BMO Financial Group

2024 SUSTAINABILITY AND CLIMATE REPORTING

INCLUDING PUBLIC ACCOUNTABILITY STATEMENTS

BMO

Our sustainability and climate reporting provides disclosures on sustainability topics as required by regulatory and emerging sustainability and climate disclosure frameworks.

Message from the General Counsel and Executive Committee Sponsor for Sustainability

BMO's sustainability and climate strategy and approach are key to advancing our commercial objectives, effectively managing risk, promoting efficiencies in our business and maintaining positive stakeholder relations. Our sustainability and climate reporting provides information and insights for our shareholders and broader stakeholders, reflecting applicable standards for transparency and disclosure, and meeting regulatory requirements. The aim of this report is to provide our stakeholders with direct, concise and decision-useful information.

In 2024, we saw developments in sustainability and climate strategy, risk management and disclosure frameworks that have guided BMO's disclosure approach. In Canada, the Office of the Superintendent of Financial Institutions' (OSFI) Guideline B-15 on climate risk management became effective, the Canadian Sustainability Standards Board (CSSB) launched its first Canadian Sustainability Disclosure Standards, which are under review by the Canadian Securities Administrators, Bill C-59 introduced amendments to the Competition Act (Canada) regarding "greenwashing", and the legal landscape regarding aspects of sustainability is changing rapidly in the United States. These frameworks set a high standard for our disclosure, reporting processes and controls.

Our reporting also reflects applicable Sustainability Accounting Standards Board (SASB) standards, recognizing the important role sustainability accounting standards like those of the International Sustainability Standards Board and the CSSB are likely to play in guiding corporate sustainability disclosures.

This reporting includes disclosures required under the Bank Act (Canada)'s Financial Consumer Protection Framework Regulations, which requires banks to annually describe their contributions to the Canadian economy and society through a Public Accountability Statement. We also provide details of the progress BMO has made on our Community Benefits Plan to support local communities in the United States – a plan agreed to with U.S. regulators when we acquired Bank of the West.

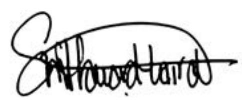
Our values of integrity (do what's right), empathy (put others first), diversity (learn from difference) and responsibility (make tomorrow better), are inspired by our Purpose: to **Boldly Grow the Good *in business and life***. Sustainability is embedded in our strategy and we continue to advance our Climate Ambition, to be our clients' lead partner in the transition to a net-zero world. We are focused on identifying the opportunities that arise as clients look to us as an advisor – a bank that strives to be a partner to clients looking to achieve their sustainability goals.

Resilience and adaptation are also key themes. Physical hazards that can relate in part to climate change can cause real economic and social impacts. We are enhancing our ability to consider these impacts on our business.

Our climate strategy also focuses on meeting increasingly robust expectations of risk management and disclosure from governments and regulators in the jurisdictions in which we operate. These expectations continue to evolve and we monitor these developments closely and adapt our approach accordingly.

We are committed to our client-first climate strategy, which is enabled through initiatives like the BMO Climate Institute, which has helped advance training and internal capabilities within BMO, providing thought leadership and expert insights to the market. More information on this work can be found on the BMO Climate Institute website.

We trust you will find this disclosure useful. Should you have any questions or require further public information, please contact our Sustainability Office at sustainability@bmo.com.



Sharon Haward-Laird
General Counsel
Executive Committee Sponsor for Sustainability

About this report

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, 2024, unless otherwise noted.

Data

Unless otherwise noted:

- is as of October 31, 2024.
- is enterprise-wide.
- may be rounded.

Currency and measurement

All dollar amounts in this report are in Canadian dollars, unless otherwise noted.

Assurance

We have obtained independent third-party assurance or verification on a selection of performance indicators. These are indicated as follows throughout the report:

◆ KPMG has provided limited assurance of select performance figures. KPMG's Independent Limited Assurance Report can be found on our website.

■ Stantec has provided limited verification of select environmental metrics. The verification statement can be found on our website.

▲ LBG Canada has provided independent verification on select community impact data. LBG Canada's verification statement can be found on our website.

Reporting frameworks[1]

Our reporting is made pursuant to the following regulations and sustainability reporting frameworks, as applicable (see Appendix page 103):

- Office of the Superintendent of Financial Institutions Guideline B-15: Climate Risk Management, Chapter 2 Climate-related financial disclosures (OSFI B-15)
- Bank Act (Canada), s. 627.996 and the Financial Consumer Protection Framework Regulations

As required by the foregoing requirements, or as applicable, BMO has utilized the following standards in producing this reporting:

- Sustainability Accounting Standards Board (SASB) Standards, including the standards for asset management and custody activities, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance, as applicable
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Glasgow Financial Alliance for Net Zero (GFANZ) Recommendations and Guidance on Financial Institution Net-zero Transition Plans
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Partnership for Carbon Accounting Financials' Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition) (PCAF Standard)

Learn more here

- Annual Report to Shareholders
- Management Proxy Circular

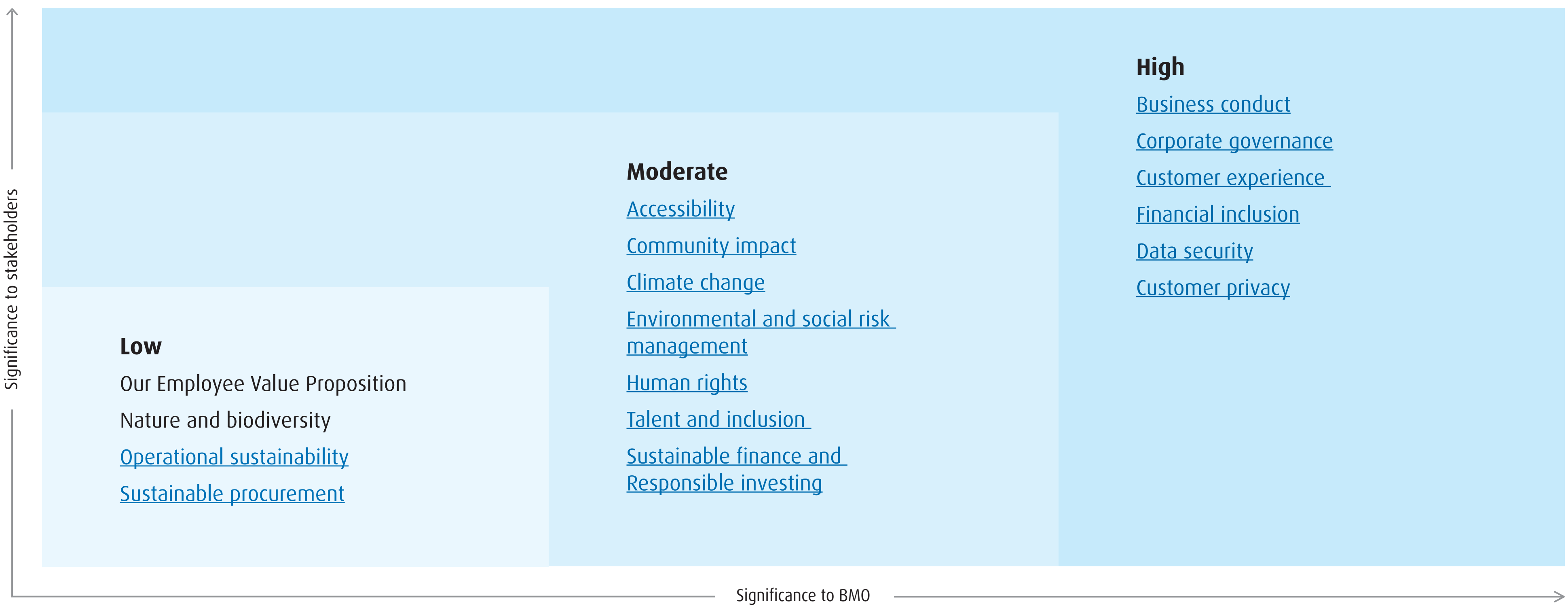
[1] This report includes voluntary disclosures on climate-related opportunities and risks, governance, strategy, risk management, and metrics and targets that may not be, and are not required to be, incorporated into our mandatory disclosures, for which we use a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.

Determining our priority sustainability topics

Our sustainability efforts are focused on areas that matter most to our business, informed by:

- The views of stakeholders, both within and outside of our organization,
- Sustainability-related regulations and voluntary policy initiatives relevant to the financial services sectors,
- News articles and other media, and
- Peer disclosures.

We used Datamaran, an artificial intelligence and big data platform, to inform our 2024 assessment of priority sustainability topics. Our significance matrix for 2024 includes 17 sustainability topics, of which 13 are considered to be High or Moderate in significance. In this report, we provide disclosures for these sustainability topics based on the disclosure requirements and recommendations of the below noted reporting frameworks, including the SASB Standards for our industries, recognizing that they play an important role in emerging reporting standards including those of the International Sustainability Standards Board, and the Canadian Sustainability Standards Board. Over time we will evolve our approach to reflect applicable regulatory or accounting standards expectations, including those of the International Sustainability Standards Board (ISSB), as required. Not included in this report are disclosures related to Accessibility, which can be found in BMO's *Accessible Canada Act Progress Report*, and human rights, which can be found in our *Statement Against Modern Slavery and Human Trafficking* available on our website.



SUSTAINABILITY REPORTING

Our sustainability reporting provides disclosures on sustainability topics as required by regulators and emerging global accounting frameworks.

Sustainability governance

Maintaining high standards of corporate governance has helped us earn and retain the trust of our customers, communities, investors, regulators and other stakeholders.

Our Management Proxy Circular provides information about our board and corporate governance practices.

We have integrated our sustainability strategies into our corporate governance framework. Responsibility for the oversight of sustainability is included in the mandate of our Board of Directors, and each standing committee has responsibility for the oversight of sustainability that falls within its purview (see page 8).

BMO's General Counsel is the Executive Committee Sponsor for Sustainability. The General Counsel reports to the Chief Executive Officer (CEO) and 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 Environmental, Social and Governance Executive Committee, composed of Executive Committee members and chaired by the General Counsel, provides oversight of our sustainability strategy and Climate Ambition, advancement of commercial strategy goals, enhancement of capabilities and internal and external engagement on the topic of climate. This committee provides enterprise coordination that links our climate expertise, risk evaluations and commercialization strategy, enabling our agile and market-responsive approach to risks and opportunities. BMO's Chief Sustainability Officer serves as the Secretary of this committee.

The Chief Sustainability Officer reports to the General Counsel and leads the BMO Sustainability Office, which includes the BMO Climate Institute and the Accessibility Office. The Sustainability Office supports the General Counsel's mandate and leads, in collaboration with partners across the bank, the development of strategies related to sustainability (including climate commercialization and our Transition Action Plan), enterprise-wide initiatives on environmental and social risks, sustainability-related disclosures and operational decarbonization strategy. The Sustainability Office also supports Finance with investor relations activities that focus on sustainability, and supports Treasury and our Operating Groups in their approach to sustainable finance.

Management committees and forums comprised of members of senior management oversee and support a coordinated, enterprise-wide approach to sustainability governance. These include, but are not limited to: Sustainability Council, Disclosure Committee, Risk Management Committee, Reputation Risk Management Committee, Enterprise Regulatory Committee, BMO Global Asset Management Investment Committee, and the E&S Risk 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 our strategic priorities and in compliance with applicable legal and regulatory obligations.

Please refer to page 46 of our Management Proxy Circular for information on how sustainability is integrated into BMO's executive compensation design.

Our Board of Directors oversees sustainability matters

Board of Directors

Board mandate

- Promotes a culture of integrity, monitors the bank's performance against its Purpose, and oversees compliance with our Code of Conduct.
- Develops our approach to corporate governance.
- Oversees the strategic planning process and its implementation.
- Oversees risk management, internal controls and organizational structure.
- Reviews and approves the bank's significant disclosure documents.
- Oversees key leadership succession planning.

Audit and Conduct Review Committee

Committee charter

Oversees issues related to:

- 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 and ethics.
- Sustainability governance and disclosure, including as related to climate change.
- External assurances and attestations regarding oversight of sustainability metrics.
- Compliance with legal and regulatory requirements.

Governance and Nominating Committee

Committee charter

Oversees issues related to:

- Governance principles and guidelines.
- Board composition, including performing searches and retaining independent recruitment firms to identify qualified candidates.
- Director education, assessment and succession planning.
- Director compensation.
- Subsidiary oversight.
- Monitoring and evaluating the process for assessing the performance and effectiveness of the board and committees of the board.
- Allocation of sustainability matters among the board and its committees.

Human Resources Committee

Committee charter

Oversees issues related to:

- Human resources strategies.
- Talent development, retention and succession planning.
- Employee inclusion and health and well-being.
- Compensation principles and policies oversight and their alignment to risk management and sustainability.
- CEO and senior executive appointment and compensation.
- Non-financial goals set for executive compensation.

Risk Review Committee

Committee charter

Oversees issues related to:

- Risk appetite framework and governance.
- Management of BMO's exposure to environmental and social risks, including climate change.
- Identification and management of risk.
- Adherence to risk management corporate policies.
- Compliance with risk-related regulatory requirements.

Our strategy

Anchored by our Purpose: **Boldly Grow the Good *in business and life***

BMO has a deep sense of purpose. We are leveraging our position as a leading financial services provider in order to create opportunities for our colleagues, customers and communities.

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

Executing on our Climate Ambition to be our clients' lead partner in the transition to a net-zero world[1], enabling innovative climate solutions and supporting sustainable outcomes in our role as a financial institution.

For an Inclusive Society

Committing to zero barriers to inclusion and growth for everyone through investments, financial products and services, and partnerships for customers, employees and communities.

Driven by our growth strategy

We aim to achieve our financial objectives by aligning our operations with, and executing on, our strategic priorities. Our group strategic priorities align with and support our enterprise-wide strategy, positioning us well to achieve competitive performance.

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.

Strengthened by our approach to sustainability

Sustainability is embedded in our strategy and being our clients' lead partner in the transition to a net-zero world is one of our strategic priorities. We take steps to manage our business in a manner that is consistent with our long term risk management and financial goals, considering our impact on communities, society and stakeholders.

[1] The terms net zero, net-zero economy, and net-zero world refer to a state in which anthropogenic emissions of GHGs in the atmosphere are balanced by anthropogenic removals over a specified period (Source: Intergovernmental Panel on Climate Change). Terms such as net-zero scenarios and net-zero targets indicate those that align with net-zero outcomes.

Environmental and social risk management

To protect long-term value and maintain stakeholder trust, we work to better understand and manage our exposure to environmental and social risks and their potential impact on our business operations and value chain.

SASB: FN-CB-410a.2, FN-MF-270b.3

Who has responsibility

Chief Risk Officer, General Counsel, Chief Sustainability Officer, and Head, 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 8, the board's Human Resources Committee oversees the alignment of executive compensation with our strategic objectives, including climate objectives.

The full board meets with our Executive Committee (which includes all of BMO's executive officers) during the annual board strategy session to discuss sustainability and climate strategy.

Environmental and social risk (E&S risk) is the potential for loss or harm, directly or indirectly stemming from environmental and social factors. The business operations and activities of BMO, as well as our stakeholders – including our employees, customers, suppliers and communities – can expose BMO to E&S risk. E&S risk may emerge over a range of time frames, from short to long term. E&S risk may increase our exposure to 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 (ERMF). 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
- Talent and inclusion
- Labour standards
- Community health, safety and security
- Land acquisition and involuntary resettlement
- Indigenous Peoples' rights
- Cultural heritage

The Environmental & Social Risk Corporate Policy (E&S Risk CP) underscores the board's commitment to managing E&S risk at a level consistent with the management of other risks, positioning BMO to make informed strategic decisions while complying with applicable regulations. The E&S Risk CP supports a more comprehensive integration of E&S risk considerations into and across our existing ERMF, and improves our ability to identify, assess, manage, monitor, and report on E&S risk. In 2024, we provided further guidance on the embedding of E&S risk, including climate risk, within BMO's "three-lines-of-defence" model. A refreshed E&S Risk CP, a new Climate Risk Corporate Standard, and a new E&S Risk Management Framework Directive were approved in October for internal publication early fiscal 2025. Additional, enhancements included updates to the Risk Taxonomy, new climate risk metrics and further integration of E&S Risk into the policy framework, with an emphasis on climate risk (see page 64 for more information about our approach to climate risk management).

The E&S Risk Management and Sustainability Office teams, work with the lines of business and Corporate Services to manage E&S risk in their areas of responsibility. These teams provide subject-matter expertise, support and guidance on integrating E&S risk considerations into BMO's decision-making processes, including financing and lending activities, as well as procurement. The teams regularly report on key developments in the areas of sustainability and climate change.

Corporate Audit independently assesses BMO's internal control, risk management and governance systems and processes. Each quarter, the Chief Auditor provides the results to the Audit and Conduct Review Committee of the board, along with key trends and critical risk.

Our 2024 Annual Report to Shareholders provides information about environmental and social risk governance practices.

Responsible lending

BMO makes decisions regarding the terms of its products and services, and their provision to individual clients, based on an assessment of the specific risks – including E&S risks – posed by the prospective client or transaction to BMO's financial condition, in compliance with any applicable legal and regulatory obligations.

BMO's credit risk management framework incorporates governing principles that are defined in a series of corporate policies and standards and apply to specific operating procedures. These are reviewed on a regular basis and modified when necessary to keep them current and consistent with our risk appetite. The structure, limits (both notional and capital-based), collateral requirements, monitoring, reporting and ongoing management of our credit exposures are governed by these credit risk management principles. Lending officers in the operating groups are responsible for recommending credit decisions based on the completion of appropriate due diligence, and they assume accountability for the related risks. Credit officers in Enterprise Risk and Portfolio Management approve larger transactions or transactions involving greater risk and are accountable for providing an objective independent assessment of the lending recommendations and risks assumed by the lending officers. These individuals in the first and second lines of defence are subject to a rigorous lending qualification process and operate in an environment with clear delegation of decision-making authority, including individually set lending limits, which are reviewed annually.

Under this risk-based approach, wholesale clients in higher-risk sectors or engaging in higher-risk business activities are subject to enhanced due diligence. Our Enterprise and Credit Risk Management Frameworks outline our relevant governance structures, including enhanced due diligence policies and processes. Our Environmental and Social Risk Financing Guideline provides overall direction for the identification, assessment and management of E&S risk in the context of wholesale credit risk decision-making processes. Our sector-specific financing guidelines help us identify, assess and factor E&S risks into our decision-making.

Business conduct

What we achieve as a business is important, but the way we achieve that success matters just as much. Responsible business conduct is critical to mitigate legal and regulatory risk, and safeguard our reputation.

SASB: FN-AC-510a.2, FN-CB-510a.2, FN-IB-510a.2, FN-IB-510b.4, FN-MF-270b.3

Who has responsibility

Shared by everyone at BMO – directors, leadership and employees

BMO's General Counsel leads BMO's legal and regulatory compliance and sustainability functions, which include accountability for BMO's ethical practices, customer complaint appeals and investigations.

BMO's Chief Ethics Officer communicates our standards of ethical conduct to BMO employees, and oversees BMO's global Whistleblower process.

BMO's Board of Directors' Audit and Conduct Review Committee assists the board in fulfilling its oversight responsibilities for compliance with legal and regulatory requirements and standards of business conduct and ethics, and reviews and recommends BMO's Code of Conduct to the board for approval.

BMO's Code of Conduct (the Code) is the foundation for all BMO policies and procedures. Our Code is centred around our commitments to *Make a Positive Impact, Do What's Right, Protect Our Brand, Avoid Conflicts and Speak Up!*. The Code applies to everyone at BMO. Employees participate in annual training and officers, employees and directors must confirm they have read, understood, complied with, and will continue to comply with the Code.

99.9%
of employees completed Code of Conduct training course.[1]

98.9%
of managers completed Speaking Up! for Managers training course.[1]

99.9%
of employees completed Anti-Bribery and Anti-Corruption training course.[1]

Our Legal and Regulatory Compliance team provides guidance and resources to help our business groups comply with relevant legal and regulatory requirements, while also taking into consideration industry practices. BMO participated in the development of, and is committed to, additional Voluntary Commitments and Codes of Conduct that protect consumers, which are available on our website.

BMO's Supplier Code of Conduct sets out our standards for integrity, fair dealing and sustainability. We update our Supplier Code every two years to address any emerging trends, concerns and legal requirements.

BMO's Code of Conduct and Supplier Code of Conduct can be accessed on our website.

[1] Completion rates above 95% are considered acceptable from a risk management perspective.

Fostering a Speak Up! culture

One of the five commitments in BMO's Code of Conduct is *Speak Up!* We offer a number of channels for our employees to ask questions, provide feedback and report concerns without fear of retaliation. These include Employee Relations, Global Investigations, the Ethics Office and our Speak Up! whistleblower reporting service.

Our Whistleblower channel allows anyone, whether or not they are BMO employees, to report suspicions of misconduct involving BMO or one of our service providers. Concerns can be communicated directly to our Ethics Office by email or submitted through our Speak Up! whistleblower service. The service is operated by an independent company to facilitate secure, confidential and anonymous reporting, 24/7, in multiple languages.

We regularly determine the effectiveness of our practices through assessments, peer benchmarking and comparisons with current industry practices; an annual external audit focused on BMO's Sarbanes-Oxley (SOX) controls related to our Code of Conduct and whistleblower channel; and regular internal audits and employee surveys. We make adjustments and improvements to our practices as necessary, based on these assessments.

You can find information about our Whistleblower channel at BMO Whistleblower Hotline.

Taking action on concerns

Strong ethics and conduct scores in our employee engagement survey show that employees have confidence that concerns can be safely reported, and BMO will take action as required. This is also demonstrated by the steady number of reports we receive through our Whistleblower channel. These include opinions, questions and feedback related to BMO's product and service offerings, as well as BMO's policies and positions on current issues. We also receive reports that allege misconduct, which are investigated.

Each allegation is reviewed, and if it is confirmed, we take appropriate action, ranging from mandatory coaching sessions to termination. If an allegation is not confirmed, we look for opportunities to reiterate our expectations for ethical conduct or improve our policies and processes.

Data security

Our customers, employees, and stakeholders trust BMO to safeguard their data. As we move forward on our Digital First strategic priority, our focus on fraud, cyber security, physical security, privacy – and the resilience of our information technology (IT) systems, infrastructure and people – continues. The threat landscape is evolving rapidly, and we continue to strengthen our integrated security capabilities and enhance our overall resilience posture.

SASB: FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.3

Who has responsibility

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

Chief Information Security Officer

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

As BMO is a large enterprise with a significant technological and operational footprint, our infrastructure and employees may be subject to an opportunistic cyber security attack and, less frequently, to a targeted attack. We safeguard our business operations and our customers by implementing cyber security and data security strategies, supporting BMO's success in a rapidly changing global security environment.

The BMO Financial Crimes Unit is responsible for the oversight and management of all aspects of cyber security, information security, internal and external fraud, crisis and continuity management and physical security. The unit brings together capabilities within an integrated central function, with a fusion centre operating model that supports both intelligence gathering and responsive recovery.

Senior management reviews BMO's information security management system at regular intervals to ensure its day-to-day suitability, adequacy and effectiveness.

Our approach to identifying and addressing data security risks and vulnerabilities

BMO's Cyber Threat Intelligence and Analytics team proactively monitors and mitigates exposure to information security risks that could affect our employees, processes, technology and customers. This involves the implementation of:

- Policies and standards for information security and privacy.
- Secure processes for the classification, handling and storage of information.
- Data loss prevention technologies for detecting and monitoring potential data leakage.
- End-point protection and network security.
- An annual mandatory security awareness learning program for all employees.
- Frequent reporting to our executives, external regulators, and internal and external auditors.
- Self-assessment against recognized frameworks and process benchmarking.

We gather and analyze threat-related information from various commercial, industry, government and internal sources, both open and proprietary. We also conduct periodic external and internal vulnerability scans utilizing an industry-leading software solution to identify potentially malicious activity. An independent partner conducts external penetration testing at least once a year. Identified vulnerabilities are verified, risk-rated, tracked, monitored and reported on, supporting timely remediation within established targets.

In order to prevent, detect, respond to, and recover from cyber security threats, we continue to make investments in defensive technology, internal processes and human resources, and work with various suppliers of security services and software to augment our internal resources and technology capabilities.

BMO Financial Crimes Unit Fusion Centre

We aim to instill an enterprise-wide culture of security awareness, which includes:

- A three-lines-of-defence model that supports effective risk management and compliance monitoring.
- Appropriate segregation of duties, organizational structures, reporting lines, authorizations and security responsibilities.
- A dedicated security risk governance function that monitors key risk metrics in order to assess the current state of our business operations and risk profile.

We regularly evaluate our cyber security controls in response to threat intelligence reports and forecasts and develop new controls as needed, all of which inform our ongoing investments in technology and human resources.

Our processes are independently audited for compliance and operational effectiveness on an annual basis.

Disclosing data security incidents

Depending on the nature of the breach, incidents involving suspected or actual breaches of data security or information systems must be reported to either our Privacy Office or our Information Security team, who then manages our response to the incident. This includes notifying BMO's regulators and affected customers in accordance with applicable regulatory requirements and business agreements.

See page 16 for the number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

Alignment with regulations, external standards and frameworks

BMO is a highly regulated enterprise and is subject to independent reviews on a periodic basis. Based on our benchmarking, we have determined that BMO's cyber security capabilities are aligned with the framework of the U.S. National Institute of Standards and Technology (NIST) and meet the requirements for ISO 27001:2013 certification in information security. We have achieved the target maturity level for all identified controls. We have been certified (Tier IV) by the Uptime Institute for the high fault tolerance of our data centre.

Customer privacy

Protection of personal information is critical to maintaining the trust of our customers. Our handling of personal information is increasingly important as we continue to drive our Digital First strategy, which recognizes that data and technology are foundational to our business operations, strategy and future.

SASB: FN-CB-230a.1, FN-CF-230a.1, FN-CF-220a.1

Who has responsibility

Shared by everyone at BMO

BMO's General Counsel

BMO's Global Chief Privacy Officer oversees privacy governance, including policies, education, communications activities and reporting provided to our Board of Directors on privacy matters.

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

Our Global Privacy Principles

We have robust legal and regulatory compliance controls that govern the collection, use and retention of data. Our Global Privacy Principles, and our Privacy Codes for every jurisdiction in which BMO does business, set out our approach to informing our customers about the nature of the personal information we may collect, use and disclose. These Codes 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.

We require meaningful consent for any use of personal information for a secondary purpose, including marketing. Customers can manage their direct marketing preferences to opt out of some or all of our direct marketing communications. BMO does not sell personal information.

Any incidents involving suspected or actual breaches of privacy must be promptly reported to the Privacy Office, which manages our response and monitors key privacy risk metrics, including the number of privacy-related incidents and the volume of complaints referred to our regulator. These metrics are reported at least quarterly to senior management, and annually to our board's Audit and Conduct Review Committee. Incidents with potential significant risk or impact are escalated to senior management and the Board or its committees as appropriate.

Our mandatory Ethics, Legal and Compliance Training (ELCT) program covers information security and privacy.

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.

Alignment with regulations, external standards and frameworks

There is a growing focus on regulation related to privacy and personal information, and we continue to advance our privacy program to comply with new and amended legislation where we do business. 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 that oversee our privacy-related performance, and our Privacy Office employees are members of the International Association of Privacy Professionals.

In 2024, we updated our Canada Privacy Code to comply with new regulatory changes in Quebec related to data portability rights.

Our Corporate Audit team conducts regular audits of our Privacy program to provide reasonable assurance that the program continues to comply with applicable regulations and functions effectively.

Metrics – Privacy

	2024	2023	2022
Information Security and Privacy Matters training (% completion)[1,2]	**99.9%**	99.3%	99.7%
Substantiated complaints regarding breaches of customer privacy and losses of customer data (#)	◆ **0**	0	1

◆ KPMG has provided limited assurance of this figure.

[1] Results for 2022 and 2023 exclude Bank of the West.

[2] Completion rates above 95% are considered acceptable from a risk management perspective.

Customer experience

We work to provide solutions for our customers as we engage with them in real time – and at each stage of their relationship with BMO. We strive to deepen those relationships over time, so that we can continue to generate world-class loyalty and growth.

SASB: FN-AC-270a.3

Who has responsibility

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

Business Heads and Chief Marketing Data & Analytics Officer

Chief Marketing and Communications Officer

Consumer protection and transparency are overseen by the Risk Review Committee and Audit and Conduct Review Committee of our Board of Directors. Net Promoter Score (NPS) targets are approved by the Human Resources Committee of our Board of Directors.

Customer engagement

We communicate with customers through the following channels:

- **Digital:** BMO website, newsletters, email, SMS, press releases, brochures, podcasts, reporting, thought leadership, and webinars.
- **Non-Digital: mail, contact centre, branch,** consultations, working groups, partnerships, conferences and events.

We aim to make it easy for customers to share their thoughts with us in real time. We have established a feedback loop through which our lines of business consult with customers and the public in relation to existing products and services and the development of new products and services in real time. Our goal is to be proactive in addressing concerns and recognizing trends, as well as identifying potential problems before they emerge.

Customer experience

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 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, which determines variable compensation awards for our executives. Industry studies help us assess our performance against our peers and competitors.

Complaint handling processes

In Canada, customers who have concerns about their experience with our banking, investment or insurance products or services are encouraged to follow our three-step Canadian Complaint Handling Process. Customers may appeal concerns to BMO's Customer Complaint Appeal Office (CCAO) that have not been resolved in either of the first two steps of BMO's Canadian Complaint Handling Process. The CCAO conducts impartial reviews of unresolved customer complaints and attempts to facilitate a resolution. Every complaint is considered carefully and assessed in a fair and respectful manner. Within the review process, the CCAO looks for opportunities to improve internal processes, and makes recommendations on providing a better customer experience or improving operations, products or services. For more information on the Canadian Customer Complaint Handling Process, see our Complaint Handling Process. For more information on customer complaints and the CCAO, see the Customer Complaint Appeal Office 2024 Annual Report on our website.

Our U.S. Complaint Management Program allows us to identify and resolve concerns or address potential risks, while yielding insights that can help improve customer satisfaction. We regularly evaluate and enhance our complaint escalation procedures to meet the expectations of our customers and regulatory requirements. As part of our ongoing governance program, our U.S. personal and business banking groups carefully analyze complaint-related information to identify and mitigate new, emerging or recurring concerns. Emerging trends and risks related to customer complaints, as well as action plans to limit the number of complaints, are reviewed monthly in a forum that includes the lines of business and corporate support areas.

Consumer protection and transparency

The fair design and sale of financial products and services is addressed in BMO's Code of Conduct and related 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 intended to protect customers, which are listed on our website.

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

Our compensation programs and incentive plans for BMO's sales force are designed to encourage and reward performance aligned with appropriate behaviours. Compensation for some BMO employees is based entirely, or in part, on sales revenue generated. Sales revenue is generally recognized when a customer accepts a service or uses a product, or when account fees and any related fees are billed to a customer, and may be reversed if a customer cancels a service or does not use a product, or if compensation is paid to a customer in relation to their account. Customers can raise and escalate concerns through defined processes (see pages 17-18 – Customer experience). We regularly monitor BMO's sales force and perform audits and reviews of the related BMO policies and procedures related to integrity of our sales practices and processes.

BMO launched the Better at BMO program for our Canadian retail banking business in 2022, with the objective of delivering best-in-class customer experiences and compliance with evolving regulatory requirements, such as the Financial Consumer Protection Framework. This program has enhanced the systems and processes that prioritize customer protections at BMO, with a particular focus on:

- Transparency and customer awareness
- Customer satisfaction and issue resolution
- Integrity in our sales and service practices

A mandatory learning program for our Canadian retail banking sales force that was related to the Better at BMO program was also introduced in 2022. This program is now included in our annual training course on customer protections, and its content is reviewed and updated annually. We actively monitor our customer retention rates, address customers' complaints, and evaluate the results of our customer experience surveys to gauge the effectiveness of our practices.

Metrics – Customer experience[1]

	2024	2023	2022
Customer loyalty surveys completed (#)	**1,368,442**	1,150,547	1,086,075
Net Promoter Score (NPS) – enterprise-wide (#)	**59**	59	57

[1] Results for 2024 reflect the addition of the legacy Bank of the West footprint to the survey program. Comparative results for 2022 and 2023 exclude Bank of the West.

Financial inclusion and capacity building

BMO's success is linked to the long-term prosperity of our customers, communities and society. Banks and other financial institutions can – and in some cases are required to – play a role in expanding access to financial services and fostering economic growth. We offer specialized products, services and educational resources to meet the needs of our customers.

SASB: FN-CB-240a.1, FN-CB-240a.3, FN-CB-240a.4

Financial inclusion – Canada

Who has responsibility

Head of Canadian Business Banking, with the various product groups

We strive to serve the diverse needs of our customer base and to provide banking services to help individuals and small businesses achieve financial independence and stability.

Client segment	Products, services and outreach	2024 highlights and support
Indigenous communities	• BMO's Indigenous Banking Unit provides services to Indigenous communities across Canada, including trust services, investment solutions and long-term financing options for on-reserve infrastructure projects and economic development. • BMO's *On-Reserve Housing Loan Program* finances eligible individuals seeking to build, buy or renovate homes on-reserve. • The *BMO for Indigenous Entrepreneurs lending program* provides access to capital for Indigenous businesses. • BMO has 13 in-community Indigenous Branches and one Commercial Banking location across the country serving Indigenous Peoples, businesses and organizations.	• As of October 31, 2024, BMO provides over $17 billion in banking services to more than 300 Indigenous communities nationwide. • As of October 31, 2024, there are over 100 First Nations signed up with the *On-Reserve Housing Loan Program*, $260 million in authorized loans and $180 million in outstanding loans • Please see Wîcihitowin ᐄᒋᐦᐃᑐᐃᐣ our fourth annual Indigenous Partnerships and Progress Report, for more information about how we support Indigenous communities.
Women in business	• BMO seeks to differentiate our services and provide tailored support for women business owners, who are an important business demographic for BMO and play an increasingly important role in economic growth. The BMO for Women program provides women in business with financial services and other resources to support their growth. The program is delivered by our BMO for Women Advocates – experienced business relationship managers and wealth advisors dedicated to empowering women throughout their financial journey.	• In 2024, we expanded the Celebrating Women Grant to support 50 women in business in Canada with more than $550,000 in funding since inception. • In 2024, BMO supported 159,807 businesses[1] with at least one woman owner across Canada.

(continued on next page)

[1] This metric does not currently align with our recently updated definition of women-owned business (see Glossary) and is not included in our tracking of sustainable finance activity. We are working on improving our ability to identify such clients.

(Continued)

Client segment	Products, services and outreach	2024 highlights and support
People facing disability, accessibility, linguistic or literacy challenges	• We work to comply with accessibility standards across North America, as set out in the *Accessibility for Ontarians with Disabilities Act,* the *Accessible Canada Act* and the *Americans with Disabilities Act*. • Our Accessibility Plan addresses employee learning, workplace accommodations for people with disabilities, design of public spaces, provision of accessible emergency information, and more. • We offer: – Mobile and online banking services that are compatible with assistive technologies, such as screen readers and magnifiers. – Materials in accessible formats such as braille, large print and e-text. – Telecommunications Relay resources and American Sign Language and Quebec Sign Language interpretive services. – Accessibility features at branches and ATMs, including audio directions and braille.	• In 2024, we established the Enterprise Accessibility Office (EAO) to coordinate our efforts to enhance accessibility, and an Accessibility Forum to convene cross-functional contributors and stakeholders to work on accessibility initiatives for both employees and customers. • We engaged with stakeholders, including the Alliance for Equality of Blind Canadians, the Canadian Association of the Deaf, community groups and customers to help inform our accessibility initiatives and to identify ways we can improve our banking services. • Please see our 2024 Accessible Canada Act Progress Report for more information.
Small businesses	• Our Zero Barriers to Business program in Canada was created to help entrepreneurs access working capital, the tools and resources to help grow their businesses, and meaningful networking opportunities. It provides Black and Indigenous entrepreneurs with access to working capital, educational resources, and professional partnerships to start, scale and grow underserved small businesses. • To prepare for the end of the federal government's Canada Emergency Business Account (CEBA) program, BMO launched a CEBA remediation program to support small and medium-sized businesses in repaying their loans and accessing partial loan forgiveness. • Our Small Business Installment Loan program supports business growth. • Our Online Banking for Business "Lite" digital experience enables business owners to seamlessly manage their banking anytime, anywhere.	• Provided $7.1 billion in small business lending in Canada in 2024, at returns consistent with or better than our other lending portfolios. • The BMO CEBA replacement program provided support to approximately 65,000[1] small businesses in Canada. • Continued partnerships with various institutions to offer specialized training, resources and support for early-stage entrepreneurs and small businesses in Canada.

(continued on next page)

[1] This value is as at January 18, 2025.

(Continued)

Client segment	Products, services and outreach	2024 highlights and support
Customers in crisis	• We supported our customers during natural disasters in Canada as they faced financial stress, including loss of personal and business property.	• Provided expanded relief options to customers who suffered loss or damage with 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.
Newcomers to Canada	• The BMO NewStart® program provides custom products and services for Newcomers to Canada, including relevant partner offers, 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. • Digital instant account capabilities through pre-arrival program for newcomers from 13 countries, enabling them to open a chequing account in minutes and apply for GICs, streamlining and simplifying their experience even before they arrive in Canada.	• Developed a newcomer package offering with a total value of up to $2,100, rolled out $100 gift card offer with Walmart, and introduced a personalized BMO Wealth offer for newcomers. • Rolled out strategic partnership with Nova Credit enabling newcomers from nine countries to access their credit history to make their financial transition in Canada faster, easier and more inclusive. • Expanded partnerships with newcomer agencies and organizations to equip newcomers with the knowledge essential for financial success in their new environment.
Members of the Canadian defence community	• We provide military families with personal and business banking solutions. • BMO is designated as the Official Bank of the Canadian Defence Community by the Chief of Defence Staff represented by Canadian Force Morale and Welfare Services.	• Supported 112,874 Canadian defence community customers in 2024.
Students in Canada	• We support domestic students in Canada with bank accounts with no monthly fee while in school and for up to 12 months after graduation, dedicated student credit cards, and personalized lending application flow with cash offers. • Our dedicated BMO Student Banking website provides advice for students on budgeting, expense tracking and building a credit score.	• Launched a multi-product student offering providing value of up to $900, including cash offers and other perks. • Established a new cross-campus leadership program at Western University in support of small and medium-sized businesses.
Senior citizens	• Continued adherence to the Seniors Code principles featured on our website, which is aligned 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. • The seniors' section of our website includes links to accessible in-branch services for senior customers, including details on sign language services and alternate statement formats. This section also provides training and guidance for our employees, focused on issues of concern for customers who are seniors, as well as information about suspected cases of financial abuse or fraud targeting seniors.	• In 2024, we delivered enhanced employee training on issues affecting our customers who are seniors. • Maintained our published 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. Our most recent report is dated March 2024.

Metrics – Financial inclusion (Canada)

Number of customers receiving complimentary or discounted services – Canada

Canada	2024	2023	2022
Senior citizens	**1,343,811**	1,298,606	1,247,221
University and high school students	**345,073**	308,024	287,644
Local and non-profit organizations	**35,679**	36,827	38,403

Equitable and accessible banking services – Canada

Canada	2024	2023	2022
Indigenous banking business – Canada ($ billions)[1]	**$17.0**	$11.6	$7.1
First Nations participating in BMO's On-Reserve Housing Loan Program – Canada (#)	◆ **108**	107	108
Indigenous communities with which BMO has a relationship – Canada (#)	**324**	284	268
Businesses with at least one woman owner supported – Canada (#)[2]	**159,807**	146,242	134,590
Small business lending – Canada ($ billions)[3]	**$7.1**	$6.5	$6.3
Canadian defence community customers (#)	**112,874**	104,407	94,500

◆ KPMG has provided limited assurance of this figure.

[1] The total outstanding amount of 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] This metric does not currently align with our definition of women-owned business (see Glossary) and is not included in our tracking of sustainable finance activity. We are working on improving our ability to track those clients.

[3] Our target of $7 billion by 2025 has been met as of October 31, 2024.

Financial inclusion – U.S.

Who has responsibility

Head of U.S. Business Banking and Head of Consumer Lending, with the various groups including Zero Barriers to Business, EMpower 2.0, Community Giving, and the *Community Reinvestment Act*. The Community Advisory Council provides governance over the EMpower 2.0 program, and the CRA Oversight Committee oversees the CRA and Zero Barriers to Business initiatives.

Overseen by the U.S. Regulatory Committee and BMO Financial Corp.'s Board of Directors

Community reinvestment

In the United States, banks like BMO 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 – a rating that also recognized some components of our BMO EMpower 2.0 program. We partner with organizations like the Illinois Housing Development Authority and Restore LA-CDC to deliver programs in states within our U.S. footprint that offer affordable mortgages. As part of our Zero Barriers to Business program, we also offer various special purpose credit programs to support small business owners in our footprint states. These programs may provide benefits such as broader credit criteria and interest rate discounts to eligible small businesses. We also offer financial literacy programs that can help our customers make real financial progress and learn how to build savings for unexpected expenses (see page 25 for more information on BMO's financial literacy initiatives).

BMO EMpower 2.0

In the United States, we are responding to the demands of a rapidly changing economic and social landscape with the BMO EMpower 2.0 program.

We launched BMO EMpower 2.0 under a Community Benefits Plan we announced in April 2023 when we acquired Bank of the West. BMO EMpower 2.0 is a five-year, US$40 billion commitment, with US$16 billion targeted for communities in California. In addition to this significant financial commitment, the plan includes building strategic partnerships and community engagement in markets across our U.S. footprint. The plan reinforces BMO's focus on advancing home ownership and fostering small businesses in low-to-moderate income neighbourhoods by offering lending and investment products that support affordable housing and economic development, consistent with regulatory expectations and meeting our business goals. It also includes philanthropic giving to build capacity and capabilities within underserved and vulnerable populations. By partnering with organizations to provide access to capital and community-driven investment, BMO supports financial inclusion at the local level.

The table below provides details of our commitments across the BMO EMpower 2.0 program.

Metrics – Financial inclusion (U.S.)

Community Benefits Plan – Total capital deployed as of October 31, 2024

	Total capital deployed as of October 31, 2024[1]	5-year capital commitment by 2028
Residential mortgage lending to low-to-moderate income borrowers (US$ billions)	$4.9	$7.5
Community development lending and investing (US$ billions)	$4.8	$15.5
Vital community assets and resources for women and minority-owned businesses (US$ billions)	$1.0	$2.0
Small business lending (US$ billions)	$3.2	$16.5
Philanthropic giving (US$ millions)	$53.2	$135

Number of customers receiving complimentary or discounted services – U.S.

	2024	2023	2022
Under 25 (including college students)	**70,988**	68,739	65,216
Non-profit organizations	**19,811**	19,376	19,625

Small business lending – U.S.

	2024	2023	2022
Small business lending – U.S. (US$ billions)[2]	**$2.6**	$2.8	$0.6

[1] Data reflects cumulative total since BMO EMpower 2.0 began on April 1, 2023.
[2] Data for 2022 does not include Bank of the West.

Financial literacy

SASB: FN-CB-240a.4

Who has responsibility

Head of Canadian Business Banking

Head of U.S. Business Banking

Various product groups, such as the Zero Barriers to Business, EMpower 2.0, CRA, Indigenous Banking, Community Impact and BMO for Women

Metrics – Financial literacy

	2024	2023	2022
Participants in financial literacy sessions offered by BMO U.S. (#)[1]	**12,363**	9,321	6,067

[1] Data from 2022 does not include Bank of the West. There was a significant increase in 2023 due to the Bank of the West acquisition.

BMO offers access to educational resources and practical information about banking to help individuals and businesses build their confidence and make more informed financial decisions, while building stronger client relationships. We support financial literacy through the following initiatives:

- We host *Meetings in a Box*, a networking initiative at our U.S. branches that offers financial literacy sessions for business owners, delivering presentations on topics that can help them make better financial decisions.
- 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 feature specialty landing pages on our website with resource hubs that offer relevant articles, digital tools and templates, and educational webinars, videos and podcasts.
- As of May 2023, Canadians can access BMO SmartProgress™, a free, online financial education platform that offers a personalized, on-demand, and interactive learning experience with concise content on important personal finance topics like budgeting, credit management, home ownership, and investing. Available in both English and French, the program also includes curated learning modules for Newcomers to Canada and Indigenous Peoples.
- In the U.S., we offer SmartProgress® a free online financial education tool in English and Spanish. In 2024, we expanded access to all Americans on our website in the Real Financial Progress Hub with organized content specific to goals and financial health factors. We also added new courses with advice and guidance to help consumers navigate uncertain times, consolidate debt, and build emergency savings.
- Through the exclusive and tailored curriculum of *Strictly Money*, BMO for Women and BMO Wealth partnered to provide women investors with the resources and tools to support their financial present and future.
- The Zero Barriers to Business – U.S. program has provided more than 2,500 hours of educational webinars and business literacy workshops supporting 36,000+ business owners in collaboration with organizations such as Illinois Hispanic Chamber of Commerce, Chicago Urban League, Sunshine Enterprises, and Wisconsin Women's Business Initiative Corporation.
- We partner with universities and colleges across Canada to equip students with knowledge essential for financial success. In the U.S., our employees volunteer with Junior Achievement to support their work with students to develop financial skills and literacy in Illinois, Wisconsin, California and 16 other states.

Community impact

Our giving and volunteering efforts help to strengthen the communities where we do business, build relationships with stakeholders and foster an engaged workforce.

Who has responsibility

Chief Marketing and Communications Officer

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

Employee giving and volunteering

Through our annual BMO Employee Giving Campaign, we encourage our employees to donate to causes that are important to them and champion the work of our strategic partner, the United Way. Our employees volunteer their time and knowledge in a variety of ways, including through skills-based projects and non-profit board service, to build stronger communities.

Our employees also volunteer their time and knowledge outside the workplace, participating in a variety of local initiatives in their communities and sharing their talents with non-profit organizations – often in skills-based projects and non-profit board service.

Metrics – Employee giving and volunteering

	2024	2023	2022
Employee volunteer hours[1,2]	**54,000+**	62,000+	47,000+
Amount pledged through employee-driven giving in our annual campaigns ($ millions)[3]	▲ **$39.0**	$36.0	$36.0

▲ LBG Canada has provided limited assurance of this figure.

[1] There was a significant increase in 2023 related to the Bank of the West acquisition.

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

[3] Results for 2023 and 2022 have been restated to be presented in Canadian dollars.

[4] This figure is included in the *Total Community Impact* metric.

[5] Tracking for this metric began in 2024.

Community giving

Our funding aims to support programs and initiatives in the following areas:

- Community and economic resilience: including support for financial literacy, skills development, social services, education, health equity and accessible arts and cultural programming.
- Environmental resilience: including conservation efforts, alternative energy projects in low-income neighbourhoods, public awareness and education campaigns and innovative new research efforts.

In 2024, we engaged LBG Canada to verify our community giving data by applying their globally recognized model for measuring and reporting community giving. With this model, we can benchmark our performance and use the related insights to inform our approach in the future.

Metrics – Community giving

	2024	2023	2022
Donations – Canada and U.S. ($ millions)[4]	▲ **$101.0**	$84.0	$69.3
Value of BMO volunteer hours taken as release time ($ millions)[4,5]	▲ **$0.6**		
Program management costs ($ millions)[4,5]	▲ **$7.0**		
Total Community Impact	▲ **$108.6**	$84.0	$69.3
Community giving by focus area			
Health and social services (includes hospitals and federated appeals)	**31%**	29%	43%
Arts and culture	**14%**	15%	20%
Education	**19%**	22%	19%
Civic/community services and economic development	**20%**	20%	14%
Sustainability[5]	**7%**		
Other	**9%**	14%	4%

Talent and inclusion

Our ability to attract and retain talented and high-performing employees is core to our business. BMO seeks to recruit qualified candidates with a range of perspectives and experiences to serve our customers and further our business objectives in the communities in which we operate.

SASB: FN-AC-330a.1, FN-IB-330a.1

Who has responsibility

Chief Human Resources Officer and Group Head, 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

Employment decisions at BMO are based on skills, knowledge, experience, and merit and are made in compliance with anti-discrimination laws. In seeking to recruit candidates with a variety of perspectives, experiences and backgrounds, we expand our pool of qualified employees who can best serve our customers and support our business objectives.

We provide training for our hiring and people managers and our recruitment partners that is focused on expanding awareness of sourcing, interviewing, hiring and onboarding candidates from a wide range of qualified talent. Our recruitment partners support BMO managers by actively sourcing qualified candidates with a range of experiences and perspectives best positioned to serve our customers and further our business objectives. The performance of managers when making talent decisions is also assessed relative to our talent strategy objectives.

Learning, education and engagement

BMO offers a range of learning programs intended to help our employees reach a greater awareness of the experiences and perspectives of peers and customers, and by sharing strategies that can help them build a more inclusive environment – for their colleagues, customers and communities.

BMO's Employee Resource Group (ERG) program supports an inclusive and welcoming culture by building community across BMO. The program consists of 11 ERGs, each of which is employee-led and aims to help instill a sense of community and inclusion among their members and allies. Each ERG is open to all employees to join.

Our learning programs and ERGs foster a collaborative, inclusive culture contributing to a more engaged workforce and a more innovative business environment.

Fair pay

Our approach to compensation is based on a comprehensive framework that includes: a job evaluation system that objectively measures and compares jobs; salary ranges and incentive targets for employees using third-party compensation data; and workplace policies and procedures that set out clear guidelines for the fair and equitable treatment of employees.

We regularly assess our compensation programs and we communicate regularly with our leaders and managers about the importance of making compensation decisions that are consistent and fair. We complete gender, race and ethnicity-based pay filings for compliance in Canada, both federal and provincial, and in other jurisdictions, as required. We comply with pay transparency and pay reporting requirements, and in Canada, in accordance with the federal *Employment Equity Act*, we provide unadjusted or "raw wage gap" metrics for our federal workforce in compliance with federal requirements measuring demographic representation, comparing overall mean or median enterprise compensation between demographic groups across roles and levels.

Metrics – Workforce composition[1]

	2024	2023	2022
Gender equity across senior leadership roles – enterprise-wide	◆ **41.3%**	42.3%	42.0%
Gender equity across senior leadership roles – Canada and U.S.	**41.4%**	42.3%	42.2%
People of Colour across senior leadership roles – Canada[2]	◆ **26.7%**	25.4%	25.1%
Black employees across senior leadership roles – Canada	**2.3%**	2.4%	1.8%
People of Colour across senior leadership roles – U.S.	◆ **26.1%**	26.6%	26.5%
Black employees across senior leadership roles – U.S.	**7.8%**	7.1%	8.1%
Hispanic/Latino employees across senior leadership roles – U.S.	**3.5%**	4.3%	3.1%
Indigenous Peoples across our workforce – Canada	◆ **1.4%**	1.4%	1.4%
Persons with disabilities across our workforce – Canada and U.S.	◆ **6.3%**	5.6%	5.6%
2SLGBTQ+ representation across our workforce – Canada and U.S.	◆ **6.0%**	5.0%	4.3%

Gender	2024	2023	2022
Across our workforce			
Women	**53.7%**	53.8%	52.9%
Men	**46.3%**	46.2%	47.1%
By seniority			
Women by seniority			
Executive officer	**27.3%**	27.3%	27.3%
Senior leadership	**41.3%**	42.3%	42.0%
Senior management	**36.2%**	35.3%	35.2%
Mid-career	**47.6%**	46.9%	45.9%
Early career	**65.4%**	66.0%	65.2%
Men by seniority			
Executive officer	**72.7%**	72.7%	72.7%
Senior leadership	**58.7%**	57.7%	58.0%
Senior management	**63.8%**	64.7%	64.8%
Mid-career	**52.4%**	53.1%	54.1%
Early career	**34.6%**	34.0%	34.8%

◆ KPMG has provided limited assurance of this figure.

[1] BMO provides opportunities to all employees, regardless of gender, race, ethnicity, disability, sexual orientation, gender identity, religion, marital status and/or age. All employment decisions at BMO are based on skills, knowledge, experience and merit and are made in compliance with anti-discrimination laws.

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

Sustainable finance

We offer products and services that help our clients achieve their own sustainability and risk management objectives. This supports BMO's own risk management activities and opens new market opportunities to create value for our shareholders.

SASB: FN-IB-410a.2, FN-IB-410a.3

Who has responsibility

BMO Operating Groups, BMO's Sustainable Finance teams, Energy Transition and Sustainable Services Group, Carbon Markets team, and the Sustainability Office

In 2024, we established a new Sustainable & Climate Finance Framework, which was developed with reference to international standards and market practices, such as those from the International Capital Markets Association. We are updating our approach to tracking and reporting on sustainable and climate finance activity aligned to this framework. Sustainable finance volumes provided by our Capital Markets group can be found on page 30 (Sustainable finance – BMO Capital Markets).[1]

[1] BMO's sustainable or climate finance activity are distinct from our Climate Ambition and other net-zero objectives as described in this reporting (see Climate Reporting). Sustainable or climate finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

BMO's Sustainable Finance Taxonomy outlines the activities and outcomes eligible for sustainable and/or climate finance reporting, categorized as follows:

- **Sustainable Finance**
  - **Climate Finance**
    - **Environmental**
      - Renewable Energy
      - Nuclear Energy
      - Energy Efficiency
      - Green Buildings & Infrastructure
      - Clean Transportation
      - Sustainable Food & Agriculture
      - Climate Change Adaption
      - Pollution Prevention & Waste Management
      - Sustainable Water & Wastewater Management
      - Circular Economy
      - Sustainable Management of Natural Resources
    - **Transition**
      - Carbon Capture, Utilization & Storage
      - Low-Carbon Intensity Fuels
      - Production Efficiency
  - **Social**
    - Advancement: Women-Owned Business
    - Advancement: Indigenous Peoples
    - Advancement: Diverse Businesses
    - Affordable Housing
    - Services: Healthcare
    - Services: Education & Vocational Training
    - Services: Infrastructure & Services
    - Services: Economic Development & Employment Services

Refer to BMO's Sustainable & Climate Finance Framework for detailed eligibility criteria.

BMO Capital Markets

BMO Capital Markets has established specialized teams with expertise in sustainable and climate advisory and financial strategies that support our largest clients in their business objectives, deepening client relationships and allowing us to fulfill our climate ambition to be our clients' lead partner in the transition to a net-zero world.

- BMO Capital Markets Sustainable Finance team works with clients seeking to integrate sustainability into their strategic planning and financing activity. Leveraging our lending, underwriting, advisory and global markets capabilities, we work with clients to explore solutions to help them achieve their sustainability goals. The team raises capital and provides financing solutions for clients pursuing sustainable outcomes with sustainability-, climate-, social-, and transition-linked bonds, loans and deposit products. The group also assists in supporting clients' climate financing strategies, provides advisory services on client sustainability strategy, disclosure and ratings, and has developed a bespoke supplier financing program that incentivizes suppliers to progress on their sustainability performance.
- BMO's Energy Transition and Sustainable Services (ETSS) group supports clients with investment and corporate banking products and services that help them achieve their decarbonization objectives and pursue energy transition opportunities. The ETSS group offers a broad range of investment banking coverage and products, including subject matter expertise, mergers and acquisitions advisory, equity and debt capital market financing in both public and private markets. It serves clients in the energy, diversified, industrials, food, consumer & retail, metals & mining, real estate and power, utilities & infrastructure sectors.
- BMO acquired Radicle Group Inc. (now BMO Radicle) in December 2022. BMO Radicle's team brings deep technical expertise to provide sustainability solutions for our clients across Canada, the U.S. and Australia. BMO Radicle's key service areas include carbon advisory, carbon credit development services, and carbon credit sales and trading.

Metrics – Capital Markets sustainable financing by transaction type[1,2]

($ billions)	2024
Capital Markets sustainable bond underwriting	◆ **$15.4**
Capital Markets sustainability-linked lending	◆ **$1.6**
Capital Markets sustainable lending	◆ **$1.5**
Capital Markets sustainable equity and debt financing	◆ **$4.1**
Capital Markets sustainable finance mergers and acquisitions advisory services	◆ **$3.2**

In 2021, BMO made a $12 billion commitment to finance affordable housing over a ten-year period in Canada in support of the Canada Mortgage and Housing Corporation's (CMHC) aspiration that all Canadians have a home that they can afford and that meets their needs by 2030. By the end of 2024, we had exceeded this commitment with authorizations of credit and capital raised through securitization for the construction, development, operation, or refurbishment of housing that meets accredited or registered affordable housing definitions[4], or contributes to access for low-to-moderate income individuals, Indigenous Peoples and/or Native American communities exceeding $15 billion.

	2024	2023	2022	Target
Capital directed to affordable and accessible housing ($ billions)[3]	**$15.8**	$7.0	$2.3	$12 billion by 2030

◆ KPMG has provided limited assurance of this figure.

[1] In 2024, we established a new Sustainable & Climate Finance Framework. The framework applies to transactions for the period ended October 31, 2024. Refer to the Framework for information on how we define and measure sustainable and climate finance activity. Previously reported sustainable and climate finance activity applied a different methodology and is not comparable; historical results have not been recalculated. We are updating our internal processes to track and report on enterprise-wide sustainable and climate finance activity aligned to this Framework. In 2024, we are reporting data related to Capital Markets activity only.

[2] BMO's sustainable or climate finance activity is distinct from our Climate Ambition and other net-zero objectives as described in this reporting (see Climate Reporting). Sustainable or climate finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

[3] Results for 2022 and 2023 have been restated due to a change in the methodology used to account for lending for housing in Indigenous communities under the On-Reserve Housing Loan Program. Consistent with our 2024 Sustainable & Climate Finance Framework, we account for the value of net new authorizations in the period.

[4] Accredited or registered definitions includes those within the jurisdiction in which the housing is built, including through programs such as the Investment in Affordable Housing initiative of the Canadian Mortgage and Housing Corporation or provincial equivalents.

North American Commercial Banking

BMO established a new Commercial Bank Sustainable Finance and Clean Energy team in our North American Commercial Bank (NACB) in 2024. This team supports diverse clients with sector-specific offerings and focuses on providing financing solutions for economically viable technologies, activities and processes that help our clients achieve their decarbonization goals.

Wealth Management

Our Wealth Management Operating group develops sustainable investment solutions and helps sales channel representatives sell them to suitable clients. We provide investors with solutions that seek to achieve appropriate objectives, such as long-term capital appreciation aligned with their sustainability goals.

Personal and Business Banking

BMO's Personal and Business Bank provides individuals and small business customers with solutions that support their sustainability goals. These include financing options for eco-friendly home retrofits and new energy-efficient homes, as well as sustainability-linked investment products in Canada, and financing options for sustainable business initiatives in Canada and the United States.

Responsible investing

We may consider sustainability factors, alongside other factors, as relevant, to limit exposure to ESG risks in our investments over the long term.

SASB: FN-AC-410a.2, FN-AC-410a.3

Who has responsibility

Investment Committee at BMO Global Asset Management (BMO GAM), chaired by its Chief Investment Officer

Investment Management Committee at BMO Private Investment Counsel Inc. and Managed Assets Investment Committee at BMO Nesbitt Burns Inc., each chaired by their Head of Investment Manager Research

Personal Asset Management Committee at BMO Bank N.A., chaired by its Head of Investments, North America

Investment Committee at BMO Family Office, LCC, chaired by its Chief Investment Strategist

Investment Committee at Stoker Ostler Wealth Advisors, Inc., chaired by its Chief Investment Officer

BMO Global Asset Management

To create financial value and mitigate financial risk, BMO GAM implements a responsible investing approach that includes ESG integration, responsible investment products and solutions, engagement and proxy voting.

ESG integration

Investment teams at BMO GAM may consider ESG-related factors, alongside other financial 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-related factors separately for each investment strategy and asset class for 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.

Responsible investment products and solutions

To meet our clients' investment needs, BMO GAM offers 13 investment funds in Canada whose investment objectives reference ESG factors, as of October 31, 2024. These funds must adhere to specific responsible investing guidelines and ESG factors are a significant component of the investment decision-making process. These solutions utilize responsible investing practices or specific ESG factors as their main investment objectives. In addition, certain of our funds may employ one or more responsible investment strategies such as integration and evaluation, and engagement and stewardship. While ESG factors may be considered by these funds, such factors play a limited role in the investment process.

Engagement

We may engage with the management and directors of companies in which BMO GAM invests. Our objective is to better understand and discuss each company's management of ESG risks and opportunities.

Proxy voting

As an institutional investor, proxy voting is an important responsibility for us. Our voting guidelines promote good governance and responsible management of ESG matters, consistent with our fiduciary and regulatory responsibilities. We may engage with companies, before and after voting, to clarify our expectations and explain our voting decisions.

BMO Private Wealth Canada

BMO Private Wealth Canada offers a range of investment products and services for clients who seek responsible investing. Across our managed assets programs, we consider ESG criteria alongside other relevant factors in our selection and oversight of approved and recommended investment products.

Certain managed assets programs use guidelines that promote good governance and responsible management of ESG matters in relation to proxy voting of investee companies held in participating accounts.

BMO Private Wealth U.S.

BMO Private Wealth U.S. provides discretionary investment management for individuals and families across the wealth spectrum. Through our open architecture platform, we offer investment management strategies for clients who seek responsible investing.

For those BMO Private Wealth U.S. entities that vote proxies on behalf of their clients, proxy voting is in accordance with guidelines that promote good governance and responsible management of ESG matters.

CLIMATE REPORTING

Our climate reporting provides disclosures on our approach to climate-related risk and opportunity management in line with *OSFI Guideline B-15: Climate Risk Management, Chapter 2 Climate-related financial disclosures* (OSFI B-15) and other climate-related disclosure frameworks as applicable.

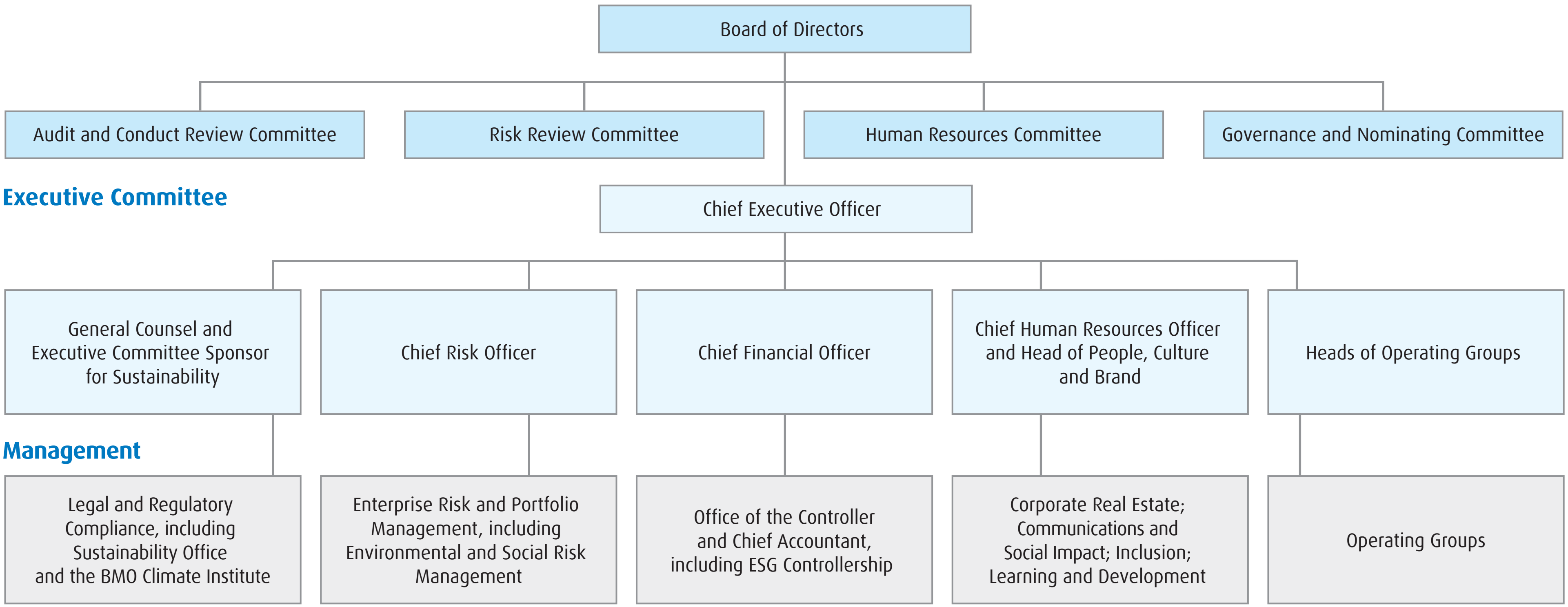
Governance

We have embedded climate-related risks and opportunities into our governance structure and enhanced our governance of climate risk and opportunity management in 2024 to improve performance and accountability at all levels of the bank.

This section outlines climate-related governance and oversight roles at the board, executive and management levels. Our governance structure is described in more detail in the 2025 Management Proxy Circular.

Climate-related governance structure

Board and board committees



Management committees and forums

ESG Executive Committee
Sustainability Council
Disclosure Committee
Risk Management Committee
Reputation Risk Management Committee
Enterprise Regulatory Committee

BMO Global Asset Management (BMO GAM) Investment Committee
E&S Risk Committee
Climate Finance Enterprise Coordination Group
North American Commercial Banking Climate Steering Committee
Personal and Business Banking Climate Council
Sustainable Bonds Working Group

Sustainability- and Climate-related Financial Disclosure Working Group
Enterprise Sustainability and Supplier Inclusion Council
Climate and Sustainability Thought Leadership Forum
Climate Transverse Risk Working Group

Board oversight

The standing committees of our board have responsibility for the oversight of climate change risks and opportunities that fall within their purview. The full board meets with our Executive Committee (which includes all of BMO's executive officers) during the annual board strategy session which includes discussion regarding sustainability and climate strategy. The board also reviews our Sustainability and Climate Reporting. Climate-related matters and climate considerations are integrated into quarterly operating group reporting to the board.

When recruiting and evaluating directors, recognizing the business opportunities and risks arising from sustainability practices, the board considers sustainability-related skills and experience alongside other criteria. Nine of our twelve current independent directors have such experience. Our board includes directors who have demonstrated experience in climate change issues and they are represented on each standing committee. Board members, including members of subsidiary boards, are provided with ongoing training, including ongoing substantive educational materials on sustainability-related matters and updates on climate-related topics. More information about our directors' skills and experience and ongoing education can be found in our current Management Proxy Circular.

Board oversight of climate-related topics

Governance body	Climate-related agenda frequency	Role in climate governance	Climate-related topics discussed in 2024 and related training
Board of Directors	At least annually Four times in 2024	Oversees strategic planning process and annually approves a strategic plan that considers climate-related risks and opportunities, consistent with oversight obligations.	The following climate-related matters were discussed at board meetings: • Major Donations report on giving areas such as environmental protection, climate change and justice. • Statement of Corporate Governance Practices, which outlines BMO's board and corporate governance practices, and how they are integral to our performance and long-term sustainability. • Enterprise strategic priority updates on BMO's Climate Ambition. • Shareholder proposals related to climate change. • Risk Appetite Framework, which includes Environmental & Social Risk key risk metrics and Qualitative Statement. The following training opportunities were provided to the board: • BMO Sustainability Leaders Podcast (monthly).

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Governance body	Climate-related agenda frequency	Role in climate governance	Climate-related topics discussed in 2024 and related training
Audit and Conduct Review Committee (ACRC)	At least twice annually Four times in 2024	Approves Sustainability and Climate Reporting. Assesses the effectiveness of the bank's governance of sustainability matters, including climate change. Together with management and the shareholders' auditors, reviews enterprise sustainability disclosures included in financial reporting. Oversees internal controls on sustainability reporting and any external assurances and attestations regarding reported sustainability metrics. Jointly with the RRC, reviews climate-related targets and Transition Action Plan.	The following climate-related matters were discussed at ACRC meetings: • Approval of sustainability and climate reporting. • Environmental and social risk, including climate change. • Corporate Audit's strategy and coverage. • Regulatory developments, including OSFI's B-15 Guideline on Climate Risk Management. The following training opportunities were provided to the ACRC: • Sustainability Update, Global Highlights curated by BMO's Sustainability Office (quarterly).
Risk Review Committee (RRC)	At least annually Two times in 2024	Oversees the identification, assessment and management of the bank's exposure to environmental and social risks, including risks due to climate change, for adherence to risk management corporate policies, and compliance with risk-related regulatory requirements. Approves the Environmental and Social Risk Corporate Policy. Reviews and recommends to the board for approval the Enterprise Risk Appetite Statement, which includes the Environmental and Social Risk Appetite Statement. Reviews revisions to the Risk Appetite Framework, including a qualitative statement and key risk metric referencing climate change beginning in 2020 and reviewed annually thereafter. Jointly with the ACRC, reviews climate-related targets and Transition Action Plan. Collaborates as needed with the chairs of other committees of the board on subjects that span committee responsibilities, such as climate change and strategic risks.	The following climate-related matters were discussed at meetings of the RRC: • Review of the enterprise risk report on emerging events and scenarios, including risks due to climate change. • Updates on environmental and social risk, including climate risk. • Annual approval of the Risk Appetite Framework, and an update four times a year on the Risk Appetite Key Risk Metric Dashboard, both of which contain climate risk information.

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Governance body	Climate-related agenda frequency	Role in climate governance	Climate-related topics discussed in 2024 and related training
Human Resources Committee (HRC)	At least once annually Three times in 2024	Aligns executive compensation with performance, specifically performance on our strategic objectives, including sustainability and climate change.	The following climate-related matters were discussed at meetings of the HRC: • Review of executive incentive funding, which is influenced by our strategic objectives, including sustainability and climate change. • Review of the 2025 Proxy Circular Compensation Discussion & Analysis section, which incorporates a narrative on sustainability considerations that affect executive pay outcomes.
Governance and Nominating Committee (GNC)	Ad hoc Three times in 2024	Reviews the board and committee charters regularly to assess the alignment of their responsibilities for overseeing sustainability issues with their respective mandates. Reviews disclosure in the bank's Management Proxy Circular describing corporate governance practices, including the roles of the board and committees related to strategy and climate change.	The following climate-related matters were discussed at meetings of the GNC: • Shareholder proposals related to climate change. • Shareholder engagement discussions on climate change. • Significant changes in governance rules and regulations related to climate disclosures, proposals and litigation.

Management's role

Our Climate Ambition is a strategic priority and part of the bank's corporate strategy. Led by the CEO, our Executive Committee members and their respective teams are responsible for strategically integrating climate risk and business opportunity considerations into their lines of business, corporate functions and geographic segments. As the Executive Committee Sponsor for Sustainability and Chair, BMO Climate Institute, the General Counsel has accountability for the bank's sustainability and climate change programs.

The ESG Executive Committee, composed of Executive Committee members and chaired by the General Counsel, provides oversight of our sustainability strategy and Climate Ambition, advancement of commercial strategy goals, enhancement of capabilities and internal and external engagement on the topic of climate. This committee provides enterprise coordination that links our climate expertise, risk evaluations and commercialization strategy, enabling our agile and market-responsive approach to risks and opportunities. The Chief Sustainability Officer serves as the Secretary of the ESG Executive Committee, and the BMO Climate Institute is a key internal resource for our climate initiatives.

Executive compensation

Sustainability is integrated into BMO's executive compensation design, as part of the integration of strategic business and risk management considerations. Twenty-five percent of executive variable pay funding is tied to the achievement of our strategic objectives, which align to strategic priorities, including our Climate Ambition. Variable pay awards for individual executives are also based on achievement against their annual goals, including any individual goals related to sustainability. See pages 60-61 of our 2025 Management Proxy Circular to read about our performance against strategic objectives for 2024.

We plan to continue to refine the link between our Climate Ambition and executive compensation, as appropriate, based on business and risk management needs.

Management oversight of climate-related risks and opportunities

Function	Executive Committee member and team	Role in climate governance
Enterprise	Chief Executive Officer	Chairs the bank's Executive Committee, is a director of Bank of Montreal, and Chair of the Board of BMO Financial Corp., our U.S. subsidiary. The CEO is responsible for approving climate-related targets and transition planning based on advice from the ESG Executive Committee.
Sustainability	General Counsel and Executive Committee Sponsor for Sustainability	BMO's General Counsel reports directly to the CEO and oversees the bank's sustainability strategy. Acts as the second line of defence on the transverse impact of environmental and social (E&S) risk on legal and regulatory risk and reputation risk. Chairs the ESG Executive Committee. Co-sponsors the E&S Risk Corporate Policy.
	Chief Sustainability Officer	BMO's Chief Sustainability Officer reports to the General Counsel and leads the Sustainability Office, which includes the BMO Climate Institute. Supports the General Counsel's mandate and leads the development of sustainability strategies, enterprise-wide initiatives on environmental and social risks, sustainability-related disclosures and operational decarbonization strategy. Supports Finance with investor relations activities that focus on sustainability, and supports our Treasury and Operating Groups in their approach to sustainable finance.

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Function	Executive Committee member and team	Role in climate governance
Risk	Chief Risk Officer	Provides leadership, independent review and oversight of enterprise-wide risks, develops and maintains the Enterprise Risk Management Framework (ERMF) and fosters a strong risk culture. Reports directly to the CEO, chairs the Risk Management Committee, is a member of the ESG Executive Committee and the E&S Risk Committee and reports to the board's Risk Review Committee on E&S risk matters, including climate change. Acts as the second line of defence on the transverse impact of E&S risk, including climate risk on credit and counterparty risk, market risk, liquidity and funding risk, insurance risk and operational non-financial risk, and oversees risk appetite in the context of these risk types. Co-sponsors the E&S Risk Corporate Policy.
	Head of Environmental and Social Risk Management	Guides the first and second lines of defence regarding the E&S Risk Management Framework (including the Climate Risk Management Framework), to support sound risk management of climate risk, as well as legal and regulatory requirements and expectations for sound climate risk management. Works with stakeholders across the bank to incorporate E&S risk (including climate risk) into the ERMF and integrate it into the Risk Management Lifecycle.
Finance	Chief Financial Officer (CFO)	Jointly responsible for the enterprise's disclosure controls and procedures and chairs the Disclosure Committee. Reports directly to the CEO, and provides the board's Audit and Conduct Review Committee with fiscal year-end evaluation of the disclosure controls and procedures for financial reporting. Reviews sustainability and climate reporting. Serves as a member of the ESG Executive Committee.
	ESG Controllership	Designs and develops the governance and internal control framework for sustainability reporting, including climate.
People, Culture and Brand	Chief Human Resources Officer and Head of People, Culture and Brand	Leads enterprise transformation and drives strategic direction, including climate strategy. Meets and incorporates management, legal or regulatory requirements on environmental and social risk regarding executive compensation. Responsible for E&S risk in the context of our Corporate Real Estate.
Business	Heads of Operating Groups	Heads of BMO Capital Markets, BMO Wealth Management and Personal and Commercial Banking lead strategies to capture business growth opportunities, including climate finance.[1]

[1] Climate Finance is a sub-set of Sustainable Finance and refers to outcomes linked to climate-related decarbonization or resilience outcomes for clients. For more details on how we define climate finance see our Sustainable & Climate Finance Framework.

Management committees and forums oversee and support an enterprise-wide approach to climate-related governance.

Management committees with a role in climate governance

Forums and committees	Chair	Composition	Climate-related agenda frequency	Role in climate governance
ESG Executive Committee	General Counsel	CEO, CFO, Chief Risk Officer and Group Head of BMO Capital Markets, Group Head of Commercial Bank North America	At least quarterly	Provides enterprise coordination and oversight.
Sustainability Council	Chief Sustainability Officer	Senior leaders from lines of business and Corporate Services	Quarterly	A forum for dialogue on sustainability efforts, including our Climate Ambition.
Disclosure Committee	CFO	Senior management	Annually	Annually reviews sustainability and climate reporting.
Risk Management Committee	Chief Risk Officer	CEO, CFO, General Counsel, Chief Human Resources Officer and Head of People, Culture and Brand, Chief Technology & Operations Officer, Head of Enterprise Risk, operating group Chief Risk Officers, and operating group heads	At least quarterly	Reviews the Enterprise Risk Appetite Statement on E&S risks, and key metrics on carbon-related asset exposures. Receives updates on E&S risk, including those arising from climate risk.
Reputation Risk Management Committee	General Counsel	CFO, Chief Risk Officer and operating group heads	As needed	Reviews reputational risk, including as related to climate.
Enterprise Regulatory Committee	General Counsel and Chief Risk Officer	Senior management	Quarterly, or as needed	Supports the regulatory management and keeps senior leaders informed of key regulatory matters, including those related to climate change.
BMO GAM Investment Committee	Chief Investment Officer	BMO GAM Investment Committee's Responsible Investment Working Group (RIWG) members include the Chief Investment Officer, each investment desk head, Head of Alternatives and Head of Product	Annual	BMO GAM's Investment Committee's RIWG supports, approves and oversees the adoption and application of BMO GAM's responsible investment activities, including its policies, approaches and statements, for alignment with the best interests of BMO GAM's clients.
E&S Risk Committee	Head, Enterprise Risk and Chief Sustainability Officer	Comprised of senior leaders from within ERPM and LRC	Monthly	Oversees the ERPM Climate Risk Program execution, providing strategic direction and resources, advocating for the program, approving recommendations and issuing resolutions.
Climate Finance Enterprise Coordination Group	Chief Sustainability Officer and Head, Strategic Initiatives	Decision-makers with input to climate commercial strategies across Capital Markets, Commercial Banking, Personal & Business Banking, Finance, Strategy, and Sustainability	Monthly	Coordinates climate finance and commercialization matters.

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Forums and committees	Chair	Composition	Climate-related agenda frequency	Role in climate governance
North American Commercial Banking Climate Steering Committee	Chief Operating Officer, North American Commercial Bank	Commercial Banking Sustainable Finance team, leaders of climate workstreams in the Commercial Bank, and select cross-bank climate leads, including the Chief Sustainability Officer	Quarterly	Mobilizes climate workstreams within the Commercial Bank and develops climate products and services in response to market demand.
Personal and Business Banking Climate Council	Chief Operating Officer, North American Personal and Business Bank (NA P&BB)	Leaders of climate workstreams in the Personal and Business Bank as well as key partners across the bank, including the Chief Sustainability Officer, Head of the BMO Climate Institute, Head of NA P&BB Marketing, Head of Learning and Development for Canadian P&BB, and Head of Alternative and ESG Investing	Quarterly	Identifies cross-group climate commercialization opportunities, shares ideas to advance climate workstreams, prioritizes and monitors progress on climate initiatives, and presents a clear NA P&BB narrative on climate for internal and external reporting.

Additional committees, forums and working groups are established as needed to align or improve our management of climate-related risks and opportunities. In 2024, these groups focused on topics such as climate-related financial disclosure, climate and social impact, climate transverse risk, data and analytics technology infrastructure, climate thought leadership and climate finance.

Strategy

We consider climate risks and opportunities in our strategy and business model, building on our strengths and capabilities as we strive to be our clients' lead partner in the transition to a net-zero world.[1]

[1] The terms net zero, net-zero economy, and net-zero world refer to a state in which anthropogenic emissions of GHGs to the atmosphere are balanced by anthropogenic removals over a specified period (Source: Intergovernmental Panel on Climate Change). Terms such as net-zero scenarios and net-zero targets indicate those that align with net-zero outcomes.

Our climate Transition Action Plan

Consistent with regulatory guidance from OSFI, we have developed a Transition Action Plan that describes our strategy and approach to manage risks and capture opportunities in the transition to a lower GHG economy.[1] Action takes place across our entire value chain including our upstream supply chain, our own operations and our downstream financing activity.

Our Transition Action Plan outlines the enterprise-wide and sector-specific steps we are taking to manage physical and transition climate risks and capture opportunities in the transition to a lower GHG economy, as well as the metrics and targets we use to track our progress. The Transition Action Plan is informed by regulatory and voluntary frameworks and standards on transition planning and disclosure expectations, such as OSFI Guideline B-15, the Canadian Sustainability Standards Board's Climate-related Disclosures Standard (CSDS 2), and the Glasgow Financial Alliance for Net Zero *Recommendations and Guidance on Financial Institution Net-Zero Transition Plans*.

Our Transition Action Plan is developed by the Sustainability Office under direction of the General Counsel, in partnership with key stakeholders across Operating Groups and Corporate Areas. Pursuant to the bank's Board Approvals and Oversight Guidelines, the Transition Action Plan is approved by the CEO, based on recommendation from the ESG Executive Committee, and is jointly reviewed by the Board of Directors' Audit and Conduct Review Committee and Risk Review Committee.

Our first Transition Action Plan was developed in 2022 and was outlined in our 2022 and 2023 Climate Reports. We have updated it to reflect new frameworks and regulatory requirements, as well as emerging industry practice. The Transition Action Plan is expected to continue to evolve to incorporate updates to our strategies, tactics, metrics and targets as we achieve current objectives and assess new market developments, and as data quality improves.

Our Transition Action Plan is an internal document. A summary is provided in this report.

Summary of our climate Transition Action Plan

Governance

Board oversight, Executive oversight, Management action, Management forums and committees (pages 37-43)

Actions

Implementation strategy

- Supporting clients to achieve their decarbonization goals through enterprise-wide (pages 51-54) and sector-specific actions (pages 55-61)
- Managing climate impacts of our own operations (page 50)
- Managing climate impacts of our upstream value chain (page 49)
- Managing impacts of physical and transition risk on our business (pages 68-72)

Strategic enablers to advance our Climate Ambition

- Investing in people and capabilities (page 63)
- Deploying capabilities to support clients (page 62)
- Evolving our climate data sources and tracking capabilities (page 63)

Metrics and targets (pages 75-90)

Examples of next steps to advance our Transition Action Plan include advancing our operational decarbonization strategy; maturing our Scope 3 calculations and reporting; enhancing tracking of financing activity aligned with our Sustainable & Climate Finance Framework; continuing to mature our commercial program to support clients and to support our workforce with relevant training; and strengthening connections between risk management and commercial programs.

Our Transition Action Plan has identified several metrics to track progress on our commercial strategy across priority sectors. We are advancing work to determine which metrics are best included in future disclosures.

[1] A lower GHG economy is the stated outcome, from policy makers, of the energy transition.

Climate-related risks and opportunities

Following sound risk management practices, and consistent with regulatory expectations, we consider the potential risks and opportunities associated with physical risks from climate change and the risks associated with the transition towards a lower GHG economy. Our governance committees and coordination forums meet regularly to discuss an enterprise-wide view of climate risk and opportunity identification and prioritization. Activities across the bank that support the identification, prioritization, and management of climate-related opportunities include: employee training; evaluating and responding to market demand for climate finance; regularly updating our enterprise climate commercialization strategy; and advancing client-focused engagement and commercial opportunities.

We evaluate how these factors may impact the business environment, our clients, portfolio, and our operations over the short, medium and long term time horizons and over different future scenarios. A summary of this evaluation is in the table below, and has been developed based on the TCFD's categorization of opportunities and risks and is consistent with OSFI B-15 expectations. Our assessments have not identified any significant impacts of climate risks or opportunity on our financial position during the reporting period and the possible impacts in the future over the short, medium and long term will depend greatly on the unknown evolution of climate, policy, technology and consumer preferences coupled with the dynamics of the resilient response of the banking sector to the changing world. We have positioned the bank to manage this evolving world to take advantage of emerging opportunities and mitigate the risks. We will continue to assess the effect of climate risks and opportunities on our business model and financial performance. Our strategy and resourcing will continue to evolve to manage risks and realize opportunities within our risk appetite and aligned with legal requirements and regulatory expectations in the jurisdictions where we operate.

Climate-related risks and opportunities

	Potential impact to operations and/or portfolio	Qualitative Assessment: 1.5°C warming in 2050	Qualitative Assessment: 3.0°C warming in 2050	Time Horizon[1] S	M	L	Action/Response
Opportunity							
Resource efficiency	• Reduced operating costs • Reduced exposure to emission pricing	Moderate potential impact	Lower potential impact	●	●	●	• Managing GHG emissions from our own operations (page 50) • Working with our suppliers to manage GHG emissions in our supply chain (page 49)
Energy source		Higher potential impact	Moderate potential impact	●	●	●	
Products and services	• Increased revenue streams from demand for climate finance and climate adaptation solutions	Higher potential impact	Moderate potential impact	●	●	●	• Refreshed our climate strategy in 2024 in response to market signals (pages 51-54) • Updated our Transition Action Plan (page 45) • Investing in bank-wide enablers that support implementation of our climate strategy (pages 62-63) • Integrating unique capabilities and offerings from BMO Radicle to support clients (page 62) • Raising awareness of climate solutions, strategies, and technologies through evidence-based research and thought leadership to communicate the business case for GHG emission reductions (page 62)

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Assessment Higher potential impact | Moderate potential impact | Lower potential impact

[1] Short term (S) covers the first five years, medium term (M) the following ten years, and the long term (L) runs for the remainder of the scenario horizon (about ten years). While broadly aligned, the time horizon used in our assessment of climate-related risks and opportunities may be slightly different than those defined in our Risk Taxonomy, reflecting considerations related to the nature and limitations of tools and practices applied in climate scenario analysis.

	Potential impact to operations and/or portfolio	Qualitative Assessment: 1.5°C warming in 2050	Qualitative Assessment: 3.0°C warming in 2050	Time Horizon[1]: S	M	L	Action/Response
Opportunity, continued							
Markets	• Increased diversification opportunity • Opportunity for innovative public-private partnerships	Higher potential impact	Lower potential impact	●	●	●	• Building expertise, products, and services in Sustainable Finance, Energy Transition and Sustainable Services and BMO Radicle teams in BMO Capital Markets (pages 51-54) • Established a Sustainable Banking and Clean Energy team in BMO Commercial Bank (page 53)
Resilience	• Increased revenue through new products and services related to resilience solutions • Increased supply chain reliability, operational resilience	Moderate potential impact	Higher potential impact	●	●	●	• Launched Greener Future Financing program to support businesses with resilience financing (page 61) • Working with our suppliers to understand their climate strategies (page 49)
Transition Risk							
Policy and Legal Risk	• Increased operating costs (e.g., compliance costs, carbon pricing)	Moderate potential impact	Moderate potential impact	●	●	●	• Updating existing, and establishing new, internal policies, directives and standards to manage risks (page 66) • Regularly evaluate and refresh our climate strategy in light of shifting market preferences, regulations and policies (pages 51-54)
Technology Risk	• New technologies resulting in shifting market demand for goods and services • Costs to adopt and deploy new practices or processes	Moderate potential impact	Lower potential impact	●	●	●	• Enhancing climate data and analytics (page 63) • Established clean technology expertise throughout the bank (pages 51-54)
Market Risk	• Shifting consumer demand or regulations resulting in changing revenue mix and/or asset valuation of clients' collateral	Moderate potential impact	Moderate potential impact	●			• Responding to market changes, climate-sensitive products, and hedging opportunities (pages 51-54) • Using climate scenario analysis to assess transition risk and integrate results into our assessment of market and liquidity risks (pages 72-73) • Assessing the impact of transition risk on our Internal Capital Adequacy Assessment Process (pages 72-73)
Reputation Risk	• Perceived misalignment of our activities with stated policy objectives of the jurisdictions where we operate	Moderate potential impact	Lower potential impact	●	●	●	• Monitoring climate transition risk metrics (pages 89-90) • Conducting enhanced due diligence of transactions with clients that operate in heightened environmentally sensitive industries and escalating to Reputation Risk Management Committee as needed (page 74)

(continued on next page)

Assessment ● Higher potential impact ● Moderate potential impact ● Lower potential impact

[1] Short term (S) covers the first five years, medium term (M) the following ten years, and the long term (L) runs for the remainder of the scenario horizon (about ten years). While broadly aligned, the time horizon used in our assessment of climate-related risks and opportunities may be slightly different than those defined in our Risk Taxonomy, reflecting considerations related to the nature and limitations of tools and practices applied in climate scenario analysis.

	Potential impact to operations and/or portfolio	Qualitative Assessment		Time Horizon[1]			Action/Response
		1.5°C warming in 2050	3.0°C warming in 2050	S	M	L	
Physical Risk							
Acute Risk	• Collateral damage, counterparty losses, cashflow volatility, increased operating expenses, increased insurance premiums			●	●	●	• Monitoring climate physical risk concentration and exposure metrics (pages 89-90) • Performing scenario analysis (pages 72-73) and integrating results into our existing assessments of all material Tier 1 risks[2] (pages 69-71) • Assessing the impact of physical risk on our Internal Capital Adequacy Assessment Process (pages 72-73) • Business continuity planning related to the impact of physical climate risks (page 70) • Procuring insurance to protect from financial loss associated with physical climate risk that may affect our real estate assets (page 70)
Chronic Risk						●	

Assessment ● Higher potential impact ● Moderate potential impact ● Lower potential impact

The impact assessment summarized above indicates relative potential risks and opportunities based on our analysis of our operations and portfolio, including loans, market risk exposures, and products and services. The assessment is based on judgment derived from climate scenario analyses performed to date, identification of potential transverse impacts of physical and transition risks in our Risk Taxonomy, regulatory guidance, and industry practices. The assessments are based on potential outcomes consistent with scenario narratives, with a cone of uncertainty that widens over time. The assessments are not forecasts or guarantees of what will happen.

[1] Short term (S) covers the first five years, medium term (M) the following ten years, and the long term (L) runs for the remainder of the scenario horizon (about ten years). While broadly aligned, the time horizon used in our assessment of climate-related risks and opportunities may be slightly different than those defined in our Risk Taxonomy, reflecting considerations related to the nature and limitations of tools and practices applied in climate scenario analysis.

[2] Tier 1 risks include credit and counterparty risk, market risk, liquidity and funding risk, and operational non-financial risk.

Our approach

We are actively managing our business through the energy transition[1] across our value chain using enterprise-wide and sector-specific actions.

Our value chain approach to advancing our climate strategy

Upstream	Our operations	Downstream
Support positive environmental and social outcomes in our supply chain and reduce the GHG emissions associated with our purchasing programs through the advancement of our Sustainable Procurement program.	Reduce GHG emissions in our own operations over time in a cost-effective way and implement a credible carbon offsetting approach.	We are mobilizing across the bank to be our clients' lead partner in the transition to a net-zero world by offering a range of products and services that clients can use to advance their decarbonization objectives.

While the impacts of climate-related risks and opportunities have been assessed to have no financially material impact across our value chain in the reporting period, we recognize that, as a financial institution, the greatest concentration of climate-related risks and opportunities are expected to be in our downstream value chain. This section describes our actions to identify, prioritize, and manage risks and pursue opportunities across our value chain in alignment with OSFI regulatory requirements and in line with our risk appetite.

Managing GHG emissions in our supply chain

We assess our suppliers' environmental and social responsibility practices when selecting the companies we purchase from. Our procurement team works with our Sustainability Office to identify and monitor exposures to environmental and social risk in our supply chain. Our Sustainable Procurement strategy is focused on:

- Engaging with suppliers on their GHG emission-reduction strategies and building capacity to reduce their GHG emissions.
- Promoting employee awareness of opportunities for resource efficiency associated with select internal programs, which can result in behaviour changes that reduce GHG emissions within our supply chain.

[1] The energy transition refers to the shift in energy mixes from sources that emit GHGs to sources that minimize GHG emissions. Energy transition activities, products, services, financing and expertise refer to those that support people and businesses to advance the energy transition.

Managing GHG emissions from our own operations

We are taking action to reduce GHG emissions in our own operations and to help stimulate the market for renewable energy and clean technologies.

Our Corporate Real Estate team implements an operational efficiency program that seeks to reduce GHG emissions in a way that makes economic sense and, where possible, reduces operational costs over time. In the period from 2020 to 2023, reductions relative to our 2019 baseline either met or came close to our target to reduce Scope 1 and 2 GHG emissions by 30% by 2030[1] as a result of investing over $40 million in energy reduction initiatives, such as LED upgrades, Smart Retail Controls and rooftop unit replacements.

Our operational efficiency program is driven by the following three strategies:

Strategy	
1) Reduce operational GHG emissions	Our Corporate Real Estate team implements its Global Energy Management Playbook with the aim of reducing energy use and GHG emissions. We focus on operational efficiency improvements and capital building upgrades that lead to decarbonization. We have analyzed energy use and GHG emissions performance of our sites and have taken action across our real estate portfolio to reduce GHG emissions at our data centres and in our retail branch network. Our operational decarbonization roadmap incorporates cooling technology improvements in our data centres, LED retrofit programs and HVAC system improvements in our retail branches, and initiatives to reduce natural gas consumption through fuel switching in regions where the carbon intensity of the electricity grid is low.
2) Neutralize Scope 2 GHG emissions from electricity	In 2025, we purchased unbundled Renewable Energy Certificates (RECs) or local equivalents sourced from regions in which we operate in volumes matching 100% of global electricity consumption for the reporting period August 1, 2023 to July 31, 2024. As a purchaser of RECs, we help stimulate the market for the technologies that could support decarbonization.
3) Offset GHG emissions for Scope 1, market-based Scope 2, and Scope 3 (category 6 – business travel)	In 2025, we purchased and retired carbon credits to offset our Scope 1 and Scope 2 market-based GHG emissions and Scope 3 GHG emissions resulting from our employees' activities (category 6 – business travel) for the reporting period August 1, 2023 to July 31, 2024. We have developed a diversified offset portfolio that includes an agreement to pre-purchase 1,000 tonnes of Direct Air Capture removals from Carbon Engineering, and a five-year commitment to purchase CarbonCure mineralization removal offsets. We disclose the projects from which we purchase voluntary carbon offsets pursuant to the *California Voluntary Carbon Market Disclosures Act*, Section 1. 44475.1 on our website.

[1] See the Glossary for definitions of emission scopes.

Client partnership and commercialization

We support our clients' energy transition journeys by offering a range of products and services they can use to advance their decarbonization objectives.

Our climate commercial strategy is coordinated across Operating Groups, with oversight by the ESG Executive Committee, support from the BMO Climate Institute, and implementation through the Climate Finance Enterprise Coordination Group. Our lines of business and Operating Groups are partnering with clients to achieve their decarbonization objectives by responding to client demand for financing solutions that help clients implement economically viable technologies and processes to reduce GHG emissions, and that fall within the bank's risk appetite.

Key activities to be our clients' lead partner in the transition to a net-zero world:

Products and services

Leverage existing offerings and develop new products and services that support clients in reducing their GHG emissions, including transition-related education and advice on decarbonization.

Knowledge and capabilities

Develop energy transition-related expertise and capabilities to advise clients in high-emitting sectors (e.g., real estate, food/agriculture, transportation, clean energy, manufacturing).

Advisory capabilities

Leverage BMO Radicle's capabilities in carbon credit development, GHG emissions measurement and the environmental commodity market.

Mobilizing our workforce

Deploying customized training, support models and centres of climate expertise to mobilize teams in pursuing climate-related commercial opportunities.

Climate finance

In 2024, we established a new Sustainable & Climate Finance Framework and we are updating our approach to tracking and reporting on climate finance activities aligned to this framework. Once our new tracking approach has been established, we plan to continue to disclose enterprise-wide climate financing volumes, and we may evaluate new targets for climate finance. Climate finance volumes provided by our Capital Markets group can be found on page 53 (Climate Reporting – Strategy).[1]

Our Sustainable & Climate Finance Taxonomy outlines the activities and outcomes eligible for sustainable and/or climate finance reporting, which includes:

Climate Finance	Environmental	Renewable Energy
		Nuclear Energy
		Energy Efficiency
		Green Buildings & Infrastructure
		Clean Transportation
		Sustainable Food & Agriculture
		Climate Change Adaption
		Pollution Prevention & Waste Management
		Sustainable Water & Wastewater Management
		Circular Economy
		Sustainable Management of Natural Resources
	Transition	Carbon Capture, Utilization & Storage
		Low-Carbon Intensity Fuels
		Production Efficiency

Refer to our Sustainable & Climate Finance Framework for detailed eligibility criteria.

BMO Capital Markets

Our Capital Markets group has set up specialized teams with expertise in sustainable and climate advisory to conduct deals that help our clients achieve their decarbonization goals (see Sustainable Finance section).

Our Capital Markets Sustainable Finance team supports clients with products and services, including:

- **Debt Capital Markets:** End-to-end support including structuring the financing framework to align with market principles and practices, navigating the Second Party Opinion (SPO) process, and providing post-execution support, such as guidance on asset allocation and impact reporting.
- **Loans:** Supporting clients in developing a use-of-proceeds framework or a sustainability linkage framework as well as documentation drafting and post-closure support.
- **Global Markets:** Derivative instruments for which achieving sustainability KPIs triggers an adjustment of the derivative price, either via the credit charges or mandatory donations.
- **Sustainability Advisory:** Advise on sustainability positioning and strategy, disclosure frameworks and ratings.

[1] BMO's sustainable and climate finance activity are distinct from our Climate Ambition and other net-zero objectives as described in this reporting. Sustainable or climate finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

Our ETSS group supports clients with a range of investment banking coverage and products across the following key sectors:

Energy Transition

- **Low-carbon and renewable fuels:** Fuel producers generating low carbon-emitting fuels.
- **Fuel cells and hydrogen:** Hydrogen and fuel cell technology developers, producers and project developers.
- **Carbon capture, utilization and storage:** Carbon capture and storage operators and developers across the entire value chain.
- **Environmental credits:** Environmental credit royalty and streaming platforms funding nature-based climate solutions.
- **Geothermal and energy storage:** Developers of grid-scale geothermal assets and energy storage technology.

Sustainable Services

- **Environmental:** Waste management, recycling, wastewater and environmental consulting.
- **Infrastructure and industrial:** Operations, maintenance and repair services for ground infrastructure.
- **Commercial:** Commercial, facility and rental services.

Sustainable Materials

- Infrastructure, material and critical mineral providers, public systems, and services that support civil society.

In 2024, BMO Capital Markets provided $8.6 billion ◆ in climate finance to clients pursuing environmental or climate transition objectives. This included $3.9 billion ◆ in labelled green bond underwriting, $32 million ◆ in climate-related equity and debt financing, $1.5 billion ◆ in climate-related lending and $3.2 billion ◆ in climate finance advisory services related to mergers and acquisitions.[1,2]

North American Commercial Bank

We established a new Sustainable Finance and Clean Energy team in our North American Commercial Bank (NACB) in 2024. This team supports diverse clients with sector-specific offerings and focuses on providing financing solutions for economically viable technologies, activities and processes that help our clients achieve their decarbonization goals. The NACB is focused on advancing strategies in the following areas.

Supporting clients with financing solutions

We provide dedicated sales support through a range of products and services that help clients achieve their decarbonization goals.

- **Building Retrofits:** Retrofit financing that incentivizes progress toward emission reduction targets (Canada).
- **Agriculture:** Supporting clients through financing, advisory and industry engagement (Canada, U.S.).
- **Project Finance:** Providing project finance capabilities for Commercial Banking clients investing in clean energy projects (Canada, U.S.).
- **Equipment Finance:** Provide solar financing for Commercial & Industrial clients investing in solar, battery storage, or other electrification technologies (Canada, U.S.).
- **Transportation Finance:** Financing lower emitting transportation assets and exploring partnerships with automotive manufacturers (U.S.).
- **Deposits:** Deposits that provide incentives to achieving sustainability targets or where deposits are allocated to activities aligned with our sustainable financing framework (Canada, U.S.).
- **Clean Energy Vertical:** Offer financing solutions for climate technology, clean technology, or manufacturing companies (Canada, U.S.).

◆ KPMG has provided limited assurance of this figure.

[1] In 2024, we established a new Sustainable & Climate Finance Framework. The framework applies to transactions for the period ended October 31, 2024. Refer to the Framework for information on how we define and measure sustainable and climate finance activity. Previously reported sustainable and climate finance activity applied a different methodology and is not comparable; historical results have not been recalculated. We are updating our internal processes to track and report on enterprise-wide sustainable and climate finance activity aligned to this Framework. In 2024, we are reporting data related to Capital Markets activity only.

[2] BMO's sustainable or climate finance activity is distinct from our Climate Ambition and other net-zero objectives. Sustainable or climate finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

Offering tools, advice and insights

- Leveraging BMO Radicle's GHG emissions footprinting and advisory capabilities, we provide clients with solutions and support to enhance their understanding of their carbon footprint and identify opportunities to reduce costs and GHG emissions.
- The NACB sustainable banking team and Climate Institute regularly publish insights on the economics of climate solutions and business strategies to help clients manage risks and opportunities across a range of industries.

Building workforce capacity

The group has delivered training to equip frontline staff with the knowledge and tools necessary to engage clients on climate-related products and to meet market demand with new and existing products. They are enhancing the collection and integration of sustainable finance data to support risk management and identification of commercial opportunities.

BMO Wealth Management

Our Wealth Management Operating Group executes our climate strategy by developing investment solutions and helping sales channel representatives sell them to suitable clients. Wealth Management provides transparent client reporting, external thought leadership, and internal product-specific training.

Product offerings

- **BMO GAM investment vehicles:** Funds that employ responsible investment strategies, including thematic ETFs and mutual funds.
- **External mandates:** We partner with global investment managers to offer BMO Private Wealth clients ESG-thematic strategies that provide exposure to energy transition efforts.
- **BMO Private Wealth Canada:** Offers a range of investment products and services that provides our clients access to responsible investing.

Service capabilities

- **Responsible investing:** To create financial value and mitigate financial risk, BMO GAM implements a responsible investing approach that includes ESG integration, responsible investment products and solutions, engagement and proxy voting.
- **Client reporting:** BMO InvestorLine provides ESG insights that help investors stay informed on industry-specific business issues that may create risks and opportunities, including climate change risk, and helps investors gauge the performance of companies against international standards and principles.

Personal and Business Banking

The North American Personal and Business Banking (NA P&BB) group advances our Climate Ambition by providing retail and small business clients with solutions to help them achieve their decarbonization goals, including through home retrofit financing and financing to enhance business sustainability.

Resources for energy efficient homes

- Support real estate decarbonization with home financing solutions and educate customers about home retrofitting options through thought leadership and education, like our eco-friendly web guide and Sustainability Leader's Podcast on Home Retrofits. We also developed an internal playbook on eco-home retrofits and home renovation programs to equip our sales teams with knowledge to speak with customers about how our products can help them achieve their home energy goals.

Partnerships with insurers of our existing Canadian mortgage products

- Eco Plus and Eco Improvement insurance rebate programs, with Canada Mortgage and Housing Corporation (CMHC), focused on supporting clients to make their homes more resilient to climate impacts.
- Energy-Efficient Advantage Program, with Canada Guaranty, supporting initiatives that raise awareness of opportunities to reduce energy costs.
- Energy Efficient Housing Program, with Sagen, to support clients purchasing energy-efficient homes or retrofits.

Helping customers achieve their sustainability goals

- Offer financing solutions, including our Greener Future Financing program, and personal lending solutions, that support customers on their journey to build climate resilience and achieve their decarbonization goals.

Building workforce capacity

- Expand workforce and customer awareness of the value of decarbonization through webinars, podcasts, product landing pages, and specialized salesforce training.

Partnering with our clients in the transition to a net-zero world: Our approach to key sectors

We are advancing sector-specific strategies to support clients in achieving their decarbonization goals with bespoke products, services and advice, as well as to enhance internal capacity. We prioritize action in high-emitting sectors represented in our lending portfolio, consistent with our work on financed emissions informed by relevant industry standards and guidelines: upstream oil and gas; power generation; transportation; real estate; and agriculture.

Upstream oil and gas

The table below summarizes our actions to support decarbonization of the oil and gas sector.

Building expertise to support clients	Sustainable Finance and ETSS teams provide advice on the energy transition and expertise regarding products and services to facilitate emission reductions.
Deploying BMO Radicle's carbon credit generation and trading capabilities	Originating carbon credits with clients through decarbonization projects helps our clients generate revenue from their decarbonization activities. Carbon pricing can be integrated into client data profiles to identify carbon-related opportunities and risks.
Developing climate finance products, including transition bonds	Financing to support companies pursuing sustainable outcomes, including investments in energy efficiency, GHG emissions reductions and renewable energy.
Understanding clients' transition plan activities	We enhanced our Petroleum sector[1] environmental and social risk rating (ESRR) tool to collect climate-related information, helping to assess the risks the client presents to the bank, and to suggest opportunities for us to engage and assist in managing their transition and identify relevant opportunities.
Tracking sustainable and climate financing	Tracking of advisory services, sustainable bond underwriting, sustainable equity and debt financing, and lending authorized for clients pursuing sustainable outcomes. Tracking energy-related financing activities informs internal data-driven decisions related to decarbonization efforts.
Early-stage tracking of ETSS activities with clients	Automated tracking tags client engagement with the ETSS group, allowing us to evaluate and monitor engagement on climate finance and ETSS-related activities.
Engaging industry	The Pathways Alliance comprises Canada's largest oil sands companies, and we support their carbon capture and storage (CCS) project, regularly engaging with the Pathways Alliance and its member companies on decarbonization strategies and incentives.
Calculating financed emissions	We established two net-zero-aligned targets to reduce our financed emissions from our global upstream oil and gas portfolio, see pages 84-85 (Climate Reporting – Metrics and targets – Financed emissions – Oil and gas) for details on targets and progress. Having surpassed our target for reductions in Scope 3 GHG emissions in 2021, we are focusing on our Scope 1 and 2 intensity target.

[1] Includes upstream (oil and natural gas extraction), midstream (gathering and pipeline), downstream (refining and processing) and related service companies.

Power generation

The table below summarizes the actions that BMO is taking to support decarbonization of the power sector.

Building expertise to support clients	Sustainable Finance and ETSS teams advise on products and services to facilitate emission reductions through underwriting and capital market activity. The groups' sector coverage is expanding to address additional opportunities across cleantech, small modular reactors (SMRs), and utility services.
Working with clients to advise on, and finance, current and new clean energy generation and related technologies	Identifying and advancing energy transition opportunities with our clients.
Developing climate finance products, including transition bonds	Financing to support companies pursuing sustainable outcomes including investments in energy efficiency, GHG emissions reductions and renewable energy.
Deploying BMO Radicle business to develop carbon credit generation and trading capabilities	Originating carbon credits with clients through decarbonization projects helps our clients generate revenue from their decarbonization activities. Carbon pricing can be integrated into client data profiles to identify carbon-related opportunities and risks.
Establishing new expertise for mid-market clean energy coverage	A new team in the Commercial Bank supports clean energy companies (wind and solar, alternative power/hydrogen, electrification and infrastructure, battery/storage/recycling, waste-to-energy, and charging infrastructure) with banking and advisory products to grow, scale and deploy climate solutions in the market. A new project finance practice in the Commercial Bank focuses on power generation, energy transition and wider decarbonization, digital infrastructure and public-private partnerships across Canada and the U.S.
Establishing a tax-credit brokerage to support emission reduction	Developing products that utilize tax credits on renewables, electrification and energy efficiency investments and production tax credits on low-carbon solutions.
Tracking energy transition financing	Tracking of advisory services, sustainable bond underwriting, sustainable equity and debt financing, and lending authorized for clients pursuing sustainable outcomes. Tracking energy-related financing activities informs internal data-driven decisions related to decarbonization efforts.
Understanding client transition action plan activities	Enhanced Power Generation environmental and social risk rating (ESRR) assessment templates collect climate-related client information, helping to assess the risks the client presents to the bank, and to suggest opportunities for us to engage and assist in managing their transition and identify relevant opportunities.
Clean energy-focused funds to support investors	Directing capital to companies that support sector decarbonization and offering solutions to investors seeking exposure to companies involved in the energy transition.

(continued on next page)

Power generation, continued

Establishing partnerships	Support communities in the Western U.S. by providing low-to-no-cost solar energy through partnership with GRID Alternatives.
Publishing thought leadership	Providing clients across the value chain with insights on power sector decarbonization. Recent publications: *Making Renewable Energy Technology Accessible to Underserved Communities* and *Why the Future of Solar Energy is Buoyant*.
Calculating financed emissions	We have established a net-zero-aligned target to reduce the financed emissions intensity of our Canadian power generation portfolio, see pages 86-87 (Climate Reporting – Metrics and targets – Financed emissions – Power) for details on our target and progress. We have not set a target for our U.S. portfolio due to policy uncertainty in the U.S.

Transportation

The table below summarizes the actions that we are taking to support decarbonization of the transportation sector.

Providing finance for transportation assets	Support customers through financing of decarbonization technologies, including the development of zero-emissions vehicles, hydrogen, and other clean fuel alternatives.
Supporting clients across the transportation value chain	Our ETSS team provides advisory and bespoke financing solutions for fuel cells and hydrogen technologies required to reduce GHG emissions from downstream transportation sectors.
Deploying BMO Radicle business to develop carbon credit generation and trading capabilities and advisory services	Enabling clients to generate, purchase and trade carbon offsets as part of their emission-reduction strategies.
Supporting clients with carbon accounting software	We offered measurement tools to help clients quantify GHG emissions in 2024.
Generating clean fuel credits	BMO Radicle is working with maritime and on-road transportation clients transitioning their fleets to electric vehicles, offering assessments on their program eligibility and estimating potential credit volumes and value to submitting reports and monetizing credits.
Training our workforce on climate solutions	In 2024, we provided training to equip sector Relationship Managers to engage clients (e.g., dealerships) on their decarbonization goals.
Engaging industry	Participate in panel discussions at trade shows and industry forums to educate attendees on decarbonization solutions and strategies, including the role of markets.
Publishing thought leadership	In 2024, we conducted our second annual North American Dealership Survey covering >800 dealerships across Canada and the U.S. to share insights on market trends and sentiment associated with the sector's energy transition. We also published episodes of our Sustainability Leaders Podcast on *Futureproofing the Dealership in a Time of Transformation* and *Battery Technology Advances Are Driving EV Industry Optimism* to provide clients and the sector with advice and strategies to integrate climate-related considerations into business decisions.

Commercial real estate

The table below summarizes the actions that we are taking to support decarbonization of the CRE sector.

Offering innovative financing products to fund commercial retrofits	In 2024, we began offering a first-of-its-kind financing, in collaboration with the Canada Infrastructure Bank, that helps owners of all types of commercial real estate secure funding to finance decarbonization and energy efficiency retrofits.
Supporting clients through carbon accounting software and training	In 2024, BMO Radicle's carbon accounting software was used by some of our Canadian Commercial Real Estate clients to track GHG emissions and understand the steps needed to reduce GHG emissions.
Engaging industry	We have shared expertise related to decarbonization solutions by: • Co-convening a Building Decarbonization Alliance industry forum in 2024 to advance discussion on solutions industry participants can implement. • Convening a two-part webinar series bringing together industry and BMO experts to discuss emission reductions strategies in the building construction sector. • Participating in the 2023 and 2024 Retrofit Canada Conferences, including conducting a workshop on implementing deep retrofits for commercial buildings. • Presenting at the Canada Green Building Council annual conference, discussing alternative financing models to accelerate retrofits and factoring resilience and climate risk into decarbonization strategies. • Initiating a study on Banking on Buildings, co-funded by BMO, Scotiabank and Vancity, aimed at establishing the link between low-carbon buildings and improved creditworthiness.
Publishing thought leadership	Real estate sector decarbonization strategies are regularly highlighted in our thought leadership through the Climate Institute and in the Sustainability Leaders Podcast. The bank has also established strategic partnerships to conduct innovative analyses on the impacts of climate change in the CRE sector, including the economics of green construction. Recent publications for the sector include: • Commercial Real Estate Climate Strategies: Exploring Opportunities • Canadian Zero-Carbon Multi-Unit Residential Buildings: An Analysis of the Cost and Asset Value
Developing capabilities to offer data-driven advice and improve data quality	Established a working group across our Commercial Real Estate, Residential Real Estate, Sustainable Finance, Risk and Sustainability teams to evaluate data solutions that provide a more accurate estimate of GHG emissions from the real estate sector. The group is exploring solutions to support providing clients with data-driven advice on how to decarbonize, improve our capacity to identify and generate climate finance assets, and enhance inputs to financed emissions calculations and assessments of climate risk across our real estate portfolio.

Residential real estate

The table below summarizes the actions that we are taking to support decarbonization of the residential real estate sector.

Supporting customers with current products and services	Customers have access to financing solutions to achieve their energy efficiency and emission reduction goals in their home, including rate discounts for borrowers in Canada, offered on personal loans used for sustainability-related purposes (e.g., installing solar panels).
Educating our workforce	Through the BMO Climate Institute Fellowship Program, the Home Financing team developed a playbook on policy, market and technology trends to educate the workforce on decarbonization solutions for retail clients.
Educating customers on home retrofits	Resources such as bmo.com/ecofriendlyhome and the Sustainable Living: Understanding Home Retrofits Podcast provide Canadian customers with information about actions they can take to reduce GHG emissions in their households, and connect them with financing solutions to achieve their goals. The Climate Institute has also published analysis on policy actions to help Decarbonize Canada's Housing Market.
Establishing partnerships to help customers make real financial progress and reduce GHG emissions	Through partnerships with insurers of our current Canadian mortgage products, customers receive help to achieve GHG emission reduction goals. Partnerships include: • Eco Plus and Eco Improvement insurance rebate program, with CMHC, focused on reducing the impact of housing on climate change. • 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.
Supporting communities	Our strategic philanthropic activity supports the equitable deployment of low-carbon solutions, such as our $3 million partnership with GRID Alternatives to provide low-to-no-cost solar energy systems and storage, clean mobility, and job training programs to underserved families in California and Colorado, and Native communities in the western U.S. The installations will reduce GHG emissions by 145,000 metric tonnes per year, as well as the cost of household energy consumption for families in vulnerable communities.
Developing capabilities to offer data-driven advice and improve data quality	Established a working group across our Commercial Real Estate, Residential Real Estate, Sustainable Finance, Risk and Sustainability teams to evaluate data solutions that provide a more accurate estimate of GHG emissions from the real estate sector. The group is exploring solutions to support providing clients with data-driven advice on how to decarbonize, improve our capacity to identify and generate climate finance assets, and enhance inputs to financed emissions calculations and assessments of climate risk across our real estate portfolio.

Agriculture

The table below summarizes the actions that we are taking to support decarbonization of the agriculture sector.

Financing emission reductions through current products and services	Direct financing for technologies that help clients reduce financed emissions, including biodigesters, precision agriculture equipment, greenhouses and lighting upgrades, and solar panels.
Developing new products for agriculture clients	Our Greener Future Financing program that incentivizes Business Banking agriculture clients to invest in technologies and practices that support decarbonization, sustainable resource use and flood proofing.
Engaging industry	We are working with commodity groups and industry organizations like Farmers for Sustainable Food, Dairy Sustainability Alliance, and Dairy Sustainability Finance Workshops on sustainability solutions.
Establishing partnerships	We have established partnerships with universities in the U.S. and Canada to advance research on agriculture sector climate risks and decarbonization.
Publishing thought leadership	Sector decarbonization strategies are regularly highlighted in BMO's thought leadership through the Climate Institute, Sustainability Leaders Podcast, and the bank's annual Farm to Market/Chemicals Conference. Recent publications for the sector include: • Three Ways Canadian Agriculture is Making Sustainable Progress • Sustainable Food Systems: Trends and Opportunities • Dairy Industry Goals: GHG Neutrality and Water Management • Counting the Cost of Climate Risks in U.S. Agriculture

Capabilities

Managing risks and pursuing opportunity across our value chain requires investment and capacity building to meet the expectations of our clients, regulators and other key stakeholders.

We continue to make strategic resourcing decisions, including our investments in the BMO Climate Institute, BMO Radicle, Sustainable Finance teams in our Capital Markets and Commercial Banking groups, and the Energy Transition and Sustainable Services group (see pages 51-54). We may scale our capabilities based on market conditions and emerging opportunities to advance our risk management objectives.

BMO Climate Institute

Established in 2021, the BMO Climate Institute 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. The Institute bridges science, policy, finance and economics to help accelerate climate change solutions. As a resource on decarbonization, resilience, social impact and biodiversity, the Institute supports our clients by engaging with industry, the public sector, academia and investors.

In 2024, the Climate Institute focused on increasing client engagement through thought leadership and strategic partnerships designed to equip lending teams and clients with insights that support the integration of climate change considerations into business strategy. The Institute also accelerated workforce capability-building on climate-related topics and began to refine the bank's operational efficiency program consistent with regulatory expectations.

- **Thought leadership and engagement:** Drive industry insights and partner with clients and others to advance climate solutions.
- **Tools and capabilities:** Leverage and accelerate existing tools to scale climate solutions, support our frontline colleagues with sector and technology expertise, and inform our operational decarbonization strategy.
- **Capacity building:** Build awareness and education across the enterprise on climate topics, support our frontline colleagues with knowledge and training to enable commercial opportunities, and support our clients.

Climate Institute Fellowship Program

The BMO Climate Institute Fellowship Program was launched in 2022 so that select employees can work with the BMO Climate Institute on a part-time basis. The program draws on interdisciplinary enterprise-wide expertise to advance the bank's Climate Ambition and encourages employees to consider climate change in ongoing business activities. The program Fellows – doubling in number from eight in 2023 to 16 in 2024 – completed six-month rotations in which they focused on a variety of projects related to climate risks and opportunities.

BMO Radicle

BMO acquired Radicle Group Inc. (now BMO Radicle) in December 2022. BMO Radicle's team brings deep technical expertise in GHG emissions quantification, carbon markets and environmental commodity trading so that we may provide customized solutions for our clients across Canada and the U.S. BMO Radicle's key service areas include:

- **Carbon advisory:** Support clients on their decarbonization journeys by providing advisory services, including carbon markets assessment and strategy, carbon compliance optimization, carbon policy engagement, and credit generation feasibility assessments.
- **Credit development services:** Help companies identify, assess and optimize opportunities to develop carbon credits and monetize eligible decarbonization activities in multiple sectors.
- **Carbon credit sales and trading:** Purchases and sells carbon credits in the carbon market to provide liquidity and provide companies of all types and sizes with access to the carbon market so they can optimize value and meet their regulatory or voluntary emission reduction obligations.

Employee engagement on climate

We continue to invest in training to build our workforce capabilities on climate-related issues to better serve clients in the context of rapidly evolving policies, incentives and technologies. Our initiatives are described below.

Climate Change Essentials

In 2022, we rolled out enterprise-wide climate training for employees and the Board of Directors. In January 2024, the course was updated by the BMO Climate Institute to reflect the evolving policy and regulatory landscape, as well as our climate-related initiatives. The course was promoted by our leadership team, and over 47,000 employees, or 87% of the workforce, completed it in 2024. We also offer over 1,000 climate and sustainability training resources to employees through our learning and development software platform.

Commercial Bank Climate Finance Training Program

In 2024, BMO Commercial Bank prioritized capacity building and front-line activation by developing and delivering a comprehensive Climate Finance Training program to more than 2,000 employees. The bank partnered with industry experts from Bain & Co and the BMO Climate Institute to design and deliver training for its Analysts, Relationship Managers, Portfolio Managers and Treasury Sales employees. Building on our Climate Change Essentials training, the Commercial Bank delivered five training modules to employees between April and July 2024. The eight hours of training covered topics such as the journey to net zero, decarbonization opportunities and challenges across priority sectors, climate risk management, the climate policy landscape in the U.S. and Canada, reporting and disclosure for commercial clients, and our climate finance solutions.

This training helps Relationship Managers and frontline staff gain confidence when communicating the risks and opportunities of the energy transition to clients, and provides a playbook for how Relationship Managers can position our product suite and sustainability credentials in client conversations. The Commercial Bank is now focusing on operationalizing and monitoring client engagement on climate finance solutions through tracking client calling and engagement activity in its customer relationship management systems.

Enterprise Risk & Portfolio Management Learning Series

In 2024, we delivered bespoke climate training to risk professionals across the enterprise via the Enterprise Risk & Portfolio Management (ERPM) Learning Series. This training helps staff draw strategic connections between BMO's Purpose, the regulatory landscape on climate risk, and the bank's work to embed climate risk considerations within the Enterprise Risk Management Framework. The past year saw sessions delivered on Climate Risk Foundations and Quantification, which were made available to employees on our intranet.

Enhancing climate data and analytics

As part of our strategy, we are working to build data and analytics capabilities to facilitate risk reporting, inform decisions, and track our progress on climate commercialization goals and other climate-related metrics. Our climate data and analytics initiatives are focused on building solutions to optimize acquiring, identifying and utilizing climate and sustainability data throughout the bank. This work supports our strategy of building a high-performing, digitally enabled and future-ready bank, by giving us the tools to address our rapidly expanding data needs to drive actionable insights and analysis.

In 2024, we expanded our climate data and analytics capabilities and began to deliver solutions to support compliance with regulatory expectations. We plan to coordinate the climate and sustainability data needs from multiple teams and build processes and capabilities that multiple programs can leverage to develop efficient and effective solutions. In 2025, we plan to focus on continuing to advance capabilities for the identification, collection and use of accurate data pertaining to climate risk and opportunity.

Risk Management

We consider climate change to be a transverse risk driver that manifests through our identified material risks. We consider the physical risk and transition risk arising from climate change to be transverse risk drivers that could have an impact on the material risk exposures identified in our Risk Taxonomy over the short (less than 1 year), medium (1 to 3 years) and long term (3 to 30 years or more).

Physical risks are those associated with a changing climate, which could have both acute and chronic physical effects. Transition risks are risks associated with the shift to a lower GHG economy.

For a discussion of material risks and their definitions, please see the Enterprise-wide Risk Management section of our 2024 Annual Report.

Enterprise Risk Management Framework

Overseen by the Chief Risk Officer, the Enterprise Risk Management Framework (ERMF) guides our risk-taking activities in order to align them with our customers' needs, our shareholders' expectations and our regulators' requirements. The ERMF defines our approach to risk management, including risk governance and the risk management life cycle. Sustained by our risk culture, the framework takes effect through our people, processes and technology, and leverages tools such as modelling and analytics, scenario analysis and stress testing, as well as our Risk Taxonomy, which catalogues the definitions of our material risks. You can find more information about our ERMF in the 2024 Annual Report.

The Environmental & Social Risk Management (E&S Risk Management) team and the Sustainability Office monitor and respond to evolving international standards and regulations for climate risk management. We are embedding climate risk considerations into our ERMF to align with the expectations of regulators, including those from OSFI. In doing so, we leverage existing risk governance mechanisms, enablers and tools, and build new teams and capabilities to identify, assess, manage, monitor and report on potential impacts of climate risk on our clients, portfolios and operations.

Risk governance

Board and senior management oversight and management's role

Board and senior management oversight, as well as the key roles and responsibilities across the three lines of defence, are discussed in the Governance section of this report. For climate risk, additional committees, forums and working groups are formed, as needed, to improve our management of climate-related risks and opportunities and to align our approach across the enterprise.

The E&S Risk Management function includes the Climate Risk Analytics team, which was established in 2022 and is responsible for quantification of climate-related risks, the Climate Risk Management & Governance team, responsible for policy and controls around regulatory compliance, and an E&S Risk Integration team with a mandate that includes climate risk integration across the three lines of defence. E&S Risk Management and the Sustainability Office work closely with our Operating Groups and Corporate Services in order to enhance climate risk management capabilities across the enterprise.

Risk Appetite

The Board of Directors, through the Risk Review Committee (RRC), approves the E&S Risk Appetite Statement. We also track an enterprise-level, climate-related Risk Appetite Key Risk Metric on our board-reported Risk Appetite Dashboard. This metric tracks our credit risk exposure to carbon-related assets associated with the energy and utilities sectors as a percentage of our total credit risk exposure (aligned to the TCFD 2017 definition of carbon-related assets). See the carbon-related assets section on pages 89-90 of this report for more information. In fiscal 2024, we added a key risk indicator for physical flood risk exposure in the consumer real estate secured lending portfolio.

Risk Taxonomy

Within our Risk Taxonomy, E&S Risk is a Tier 1 risk, climate risk is a Tier 2 risk, and physical and transition risks are Tier 3 risks.[1] As a transverse risk, climate risk manifests itself through the other material risks in our Risk Taxonomy, as well as a risk in itself. Integrating climate risk into the ERMF requires close coordination with second-line partners who manage the risk types through which climate risk transverses. Refer to the Transverse Risks section of this report for a discussion of the transverse impact that physical risk and transition risk could have on our material risks.

[1] Tier 1 risks are high level risks fundamental to BMO's risk profile; Tier 2 risks separate Tier 1 risks into sub-components; Tier 3 risks provide sub-components of Tier 2 risks tailored to fit the risks that are identified, assessed, managed, monitored and reported.

Policy framework

In 2022, we introduced a board-approved, enterprise-wide E&S Risk Corporate Policy. This governing document defines E&S risk and guides us in embedding E&S risk considerations into and across our ERMF, in part by setting out the roles and responsibilities of senior leadership. We also update our enterprise corporate policies and corporate standards as part of our regular two-year review cycle, to be consistent with the E&S Risk Corporate Policy and applicable regulatory expectations. Relevant policies and standards that apply to areas such as credit, market and reputation risk have been updated to include direction related to climate risk. The E&S Risk Corporate Policy was updated and approved by the board in fiscal 2024, reiterating our commitment to addressing E&S risk, as well as updating and expanding roles and responsibilities within the bank.

Also in 2024, in support of the E&S Risk Corporate Policy, a Climate Risk Corporate Standard was developed and approved. This standard is intended to drive the ongoing integration of climate risk considerations across the bank's current ERMF, facilitate effective management of climate risk, and define roles and responsibilities across the enterprise.

The policy and the standard are supported by a new second-line E&S Risk Management Framework Directive, also approved in fiscal 2024. In fiscal 2025, and in accordance with the new directive, E&S Risk Management and the Sustainability Office will facilitate a series of workshops with key line-of-business representatives to assess the materiality of E&S risks and identify policy documents, processes and controls requiring the integration of material E&S risks, with participation and effective challenge from second-line partners.

Enterprise Risk Management Framework

Risk Management Approach

Maintain strong capital and liquidity | Diversify; limit tail risk | Optimize risk return | Understand and manage | Protect our reputation

Risk Governance

Board
(RRC[1], ACRC[1])

Senior Management
(RMC[1], ERC[1] & Management Committees[1])

Risk Appetite Framework

Policy Framework

1st Line	**2nd Line**	**3rd Line**
Operating Groups, Technology & Operations, Corporate Services	Enterprise Risk & Portfolio Management, Legal & Regulatory Compliance	Corporate Audit Division

Risk Management Life Cycle

IDENTIFY > ASSESS > MANAGE > MONITOR > REPORT

Risk Taxonomy

- Credit & Counterparty
- Market
- Liquidity & Funding
- Insurance
- Non-Financial[2]
- Reputation
- Environmental & Social
- Strategic

Risk Management Enablement

People - Process - Technology

Risk Management Tools

(e.g.: Stress Testing, Scenario Analysis, Modelling, Analytics)

Risk Culture

- Tone from the top
- Accountability
- Effective communication and challenge
- Incentives

[1] RRC: Risk Review Committee; ACRC: Audit and Conduct Review Committee; RMC: Risk Management Committee; ERC: Enterprise Regulatory Committee; Management Committees include RRMC: Reputation Risk Management Committee, ECMC: Enterprise Capital Management Committee; and ALCO: Asset Liability Committee.

[2] Includes Operational Non-Financial Risk and Legal and Regulatory Risk.

Risk management life cycle

We manage climate risk throughout the five phases of the risk management life cycle:

1 Risk identification

We have a detailed understanding of the channels through which climate risk drivers may interact with the material risk types in our Risk Taxonomy. In fiscal 2024, we undertook to articulate the potential transverse impacts of both physical and transition risk on the material risks in our Risk Taxonomy, including the impacts of lower tier risks, following a series of climate risk workshops about each risk type across both financial and non-financial risk types. Delineation of these potential transverse impacts is fundamental to the materiality assessment workshops we plan to conduct with the lines of business in fiscal 2025, and the outputs may be reflected in our Risk Inventory. We are also further leveraging scenario analysis to enhance risk identification as well as our understanding of the short and long term risks to our business model.

2 Risk assessment

Our approach to risk assessment leverages tools such as climate scenario analysis and climate heatmaps as we continue to consider climate risk across the various material risks in our Risk Taxonomy. See the Climate-related scenario analysis section on pages 72-73 (Climate Reporting – Risk management – Climate-related scenario analysis). In fiscal 2024, we leveraged our risk identification, assessment and scenario analysis capabilities to perform an integrated climate risk loss assessment across the bank's portfolio and we incorporated the outputs into the Internal Capital Adequacy Assessment Process (ICAAP).

3 Management and decision-making

In fiscal 2024, we developed models to integrate climate-related risk drivers into credit risk metrics such as risk-weighted assets and expected credit losses, and created heatmaps for the bank's exposure to climate risk for a range of scenarios. Throughout our multi-year journey, we intend to update policies and procedures to manage and mitigate material concentrations and exposures to climate risk.

4 Risk monitoring

In fiscal 2024, in partnership with the lines of business, we identified climate risk concentrations across the bank's portfolio and developed carbon-related assets key risk metrics at the operating group level. We also began monitoring a physical risk key risk indicator (KRI) to help us build new group-specific Risk Appetite metrics.

5 Risk reporting

We continue to enhance our climate risk reporting capabilities, allowing us to aggregate climate risk drivers, identify concentrations, and report on a timely basis through bank-specific heatmaps, inputs into portfolio reviews, and external disclosures and regulatory filings. We intend to further refine and automate the process of producing and reporting climate risk indicators, including through dashboards.

Transverse climate risk across our Risk Taxonomy

In relation to the bank's Risk Taxonomy, the transverse impacts of climate have been mapped to all Tier 1 material risks as set out below.

Credit and counterparty risk

Climate-related risks could affect our exposure to credit and counterparty risk by impacting our customers', including changing customer preferences, issuers' or counterparties' revenues, operating costs, or access to capital such that they may become unable to meet their financial commitments. Borrowers may experience losses or operating cost increases caused by acute or chronic changes in climate conditions and/or climate-related policies, such as carbon GHG emissions pricing, sector-based targets or GHG emissions caps. New and emerging technologies impacting revenues could disrupt the current economic landscape and dampen demand for certain commodities, products and services.

As we embed E&S risk considerations into our Policy Framework, we regularly update relevant policies, standards and financing guidelines. We are currently updating several credit risk policies and standards to incorporate climate-specific language. We also refined our heatmap, which identifies physical and transition risk exposure across our lending portfolio. The heatmap now provides a qualitative assessment of high, medium and low risk over short, medium, and long time horizons, and is based on internal climate scenario analysis as well as external sensitivities to climate risk sourced from case studies, industry reports and regulatory exercises, including the Bank of Canada/OSFI climate scenario analysis. Ongoing climate scenario analysis and sectoral deep dives are expected to continue to enhance the heatmap over time.

The heatmap helps us prioritize our risk assessment efforts, such as scenario analysis exercises. Sensitivity to climate-related risks can vary among clients within each industry sector and sub-sector, and the degree of impact will depend on factors such as the location of physical assets, business activities and actions taken by clients to mitigate the risks.

Sensitivity to climate risk of BMO lending exposures in TCFD-aligned sectors, as at October 31, 2024

Enterprise Climate Risk Heatmap			Potential Climate Risk Impacts					
			Transition Risk			Physical Risk		
			Time horizon			Time horizon		
BMO Net Loans and Acceptances (F24Q4)	Mix	CAD$ (millions)	S	M	L	S	M	L
Commercial real estate	11.1%	75,352	Moderate	Moderate	Moderate	Low	Low	High
Manufacturing	5.9%	40,220	High	High	High	Low	Low	Low
Agriculture	2.7%	18,480	High	High	High	Low	Low	Low
Transportation	2.1%	14,546	High	High	High	Low	Low	Moderate
Utilities	1.6%	10,985	Moderate	Moderate	High	Low	Low	Low
Oil and Gas	0.5%	3,466	Moderate	Moderate	High	Low	Low	Low
Mining	0.5%	3,324	Low	High	High	Low	Low	High

The sectoral sensitivities indicate relative potential risks and opportunities stemming from Climate Risk, based on whether the sector is potentially more or less sensitive, respectively. They are based on internal assessments.

Relative Sensitivities Low Moderate High

The **assessments are based on potential outcomes** consistent with scenario narratives, with a cone of uncertainty that widens over time. The assessments are **not forecasts or guarantees** of what will happen.

Transition Risk impact is assessed in the Network for Greening the Financial System (NGFS) Net Zero 2050 scenario relative to NGFS Current Policies scenario.

Physical Risk impact is assessed in a high warming scenario (NGFS Current Policies/IPCC SSP5-8.5) relative to hypothetical baseline with no additional global warming from today (IPCC SSP1-2.6).

Time horizons: short-term (**S**) covers the first five years, medium-term (**M**) the following ten years, and the long term (**L**) runs for the remainder of the scenario horizon (about ten years).

The assessed loan segments include industries that TCFD identified as having the highest likelihood of climate-related financial impact.

Market risk

Trading, underwriting and banking book positions may be exposed to adverse movements in equity, interest rate, foreign exchange, commodity and credit markets caused by physical climate events or due to changes in market sentiment with respect to climate-related policy, technological breakthroughs and/or shifts in consumer preferences. We update our market risk policies periodically to incorporate references to climate risk in view of evolving risks and regulations. We have also conducted climate scenario analysis on the trading book (see pages 72-73 – Climate-related scenario analysis section).

Liquidity risk

Our ability to meet expected or unexpected current and future cash flow and collateral needs without detriment to our daily operations or financial condition could be affected by climate-related risks, specifically acute or chronic physical climate events. Transition risk can also factor into liquidity risk as it may govern client liquidity needs in response to climate-related regulatory changes, technological breakthroughs or limitations, and/or shifts in consumer preferences. In this regard, climate risk has been incorporated into our Internal Capital Adequacy Assessment Process (ICAAP) Corporate Standard.

Operational non-financial risk

Our exposure to operational risks could be heightened by climate-related physical and transition risks. Exposure to physical risks from environmental events, such as droughts, floods, wildfires, earthquakes, hurricanes and other storms could also lead to disruptions in our operations and may give rise to financial loss and reputational harm. Our Property Risk Management Framework incorporates Physical Climate Risk through various elements, including the Emergency Response and Preparedness Program, Facility Threat Risk Assessment (FTRA) for critical facilities, and energy-saving projects. Through these assessments effective prevention and mitigation controls are identified and implemented, minimizing potential impacts to individuals and our critical business operations due to adverse effects of climate change. In addition, we procure insurance to protect from financial loss associated with physical climate risk that may affect our real estate assets. Our corporate real estate insurance coverage includes general liability and property insurance policies. In fiscal 2024, the Operational Resilience Corporate Standard was updated to integrate climate risk.

We also recognize the potential for increased operational risks linked to our resource usage due to physical and transitional climate risks. For example, changes in climate patterns and related policies could increase the operating and capital costs associated with our energy usage and equipment, such as heating, cooling, and power systems. We proactively manage our energy consumption through projects designed to enhance lighting, HVAC systems, and controls. Adjustments to our capital forecasting are made when the lifespans of assets, like HVAC equipment, are expected to be adversely affected. Our continuous monitoring of regulatory developments related to fuel or energy taxes and carbon pricing is crucial in managing these risks, supported by feedback from third-party facilities management services and active participation in industry associations.

Fluctuating climate patterns and evolving climate-related policies may also affect the operating and capital costs of our suppliers, who may choose to pass these costs on to their customers, which could lead to higher purchasing costs for us. Consistent with our Supplier Code of Conduct, our Sustainable Procurement program considers current and future suppliers' sustainability performance. We undertake a rigorous supplier selection process. All requests for proposals include a set of sustainability questions to determine respondents' practices related to environmental and social responsibility.

Strategic risk

Understanding the climate-related risks and opportunities facing us over the short, medium and longer term will help us develop climate-resilient business strategies and take measures to reduce those risks and enhance opportunities for sustainable growth. There is a risk that the bank's strategic planning process may not account for the physical and transition risks arising from climate change and may give rise to financial loss and reputational harm.

Government policies that support the transition to a lower GHG economy, potential regulatory or supervisory steps and the increasing severity of climate events may make consumers more aware of climate change and give rise to changes in consumer behaviour. Retail and wholesale consumers may begin to favour more climate-friendly consumption options, request financial services and products that help them reduce GHG emissions, or choose to change service providers. Investors are also shifting their expectations related to climate change, with a growing number incorporating climate-related risk considerations into their investment decisions.

This heightened awareness of, and demand for, climate-friendly services and products, as well as more detailed reporting on banks' climate-related risk profiles, may inform and influence adjustments to our business and investment strategies.

Legal and regulatory risk

We may be faced with heightened exposures to legal and regulatory compliance risk, as well as potential litigation and liability costs. Globally, as financial services regulators and supervisors develop and finalize regulatory frameworks for the analysis and management of climate-related financial risk and disclosure of climate-related financial information, we are addressing these expectations by incorporating climate-related risk into our ERMF. For example, OSFI in Canada was the first North American prudential regulator to issue final climate requirements for financial institutions. We meet current, and expect to meet upcoming, regulatory expectations that apply to us in every jurisdiction in which we operate, including those set out by OSFI in its Guideline B-15: Climate Risk Management.

Legal and regulatory risks could also arise from our actual or perceived actions, or inaction, or those of our clients, related to climate change and other E&S risk issues, or our disclosures related to climate change. Trends in litigation and regulatory investigation involving disclosure practices or financing activities related to climate matters, as well as allegations of "greenwashing", continue to evolve. We are monitoring these trends for their potential impact on our climate-related finance and responsible investment activities, E&S risk management, and disclosure practices as they relate to climate matters.

Reputation risk

Investors, customers and other stakeholders are calling on financial institutions to take a leadership role in addressing climate-related risks and the impacts of climate change. We are exposed to the risk of potential financial loss or reputation harm arising from the acute and chronic impacts of climate change on our premises, operations, supply chain, transport needs and employee safety. We are also exposed to the risk of shifts in customer preferences, stigmatization of the banking sector or negative community perceptions arising from our positive or negative influence on the transition to a lower GHG economy. Our approach to managing and reporting on the climate-related risks and opportunities could yield new or heightened exposures to reputation risk. Indirectly, reputation risks may also arise as stakeholders seek to hold banks responsible for financing clients in high-emitting sectors.

Reputation risk is addressed in our lending processes, specifically through our Environmental and Social Risk General Financing Guidelines, which outline the bank's Risk Appetite with respect to E&S risk and climate-related risk, and provides guidance on how to identify, assess and manage these risks in the context of wholesale lending. We apply enhanced due diligence to transactions with clients that operate in environmentally sensitive industries, including through our Environmental & Social Risk Rating (ESRR) Assessment tools for petroleum, mining, and utilities and power generation projects. Transactions involving significant environmental or social concerns may be escalated to our Reputation Risk Management Committee for consideration.

Climate-related scenario analysis

We have a Climate Scenario Analysis (CSA) framework and program that is aligned with and supports our Climate Risk Corporate Standard (Standard) and E&S Risk Management Framework Directive (Directive) (see Policy framework).

The CSA program enables the bank to measure transition risk and physical risk impacts across major risk types in a variety of industry-standard scenarios and over appropriate time horizons. It helps us assess climate-related risks and opportunities, prioritize potential management measures, and conduct monitoring and reporting of climate-related risks and opportunities, consistent with our E&S Risk Appetite. Assessments of risks primarily have encompassed the following risk types (impact channels):

- **Credit and counterparty risk** – the potential for credit loss due to the failure of an obligor to repay a loan or honour another pre-determined financial obligation,
- **Market risk** – the risk of financial losses in on- and off-balance sheet positions arising from adverse changes in market variables such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices, and
- **Operational non-financial risk** – potential financial losses from a range of non-financial risks, including those related to business change, customer trust, reputation and data.

We undertake CSA to identify relevant climate-related risk factors for risk types such as credit risk in order to estimate exposures and potential losses. When conducting CSA, we identify data, methodology and assumption limitations, which informs the adequacy of our risk management framework. CSA exercises involve a range of plausible climate scenarios, extend over short, medium and long term horizons, and employ a variety of models and tools. CSA relies on three major scenario sources:

- Network for Greening the Financial System (NGFS): Current Policies, Net Zero 2050, Delayed Transition,
- Intergovernmental Panel on Climate Change (IPCC): RCP 8.5, SSP5-8.5, and
- Bespoke, using external information and internal risk factor expansion frameworks.

The objectives of climate scenario analyses undertaken at BMO are to assess the impact of climate-related risks on the risk profile, business strategy and business model of the bank, and are aligned with prudential regulatory requirements, including those of OSFI, Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (Fed) and the Federal Deposit Insurance Corporation (FDIC), as well as TCFD.

We are exploring opportunities to use climate scenario analysis to assess transition risk within our Client Transition Action Plan assessments (see page 74 – Engaging with clients on climate transition readiness).

In 2024, we further built on analyses conducted in past years and described in previous iterations of our Climate Report. In collaboration with our operating groups, risk teams, the Sustainability Office and Technology & Operations, the Climate Risk Analytics team within our E&S Risk Management made progress on preparing for and executing the OSFI Standardized Climate Scenario Exercise (SCSE), began integrated climate risk assessment (in support of ICAAP), performed a deep dive into transition risk impacts on credit risk for Commercial Real Estate loans, and undertook projects related to our London operations, transportation loans and market risk (see the Climate scenario analyses undertaken in 2024 in the table below).

In 2025, we are planning to complete the SCSE, and to refine the integrated climate risk assessment, update analyses based on new climate data sources and tools, and drive insights into potential opportunities related to client transition plans.

Climate scenario analyses undertaken in 2024

Assessment and coverage	OSFI SCSE (global commercial exposures; Canadian real estate)	Integrated Loss Assessment for ICAAP (Enterprise)	CRE	BMO London	Transportation	Market Risk Pilot
Risk type	Credit Risk Market Risk	All risk stripes	Credit Risk	Credit Risk Market Risk Operational Non-Financial Risk	Credit Risk	Market Risk
Transition risks	Yes	Yes	Yes	Yes	Yes	No
Physical risks	Fluvial and Coastal Flood Wildfire	Flood	No	Fluvial and Coastal Flood Drought Temperature Extremes Wildfire Tropical Cyclones Water Stress	No	Chronic (95th percentile) Tropical Cyclones Drought Fluvial Flood Heatwave
Climate scenarios	Current Policies Below 2ºC immediate Below 2ºC delayed Net-zero 2050 (1.5ºC)	NGFS Current Policies NGFS Net-Zero 2050 IPCC RCP 8.5 Bespoke	NGFS Current Policies NGFS Net Zero 2050	NGFS Current Policies NGFS Net Zero 2050 IPCC RCP 8.5 Bespoke	NGFS Current Policies NGFS III Net-Zero 2050	Bespoke based on NGFS Current Policies
Time horizon	2030-2050	2025-2028	2025-2050	2025-2050	2025-2050	2025-2028

Engaging with clients on climate transition readiness

The steps we take to identify and assess E&S risks are set out in our risk-related policies. The bank uses an Environmental & Social Risk Rating (ESRR) assessment to apply enhanced due diligence to transactions with clients that operate in heightened environmentally sensitive industries, and that meet established thresholds. The purpose is to:

1. Apply a consistent approach to assessing E&S risks;
2. Identify higher-risk borrowers that may warrant additional due diligence measures or approvals; and
3. Improve tracking of E&S risks across the enterprise.

In 2024, we introduced a Client Transition Action Readiness Assessment (the Assessment) pilot into the ESRR templates to assess clients' transition readiness across five themes including governance, foundation, implementation, engagement, and metrics and targets, informed by industry guidance in the development of net-zero transition plans, including GFANZ and IFRS. The pilot has been conducted for Canadian clients of BMO Capital Markets in the petroleum and power generation sectors based on their risk profiles. These companies represent a sub-set of financed emissions analysis of our lending to the Canadian oil and gas and power sectors.

The Assessment provided foundational insight into the maturity of the companies' transition planning, which helps us better assess the risks associated with each client, and also identifies opportunities for further client engagement in support of advancing their climate transition.

We recognize that transition planning is an iterative process for clients that may take a non-linear route. We also recognize the need to mature our metrics and targets related to assessing transition plan readiness, and that sector-specific decarbonization priorities are a key component of credible plans and targeted assessment. Next steps for the Assessment include:

- Integrate complementary data sources to gain insights on client transition plans.
- Develop industry-specific assessments to capture relevant strategies and actions on transition readiness.
- Expand the Assessment to engage a broader group of clients in sectors important to our lending.

Metrics and Targets

We track and report key metrics associated with climate change that relate to our business and meet regulatory requirements.

We track and report our GHG emissions and climate-related key risk metrics in our Risk Appetite Framework.

For our GHG emissions metrics, we quantify and disclose our Scope 1, Scope 2 and relevant Scope 3 GHG emissions categories using the GHG Protocol and PCAF Standards, and we may also set targets for reducing those GHG emissions. Scope 1 GHG emissions are those that we own or control, Scope 2 GHG emissions are those generated through purchased energy, and Scope 3 GHG emissions are those that occur in our value chain, but that we do not directly control, including those related to our financing activity, often referred to as financed emissions in the banking context.

We quantify and disclose transition and physical risk metrics consistent with upcoming regulatory obligations from OSFI. We quantify and disclose our credit risk exposure to carbon-related assets as a measure to track our exposure to climate transition risk. In 2024, we began to quantify our lending exposed to flood risk as a new key risk indicator that we now monitor to better understand our exposure to physical climate risk.

A note about data challenges

While we make progress on measuring key metrics related to climate change, we continue to encounter data challenges including:

- **Data availability** – The availability of complete, accurate and comparable data is an industry-wide challenge in deriving, analyzing and reporting on climate-related metrics. While we have higher confidence in certain classes of climate data, such as measurements of our operational GHG emissions, there are still significant challenges and complicating factors in quantifying financed emissions and in determining metrics suitable for target-setting. This is largely because reporting across industry sectors is not standardized and data quality is often low or availability limited. The quantification of financed emissions and related targets for the financial sector – and the global economy – that informs decision-making requires the application of higher-quality data, including information about client GHG emissions and production activities. In addition, the data we need to define our pathway to meeting our interim targets may not be available or consistent and may not retain sufficient quality across the sectors on which we decide to focus.
- **Data sourcing** – In quantifying our GHG emissions footprint using the Partnership for Carbon Accounting Financials (PCAF) methodology, setting targets for emission reductions, and tracking and reporting on progress, we must rely on data obtained from clients and third-party sources related to production output, GHG emissions, financial information and other inputs. Although we believe these sources to be fit for purpose, we have not independently verified the data from these third parties, including our clients, or assessed any underlying assumptions about that data. We cannot therefore guarantee the accuracy of such third-party data or the reliability of such assumptions. Further, our use of this third-party data should not be taken as an endorsement of the third party or the data, nor is it to be construed as granting any form of intellectual property. Certain third-party data, such as Scope 3 GHG emissions and GHG emissions factors, may also change over time as standards and methods of measurement and estimation evolve. These factors and related uncertainties could significantly affect our targets for emission reductions and our ability to meet these targets.
- **Inventory fluctuations** – Many factors can influence our measurement of financed emissions from a particular sector, including changes in our client mix, portfolio size and geographic mix, the GHG emissions and production profile of clients, as well as the quality of data available and the calculation of attribution factors. In our calculations for business loans, we account for each loan's share of total borrower GHG emissions by applying an attribution factor calculated as the outstanding loan amount divided by the sum of total equity and debt for private companies,[1] or by total enterprise value, including cash for public companies, as prescribed by the methodology of the PCAF. Financed emissions reporting is challenged by variability in the enterprise value of a public client as a result of fluctuations in market prices. Market volatility could impact the attributed GHG emissions reported, even if there has been no change in a client's GHG emissions or our financing activity, which may limit the usefulness of year-over-year comparisons and trends. This is a limitation of the PCAF methodology that is recognized by other market participants and is not unique to us. PCAF established a working group in 2024 to identify methodological changes that would address this limitation, with guidance expected in 2025. We are also conducting an internal analysis based on authorized loan amounts and may take this analysis into consideration when evolving our approach.

Without data of sufficiently high quality or sufficient scale, we present estimates that are based on assumptions and extrapolations. The estimates, assumptions and judgments we believed to be reasonable when we prepared this report may eventually prove to be inaccurate, given their inherent complexity and uncertainty and our concerns about the underlying data and assumptions; thus, any interim targets we have set may need to be adjusted. For our financed emissions, we have identified the best available data under the data hierarchies set out in the PCAF Standard, which score data on a scale from 1 to 5, assigning a score of 1 to data that is the most certain.

Given the evolving nature of GHG emissions regulation, data sourcing, and improvements in methodologies, we may periodically need to recalculate or restate our historic GHG emissions and possibly reset our targets for emission reductions.

We are working internally to improve data by exploring additional third-party data providers and streamlining calculation processes.

[1] If total debt or total equity could not be obtained for private companies, we used the total balance sheet value (i.e., the sum of total equity and total liabilities, which is equal to the company's total assets), in line with the PCAF Standard.

Operational GHG emissions

Scope 1 2 3 Category 1 - 14

We quantify and disclose GHG emissions from operational sources relevant to our business to inform and monitor the actions we are taking to reduce GHG emissions in our own operations and in our value chain.

The GHG Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Standard (collectively the GHG Protocol) provide guidance for companies in preparing their GHG emissions inventories. We have developed an operational GHG emissions quantification methodology based on this guidance that applies the GHG Protocol's operational control approach. Details of our methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Operational emissions.

In 2024, we developed an operational Scope 3 screening tool to update our evaluation of the relevance of Scope 3 GHG emissions across our entire value chain, including all 14 operational categories of Scope 3 GHG emissions defined by the GHG Protocol (excludes financed emissions). GHG emissions categories were assessed against a set of criteria, including the category's relative size, the degree to which we can influence GHG emissions, the risk the GHG emissions may present to us, the importance placed by stakeholders on the GHG emissions source, and industry practice. The conclusions of the assessment are summarized in the table below and will inform our reporting approach going forward.

Our Scope 3 GHG emissions assessment

Scope 3 category	Relevance to BMO	Status
1. Purchased goods and services	Relevant	Calculated and disclosed
2. Capital goods	Relevant	Calculated and not yet disclosed[1]
3. Fuel- and energy-related activities	Relevant	Calculated and not yet disclosed[2]
4. Upstream transportation and distribution	Not applicable, included in categories 1 and 2	
5. Waste generated in operations	Not relevant	
6. Business travel	Relevant	Calculated and disclosed
7. Employee commuting	Relevant	Calculated and not yet disclosed[2]
8. Upstream leased assets	Not applicable, included in Scope 1 and 2	
9. Downstream transportation and distribution	Not applicable	
10. Processing of sold products	Not applicable	
11. Use of sold products	Not applicable	
12. End-of-life treatment of sold products	Not applicable	
13. Downstream leased assets	Relevant	Calculated and disclosed
14. Franchises	Not applicable	

Legend

- **Relevant**
  Category is significant and will be included in our GHG inventory
- **Not relevant**
  There may be some GHG emissions from this category resulting from our activities, but they are not deemed significant for reporting
- **Not applicable**
  There are no GHG emissions from this category resulting from our upstream or downstream activities

In the period from 2020 to 2023, reductions relative to our 2019 baseline either met or came close to our target to reduce Scope 1 and 2 GHG emissions by 30% by 2030. We are assessing a new target for Scope 1 and 2 GHG emissions measured against a baseline of 2023 to reflect our expanded footprint due to the Bank of the West acquisition in that year. See page 50 (Climate Reporting – Strategy – Our approach – Managing GHG emissions from our own operations) for information about the actions we are taking to reduce our GHG operational emissions.

[1] Scope 3 category 2 emissions are calculated and disclosed as part of Scope 3 category 1.
[2] Scope 3 category 3 and category 7 have been calculated for regulatory filing purposes using an estimation methodology. We plan to refine this methodology to support public disclosure of these Scope 3 categories.

The table below summarizes the metrics we use to track performance against our operational GHG emissions reduction strategy and the actions we are taking to reduce GHG emissions across our value chain. In the period from 2023 to 2024, our total Scope 1 and 2 (location-based) GHG emissions decreased by 5% due to reduced natural gas consumption and investments in improved energy management such as Smart Retail Controls. Our Scope 1 and 2 GHG intensities, measured per square footage and per employee, remained relatively flat. In the period from 2023 to 2024, our Scope 3 category 1 GHG emissions from purchased goods and services decreased by 18% due to decreased spend as we realized efficiencies following our acquisition of Bank of the West, most notably related to spend on external labour; and our Scope 3 category 6 GHG emissions from business travel increased by 33% due to higher air travel activity driven by operational needs, as well as the inclusion of hotel stay emissions and enhanced data availability.

BMO's operational GHG emissions[1,2]

			2024	2023
Scope 1 and 2 GHG emissions	Scope 1 emissions (tonnes CO_2e)	■	**33,090**	38,197
	Scope 2 emissions (location-based) (tonnes CO_2e)	■	**69,822**	69,529
	Scope 2 emissions (market-based) (tonnes CO_2e)	■	**356**	236
	Total Scope 1 and 2 (location-based) (tonnes CO_2e)	■	**102,912**	107,726
	Total Scope 1 and 2 (market-based) (tonnes CO_2e)	■	**33,446**	38,433
	Carbon credits retired for Scope 1 and 2 (tonnes CO_2e)	■	**33,446**	38,433
	GHG reductions from renewable energy credit purchased (tonnes CO_2e)	■	**69,466**	69,293
Scope 3 GHG emissions	Scope 3 – Category 1 emissions from purchased goods and services (tonnes CO_2e)[3]	■	**658,151**	804,903
	Scope 3 – Category 6 emissions from business travel (tonnes CO_2e)	■	**18,820**	14,154
	Scope 3 – Category 13 emissions from downstream leased assets (tonnes CO_2e)[4]	■	**2,453**	–
	Carbon credits retired for Scope 3 Category 6 (tonnes CO_2e)	■	**18,820**	14,154
Scope 1 and 2 GHG intensity	Scope 1 and 2 GHG intensity (location-based) (tonnes CO_2e/FTE)	■	**1.92**	1.93
	Scope 1 and 2 GHG intensity (location-based) (tonnes CO_2e/m^2)	■	**0.06**	0.06
	Scope 1 and 2 GHG intensity (market-based) (tonnes CO_2e/FTE)	■	**0.62**	0.69
	Scope 1 and 2 GHG intensity (market-based) (tonnes CO_2e/m^2)	■	**0.02**	0.02
Energy Consumption[5]	Energy consumption – Fuels (MWh)[6]	■	**169,520**	193,999
	Energy consumption – Electricity (MWh)[6]	■	**328,062**	332,474
	Energy consumption – Steam and Chilled Water (MWh)[6]	■	**1,395**	1,042
	Energy consumption – Renewable energy certificates (RECs) purchased (MWh)	■	**328,062**	332,474
	Global electricity use procured from renewable sources		**100%**	100%

■ Stantec has provided limited verification of these figures.

[1] 2023 Scope 1 and 2 GHG emissions and Scope 3 business travel GHG emissions have been restated to reflect: incorporation of GHG emissions from Bank of the West and Air Miles, acquired by BMO in 2023; correction of errors; inclusion of previously unavailable data; and change in methodology to estimate energy consumption where actual data is not available. The restatement resulted in an upward revision of 18,019 tCO_2e in 2023 for total Scope 1 and 2 location-based GHG emissions, and 2,334 tCO_2e for Scope 3 business travel GHG emissions. Scope 1 and 2 GHG intensity values have been recalculated as a result. Historical data beyond 2023 has not been recalculated.

[2] Unless otherwise noted, metrics reflect August 1 through July 31. We define our organizational boundary for GHG emissions quantification using the GHG Protocol's operational control approach.

[3] Scope 3 category 1 Purchased goods and services is calculated based on spend data for the period November 1 to October 1 and includes GHG emissions from the procurement of capital goods (Scope 3 category 2), excluding purchasing activity outside of North America. Results for 2023 exclude Bank of the West.

[4] In 2024, we reclassified GHG emissions from downstream leased assets as Scope 3 in accordance with the GHG Protocol's operational control approach. GHG emissions from these assets were previously reported as Scope 1 and 2.

[5] In 2024, we restated our 2023 energy consumption data to reflect: incorporation of energy consumption from Bank of the West and Air Miles, acquired by BMO in 2023; correction of errors; inclusion of previously unavailable data; and change in methodology to estimate energy consumption where actual data is not available. The restatement resulted in an upward revision of 68,876MWh in 2023.

[6] Energy consumption is reported for facilities and transportation activities within BMO's operational control and excludes energy consumed in subleased facilities, consistent with our application of the GHG Protocol's operational control approach.

Scope 1 and 2 GHG emissions by country

	2024	2023
Canada		
Scope 1 emissions (tonnes CO_2e)	**18,125**	20,125
Scope 2 emissions (location-based) (tonnes CO_2e)	**13,007**	14,447
Total Canada (tonnes CO_2e)	**31,132**	34,572
U.S.		
Scope 1 emissions (tonnes CO_2e)	**14,924**	17,879
Scope 2 emissions (location-based) (tonnes CO_2e)	**55,763**	54,213
Total U.S. (tonnes CO_2e)	**70,687**	72,092
International		
Scope 1 emissions (tonnes CO_2e)	**41**	192
Scope 2 emissions (location-based) (tonnes CO_2e)	**1,052**	870
Total International (tonnes CO_2e)	**1,093**	1,062

Energy consumption by country[1]

	2024	2023
Canada		
Fuels (MWh)	**91,706**	99,030
Electricity, steam and chilled water (MWh)	**192,498**	201,241
Total Canada (MWh)	**284,204**	300,271
U.S.		
Fuels (MWh)	**77,581**	93,863
Electricity, steam and chilled water (MWh)	**134,061**	129,367
Total U.S. (MWh)	**211,642**	223,230
International		
Fuels (MWh)	**232**	1,106
Electricity, steam and chilled water (MWh)	**2,898**	2,908
Total International (MWh)	**3,131**	4,014
Total energy consumption (MWh)	**498,977**	527,515

[1] Energy consumption is reported for facilities and transportation activities within BMO's operational control and excludes energy consumed in subleased facilities, consistent with our application of the GHG Protocol's operational control approach.

Financed emissions

Scope 3 Category 15

Financed emissions are GHG emissions that, under applicable international standards, are attributable to financial institutions as a result of their lending and investment activities.

We use the PCAF Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition) (the PCAF Standard) to inform our calculation methodology. We quantify and disclose financed emissions from high-emitting sectors represented in our lending portfolio: upstream oil and gas; power generation; commercial real estate (Canada); residential mortgages (Canada); and agriculture.[1] We also disclose a high-level analysis of our business and government lending portfolio ("full portfolio analysis") to provide an indication of concentrations of financed emissions by sector and the trend in overall economic financed emissions intensity of the portfolio. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Financed emissions.

As we quantify new sectors, we model decarbonization pathways using credible science-based climate transition scenarios with low or no overshoot and consider setting intermediate aspirational targets ("targets") where we have, in our opinion, sufficiently reliable data and methodologies, subject to our assessment of the risks involved in setting such targets. When setting targets, we generally use an approach that is aligned with the UNEP FI Guidelines for Climate Target Setting for Banks (the UNEP FI Guidelines). We have disclosed our annual financed emissions and progress towards the targets we have set.

We estimate that we have developed sector-specific financed emissions metrics and evaluated decarbonization pathways for sectors representing approximately 72% of our business and government lending portfolio financed emissions based on our loan book as at the end of fiscal 2023.[2] In 2024, we made improvements to our data systems and calculation processes for expansion to additional sectors and asset classes. Moving forward, we will consider widening the geographic scope of high-emitting sectors, and expanding coverage to include asset classes such as sovereign debt, corporate bonds, and debt and equity underwriting. We continue to explore methodologies for emissions related to off-balance sheet Capital Markets activities (known as facilitated emissions) and will integrate as appropriate in future years, including to meet regulatory expectations in the jurisdictions in which we operate.

Our financed emissions analyses to date have involved on-balance sheet lending activities, in line with the PCAF Standard, which calls for the use of outstanding loan amounts at the fiscal year end. Due to the time required to perform the calculations, and the time lag in availability of borrower financed emissions disclosures, the most recent year of financed emissions analysis disclosed is 2023. Using year-end outstanding balances can also cause year-over-year fluctuations unrelated to the actual financed emissions activity of our clients when current clients draw on authorized credit. Given that this could impact progress toward our targets, we are exploring analyses based on authorized loan amounts and may take this analysis into consideration for future disclosures and target-setting analyses.

[1] We have also quantified and previously disclosed financed emissions related to industrial activities (iron and steel, aluminum, and cement) and our personal automobile lending. In 2023, we discontinued disclosure related to industrial activities, as our lending exposure and the related financed emissions were immaterial. In 2024, we also discontinued disclosure related to our personal automobile lending due to a strategic decision in 2023 to wind down our indirect retail auto finance business. Financed emissions associated with our mining portfolio are included in our "full portfolio analysis"; we do not disclose financed emissions for mining sectors separately as metal mining and non-metal mining do not meet our lending exposure threshold (i.e., over 1%), and other criteria as described in our GHG Reporting Methodology – Financed emissions.

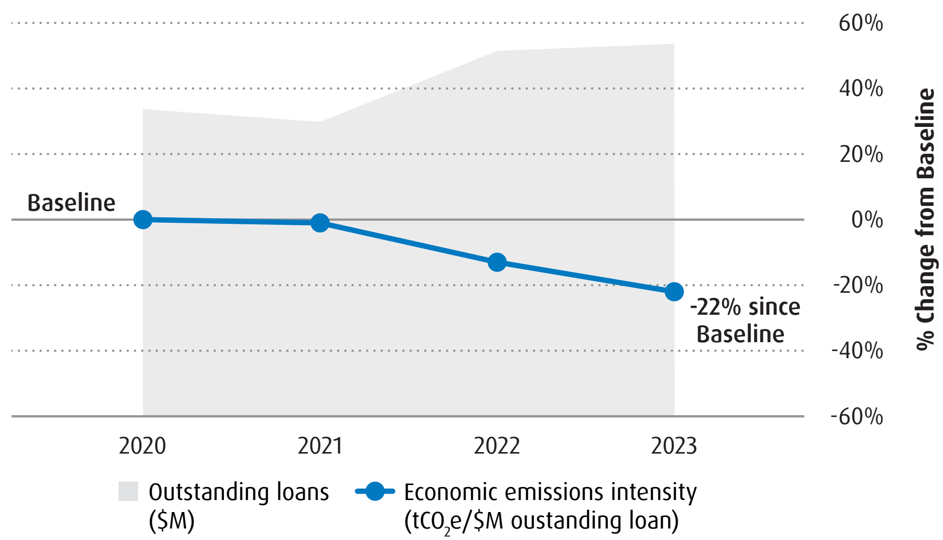
[2] This estimate is based on the full portfolio emissions analysis described on pages 81-84 (Climate Reporting – Metrics and targets – Financed emissions – Business and government lending portfolio analysis) and includes our sector-based analyses for upstream oil and gas, power generation, commercial real estate and agriculture. It does not consider decisions to focus on and/or phase in specific geographies into these analyses over time.

Business and government lending portfolio analysis

We analyze the Scope 1 and 2 financed emissions associated with our business and government lending portfolio ("full portfolio"), which includes our business banking, commercial banking and capital markets lending activity, including project finance loans, as at the end of the fiscal year. For this analysis, we use the PCAF methodology for business loans, at a data quality score of 5.[1] We source Exiobase emission factors from PCAF's emission factor database and apply sectoral and regional averages to our analyses.[2]

Due to the low data quality derived from the full portfolio analysis, we are not disclosing absolute financed emissions at this time, with the analysis instead aimed at providing insights on the intensity and sectoral concentrations of financed emissions in our lending portfolio. As shown in the graph to the right, we estimate that the economic emissions intensity of our portfolio (emissions per $ million of outstanding loan) decreased between 2020 and 2023. We continue to work to improve data quality, which would provide additional confidence in our estimates and their suitability for disclosure. For more on data challenges, see page 76 (Climate Reporting – Metrics and targets – A note about data challenges).

Business and government lending portfolio – Economic emissions intensity change (Scope 1 and 2)

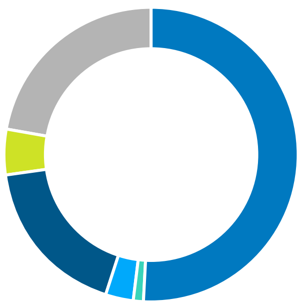


[1] PCAF data quality scores are measured on a scale of 1 to 5, where 1 is the most certain.

[2] We apply economic-based emission factors from the Exiobase database at a sector and regional level, which can result in a single emission factor being applied to many sub-sectors. For example, within our Agriculture portfolio, one emission factor is applied to 60 industry codes with underlying sub-sector emission factors.

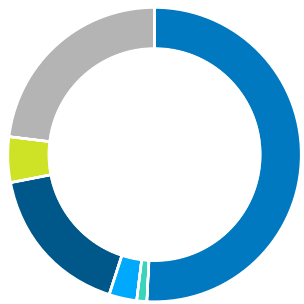
Business and government lending portfolio – Sectoral concentrations by year (Scope 1 and 2)[1,2]

2023 full portfolio ◆



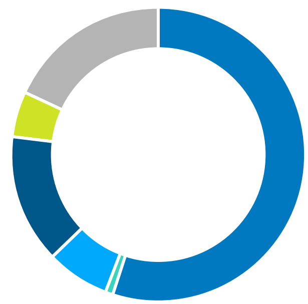
Agriculture	51%
Commercial real estate	1%
Heavy industries	<1%
Upstream oil and gas	3%
Power generation	18%
Transportation	5%
All other	22%

2022 full portfolio



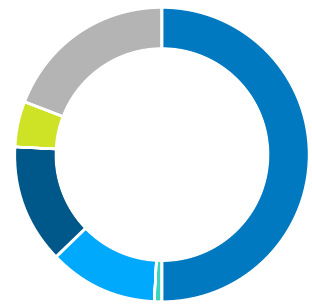
Agriculture	51%
Commercial real estate	1%
Heavy industries	<1%
Upstream oil and gas	3%
Power generation	17%
Transportation	5%
All other	23%

2021 full portfolio



Agriculture	55%
Commercial real estate	1%
Heavy industries	<1%
Upstream oil and gas	7%
Power generation	14%
Transportation	5%
All other	18%

2020 full portfolio



Agriculture	50%
Commercial real estate	1%
Heavy industries	<1%
Upstream oil and gas	12%
Power generation	13%
Transportation	5%
All other	19%

◆ KPMG has provided limited assurance of this figure.

[1] This analysis uses PCAF's methodology for business loans for all sectors, based on borrower industry codes and a PCAF Data Quality 5 approach. Our sectoral analyses are based on more granular data, data quality levels, and/or asset class methodologies (e.g., sectoral Commercial real estate calculations do not rely on industry codes for sector identification); therefore, financed emissions estimated through sectoral analyses will differ.

[2] Previously disclosed data for 2020, 2021 and 2022 have been restated to incorporate exposures from our acquisition of the Bank of the West.

Financed emissions and targets in key sectors

In this section, we provide financed emissions estimates and related targets that we have set for key high-emitting sectors in our portfolio, consistent with industry standards and guidelines. For each sector, we provide the bank's exposure in outstanding amounts (in Canadian dollars), absolute emissions estimates, portfolio data quality scores measured per the PCAF Standard, as well as economic-emissions and/or physical-emissions intensity figures in certain instances for the 2023 fiscal year. We have set targets at the sector level where the sector is a significant contributor to our financing and where we have sufficient data quality.

High-emitting sectors where we have estimated financed emissions are presented below alongside information relevant to target-setting analyses completed. We have analyzed scientific decarbonization pathways relevant to our global agriculture, commercial real estate (Canada) and residential real estate (Canada) portfolios and have not set targets for these sectors due to low PCAF data quality scores and difficulty in obtaining borrower-level data that would allow us to more meaningfully track financed emissions over time.

Sectoral target setting and decarbonization pathway analysis summary

Bank Portfolio	PCAF Asset Class	Sector	Value Chain Focus	Geographic Focus	Financed Emissions Scope	Target Set	Target Metric Type	Target Metric	Baseline Year	Baseline Value	Change Indicator[1]	Target Value	Target Year	Reference Scenario
Business and Government Lending	Business Loans	Oil and Gas	Upstream Oil and Gas	Global	Scope 1 and 2	Yes	Physical Intensity	tCO_2e/TJ	2019	5.3	-33%	3.6	2030	IEA NZE IPCC net-zero-aligned scenarios
			Upstream Oil and Gas	Global	Scope 3[2]	Yes	Absolute	tCO_2	2019	38,914	-24%	29,575	2030	
		Power Generation	Power Generators	Canada	Scope 1	Yes	Physical Intensity	tCO_2e/MWh	2019	0.2	-70%	0.06	2030	GCAM NZE for Canada
							Generation share	% Low-Carbon Sources based on Outstanding Loans	2019	76%	16%	88%	2030	GCAM NZE for Canada

[1] Indicates percent change from baselines to target values.

[2] GHGs other than CO_2 are excluded due to relative immateriality and to align financed emissions calculations with the metrics used in the decarbonization pathways evaluated.

Oil and Gas

Our financed emissions calculations for the oil and gas sector focus on the Scope 1 and 2 financed emissions of our global upstream oil and gas borrowers. After discussions with clients, we are targeting a 33% reduction in portfolio physical emissions intensity (tCO_2e/TJ) by 2030, that we are pursuing in partnership with our clients. Our calculations also include downstream Scope 3 financed emissions that result from the combustion of products produced by the same oil and gas borrowers. Our target to reduce absolute Scope 3 financed emissions by 24% by 2030 has been achieved. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our [GHG Reporting Methodology – Financed emissions](#).

Upstream oil and gas – Global[1,2]

			2023	2022	2021	2020	2019	Target
Canada	**Loans outstanding ($ millions)**	◆	$1,926	$1,390	$2,425	$3,003	$2,917	
	Scope 1 and 2							
	Scope 1 and 2 financed emissions (ktCO_2e)	◆	357	347	665	1,146	887	
	Portfolio PCAF data quality score	◆	2.9	2.0	1.7	1.7	2.1	
	Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆	186	250	274	382	304	
	Physical emissions intensity (tCO_2e/TJ)	◆	5.1	6.4	5.6	5.9	5.3	33% reduction by 2030
Rest of world[3]	**Loans outstanding ($ millions)**	◆	$141	$656	$2,046	$5,120	$5,636	
	Scope 1 and 2							
	Scope 1 and 2 financed emissions (ktCO_2e)	◆	28	159	605	1,210	1,382	
	Portfolio PCAF data quality score	◆	3.1	3.2	3.6	3.5	4.0	
	Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆	203	242	296	236	245	
	Physical emissions intensity (tCO_2e/TJ)	◆	2.7	3.0	3.2	3.0	3.4	33% reduction by 2030
Global[4]	**Loans outstanding ($ millions)**	◆	$2,067	$2,046	$4,471	$8,123	$8,553	
	Downstream Scope 3							
	Financed emissions (ktCO_2)	◆	5,393	6,852	19,320	37,645	38,914	24% reduction by 2030 has been achieved
	Portfolio PCAF data quality score	◆	3.0	3.1	3.3	3.1	3.4	
	Economic emissions intensity (tCO_2/$ millions of loans outstanding)	◆	2,610	3,350	4,321	4,635	4,550	
	Physical emissions intensity (tCO_2/TJ)	◆	66.5	64.4	62.6	63.2	62.2	

◆ KPMG has provided limited assurance of this figure.

[1] The financed emissions scope includes eligible borrowers for upstream oil and gas only. The outstanding loan amounts therefore differ from balances reported as "Oil and Gas" in BMO's Supplementary Financial Information package.

[2] Bank of the West exposure in upstream oil and gas scope is immaterial and prior years are not restated.

[3] In 2020, we announced a decision to wind down our non-Canadian investment and corporate banking energy business. We anticipate the majority of run-off will occur before 2030.

[4] GHGs other than CO_2 are excluded. Emission factors are sourced from the IPCC Guidelines for National GHG Inventories (2006).

Upstream oil and gas targets

Activity focus	Global upstream oil and gas portfolio	
Financed emissions scope	Scope 1 and Scope 2 emissions	Downstream Scope 3 emissions
Metric	Carbon intensity (tCO_2e/TJ of primary energy)	Absolute emissions (tCO_2)
Net-zero-aligned target	Targeting a 33% reduction in portfolio financed emissions intensity by 2030. Target is applied to our Canadian and Rest of World portfolios separately.	Our target to reduce absolute Scope 3 financed emissions by 24% by 2030 has been achieved.

As of 2023, the Scope 1 and 2 physical emissions intensity (tCO_2e/TJ) of our upstream oil and gas portfolio has decreased for both our Canadian (-5%) and Rest of World (-19%) portfolios from the 2019 baseline. The portfolio intensity has fluctuated year-over-year due to portfolio composition, actual borrower operational changes, and data availability. The strategies listed on page 55 support decarbonization of this portfolio.

The absolute Scope 3 financed emissions of our upstream oil and gas portfolio have decreased by 86% since 2019, which mirrors a decrease in our loan exposure (-76%) over that period. We surpassed our target for reductions in Scope 3 financed emissions with a reduction of 50% in 2021.

Power generation

Our financed emissions calculations for the power sector focus on the Scope 1 financed emissions of our power generator borrowers, as well as the power generation share of diversified businesses operating in power distribution or natural gas distribution sectors within Canada and the United States.[1] We are targeting to reach a Canadian portfolio physical emissions intensity (tCO_2e/MWh) of 0.06 by 2030, which is indicated by reaching an 88% share of low-carbon power generation. We have not set a target for our U.S. portfolio at this time due to policy uncertainty in the U.S. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Financed emissions.

Power generation – Canada and U.S.[2,3,4]

			2023	2022	2021	2020	2019	Target
Canada	**Loans outstanding ($ millions)**	◆	$1,309	$1,473	$1,441	$1,100	$1,339	
	Scope 1							
	Financed emissions ($ktCO_2e$)	◆	400	403	249	332	360	
	Portfolio PCAF data quality score	◆	2.9	3.4	3.1	3.1	3.5	
	Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆	306	274	173	302	269	
	Physical emissions intensity (tCO_2e/MWh of electricity generated)	◆	0.20	0.24	0.08	0.16	0.20	0.06 tCO_2e/MWh by 2030
U.S.	**Loans outstanding ($ millions)**	◆	$1,891					
	Scope 1							
	Financed emissions ($ktCO_2e$)	◆	1,181					
	Portfolio PCAF data quality score	◆	3.6					
	Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆	625					
	Physical emissions intensity (tCO_2e/MWh of electricity generated)	◆	0.23					

Share of low-carbon generation in portfolio (% of total loans outstanding)[5]

	2023	2022	2021	2020	2019	Target
Canada	83%	89%	89%	79%	76%	88% by 2030
U.S.	77%					

◆ KPMG has provided limited assurance of this figure.

[1] Scope 2 financed emissions associated with electricity used in power generation facility operations are immaterial and are not calculated.

[2] Bank of the West exposure in the Canadian power generation scope is immaterial and prior years are not restated.

[3] The financed emissions scope includes eligible borrowers for power generation only. The outstanding loan amounts therefore differ from the balances reported as "Utilities" in BMO's Supplementary Financial Information package.

[4] The physical emissions intensity metric is calculated for borrowers with attributable power generation data (representing 61% of the Canadian power generation share of outstanding loans in 2019, 74% in 2020, 64% in 2021, 51% in 2022, and 85% in 2023, and 57% of the U.S. power generation share of outstanding loans in 2023).

[5] Low-carbon includes renewable power generation (hydro, wind, solar, biomass and other) and nuclear power generation.

Power generation targets

Activity focus	Canadian power generation portfolio
Financed emissions scope	Scope 1 emissions from fuel combustion for electricity generation
Metric	Carbon intensity (tCO_2e/MWh of electricity generated) Share of low-carbon power generation in the portfolio
Net-zero-aligned target	Targeting a Canadian portfolio carbon intensity of 0.06 tCO_2e/MWh by 2030, which is indicated by an 88% share of low-carbon power generation.

The Scope 1 physical emissions intensity of the Canadian power generation portfolio has decreased by 15% since the prior year (2022) and is similar to the 2019 baseline. The portfolio intensity has fluctuated year-over-year, and is expected to continue to do so, due to portfolio composition, actual borrower operational changes and data availability. We exceeded our targeted share of low-carbon generation in the portfolio in 2021 and 2022; this metric has declined in 2023. The strategies listed on pages 56-57 support decarbonization of this portfolio.

Commercial real estate

Our financed emissions calculations focus on our Canadian commercial real estate borrowers that use financing to purchase or refinance properties that are used or leased to generate income.[1] We calculate Scope 1 and 2 financed emissions from the properties. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Financed emissions.

We have not yet set a target for this sector due to a low PCAF data quality score and difficulty in obtaining property-level energy and/or financed emissions data that would allow us to more meaningfully track financed emissions over time. We continue to work to improve data to inform financed emissions calculations and target-setting. The strategies listed on page 59 support decarbonization of this portfolio.

Commercial real estate – Canada[2]

		2022	2021
Loans outstanding ($ millions)	◆	$36,721	$32,388
Scope 1 and 2			
Scope 1 and 2 financed emissions ($ktCO_2e$)	◆	504	516
Portfolio PCAF data quality score	◆	4.6	4.4
Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆	13.7	15.9
Physical emissions intensity ($kgCO_2e/m^2$ financed)	◆	32.0	37.3

◆ KPMG has provided limited assurance of this figure.

[1] This includes residential properties owned by investors. It excludes financing for land, construction and renovation of properties due to methodological difficulties in estimating financed emissions from these activities – this is a limitation acknowledged by PCAF. It also excludes financing for real estate investment trusts which are largely general corporate purpose loans.

[2] The financed emissions scope includes loans for the purpose of purchasing or refinancing commercial real estate buildings or income-producing residential buildings in Canada. The outstanding loan amounts differ from the balances reported as "Commercial Real Estate" in BMO's Supplementary Financial Information package.

Residential real estate

Our financed emissions calculations focus on our Canadian residential real estate borrowers. We calculate Scope 1 and 2 financed emissions from the properties. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Financed emissions.

We have not yet set a target for this sector due to a low PCAF data quality score and difficulty in obtaining property-level energy and/or financed emissions data that would allow us to more meaningfully track financed emissions over time. We continue to work to improve data to inform financed emissions calculations and target-setting. The strategies listed on page 60 support decarbonization of this portfolio.

Residential mortgages – Canada[1]

	2023	2022	2021	2020	2019
Loans outstanding ($ millions)	◆ $123,424	$117,165	$110,051	$102,693	$99,148
Scope 1 and 2					
Scope 1 and 2 financed emissions (ktCO_2e)	◆ 897	963	1,057	1,123	1,155
Portfolio PCAF data quality score	◆ 4.1	4.1	4.1	4.2	4.2
Economic emissions intensity (tCO_2/$ millions of loans outstanding)	◆ 7.3	8.2	9.6	10.9	11.7
Physical emissions intensity (kgCO_2/m^2 financed)	◆ 24.7	26.2	28.0	29.2	29.2

Agriculture

Our financed emissions calculations focus on global Agriculture borrowers' Scope 1 and 2 financed emissions. Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our GHG Reporting Methodology – Financed emissions.

We have not yet set a target for this sector due to a low PCAF data quality score.

The high rate of private companies, and number of clients in this sector, make it very difficult to obtain the comprehensive and consistent farm-level energy, financed emissions and/or production data that would allow us to more meaningfully track financed emissions over time. We are continuing to participate in conversations in the field about how to improve data availability and approaches to estimating financed emissions. The strategies listed on page 61 support decarbonization of this portfolio.

Agriculture – Global[2,3,4]

	2023	2022	2021	2020
Loans outstanding ($ millions)	◆ $18,413	◆ $18,114	$17,495	$17,276
Scope 1 and 2				
Scope 1 and 2 financed emissions (ktCO_2e)	◆ 14,112	◆ 15,700	14,967	14,666
Portfolio PCAF data quality score	◆ 4.4	◆ 4.4	4.4	4.4
Economic emissions intensity (tCO_2e/$ millions of loans outstanding)	◆ 766	◆ 867	856	849

◆ KPMG has provided limited assurance of this figure.

1 The financed emissions scope includes loans for the purchasing or refinancing of Canadian residential properties, including BMO-held mortgages and mortgages from third parties. The outstanding loan amounts therefore differ from the balances reported as "Residential Mortgages" in BMO's Supplementary Financial Information package.

2 The financed emissions scope includes borrowers defined by NAICS codes covering agriculture production, farms, forestry, and fishing. The outstanding loan amounts therefore differ from the balances reported as "Agriculture" in BMO's Supplementary Financial Information package.

3 Previously disclosed data for 2020 and 2021 have been restated to incorporate exposures from our acquisition of the Bank of the West.

4 Due to unavailability of production data across borrowers (e.g., tonnes of grown or produced matter), we have not calculated a physical emissions intensity.

Climate risk metrics

We have incorporated climate-relate risk metrics into our Risk Appetite to help us understand and monitor our exposure to climate-related transition risks and physical risks. These are included in our board-reported Risk Appetite Dashboard.

Climate transition risk metrics

Carbon-related assets – Metric 1

In line with the TCFD Recommendations' 2017 guidance, we define carbon-related assets as our credit risk exposure connected to the energy and utilities sectors as a percentage of our total credit risk exposure. It does not include water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers or waste management companies.

In 2021, we established risk tolerance thresholds for our credit risk exposure to carbon-related assets based on the 2017 guidance from the TCFD, linked quantitatively to our financed emissions reduction targets. The thresholds came into effect at the beginning of the 2022 fiscal year, and are updated annually, with consideration given to decarbonization pathway modelling, TCFD recommendations, current industry practices, government policy objectives, and applicable law.

In 2024, we began to disaggregate the carbon-related asset metric to the operating group level (BMO Capital Markets and Personal and Commercial Banking). This allows the bank to monitor the contribution of the operating group to the enterprise metric and allow for group-level thresholds and notification triggers. These metrics are tracked at appropriate group-level forums and are not currently reported to the board.

Our credit risk exposure to carbon-related assets in fiscal 2024, determined using 2017 guidance from the TCFD, was approximately $18.4 billion, and represented 1.6% ◆ of total credit risk exposure. This exposure has declined since 2019 because of strategic decisions made regarding capital allocation and the prioritization of opportunities.

Credit risk exposure to carbon-related assets (Metric 1)[1,2]

	2024	2023	2022
Credit risk exposure to carbon-related assets – Metric 1 (non-renewable energy and power generation)	◆ **1.6%**	1.9%	2.3%

◆ KPMG has provided limited assurance of this figure.

[1] This metric is aligned with the TCFD Recommendations' 2017 guidance and is defined as credit risk exposure connected to the energy and utilities sectors as a percentage of our total credit risk exposure. It does not include water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers and waste management companies.

[2] Results for 2022 and 2023 have been restated due to change in calculation methodology from lending to exposure at default.

Carbon-related assets – Metric 2

In 2021, the TCFD updated its guidance document and included a revised definition of carbon-related assets (Metric 2), which incorporates all four non-financial groups identified by the TCFD: energy (consistent with Metric 1), transportation, materials and buildings, and agriculture, food and forest products. This 2021 definition is not used directly in risk management due to the broad sectoral coverage, for example the wide variation in climate sensitivity within the agriculture sector (e.g. crop types, geography), limiting its usefulness as a measure of climate transition risk. We disclose this metric to align with industry practice. Our credit risk exposure to carbon-related assets, determined using this 2021 TCFD definition, was approximately $189.6 billion, and represented 17% ◆ of our credit risk exposure.

Credit risk exposure to carbon-related assets (Metric 2)[1,2]

	2024	2023	2022
Credit risk exposure to carbon-related assets – Metric 2 (includes Metric 1 plus transportation, materials and buildings, and agriculture, food and forest products)	◆ 17.0%	17.2%	16.8%

Credit risk exposure to carbon-related assets by TCFD category[2]

	2024	2023	2022
Energy	1.6%	1.9%	2.3%
Transportation	2.4%	2.5%	2.8%
Materials and buildings	9.4%	9.1%	8.6%
Agriculture, food and forest products	3.6%	3.6%	3.2%

Climate physical risk metric

As of fiscal 2025, we have developed a monitor-only climate physical KRI to measure flooding exposure (coastal, pluvial and fluvial) for our real estate secured lending (residential mortgage and home equity) portfolios. The indicator was developed in alignment with Canadian Sustainability Standards Board's Canadian Sustainability Disclosure Standards (CSDS) 2, Climate-related Disclosures recommendations and in anticipation of upcoming cross-industry physical risk disclosures, and measures the percentage of exposure and number of accounts located in 1-in-100-year, or more frequent, flood zones. The exposures are defined as the outstanding balance for mortgage accounts, and the current authorization for home equity accounts.

The KRI indicator is calculated quarterly and reported internally to senior management. The indicator may be considered as part of the Risk Appetite framework refresh cycle annually. Through this process, the indicator measurements along with any revisions are required to advance through the Risk Management Committee for the enterprise and the U.S. Risk Management Committee for our U.S. operations.

We are planning to refine this indicator to address challenges related to measurement consistency between Canada and the U.S., as well as the need to align it with evolving industry and regulatory standards.

◆ KPMG has provided limited assurance of this figure.

[1] 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. This metric is not used directly in risk management due to broad sectoral coverage, limiting its usefulness as a measure of climate transition risk.

[2] Results for 2022 and 2023 have been restated due to change in calculation methodology from lending to exposure at default.

PUBLIC ACCOUNTABILITY STATEMENTS

Bank of Montreal 2024 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 BMO Private Equity (Canada) Inc., and 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

Employees and locations

Taxes

Contributions to the community

Business debt financing

As at October 31, 2024
Authorized amount in $ millions

Province and 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	185	415	332	557	804	2,925	44,943	**50,161**
	Number of firms	15,069	10,532	2,113	1,613	1,159	1,329	849	**32,664**
British Columbia	Authorized amount	230	494	383	667	1,265	5,476	42,670	**51,185**
	Number of firms	19,178	12,784	2,493	1,904	1,804	2,470	1,546	**42,179**
Manitoba	Authorized amount	21	60	54	89	138	556	6,338	**7,256**
	Number of firms	1,911	1,483	342	249	195	250	183	**4,613**
New Brunswick	Authorized amount	19	56	55	91	161	638	2,551	**3,571**
	Number of firms	1,607	1,350	354	260	234	277	127	**4,209**
Newfoundland and Labrador	Authorized amount	13	46	52	85	130	528	1,847	**2,701**
	Number of firms	1,192	1,106	332	248	184	239	74	**3,375**
Northwest Territories/Nunavut	Authorized amount	1	3	3	6	13	17	179	**222**
	Number of firms	118	64	18	17	19	9	5	**250**
Nova Scotia	Authorized amount	28	67	68	144	273	1,105	6,651	**8,336**
	Number of firms	2,399	1,671	435	399	386	508	224	**6,022**
Ontario	Authorized amount	753	1,393	1,184	2,019	3,365	11,203	88,416	**108,333**
	Number of firms	65,473	36,361	7,484	5,740	4,804	5,178	2,585	**127,625**
Prince Edward Island	Authorized amount	6	15	19	40	83	331	467	**961**
	Number of firms	490	365	115	110	118	152	47	**1,397**
Quebec	Authorized amount	285	550	447	754	1,270	4,363	37,007	**44,676**
	Number of firms	24,740	14,237	2,827	2,135	1,814	2,047	1,047	**48,847**
Saskatchewan	Authorized amount	32	114	87	157	232	877	6,066	**7,565**
	Number of firms	2,634	2,676	551	446	338	414	190	**7,249**
Yukon	Authorized amount	3	6	3	6	14	44	62	**138**
	Number of firms	200	155	19	20	19	22	6	**441**
Total	**Authorized amount**	**1,576**	**3,219**	**2,687**	**4,615**	**7,748**	**28,063**	**237,197**	**285,105**
	Number of firms	**135,011**	**82,784**	**17,083**	**13,141**	**11,074**	**12,895**	**6,883**	**278,871**

Employees and locations

Number of employees

Active, paid and unpaid leave employees (permanent, temporary and intern).

As of October 31, 2024	Full-time	Part-time	Total
Canada			
Alberta	2,038	342	**2,380**
British Columbia	2,540	481	**3,021**
Manitoba	327	91	**418**
New Brunswick	231	51	**282**
Newfoundland and Labrador	182	52	**234**
Northwest Territories	10	2	**12**
Nova Scotia	518	79	**597**
Ontario	22,677	1,414	**24,091**
Prince Edward Island	48	12	**60**
Quebec	4,463	710	**5,173**
Saskatchewan	286	96	**382**
Yukon	11	3	**14**
Total	**33,331**	**3,333**	**36,664**
U.S.	18,113	1,508	**19,621**
International	767	8	**775**
Total employees	**52,211**	**4,849**	**57,060**

Branches opened, closed and relocated

We opened, closed and relocated the following BMO Bank of Montreal branches in fiscal 2024 (Canada).

Branches opened	Address	City/Province
Carrefour Brossard	1005, boulevard du Quartier, Unité 10	Brossard, QC
Hurontario & Bovaird	10035 Hurontario Street	Brampton, ON
Fischer-Hallman & Bleams	1270 Fischer-Hallman Road, Building E	Kitchener, ON
Thompson & Louis St. Laurent	9040 Louis St. Laurent Avenue, Unit 1	Milton, ON
Brightwater, Port Credit	215 Lakeshore Road W, Unit 10	Mississauga, ON
Simcoe & Windfields Farm	2615 Simcoe Street N	Oshawa, ON
Lansdowne Centre	5300 No. 3 Road, Unit 322	Richmond, BC

Branches closed	Address	City/Province
Botwood	252 Water Street	Botwood, NL
Perth-Andover	686 Perth Main Street	Perth-Andover, NB
Lancaster Mall	621 Fairville Boulevard	Saint John, NB
Promenade du Portage	141, promenade du Portage	Gatineau, QC
Huntingdon	124, rue Châteauguay	Huntingdon, QC
Mont-Royal & du Bordeaux	2001, avenue du Mont-Royal E	Montreal, QC
Martin Grove Gardens	5 Lavington Drive	Etobicoke, ON
Islington & Elmhurst	2428 Islington Avenue	Etobicoke, ON
Grand Bend	6 Ontario Street	Grand Bend, ON
Highland & Patricia	170 Highland Road W	Kitchener, ON
Bank Street & Marché Way	100 Marché Way, Unit 106	Ottawa, ON
Sudbury Main Office	79 Durham Street	Sudbury, ON
Morris	107 Main Street	Morris, MB
Weyburn Square	110 Souris Avenue, Unit 7	Weyburn, SK
Kensington	1101 Kensington Road NW	Calgary, AB
Coaldale	1722 20th Avenue	Coaldale, AB
Summerwood	4005 Clover Bar Road, Unit 30	Sherwood Park, AB
Metropolis Financial Management Centre	4820 Kingsway, Unit 271	Burnaby, BC
Dawson Creek	10124 10th Street	Dawson Creek, BC
Enderby	510 Cliff Avenue	Enderby, BC
Qualicum Beach	661 Primrose Street, Unit 101	Qualicum Beach, BC
Sechelt	5640 Cowrie Street	Sechelt, BC
41st & Oak	5755 Oak Street	Vancouver, BC
James Bay	230 Menzies Street	Victoria, BC

Branches relocated	From	To	City/Province
Royalmount	6521, boulevard Décarie	5050, chemin de la Côte-de-Liesse	Montreal, QC
Islington & Rexdale	155 Rexdale Boulevard	31 Rexdale Boulevard, Building C3	Etobicoke, ON
Picton	115 Main Street	30 George Wright Boulevard, Unit E1	Picton, ON
Fourth & Vansickle	31 King Street	420 Vansickle Road, Building H001	St. Catharines, ON
Mirvish Village	640 Bloor Street W	575 Bloor Street W	Toronto, ON
29th & Dunbar	4445 Dunbar Street	4480 Dunbar Street	Vancouver, BC

ATMs opened and closed

We opened and closed the following automated teller machines (ATMs) in fiscal 2024 (Canada).

ATMs opened

Site	Address	City	Province
Foodland	259 Water Street	Botwood	NL
Irving	575 Main Street	Dartmouth	NS
Carrefour Brossard	1005, boulevard du Quartier	Brossard	QC
Royalmount	5050, chemin de la Côte-de-Liesse	Mont Royal	QC
Proxi	222, rue Saint-Paul	Quebec City	QC
Hurontario & Bovaird	10035 Hurontario Street	Brampton	ON
Farah Foods	1 Hartley Avenue	Brant	ON
Islington & Rexdale	31 Rexdale Boulevard	Etobicoke	ON
Shell	5762 Hazeldean Road	Kanata	ON
Fischer-Hallman & Bleams	1270 Fischer-Hallman Road	Kitchener	ON
Metro	1030 Adelaide Street N	London	ON
Thompson & Louis St. Laurent	9040 Louis St. Laurent Avenue	Milton	ON
Brightwater Port Credit	215 Lakeshore Road W	Mississauga	ON
Simcoe & Windfield Farms	2615 Simcoe Street N	Oshawa	ON
Picton	30 George Wright Boulevard	Picton	ON
Mobil	350 Wellington Street	Sarnia	ON
Fourth & Vansickle	420 Vansickle Road	St. Catharines	ON
Metro	417 Wellington Street	St. Thomas	ON
Mirvish Village	575 Bloor Street W	Toronto	ON
Metro	4111 Thickson Road N	Whitby	ON
Shell	4700 Parliament Avenue	Regina	SK
Shell	1595 32 Avenue NE	Calgary	AB
Shell	4828 Centre Street NE	Calgary	AB
Shell	9182 Airport Link NE	Calgary	AB
Shell	9423 149 Street NW	Edmonton	AB
Askew Foods	1006 George Street	Enderby	BC
Quality Foods	705 Memorial Avenue	Qualicum Beach	BC
Central City	10312 King George Boulevard	Surrey	BC
29th & Dunbar	4480 Dunbar Street	Vancouver	BC

ATMs closed

Site	Address	City	Province
Botwood	252 Water Street	Botwood	NL
Irving	626 Windmill Road	Dartmouth	NS
Perth-Andover	686 Perth Main Street	Perth-Andover	NB
Promenade du Portage	141, promenade du Portage	Gatineau	QC
Huntingdon	124, rue Châteauguay	Huntingdon	QC
Mont-Royal & du Bordeaux	2001, avenue du Mont-Royal E	Montreal	QC
Décarie & Plamondon	6521, boulevard Décarie	Montreal	QC
IGA	8980, boulevard Lacroix	Saint-Georges	QC
Sainte-Julie	99, boulevard des Hauts-Bois	Sainte-Julie	QC
Islington & Elmhurst	2428 Islington Avenue	Etobicoke	ON
Martin Grove Gardens	5 Lavington Drive	Etobicoke	ON
Grand Bend	6 Ontario Street	Grand Bend	ON
Highland & Patricia	170 Highland Road W	Kitchener	ON
10th & Thomas Sobeys	5602 10th Line W	Mississauga	ON
Bank Street & Marché Way	100 Marché Way	Ottawa	ON
Nesbitt Peterborough	311 George Street N	Peterborough	ON
Picton	115 Main Street	Picton	ON
Rexdale & Kipling	155 Rexdale Boulevard	Rexdale	ON
Institute for Learning	3550 Pharmacy Avenue	Scarborough	ON
St. Catharines Main Office	31 King Street	St. Catharines	ON
Sudbury Main Office	79 Durham Street	Sudbury	ON
Sobeys	147 Laird Drive	Toronto	ON
250 Yonge	250 Yonge Street	Toronto	ON
Bloor-Islington Subway	3286 Bloor Street W	Toronto	ON
Bloor & Euclid	640 Bloor Street W	Toronto	ON
Weston & John	1939 Weston Road	Weston	ON
Morris	107 Main Street	Morris	MB
CANEX	2 Cove Road	Shilo	MB
Weyburn	110 Souris Avenue NE	Weyburn	SK
Kensington	1101 Kensington Road NW	Calgary	AB
Sobeys	150 Millrise Boulevard SW	Calgary	AB
Eau Claire Market	200 Barklay Parade SW	Calgary	AB
Coaldale	1722 20 Avenue	Coaldale	AB
Shell	3518 118 Avenue NW	Edmonton	AB
Summerwood Branch	4005 Clover Bar Road	Sherwood Park	AB

(continued on next page)

ATMs opened and closed, continued

We opened and closed the following automated teller machines (ATMs) in fiscal 2024 (Canada).

ATMs closed, continued

Site	Address	City	Province
Metropolis Financial Management Centre	4820 Kingsway Boulevard	Burnaby	BC
BC Hydro	6911 Southpoint Drive	Burnaby	BC
Dawson Creek	10124 10 Street	Dawson Creek	BC
Enderby	510 Cliff Street	Enderby	BC
Shell	9605 100 Street	Fort St. John	BC
Shell	2315 Pitt River Road	Port Coquitlam	BC
Qualicum Beach	661 Primrose Street	Qualicum Beach	BC
Shell	5511 Garden City Road	Richmond	BC
Sechelt	5640 Cowrie Street	Sechelt	BC
Central City	10155 King George Highway	Surrey	BC
BC Hydro	333 Dunsmuir Street	Vancouver	BC
28th Avenue & Dunbar	4445 Dunbar Street	Vancouver	BC
41st Avenue & Oak	5755 Oak Street	Vancouver	BC
James Bay	230 Menzies Street	Victoria	BC

Taxes

Taxes paid and payable in Canada

$ millions	Income taxes	Capital taxes	Other taxes
Federal	$946.2	$–	$174.2
Province or territory			
Alberta	41.9	–	0.9
British Columbia	60.5	–	8.9
Manitoba	8.3	10.0	1.2
New Brunswick	7.3	3.6	1.1
Newfoundland and Labrador	5.4	5.7	2.5
Northwest Territories	0.4	–	–
Nova Scotia	10.1	11.1	2.1
Nunavut	–	–	–
Ontario	296.8	–	476.1
Prince Edward Island	1.1	0.9	0.2
Quebec	85.0	12.0	61.4
Saskatchewan	10.0	9.1	0.1
Yukon	0.3	–	–
Total provincial and territorial taxes	527.1	52.4	554.5
Total	1,473.3	52.4	728.7
Total income and capital taxes	**$1,525.7**		
Total taxes	**$2,254.4**		

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 2024, our overall tax contribution was $2,254 million.

This amount included $1,473 million in income taxes, $52 million in provincial capital taxes and $729 million in other taxes. Included in the other taxes is $440 million in goods and services tax/harmonized sales tax and other sales taxes, $278 million in payroll taxes (employer portion), $10 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 is committed to the following Voluntary Codes of Conduct and Public Commitments that are designed to protect the interests of our customers. For more information or to obtain a copy of the codes of conduct and public commitments, please visit our website or visit a BMO branch.

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 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 bank's 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 Payment Card Industry of Canada (enhanced October 30, 2024)

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 Statement[1]

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 has no employees of its own. All of its activities are conducted by employees of Bank of Montreal.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 97 of BMO Financial Group's 2024 Sustainability and Climate Reporting.

BMMC shares BMO's commitment to community development and philanthropic activity as described in BMO Financial Group's 2024 Sustainability and Climate Reporting. The community development activities of BMMC are integrated with BMO Financial Group and its employees, as described in BMO Financial Group's 2024 Sustainability and Climate Reporting on page 26.

As detailed in BMO Financial Group's 2024 Sustainability and Climate Reporting, 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.

[1] As stipulated by the *Trust and Loan Companies Act*, BMMC, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Assurance Company Public Accountability Statement[1]

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 97 of BMO Financial Group's 2024 Sustainability and Climate Reporting.

BMOLA shares BMO's commitment to community development and philanthropic activity, as described in BMO Financial Group's 2024 Sustainability and Climate Reporting. The community development activities of BMOLA are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2024 Sustainability and Climate Reporting on page 26.

As detailed in BMO Financial Group's 2024 Sustainability and Climate Reporting, 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.

[1] As stipulated by the *Insurance Companies Act*, BMOLA, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Insurance Company Public Accountability Statement[1]

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 97 of BMO Financial Group's 2024 Sustainability and Climate Reporting.

BMOLI shares BMO's commitment to community development and philanthropic activity, as described in BMO Financial Group's 2024 Sustainability and Climate Reporting. The community development activities of BMOLI are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2024 Sustainability and Climate Reporting on page 26.

As detailed in BMO Financial Group's 2024 Sustainability and Climate Reporting, 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.

[1] As stipulated by the *Insurance Companies Act*, BMOLI, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

APPENDIX

SASB Index

The Sustainability Accounting Standards Board (SASB) developed a set of industry-specific standards (SASB Standards) to help businesses identify, manage and disclose information related to sustainability that could also have material financial significance for investors and other stakeholders. Now part of the IFRS Foundation, the SASB Standards are maintained by the International Sustainability Standards Board (ISSB) and have been updated to support the Standards' international applicability in the implementation of *IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 – Climate-related Disclosures.*

BMO's 2024 SASB Disclosure is based on the SASB Standards that are relevant to our operating groups and lending activities, including the standards for asset management and custody activities, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance, as applicable. Our reporting includes references to other published materials in which information that is aligned with or similar to a specific SASB metric can be found, and covers the year ended October 31, 2024.

Legend

AR – BMO Financial Group 2024 Annual Report to Shareholders

PC – Notice of Annual Meeting of Shareholders and Management Proxy Circular

Supplementary Information – Supplementary Financial Information for the Quarter Ended October 31, 2024

SASB code	SASB accounting metric	2024 disclosure
Activity metrics		
FN-AC-000.A	Total assets under management (AUM)	BMO reports assets under administration and assets under management (AUM). See page 45 of the AR (BMO Wealth Management – Key Performance Metrics and Drivers). BMO does not disclose a breakdown of registered and unregistered AUM.
FN-AC-000.B	Total assets under custody and supervision (AUC)	OSFI requires that BMO, as a domestic systemically important bank (D-SIB), disclose on an annual basis information related to the 13 indicators utilized in the global systemically important bank (G-SIB) assessment methodology, including assets under custody. See the Disclosure for Global Systemically Important Banks section in our 2024 Q1 Report to Shareholders.
FN-CB-000.A	(1) Number and (2) value of chequing and savings accounts by segment: (a) personal and (b) small business	BMO reports the average value of Personal Banking and Commercial Banking deposits. See page 37 of the AR (Canadian P&C), page 41 of the AR (U.S. P&C), and page 174 of the AR (Note 13: Deposits). BMO does not disclose the number of accounts or a breakdown of chequing and savings accounts.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	BMO reports the value of loans by product within Personal Banking and by industry within Commercial Banking. See page 121 of the AR (Table 67: Net Loans and Acceptances). BMO also reports, by province, the amount of money authorized to be made available as debt financing to firms in Canada and the number of firms to which debt financing was made available. See page 93 (Bank of Montreal 2024 Public Accountability Statement – Business debt financing).
FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	As at the end of fiscal 2024, BMO had 4.43 million unique customers with an open credit card account across personal, single-serve and wealth customers.
FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	As at the end of fiscal 2024, BMO had 4.35 million open credit card accounts across personal, single-serve and wealth customers.
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	We report underwriting and advisory fees from securities offerings in which we act as an underwriter or agent, fees earned from structuring and administering loan syndications, and fees earned from providing merger-and-acquisition services and structuring advice. The fees are largely earned in BMO Capital Markets. See page 29 of the AR (Non-Interest Revenue). BMO does not report the number and value of transactions.
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	BMO reports the value of residential mortgages and non-residential mortgages within the total value of business and government mortgages. See page 19 of the Supplementary Financial Information (Balance Sheet). In addition, BMO reports the following information related to residential mortgages. See page 82 of the AR: • Value of residential mortgages insured and uninsured, and average loan-to-value (LTV) ratio of uninsured mortgages • Value of home equity lines of credit • Residential mortgages by remaining term of amortization BMO does not report the number and value of mortgages originated.

SASB code	SASB accounting metric	2024 disclosure
Business ethics and professional integrity		
FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities, and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.
FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	See pages 12-13 (Sustainability Reporting – Business conduct). Bank of Montreal – Code of Conduct (External). BMO Whistleblower Hotline
Data security and customer privacy		
FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	See page 16 (Sustainability Reporting – Customer privacy).
FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	See pages 14-15 (Sustainability Reporting – Data security).
FN-CF-220a.1	Number of account-holders whose information is used for secondary purposes	BMO does not disclose the number of account-holders whose information is used for secondary purposes. See page 16 (Sustainability Reporting – Customer privacy) for a description of related policies and procedures.
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.

SASB code	SASB accounting metric	2024 disclosure
Talent and inclusion		
FN-AC-330a.1 FN-IB-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	See pages 27-28 (Sustainability Reporting – Talent and inclusion).
Systemic risk management		
FN-CB-550a.1 FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	BMO is not currently listed as a global systemically important bank (G-SIB) by the Financial Stability Board (FSB). We have been identified as a domestic systemically important bank (D-SIB) in Canada by the Office of the Superintendent of Financial Institutions Canada (OSFI). We report the Canadian-dollar-denominated values of the 13 indicators utilized in the G-SIB assessment methodology, as required. See the Disclosure for Global Systemically Important Banks section in our 2024 Q1 Report to Shareholders.
FN-CB-550a.2 FN-IB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Stress testing is a key element of our risk and capital management frameworks. See page 76 of the AR (Stress Testing).

SASB code	SASB accounting metric	2024 disclosure
Customer experience		
FN-AC-270a.1	(1) Number and (2) percentage of covered licensed and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Because of the highly regulated nature of our business and our size and historical presence in the marketplace, some BMO covered employees are involved in the ordinary course of business in investment-related investigations, consumer-initiated complaints, private civil litigation or other regulatory proceedings pursued against either BMO or one of our subsidiaries, or directly against one of our employees. Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-AC-270a.3	Description of approach to informing customers about products and services	See pages 17-18 (Sustainability Reporting – Customer experience).
Financial inclusion and capacity building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	See pages 19-22 (Sustainability Reporting – Financial Inclusion – Canada) and pages 23-24 (Sustainability Reporting – Financial Inclusion – U.S.).
FN-CB-240a.3	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers	See pages 19-22 (Sustainability Reporting – Financial Inclusion – Canada) and pages 23-24 (Sustainability Reporting – Financial Inclusion – U.S.).
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers and description of financial literacy initiatives	See page 25 (Sustainability Reporting – Financial literacy).
Environmental and social risk		
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	See pages 10-11 (Sustainability Reporting – Environmental and social risk management). Further information: pages 77-84 of the AR (Credit and Counterparty Risk Management) and pages 107-109 of the AR (Environmental and Social Risk).

SASB code	SASB accounting metric	2024 disclosure
Sustainable finance		
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	We track and report on the value of sustainable finance and climate finance activity in BMO Capital Markets. See page 30 (Sustainability Reporting – Sustainable finance – BMO Capital Markets) and pages 52-53 (Climate Reporting – Client partnership and commercialization – BMO Capital Markets).
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	See page 30 (Sustainability Reporting – Sustainable finance – BMO Capital Markets) and pages 52-53 (Climate Reporting – Client partnership and commercialization – BMO Capital Markets).
Responsible investing		
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	See pages 32-33 (Sustainability Reporting – Responsible investing) and page 54 (Climate Reporting – Client partnership and commercialization – BMO Wealth Management).
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	See pages 32-33 (Sustainability Reporting – Responsible investing).

SASB code	SASB accounting metric	2024 disclosure
Professional integrity		
FN-IB-510b.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigation, or other regulatory proceedings	Because of the highly regulated nature of our business and our size and historical presence in the marketplace, the U.S. and Canadian capital markets businesses of Bank of Montreal, which include BMO Nesbitt Burns Inc. and BMO Capital Markets Corp., are involved in disciplinary actions and regulatory investigations in the ordinary course of business. In some instances, notices of hearings are issued. These affiliates are also subject to legal proceedings and enter into settlement agreements in the ordinary course of business. For more information about regulatory disclosures by BMO Nesbitt Burns Inc., please visit the National Registration Search, available on the Canadian Securities Administrators website at info.securities-administrators.ca/nrsmobile/nrssearch.aspx. For more information about regulatory disclosures by BMO Capital Markets Corp., please visit its Broker Check report, available on the FINRA website at https://brokercheck.finra.org/. Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	See FN-IB-510b.1 (above).
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	See pages 12-13 (Sustainability Reporting – Business conduct).
Employee incentives and risk taking		
FN-IB-550b.1	Percentage of total remuneration that is variable for material risk takers (MRTs)	See pages 85-86 of the PC (Material risk-takers).

SASB code	SASB accounting metric	2024 disclosure
Lending practices and discriminatory lending		
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average loan-to-value (LTV) ratio of mortgages issued to (a) minority and (b) all borrowers	BMO reports the value of mortgages and home equity lines of credit (HELOCs), and the weighted average LTV ratio for residential mortgages and HELOCs. See page 82 of the AR. BMO does not report the value of mortgages issued to minority borrowers, only the entire portfolio.
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Page 199 of the AR (Note 25: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	See pages 10-11 (Sustainability Reporting – Environmental and social risk) and pages 12-13 (Sustainability Reporting – Business conduct). Further information: page 77 of the AR (Credit and Counterparty Risk).
Climate change		
FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	See pages 80-88 (Climate Reporting – Metrics and Targets – Financed emissions).
FN-CB-410b.2	Gross exposure for each industry by asset class	See pages 80-88 (Climate Reporting – Metrics and Targets – Financed emissions).
FN-CB-410b.4	Description of the methodology used to calculate financed emissions	See GHG Reporting Methodology – Financed Emissions.
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	See page 90 (Climate Reporting – Climate Physical Risk Metric).

OSFI B-15 Index

OSFI Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index

The index summarizes our disclosures required for the 2024 fiscal reporting period, as outlined by OSFI's B-15 Guideline for Climate Risk Management.[1]

OSFI Category	Disclosure expectation	2024 disclosure
Governance	a) Describe the governance body(ies) (e.g., Board of Directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	See pages 35-43 (Climate Reporting – Governance). See page 23 of BMO's Management Proxy Circular, March 6, 2025 (Sustainability).
	b) Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	See pages 40-43 (Climate Reporting – Governance – Management's role).
Strategy	a) Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including: • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons.	See pages 46-48 (Climate Reporting – Climate-related risks and opportunities).
	b) i) **Business model and value chain**. Describe: the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. **Strategy and Decision-making**. Disclose information about current and anticipated: changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; direct mitigation and adaptation efforts; indirect mitigation and adaptation efforts. **Financial position, financial performance, and cash flows**. Describe: how climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities, mitigation and adaptation efforts; and indirect mitigation.	See pages 44-63 (Climate Reporting – Strategy).

(continued on next page)

[1] This index includes OSFI B-15 disclosures required for 2024 and select disclosures required for 2025 where that information is included in our current Climate Reporting.

OSFI Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index, continued

OSFI Category	Disclosure expectation	Page reference
Risk Management	a) Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks (in accordance with the FRFI's Risk Appetite Framework).	See pages 64-74 (Climate Reporting – Risk Management).
	b) Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	See pages 46-48 (Climate Reporting – Strategy – Climate-related risks and opportunities).
	c) Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	See pages 64-74 (Climate Reporting – Risk Management).
Metrics and Targets	a) Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	See pages 77-79 (Climate Reporting – Metrics and targets – Operational GHG emissions). See pages 80-88 (Climate Reporting – Metrics and targets – Financed emissions). See pages 89-90 (Climate Reporting – Metrics and targets – Climate risk metrics).
	b) i) Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	See pages 77-79 (Climate Reporting – Metrics and targets – Operational GHG emissions). GHG Reporting Methodology – Operational emissions
	b) ii) Disclose the FRFI's Scope 3 absolute gross GHG emissions for the period.[1] In preparing its Scope 3 GHG emissions disclosure, the FRFI should consider its entire value chain and all 15 categories of Scope 3 GHG emissions, disclose which of these categories are included in the Scope 3 GHG emissions disclosure, and ensure inclusion of Category 15: Investments emissions. Disclose the measurement approach, inputs and assumptions the FRFI uses to measure its Scope 3 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions.	See pages 80-88 (Climate Reporting – Metrics and targets – Financed emissions). GHG Reporting Methodology – Financed emissions

(continued on next page)

[1] OSFI B-15 disclosure expectations for Metrics and Target b) ii) are required beginning in 2025. We have included in this index only the elements of this disclosure expectation included in our current Climate Reporting.

OSFI Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index, continued

OSFI Category	Disclosure expectation	Page reference
Metrics and Targets	c) Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: • The objective of the target; • The period over which the target applies; • The base period from which progress is measured; • Any revisions to the target and an explanation of those revisions; Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target; Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance. For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).	See page 83 (Climate Reporting – Metrics and targets – Financed emissions – Financed emissions and targets in key sectors).

Trade Associations and Sponsorships

BMO is a member of industry trade associations that represent financial services and the broader business community. These associations may interact with government officials on public policy matters. Membership in or financial support of these associations does not necessarily mean that BMO supports their positions on certain issues. Where we differ, we voice our concerns as appropriate through our representatives participating in these groups or publicly as necessary.

We disclose our membership in associations engaging in advocacy with annual membership dues of $50,000 or more, paid by BMO Financial Group or BMO U.S.:

- American Bankers Association
- Bank Policy Institute
- Business Council of Canada
- California Bankers Association
- Canadian Bankers Association
- Canadian Chamber of Commerce
- Canadian Coalition for Good Governance
- Canadian Cyber Threat Exchange
- Colorado Bankers Association
- Consumer Bankers Association
- Finance Montreal
- Illinois Bankers Association
- Indiana Bankers Association
- Institute of International Bankers
- Institute of International Finance
- International Swaps and Derivatives Association
- The Canadian Association of Financial Institutions in Insurance
- The Clearing House
- Toronto Region Board of Trade
- Wisconsin Bankers Association

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, non-binary and other.

Acute physical risk
Physical risks that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes or floods (Source: Task force on Climate-related Financial Disclosure).

Amount pledged through BMO Employee Giving Campaign
Amount pledged through employee-driven giving in our annual campaigns.

Anti-Bribery and Anti-Corruption training (% completed)
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.

Canadian defence community customers
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 credit extended, and the total value of capital raised through securitization, for the construction, development, operation, or refurbishment of housing that meets accredited or registered affordable housing definitions or contributes to access for low- to moderate-income individuals, Indigenous Peoples and/or Native American communities. Accredited or registered definitions includes those within the jurisdiction in which the housing is built, including through programs such as the Investment in Affordable Housing initiative of the Canada Mortgage and Housing Corporation or provincial equivalents.

Carbon credits retired
A carbon credit is a tradeable certificate representing one tonne of CO_2e avoided, reduced or removed from the atmosphere. 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.

Chronic physical risks
Longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves (Source: Task force on Climate-related Financial Disclosure).

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

Climate finance
Climate finance is a sub-set of Sustainable finance (see definition) and refers to financing linked to climate-related decarbonization or resilience outcomes for clients, as defined in BMO's Sustainable & Climate Finance Framework. Climate finance may relate to environment impacts that are not tied to GHG emissions reduction. We do not measure the environmental outcomes resulting from our climate finance and reporting of such does not represent a claim of GHG emissions reduction and should not be taken as such.

Credit risk exposure to carbon-related assets (Metric 1)
BMO's credit risk exposure 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 credit risk exposure, and is reported as at the specified date.

Credit risk exposure to carbon-related assets (Metric 2)
BMO's credit risk exposure connected to sectors covered in Exposure 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 credit risk exposure, and is reported as at the specified date.

Customer loyalty surveys
A method for collecting feedback from BMO customers and measuring their experience involving transactions or their overall experience with BMO. BMO's survey programs include quantitative loyalty ratings and may include qualitative commentary. Surveys may also leverage closed-loop feedback to further engage with customers and to identify structural opportunities for improvement.

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

Decarbonization
Human actions to reduce carbon dioxide emissions from human activities (Source: Intergovernmental Panel on Climate Change).

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 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.

Energy transition
Energy transition refers to the global energy sector's shift from fossil-based systems of energy production and consumption – including oil, natural gas and coal – to renewable energy sources like wind and solar, as well as lithium-ion batteries (Source: S&P Global)

Executive officer
An individual who serves as 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
GHG emissions of clients that are attributable to financial institutions in their role as providers of facilitation services to support the issuance of capital market instruments. Defined by the PCAF Global GHG Accounting and Reporting Standard Part B: Facilitated Emissions.

Financed emissions
GHG emissions of clients that are attributable to financial institutions in their role as providers of on-balance sheet lending and investments. Financed emissions are defined as Scope 3, Category 15 in the GHG Protocol.

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 fiscal year, 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 across senior leadership roles

The representation of women and men in senior leadership roles (refer to Senior leadership roles definition).

Green bond

A bond where the proceeds are dedicated to fund activities with positive environmental and climate benefits, and that has been labelled as "green" in accordance with relevant guidelines and frameworks such as the International Capital Markets Association's Green Bond Principles.

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 Commercial Bank (Canada), Canadian Business Banking and the On-Reserve Housing Loan Program.

Indigenous communities with which BMO has a relationship

The number of First Nations, Inuit and Métis 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 (% completed)

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.

Lower GHG economy

An economy that minimizes GHG emissions while supporting economic growth.

Net Promoter Score (NPS)

Determined by aggregating individual customer responses to the question "How likely are you to recommend BMO to a friend, colleague, or family member?" on an 11-point scale (0 = very unlikely; 10 = very likely). "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 score is calculated by subtracting the percentage of respondents who are "detractors" from the percentage of respondents who are "promoters".

Net zero

A state in which anthropogenic emissions of GHG gases to the atmosphere are balanced by anthropogenic removals over a specified period (Source: Intergovernmental Panel on Climate Change). Terms such as net-zero economy, net-zero world, net-zero scenario, net-zero target, etc. refer to those that align with net-zero outcomes.

Newcomers to Canada

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

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, visible or invisible that, in interaction with a barrier, hinders a person's full and equal participation in society.

People of Colour in senior leadership roles – Canada

The total number of BMO employees in senior leadership roles (see Senior leadership roles definition) who identify as non-white or ethnically non-Caucasian, other than Indigenous Peoples. Being a person of colour is unrelated to citizenship, place of birth or religion.

People of Colour in senior leadership roles – U.S.

The total number of BMO employees in senior leadership roles (see Senior leadership roles definition) who identify as a member of one of the following groups: American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races.

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 heir disability.

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

Physical climate risk

A risk that arises from environmental events; these events can be *acute* (see definition) or *chronic* (see definition).

Program management costs

Aggregated costs that support the delivery of BMO's Employee and Community work. This includes salaries, technology, professional development, memberships, transaction & management fees associated with employee giving and volunteering programming, and promotion of community initiatives.

Race

Some employee-related data is categorized by race, based on employees' self-identification as People of Colour in Canada or in the United States. The regulatory category in Canada under the *Employment Equity Act* is defined by the term "members of visible minorities". At BMO, we recognize this term is outdated, and we respectfully refer to this community as "People of Colour" in all other contexts.

Renewable energy

Energy derived from natural sources that are replenished at a higher rate than they are consumed (Source: United Nations Environment Programme). Renewable power generation sources include wind, solar, hydro, and biomass/waste.

Renewable energy certificates (RECs)

A market-based instrument that represents the property rights to the environmental, social and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource (Source: United States Environmental Protection Agency).

Scope 1 GHG Emissions

A reporting organization's direct GHG emissions that occur from sources that are owned or controlled by the company (e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles) (Source: GHG Protocol).

Scope 2 GHG Emissions

A reporting organization's GHG 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 deliberately chosen (using emission factors derived from contractual instruments such as Renewable energy certificates) (Source: GHG Protocol).

Scope 3 GHG Emissions

A reporting organization's indirect GHG emissions other than those covered in Scope 2 that occur within the organization's value chain. BMO's relevant disclosed Scope 3 emissions include Scope 3, Category 1 emissions from purchased goods and services (emissions resulting from the extraction, production, and transportation of goods and services purchased by the organization); Scope 3, Category 6 emissions from business travel (emissions from employees traveling for business purposes); Scope 3, Category 13 emissions from downstream leased assets (emissions from assets leased to third parties); and Scope 3, Category 15 Investments (i.e., financed emissions) emissions from our lending.

Senior citizens

Individuals in Canada who are 60 years of age or older (also referred to as seniors) and who conduct banking transactions for non-business purposes.

Senior leadership roles

The total number of BMO employees in senior leadership roles, which includes Managing Director, Vice-President, Senior Vice-President, Executive Vice-President, Group Head and CEO.

Seniority

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

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

Small business lending – Canada

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

Small business lending – U.S.

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

Stakeholder

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, analysts, suppliers, local communities, government, civil society organizations, regulators, among others.

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.

Sustainability-linked lending

The value of loans authorized that are structured so that the pricing is determined on the client achieving pre-determined sustainability performance targets or key performance indicators in accordance with industry principles or guidelines. BMO measures the net new authorized amount, including BMO's share of syndicated loans.

Sustainable bond underwriting

Bond underwriting transactions that meet eligibility criteria defined in BMO's *Sustainable & Climate Finance Framework*, including having use of proceeds designated as Green, Social or Sustainability in accordance with industry principles or guidelines such as the International Capital Markets Association (ICMA)'s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. Green bond underwriting refers to bond underwriting linked to climate-related decarbonization or resilience outcomes for clients, as defined in BMO's *Sustainable & Climate Finance Framework*. BMO measures its share of the league table value allocated per bookrunner.

Sustainable equity and debt financing

Capital raised through public or private issuance of equity, equity-linked or debt securities that meet eligibility criteria defined in BMO's *Sustainable & Climate Finance Framework*. Climate-related equity and debt financing refers to equity and debt financing linked to climate-related decarbonization or resilience outcomes for clients, as defined in BMO's *Sustainable & Climate Finance Framework*. BMO measures its share of the league table value allocated per bookrunner.

Sustainable finance

Sustainable finance refers to financing provided to, or facilitated for, clients pursuing sustainable outcomes that meet BMO's eligibility criteria defined in BMO's *Sustainable & Climate Finance Framework*. Sustainable finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or economic outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

Sustainable finance mergers and acquisitions advisory services

Merger and acquisition advisory services that meet eligibility criteria defined in BMO's *Sustainable & Climate Finance Framework*. Climate finance advisory services related to mergers and acquisitions refers to merger and acquisition advisory services linked to climate-related decarbonization or resilience outcomes for clients, as defined in BMO's *Sustainable & Climate Finance Framework*. BMO measures the league table value allocated in full to both buy and sell side advisors upon full closing.

Sustainable lending

Loans or other credit facilities (e.g., letters of credit) authorized through our corporate, commercial/business, or consumer business that meet eligibility criteria defined in BMO's *Sustainable & Climate Finance Framework*. Climate-related lending refers to lending linked to climate-related decarbonization or resilience outcomes for clients, as defined in BMO's *Sustainable & Climate Finance Framework*. BMO measures the net new authorized amount, including BMO's share of syndicated loans.

Total community impact

All BMO community giving inclusive of Donations – Canada and U.S. Starting in 2024, this includes the value of BMO Volunteer hours taken as release time and Program Management Costs.

Transition risk

The financial risks related to the process of adjustment towards a low-GHG economy. These risks can emerge from current or future government policies, legislation, and regulation to limit GHG emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-GHG economy (Source: Office of the Superintendent of Financial Institutions).

Underserved communities, people with low or moderate household income

Communities or people who are facing financial challenges because of low wages, rising prices, economic uncertainty, and those who have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.

Value of BMO volunteer hours taken as release time

The value of volunteering reflects the cost to BMO of the paid working hours contributed by employees in the act of volunteering. The value is calculated using an hourly rate that reflects the average hourly wage of a BMO volunteer. Executive level compensation is not included in the calculation of this average.

Women-owned businesses

Businesses where at least 51% of the owners identify as women.

Forward-looking statements and disclaimers

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 finance 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. 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 2024 Annual Report, as updated by quarterly reports, 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 2024 Annual Report, as updated by quarterly reports.

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

Other disclaimers

This report includes voluntary disclosures on customer growth and support, sustainable finance and underwriting targets, sustainable investment targets, operational GHG emissions and targets, climate-related opportunities and risks, governance, strategy, risk management, metrics and targets, and future events 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 GHG 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 counterparty specific GHG 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 GHG emissions and GHG 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.

Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts, ETF facts or simplified prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the simplified prospectus for the relevant mutual fund. BMO Mutual Funds are offered by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

Need help?
Email us at: sustainability@bmo.com

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