have about their experience with a U.S. BMO financial product or service, as well as enhancing overall customer satisfaction.

The Complaint Management Customer Advocacy Team plays an important role in ensuring that our customers’ feedback and concerns are handled timely, fairly, and consistently. Team members monitor customer feedback closely, act as intermediaries in the resolution of complaints, and communicate resolutions to customers in a timely manner to effectively address any concerns customers may have.

There are four key steps in our U.S. Complaint Management Program: notification, escalation, resolution and reporting. These steps allow us to identify and resolve concerns or address potential risks, and the program also yields valuable insights that help us improve customer satisfaction. We work to resolve each complaint as quickly as possible during our initial customer contact, but in some cases, we may require additional time to reach a fair, accurate and comprehensive resolution. Our objective is to resolve 90% of complaints within 14 calendar days of receipt.

We continuously evaluate and enhance our complaint escalation procedures to meet both the expectations of our customers and the requirements of our regulators. Along with our U.S. lines of business, the members of our Customer Advocacy team carefully analyze all complaint-related information to identify and mitigate any new, emerging or recurring concerns related to our products, services, policies, processes, systems or suppliers. Emerging trends and risks related to customer complaints, as well as action plans to limit the number of complaints, are reported regularly to our management and leadership teams. They also oversee all key decisions, risks, policies and governance provisions related to our Complaint Management Program.

In 2023, we modified the data fields in our complaint reporting, enhancing our ability to categorize data and conduct relevant trend analyses that can drive any necessary improvements. To support our growth ambitions in relation to our Bank of the West acquisition, the size of our Complaint Management Customer Advocacy Team has doubled. In addition, we continued to evolve the BMO U.S. Complaint Management Program, which enables BMO to stand out from our peers, incorporating best practices from the complaint management programs of both BMO and 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%

¹This amount excludes Bank of the West.



Consumer protection and transparency

The fair design and sale of financial products and services is addressed in BMO's [Code of Conduct](#) and policies. With respect to Canadian banking products and services, BMO has also participated in the development of, and is committed to, voluntary commitments and codes of conduct that are intended to protect customers, which are listed on our [website](#). All BMO marketing materials use clear language to minimize compliance risks by explaining financial product features, costs, fees, risks, limitations and exclusions.

BMO is committed to complying with all regulations that are intended to protect the interests of customers. Regulators with oversight of our retail banking business include the Office of the Superintendent of Financial Institutions and the Financial Consumer Agency of Canada for our Canadian operations, and the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency for our U.S. operations. Regulators with oversight of our wealth management business include the Canadian Investment Regulatory Organization, the Canadian Securities Administrators, the Financial Consumer Agency of Canada, the Office of the Superintendent of Financial Institutions, and Canadian Council of Insurance Regulators for our Canadian operations, and the Financial Industry Regulatory Authority, the Securities and Exchange Commission, the Office of the Comptroller of the Currency, the Federal Reserve Board, the Department of Labor, and state

Our sales force compensation programs and incentive plans are designed to encourage and reward performance aligned with appropriate behaviours. Some BMO employees are compensated based on, or in part, on sales revenue generated: sales revenue is generally recognized when a customer accepts a service, uses a product, or when account and related fees are billed to the customer, and it may be reversed if a customer cancels a service or does not use a product, or if compensation is paid to the customer in relation to their account. Customers can raise and escalate concerns through defined processes (see page 85). For the continued integrity of our practices and processes, we regularly monitor our sales force and perform audits and reviews of our policies and procedures.

In 2022, BMO launched the *Better at BMO* program for our Canadian retail banking business, aimed to deliver on best-in-class customer experiences and compliance with evolving regulations, such as the Financial Consumer Protection Framework. This program enhances our systems and processes to prioritize customer protections, with a particular focus on:

- Transparency and customer awareness
- Customer satisfaction and issue resolution
- Operating with integrity in our sales and service practices

A mandatory learning program associated with the *Better at BMO* program was developed in 2022 for our Canadian retail banking sales force, which has been implemented as part of the annual ELCT training on customer protections. This content is reviewed and updated annually. We actively monitor customer retention rates, address complaints, and evaluate the results of our customer experience surveys to gauge the effectiveness of our practices.

Supporting seniors

BMO's commitment to seniors is detailed in our "Adherence to the Code of Conduct for the Delivery of Banking Services to Seniors". This statement can be found on our [website](#). BMO's commitment aligns with the *Code of Conduct for the Delivery of Banking Services to Seniors* (the Seniors Code), which became effective in Canada on January 1, 2021. In compliance with the regulatory requirements of the Financial Consumer Agency of Canada (FCAC), we report annually on our performance in relation to the Seniors Code, with the most recent report dated March 2023.

We have a dedicated section on our [website](#), which provides valuable information and resources for seniors. This section also offers training and guidance for our employees on issues of concern for customers who are seniors, and information on suspected cases of financial abuse or fraud targeting seniors.

To better support seniors, we regularly review and update our products, services and communications based on feedback from the seniors community to meet their needs.



Innovation and digitalization

BMO strives to create meaningful and innovative digital experiences that connect us with our customers, to help them make real financial progress. Our *Digital First* priority drives speed, scale and the elimination of complexity in our customers' transactions with us.

Who has responsibility

Chief Digital Officer, North American Personal and Business Banking and Wealth Management

Chief Technology and Operations Officer

Head, Digital and Innovation, Commercial Banking

BMO consistently focuses on meeting customers where they are with leading digital experiences that help them make real financial progress. These efforts are core to our Digital First journey and are complemented by a focus on driving efficiency and freeing up human capacity to give expert advice.

Our investments over the past year have driven growth, loyalty and efficiency, enabled by new ways of working. In the U.S., we introduced a new Personal Banking digital deposit platform, supported by an expanded retail branch network as a result of the Bank of the West acquisition. In Canada, we continued to optimize our digital banking offerings including an innovative Pre Arrival Account opening program for newcomers and enhancements to BMO Business Express with new specialty lending capabilities for businesses owned by Black and Indigenous entrepreneurs.

Our Digital First mindset reaches beyond our doors and into the communities we serve. To help drive data and analytics innovation in Canada, we partnered with Next AI – a program for AI-based ventures and technology commercialization. By providing capital to innovators and early-stage teams, we contribute to job creation and business growth to accelerate progress.

We closely track the results of our digital engagements to determine whether they are improving the efficiency of our operations and meeting or exceeding our customers' expectations. More details can be found in the [2023 Sustainability Report Data Pack and Glossary](#).

BMO and Xero – a strategic partnership: BMO has teamed up with the global small business accounting platform Xero to assist customers in automating their bookkeeping. With a few clicks, our Online Banking for Business customers can synchronize their BMO and Xero accounts. Customers can control this integration from their BMO online account at any time they choose.

Easing the home-buying journey: We launched the digital [Mortgage Pre-Qualification](#) journey, enabling customers to pre-qualify for a mortgage in minutes with no impact on their credit score. We offer a market-leading 130-day rate guarantee – the longest of any major bank in Canada. When customers are ready to look for a home, they can proceed to get a mortgage pre-approval, which will provide an in-depth picture of the amount they can borrow, based on a comprehensive review of their personal financial information and credit report. This capability helps our customers make real financial progress by providing an easy first step in their homebuying journey.

2023 highlights – Innovation and digitalization

Helping clients make real financial progress

- Set new record with BMO Savings Amplifier Account, our most successful product launch to date, aimed at empowering Canadians to make real financial progress with a competitive interest rate, unlimited no-fee self-serve transactions and digital savings goals. In its first year, more than 450,000 accounts were opened, totalling over \$4.4 billion in accumulated balances.
- Introduced [BMO NewStart](#) Pre-Arrival Account Opening program, an industry-leading digital option for newcomers to Canada that is driving higher rates of customer acquisition.

Improving the customer experience

- Launched BMO Savings Goals functionality for customers to set, track and reach their goals, with custom transfer functionality to automate their savings in a seamless and disciplined manner.
- Introduced a digital secure credit card journey, providing a simple way to help build a credit history for Canadian customers applying for a credit card.
- Updated the Canadian digital payment journey and improved the customer experience, including platform upgrades, enhanced fraud detection capabilities and increased transaction limits.
- Launched the Getting Started hub in Online Banking for Business, with on-demand video courses and personalized training on a range of services.
- Enhanced security protection, including new security alerts and text message verification at account sign-in to help clients proactively avoid fraud.
- Launched Extend for BMO, a complimentary spend management platform allowing real-time creation, sending and management of virtual cards to pay and report on business expenses. Clients can also add virtual cards to their mobile wallets.

Meeting our U.S. customers' service needs

- Introduced Credit View, empowering U.S. customers to enhance their credit score.
- Extended the reach of BMO Assist, our AI-powered chat function, to customers in the U.S., enabling them to access digital solutions.
- Transitioned our U.S. Help Desk and Client Services teams in Treasury & Payment Solutions to Amazon Connect, a cloud-based customer contact centre that uses machine learning for real-time customer sentiment assessments during calls.
- Launched V-PAYO, enabling business banking clients to send all vendor payments in one simple file, reducing costs and eliminating the need for manual processing.

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.

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.

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.

Independent Practitioner's Limited Assurance Report

To Management of Bank of Montreal:

We have undertaken a limited assurance engagement on selected indicators of Bank of Montreal ("BMO"), denoted by the symbol  in the accompanying 2023 Sustainability Report and Public Accountability Statement (the "Report") and accompanying 2023 Sustainability Report Data Pack and Glossary (collectively the "subject matter information") and as described below, as at and for the year ended October 31, 2023.

Topic	Selected Indicator(s)	Reported Value for 2023	Sustainability Report Page(s)	Data Pack and Glossary Pages	Applicable Criteria
Data Security	Substantiated complaints regarding breaches of customer privacy and losses of customer data (#)	0	26	16	
Diversity & Inclusion	Gender equity in senior leadership roles – enterprise-wide (%)	42.3%	25, 58	8	
	People of Colour in senior leadership roles – Canada (%)	25.4%			
	People of Colour in senior leadership roles – United States (%)	26.6%			
	Indigenous peoples across our workforce – Canada (%)	1.4%			
	Persons with disabilities across our workforce – Canada & United States (%)	5.6%			
	2SLGBTQ+ representation across our workforce – Canada & United States (%)	5.0%			
Talent attraction and retention	Total turnover rate – enterprise-wide (%)	16.7%	25	10	Internally developed criteria, which is presented on pages 89-92 of the Report.
	Total turnover rate – Canada (%)	13.7%	-	10	
	Total turnover rate – United States (%)	23.3%	-	10	
	Voluntary turnover rate – enterprise-wide (%)	11.8%	25	11	
	Voluntary turnover rate – Canada (%)	10.6%	-	11	
	Voluntary turnover rate – United States (%)	14.4%	-	11	
Employee Engagement	Employee engagement index (%)	86%	25, 64	12	
Community Impact	Donations – Canada and United States – (\$ millions)	\$84.0 million	25, 67	13	
Financial Inclusion	First Nations participating in BMO's On-Reserve Housing Loan Program – Canada (#)	107	23	3	
Sustainable Finance	Capital to clients pursuing sustainable outcomes (\$ billions)	\$68.61 billion	24, 40	4	
Climate Change	Lending to carbon-related assets – Metric 1 (non-renewable energy and power generation) (%)	1.5%	24	14	
	Lending to carbon-related assets – Metric 2 (includes Metric 1 plus transportation, materials and buildings, and agriculture, food and forest products) (%)	20.4%			

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Independent Practitioner's Limited Assurance Report

Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria (the "applicable criteria").

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, BMO applies internally developed measurement methods. These measurement methods are described in the Glossary on pages 89-92 of the Report.

Management is responsible for the development of such criteria and for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining BMO's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether based on the procedures performed and evidence obtained, any matter(s) has come to our attention to cause us to believe that the subject matter information is materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included: assessing the appropriateness of the underlying subject matter, the suitability of the criteria used by BMO in preparing the subject matter information in the circumstances of the engagement and evaluating the appropriateness of the: methods, policies and procedures used in the preparation of subject matter information and the reasonableness of estimates made by BMO.

Our engagement included, amongst others, the following procedures:

- Inquiries of BMO's management, including those with responsibility for sustainability reporting governance, management and reporting;
- Assessment of the suitability, application and disclosure of the applicable criteria in respect of the subject matter information;
- Where relevant, performance of walkthroughs to understand the processes for data collection and reporting of the subject matter information;
- Comparisons of the reported data for the subject matter information to underlying data sources on a sample basis;
- Inquiries with relevant personnel regarding key assumptions and the limited re-performance of calculations on a sample basis; and
- Review of the presentation and disclosure of the subject matter information.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

Practitioner's Independence and Quality Management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read BMO's reporting methodology presented on pages 89-92 of the Report.

Emphasis of Matter

We draw attention to footnote 2 on page 24 of the Report, and footnote 1 on page 40 of the Report, which describes results for 2019 to 2022 have been restated, to reflect an update to BMO's definition of sustainable outcomes. Our conclusion is not modified with respect to this matter.

Other Matter

We have not been engaged to, and therefore do not, provide any assurance in respect of the restatements discussed in footnote 2 on page 24 and footnote 1 on page 40. Our conclusion is not modified with respect to this matter.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that BMO's subject matter information as at and for the year ended October 31, 2023 is not prepared and presented, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information

The subject matter information has been prepared in accordance with the applicable criteria and as a result may not be suitable for another purpose.



Chartered Professional Accountants

Toronto, Canada

March 6, 2024

Forward-looking statements and non-GAAP measures

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 "strive", "targeting", "committed", "commitment", "ambition", "goal", "expect", "plan", "will", "may", "aim to", "would", "should", "believe", "anticipate", "project", "intend", "estimate", "might", "schedule", "forecast", "seek" and "could" and other similar expressions.

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

We caution readers of this report not to place undue reliance on our forward-looking statements as 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.

Non-GAAP and Other Financial Measures

Results and measures in BMO's Management's Discussion and Analysis dated December 1, 2023 for the fiscal year ended October 31, 2023 ("2023 Annual MD&A") and this document are presented on an International Financial Reporting Standards ("IFRS") basis. We use the terms IFRS and Generally Accepted Accounting Principles ("GAAP") interchangeably. Reported and adjusted net revenue, adjusted net income, and adjusted revenue are non-GAAP measures. Adjusted net income by geography, reported and adjusted net efficiency ratio, adjusted average return on equity, adjusted diluted earnings per share, and adjusted diluted earnings per share growth are non-GAAP ratios. Readers are cautioned that non-GAAP measures and ratios do not have standardized meanings. They are unlikely to be comparable to similar measures and ratios presented by other companies and should not be viewed in isolation from, or as a substitute for, GAAP results. For additional information regarding the composition of our non-GAAP and other financial measures, an explanation of how non-GAAP and other financial measures provide useful information, any additional purposes for which management uses such measures, and quantitative reconciliations of non-GAAP and other financial measures to the most directly comparable financial measures in BMO's financial statements for the period ended October 31, 2023, see Non-GAAP and Other Financial Measures starting on page 28 and the Glossary of Financial Terms starting on page 135 of the 2023 Annual MD&A. This information and these reconciliations are incorporated by reference. The 2023 Annual MD&A is available on SEDAR+ at www.sedarplus.ca and on BMO's website at www.bmo.com/investorrelations.

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.

Nothing in this report shall constitute, or form part of, an offer to sell or a solicitation of an offer to buy or subscribe for any security or other instrument of the bank or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this document shall form the basis of, or be relied upon in connection with, any contract, commitment or investment decision. Offers to sell, sales, solicitations of offers to buy or purchases of securities issued by the bank or any of its affiliates may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in which such offers, solicitations or sales may be made. Professional advice should be sought prior to any decision to invest in securities.

Third-party references and website references and/or links throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report. Such third-party references and website references and/or links do not imply an affiliation, sponsorship or endorsement.

Public Accountability Statement

This section describes some of the contributions we made to the Canadian economy and society in fiscal 2023.

Bank of Montreal 2023 Public Accountability Statement

Fulfills the Government of Canada's public accountability statement requirements for banks (*Bank Act, s. 627.996* and the *Financial Consumer Protection Framework Regulations*).

This document describes the activities of BMO and our prescribed affiliates with operations in Canada.

Our prescribed affiliates include the following BMO subsidiaries. All of them (except for our securities brokers, BMO Nesbitt Burns Inc., and BMO Capital Markets Corp.) have less than \$1 billion in equity:

- BMO Asset Management Inc.
- BMO Capital Markets Corp.
- BMO Capital Partners Inc.
- BMO Investments Inc.
- BMO InvestorLine Inc.
- BMO Mortgage Corp.
- BMO Nesbitt Burns Inc.
- BMO Private Equity (Canada) Inc.
- BMO Private Investment Counsel Inc.
- BMO Trust Company

Contributions to the community

Access to banking services – [see page 29](#)

Measures taken to provide products and services to low-income persons, senior persons, persons with disabilities, persons with accessibility, linguistic or literacy challenges – [see page 34](#)

Consultations undertaken with customers and the public in relation to existing products and services, the development of new products and services, identification of trends and emerging issues that may have an impact on customers or the public and matters in respect of complaints received – [see page 85](#)

Small business financing – [see page 31](#)

Community development and philanthropic activities – [see page 66](#)

Charitable donations – [see page 67](#)

Employee giving and volunteering – [see page 68](#)

Voluntary Codes of Conduct and Public Commitments – [see page 103](#)

Business debt financing – [see page 98](#)

Employees and locations

Number of employees – [see page 99](#)

Branches opened, closed and relocated – [see page 99](#)

ATMs opened and closed – [see page 100](#)

Taxes

Taxes paid and payable in Canada – [see page 102](#)

Contributions to the community

Business debt financing

As at October 31, 2023
Authorized amount in \$ millions

Province or territory		\$0- \$24,999	\$25,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000- \$999,999	\$1,000,000- \$4,999,999	\$5,000,000 and greater	Total
Alberta	Authorized amount	177	355	324	556	816	2,948	41,600	46,777
	Number of firms	14,605	8,976	2,056	1,618	1,175	1,357	853	30,640
British Columbia	Authorized amount	212	419	371	655	1,209	5,433	39,154	47,452
	Number of firms	17,880	10,775	2,387	1,867	1,725	2,475	1,511	38,620
Manitoba	Authorized amount	21	59	51	84	138	585	6,352	7,290
	Number of firms	1,948	1,425	321	236	196	263	174	4,563
New Brunswick	Authorized amount	18	49	52	93	158	659	2,675	3,704
	Number of firms	1,553	1,165	343	266	229	286	112	3,954
Newfoundland and Labrador	Authorized amount	13	41	51	89	126	535	1,507	2,363
	Number of firms	1,182	975	331	255	181	242	70	3,236
Northwest Territories/Nunavut	Authorized amount	1	3	4	5	16	26	114	169
	Number of firms	111	66	22	15	23	11	6	254
Nova Scotia	Authorized amount	26	61	70	142	277	1,106	5,748	7,429
	Number of firms	2,195	1,485	444	397	391	503	213	5,628
Ontario	Authorized amount	703	1,139	1,117	1,981	3,308	11,375	86,222	105,844
	Number of firms	61,442	29,316	6,997	5,650	4,724	5,273	2,538	115,940
Prince Edward Island	Authorized amount	5	13	21	38	83	296	430	887
	Number of firms	442	311	124	105	114	138	45	1,279
Quebec	Authorized amount	261	463	458	759	1,310	4,442	34,961	42,655
	Number of firms	22,964	11,845	2,873	2,152	1,876	2,066	1,018	44,794
Saskatchewan	Authorized amount	31	114	92	144	248	973	5,677	7,279
	Number of firms	2,617	2,632	572	410	361	439	175	7,206
Yukon	Authorized amount	2	5	3	6	14	50	37	116
	Number of firms	188	125	18	19	18	24	4	396
Total	Authorized amount	1,471	2,720	2,614	4,551	7,704	28,428	224,477	271,964
	Number of firms	127,127	69,096	16,488	12,990	11,013	13,077	6,719	256,510

Employees and locations

Number of employees

Active, paid and unpaid leave employees (permanent, temporary and intern).

As of October 31, 2023	Full-time	Part-time	Total
Canada			
Alberta	1,996	379	2,375
British Columbia	2,539	500	3,039
Manitoba	317	100	417
New Brunswick	228	64	292
Newfoundland and Labrador	173	54	227
Northwest Territories	9	2	11
Nova Scotia	520	76	596
Ontario	22,828	1,413	24,241
Prince Edward Island	46	10	56
Quebec	4,467	766	5,233
Saskatchewan	295	116	411
Yukon	8	6	14
Total¹	33,426	3,486	36,912
United States	19,528	1,621	21,149
International	759	7	766
Total employees	53,713	5,114	58,827

¹ Refers to the number of individuals employed full-time and part-time with a work location of Canada, in each province.

Branches opened, closed and relocated

We opened, closed and relocated the following BMO Bank of Montreal branches in fiscal 2023 (Canada).

Branches opened	Address	City/Province	
Marine Parade & Silver Moon	2 Silver Moon Drive	Etobicoke, ON	
Yonge & Harbour	26 Downes Street	Toronto, ON	
The Well	486 Front Street W	Toronto, ON	
Brooklin	5530 Baldwin Street S	Whitby, ON	
Seasons	5 Sterling Lyon Parkway	Winnipeg, MB	
Immigrant Services Calgary	910 7 Avenue SW	Calgary, AB	
Country Hills & Cornerstone	1155 Cornerstone Boulevard NE	Calgary, AB	
80th Avenue & 204th Street	8045 204th Street, Unit C100	Langley, BC	
Lougheed Highway & Ottawa Street	2325 Ottawa Street	Port Coquitlam, BC	
Branches closed	Address	City/Province	
Lacordaire & Des Grandes-Prairies	5790, boulevard des Grandes-Prairies	Montreal, QC	
Bothwell	181 Main Street	Bothwell, ON	
Northbrook	12265 Highway 41	Northbrook, ON	
Port Colborne	287 West Side Road	Port Colborne, ON	
Bunting & Carlton	366 Bunting Road	St. Catharines, ON	
Stackt Market Bathurst & Front	28 Bathurst Street	Toronto, ON	
Forestburg	4816 50th Street	Forestburg, AB	
Branches relocated	From	To	City/Province
Charlottetown Mall	670 University Avenue	684 University Avenue	Charlottetown, PE
Papineau & Jean-Talon	1805, rue Jean-Talon E	1800, rue Jean-Talon E	Montreal, QC
Grandes-Prairies & Lacordaire	6025, boulevard Henri-Bourassa E	9440, boulevard Lacordaire	Montreal, QC
Bank & Daze	2446 Bank Street	2204 Bank Street	Ottawa, ON
17 Avenue & 9 Street	727 17 Avenue SW	933 17 Avenue SW	Calgary, AB
Carleton Avenue	3825 40th Avenue	72 Calder Street	Red Deer, AB
Buffalo Run	9911 Chiila Boulevard SW	11501 Buffalo Run Boulevard, Unit 800, Building B	Tsuut'ina, AB
Lougheed Town Centre	9855 Austin Avenue, Unit 160	3778 Grand Promenade, Unit 430	Burnaby, BC
Station Square	4789 Kingsway, Unit 100	6035 Silver Drive	Burnaby, BC

ATMs opened and closed

We opened and closed the following automated teller machines (ATMs) in fiscal 2023 (Canada).

ATMs opened

Site	Address	City	Province	Site	Address	City	Province
Deer Lake Airport	1 Airport Road	Deer Lake	NL	Farah Market Express	242 King Street N	Waterloo	ON
Charlottetown Mall	684 University Avenue	Charlottetown	PE	Brooklin	5530 Baldwin Street S	Whitby	ON
Scholten's	26 F. Tribe Road	Perth-Andover	NB	Shell	Krahn Road & Highway 311	Niverville	MB
IGA	969, rue Nordique	Beauport	QC	Seasons	751 Sterling Lyon Parkway	Winnipeg	MB
Papineau & Jean-Talon	1800, rue Jean-Talon E	Montreal	QC	Country Hills & Cornerstone	1155 Cornerstone Boulevard NE	Calgary	AB
Grandes-Prairies & Lacordaire	9440, boulevard Lacordaire	Montreal	QC	Shell	123 Carrington Plaza	Calgary	AB
Circle K	395 Daniel Street S	Arnprior	ON	Immigrant Services Calgary	910 7 Avenue SW	Calgary	AB
Shell	4712 County Road 90	Barrie	ON	17 Avenue & 9 Street	933 17 Avenue SW	Calgary	AB
Shell	2510 Appleby Line	Burlington	ON	Shell	11056 30 Avenue SW	Edmonton	AB
Islington & Rexdale	31 Rexdale Boulevard	Etobicoke	ON	Shell	325 Gregg Avenue	Hinton	AB
Marine Parade & Silver Moon	2 Silver Moon Drive	Etobicoke	ON	Carleton Avenue	72 Calder Street	Red Deer	AB
BMO Social Heart	200 Lees Avenue	Ottawa	ON	Buffalo Run	11501 Buffalo Run Boulevard	Tsuut'ina	AB
Bank & Daze	2204 Bank Street	Ottawa	ON	Lougheed Town Centre	3778 Grand Promenade	Burnaby	BC
Shell	690 Kingston Road	Pickering	ON	Station Square	6035 Silver Drive	Burnaby	BC
Yonge & Harbour	26 Downes Street	Toronto	ON	80th Avenue & 204th Street	8045 204th Street	Langley	BC
BMO Place	33 Dundas Street W	Toronto	ON	Lougheed Highway & Ottawa Street	2325 Ottawa Street	Port Coquitlam	BC
The Well	486 Front Street W	Toronto	ON				

ATMs closed

Site	Address	City	Province	Site	Address	City	Province
Lawtons	76 Starrs Road	Yarmouth	NS	Martin Grove Gardens	5 Lavington Drive	Etobicoke	ON
Charlottetown Mall	670 University Avenue	Charlottetown	PE	Pharma Plus	2 King Street W	Hamilton	ON
Papineau & Jean-Talon	1805, rue Jean-Talon E	Montreal	QC	Pharma Plus	447 Main Street E	Hamilton	ON
Lacordaire & Des Grandes-Prairies	5790, boulevard des Grandes-Prairies	Montreal	QC	Pharma Plus	4048 Carling Avenue	Kanata	ON
Henri-Bourassa & Désy	6025, boulevard Henri-Bourassa E	Montreal	QC	Rexall	76 Arlington Drive	Keswick	ON
Super C - Neufchâtel	4545, boulevard de l'Auvergne	Quebec City	QC	Pharma Plus	817 Edgar Street	Kingston	ON
Hôtel Palace Royal	775, boulevard Honoré-Mercier	Quebec City	QC	Agriville Farms	1600 Kratz Sideroad	Kingsville	ON
Shell	515, boulevard de la Côte-Vertu	Saint-Laurent	QC	Southshore Greenhouse	1746 Seaclyff Drive	Kingsville	ON
IGA	5445, rue Laurier O	Saint-Hyacinthe	QC	Mucci Farms	1876 Seaclyff Drive	Kingsville	ON
Rexall	22 Baskin Drive E	Arnprior	ON	Orangeline Farms	627 Country Road 14	Leamington	ON
Pharma Plus	320 Bayfield Street	Barrie	ON	Pharma Plus	401 Kent Street W	Lindsay	ON
Rexall	353 Duckworth Street	Barrie	ON	Pharma Plus	1375 Southdown Road	Mississauga	ON
Bothwell	181 Main Street	Bothwell	ON	Food Basics	377 Burnhamthorpe Road E	Mississauga	ON
Pharma Plus	55 Highway 118 W	Bracebridge	ON	Shell	4685 Central Parkway E	Mississauga	ON
Pharma Plus	398 Queen Street W	Brampton	ON	GGs Corner & Gift Shop	417 Centre Road	Moose Factory	ON
Pharma Plus	499 Main Street S	Brampton	ON	Rexall	144 Robertson Road	Nepean	ON
Pharma Plus	1 Main Street	Brighton	ON	Rexall	1595 Merivale Road	Nepean	ON
Pharma Plus	2201 Brant Street	Burlington	ON	Food Basics	6770 McLeod Road	Niagara Falls	ON
Rexdale & Kipling	155 Rexdale Boulevard	Etobicoke	ON	Pharma Plus	6484 Lundy's Lane	Niagara Falls	ON
Islington & Elmhurst	2428 Islington Avenue	Etobicoke	ON	Metro	20 Church Avenue	North York	ON

(continued on next page)

ATMs closed (continued)

Site	Address	City	Province	Site	Address	City	Province
Northbrook	12265 Highway 41	Northbrook	ON	Stackt Market	28 Bathurst Street	Toronto	ON
Pharma Plus	1363 Woodroffe Avenue	Ottawa	ON	Rexall	285 Spadina Avenue	Toronto	ON
Pharma Plus	1615 Orleans Boulevard	Ottawa	ON	Rexall	3701 Lake Shore Boulevard W	Toronto	ON
Pharma Plus	1910 St. Laurent Boulevard	Ottawa	ON	Rexall	63 Front Street E	Toronto	ON
Rexall	1980 Ogilvie Road	Ottawa	ON	Rexall	901 Eglinton Avenue W	Toronto	ON
Pharma Plus	200 Rideau Street	Ottawa	ON	Pharma Plus	109 Dundas Street E	Trenton	ON
Pharma Plus	2269 Riverside Drive E	Ottawa	ON	Rexall	2 Elgin Park Drive	Uxbridge	ON
Bank & Hunt Club	2446 Bank Street	Ottawa	ON	Pharma Plus	425 University Avenue E	Waterloo	ON
Pharma Plus	2950 Carling Avenue	Ottawa	ON	Rexall	1215 Ouellette Avenue	Windsor	ON
Pharma Plus	900 Greenbank Road	Ottawa	ON	Pharma Plus	676 Portage Avenue	Winnipeg	MB
Pharma Plus	1507 9th Avenue E	Owen Sound	ON	Pharma Plus	971 Corydon Avenue	Winnipeg	MB
Algonquin College – Perth Campus	7 Craig Street	Perth	ON	Rexall	1530 20th Street W	Saskatoon	SK
Pharma Plus	1011 Victoria Street	Petawawa	ON	Shell	1595 32 Avenue NE	Calgary	AB
Pharma Plus	97 Main Street	Picton	ON	Calgary Main	340 7 Avenue SW	Calgary	AB
Port Colborne	287 West Side Road	Port Colborne	ON	Shell	4828 Centre Street NE	Calgary	AB
Rexall	466 Goderich Street	Port Elgin	ON	17 Avenue & 7 Street	727 17 Avenue SW	Calgary	AB
Rexall	13291 Yonge Street	Richmond Hill	ON	Rexall	10818 Jasper Avenue NW	Edmonton	AB
Rexall	697 Cathcart Boulevard	Sarnia	ON	Rexall	11811 Jasper Avenue NW	Edmonton	AB
Pharma Plus	129 Trunk Road	Sault Ste. Marie	ON	Co-Op	2331 66 Street NW	Edmonton	AB
Rexall	2447 Kingston Road	Scarborough	ON	Rexall	9540 163 Street NW	Edmonton	AB
Pharma Plus	174 Albert Street S	Southampton	ON	Forestburg	4816 50th Street	Forestburg	AB
Bunting & Carlton	366 Bunting Road	St. Catharines	ON	Rexall	12 Aquitania Boulevard W	Lethbridge	AB
Rexall	1975 Bancroft Drive	Sudbury	ON	Safeway	610 Big Rock Lane	Okotoks	AB
Pharma Plus	555 Barrydown Road	Sudbury	ON	Eastview	3825 40th Avenue	Red Deer	AB
Rexall	1093 Queen Street W	Toronto	ON	Tsuut'ina Nation	9911 Chiila Boulevard SW	Tsuut'ina	AB
Pharma Plus	1115 Wilson Avenue	Toronto	ON	Lougheed Town Centre	9855 Austin Avenue	Burnaby	BC
Rexall	1245 Dupont Street	Toronto	ON	Burnaby Main	4789 Kingsway, Unit 100	Burnaby	BC
Pharma Plus	200 Wellington Street W	Toronto	ON	Rexall	499 Granville Street	Vancouver	BC
Pharma Plus	2300 Yonge Street	Toronto	ON	Pharma Plus	88 W Pender Street	Vancouver	BC
Rexall	250 University Avenue	Toronto	ON	Pharma Plus	4212 Village Square	Whistler	BC

Taxes

Taxes paid and payable in Canada

\$ millions	Income taxes	Capital taxes	Other taxes
Federal	\$17.0	\$-	\$168.0
Province or territory			
Alberta	1.0	-	0.9
British Columbia	2.8	-	9.5
Manitoba	0.4	10.2	1.2
New Brunswick	0.3	3.5	1.1
Newfoundland and Labrador	0.4	5.5	2.2
Northwest Territories	-	-	-
Nova Scotia	0.2	5.9	2.1
Nunavut	-	-	-
Ontario	3.0	-	546.9
Prince Edward Island	-	0.8	0.5
Quebec	1.5	15.2	64.3
Saskatchewan	0.5	9.1	0.1
Yukon	-	-	-
Total provincial and territorial taxes	10.1	50.2	628.8
Total	27.1	50.2	796.8
Total income and capital taxes	\$77.3		
Total taxes		\$874.1	

Note: PAS Tax table is disclosed to one decimal point.

Bank of Montreal, along with its Canadian subsidiaries, is a major Canadian taxpayer. In fiscal 2023, our overall tax contribution was \$874 million.

This amount included \$27 million in income taxes, \$50 million in provincial capital taxes and \$797 million in other taxes. Included in the other taxes is \$519 million in goods and services tax/harmonized sales tax and other sales taxes, \$269 million in payroll taxes (employer portion), \$8 million in property taxes and \$1 million in business taxes and other sundry taxes.

Voluntary Codes of Conduct and Public Commitments

Voluntary Codes of Conduct and Public Commitments are commitments, voluntarily made by companies, associations and other organizations. BMO Financial Group has participated in the development and is committed to the following Voluntary Commitments and Codes of Conduct that are designed to protect consumers. For more information or to obtain a copy of the codes of conduct and public commitments, please visit our [website](#).

Code of Conduct for the Delivery of Banking Services to Seniors

The Code of Conduct sets out principles that apply to banks to guide them when they deliver banking products and services to Canada's seniors. The principles cover topics such as policies and procedures, effective communication, training, and resources for employees and representatives.

BMO's Adherence to the Code of Conduct for the Delivery of Banking Services to Seniors

BMO's actions which comply with the code of conduct principles to deliver enhanced banking products and services to our senior customers.

Code of Conduct for Federally Regulated Financial Institutions – Mortgage Prepayment Information

The Bank ensures enhanced information is available to assist borrowers in making decisions about mortgage prepayment.

Canadian Code of Practice for Consumer Debit Card Services

This code of conduct is designed to protect Canadian consumers who use debit card services. It outlines industry practices and consumer/industry responsibilities in relation to debit card transactions and liability.

CBA Code of Conduct for Authorized Insurance Activities

Outlines the banks' standards for branch employees offering credit, travel and personal accident insurance with respect to training, disclosure, promotion practices, customer privacy protection and customer redress.

Code of Conduct for the Credit and Debit Card Industry in Canada

This code of conduct applies to debit and credit card networks and their participants. It outlines payment card networks operators' responsibilities for providing information, flexibility, and choice to merchants.

Model Code of Conduct for Bank Relations with Small- and Medium-Sized Businesses

Model code of conduct for bank dealings with small- and medium-sized businesses. The key elements of the model code are incorporated into individual bank codes.

Principles of Consumer Protection for Electronic Commerce: A Canadian Framework

These principles are intended to guide the actions of businesses, consumers and governments in Canada in developing a consumer protection framework for electronic commerce over open networks, including the internet. The framework also clarifies the responsibilities associated with the service.

Commitment to Provide Information on Mortgage Security

The bank is committed to set out the nature of the information about mortgage security that banks will provide to consumers shopping for a mortgage to obtain funds for the purchase of a residential property, and when they will provide that information, so that, before finalizing their choice of product, consumers have enough information to understand the implications of their choice.

Commitment on Powers of Attorney and Joint Deposit Accounts

This public commitment sets out the information about Powers of Attorney that banks will make available to clients who want to give someone else the authority to do banking for them. The commitment also sets out information that the banks will make available to their clients about joint deposit accounts.

Commitment on the Expansion of Low-Cost and No-Cost Bank Accounts

Several Canadian banks committed to enhance their low-cost bank accounts and offer no-cost accounts with the same features as low-cost accounts to a wider range of eligible consumers. No-cost accounts will be available to youth, students, seniors qualifying for the Guaranteed Income Supplement, and Registered Disability Savings Plan beneficiaries. This will ensure that Canadians have access to affordable banking services.

Commitment on Modification or Replacement of Existing Products & Services

The bank is committed to set out procedures when modifying or replacing existing products and services.

Guidelines for Transfers of Registered Plans

A commitment outlining the maximum amount of time that banks may require when transferring a registered savings plan (RSP) containing deposit type instruments, mutual funds or securities between financial institutions.

Online Payments

This public commitment outlines consumer and industry responsibilities related to the use of online payments systems in Canada. A process for dealing with disputes is included in the commitment.

Plain Language Mortgage Documents – CBA Commitment

The bank is committed to improve the understandability of residential mortgage documents.

Mastercard – Zero Liability

Information regarding consumer's liability in the event of the unauthorized use of your Canadian-issued Mastercard card.

Visa – Zero Liability

Information regarding consumer's liability in the event of the unauthorized use of your Canadian-issued Visa card.

Undertaking – Principal Protected Notes

Describes the rescission rights available to clients who purchase any principal protected note by electronic means and/or by telephone.

Bank of Montreal Mortgage Corporation Public Accountability Statement¹

Due to the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the following information in response to the requirements set out in section 444.2(1) of the *Trust and Loan Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMMC, a wholly owned, fully integrated subsidiary of Bank of Montreal, raises funds for mortgage financing by issuing deposit-type instruments (such as GICs) through Bank of Montreal's retail branch network and other proprietary channels, where Bank of Montreal acts for BMMC, as well as through third-party channels. BMMC does not operate branches that are open to the public or other facilities at which deposits are accepted or cash is distributed to customers. BMMC employs 11 full-time employees.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on [page 102](#) of BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement.

BMMC shares BMO's commitment to community development and philanthropic activity as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement. The community development activities of BMMC's employees are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement on [page 66](#).

As detailed in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMMC has no other affiliates in respect of which this Public Accountability Statement is published.

¹As stipulated by the *Trust and Loan Companies Act*, Bank of Montreal Mortgage Corporation, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Assurance Company Public Accountability Statement¹

Due to the specific nature of its activities, BMO Life Assurance Company (BMOLA) provides the following information in response to the requirements set out in section 489.1(1) of the *Insurance Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMOLA is a wholly owned indirect subsidiary of BMO Life Insurance Company, which in turn is a wholly owned subsidiary of Bank of Montreal. BMOLA is a federally regulated life and health insurance company and is licensed to underwrite life, accident and sickness insurance in all provinces and territories of Canada. BMOLA offers individual life, accident and sickness insurance and individual and group annuities through independent insurance agents and directly to consumers. BMOLA has no employees of its own. All of its activities are conducted by employees of Bank of Montreal and BMO Nesbitt Burns Inc.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMOLA is a member, are listed on [page 102](#) of BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement.

BMOLA shares BMO's commitment to community development and philanthropic activity, as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement. The community development activities of BMOLA are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement on [page 66](#).

As detailed in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMOLA has no other affiliates in respect of which this Public Accountability Statement is published.

¹As stipulated by the *Insurance Companies Act*, BMO Life Assurance Company, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Insurance Company Public Accountability Statement¹

Due to the specific nature of its activities, BMO Life Insurance Company (BMOLI) provides the following information in response to the requirements set out in section 489.1(1) of the *Insurance Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMOLI is a wholly owned subsidiary of Bank of Montreal. BMOLI is a federally regulated life and health insurance company and is licensed to underwrite life, accident and sickness insurance in all provinces and territories of Canada. BMOLI has no employees of its own. All of its activities are conducted by employees of Bank of Montreal and BMO Nesbitt Burns Inc.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMOLI is a member, are listed on [page 102](#)

of BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement.

BMOLI shares BMO's commitment to community development and philanthropic activity, as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement. The community development activities of BMOLI are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement on [page 66](#).

As detailed in BMO Financial Group's 2023 Sustainability Report and Public Accountability Statement, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMOLI has no other affiliates in respect of which this Public Accountability Statement is published.

¹As stipulated by the *Insurance Companies Act*, BMO life Insurance Company, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

Need help?

Email us at: sustainability@bmo.com



BMO's Sustainability Leaders Podcast

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

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



The following are trademarks owned by other parties:

LEED is a registered trademark of the U.S. Green Building Council.

J.D. Power is a trademark of J.D. Power.

BAI is a registered trademark of Bank Administration Institute.

The Globe and Mail is a registered trademark of The Globe and Mail Inc./Publications Globe and Mail Inc.

Net Promoter Score and NPS are registered trademarks of Bain & Company Inc.

Bloomberg is a registered trademark of Bloomberg Finance Eight L.P.

World's Most Ethical Companies is a trademark of Ethisphere Institute.

World Finance is a trademark of World News Media.

FTSE is a registered trademark of FTSE International Limited.

Fast Company is a registered trademark of Dye & Durham Corporation.

Progressive Aboriginal Relations is a trademark of Canadian Council for Aboriginal Business.

GRI is a registered trademark of Stichting Global Reporting Initiative.

World Benchmarking Alliance (WBA) is a trademark of World Benchmarking Alliance.

Datos Insights is a trademark of Datos Insights.

Forbes is a registered trademark of Forbes LLC.

Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC.

Insider Intelligence is a trademark of Insider, Inc.

Javelin Strategy & Research is a trademark of Escalent, Inc.