

Principles for Responsible Banking

2025 Reporting and Self-Assessment

In February 2021, BMO joined the United Nations (UN) Principles for Responsible Banking (PRB). This report is our fourth PRB disclosure and has been prepared using the PRB Responsible Banking Progress Statement Summary Template.

Our Disclosures

SCR – [2024 Sustainability and Climate Reporting](#).

PRINCIPLE 1: ALIGNMENT	Links & references
<p>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.</p> <p>Our 2024 sustainability strategy and reporting is informed by relevant regional, national and international reporting frameworks. Please refer to the 2024 Sustainability and Climate Reporting (SCR) for more information.</p>	<p>SCR p. 4 (Reporting frameworks)</p> <p>SCR p. 5 (Priority sustainability topics)</p> <p>SCR p. 9 (Our strategy)</p> <p>SCR p. 44-63 (Climate strategy)</p>
PRINCIPLE 2: IMPACT AND TARGET SETTING	Links & references
<p>In 2021, we performed an impact analysis using the UNEP FI Portfolio Impact Analysis Tool for Banks version 2 (the Tool). The Tool helped us analyze our lending portfolio to identify climate stability and housing as the bank's most significant impact areas. The results from the Tool are one input to BMO's overall priority topic assessment.</p> <p>In 2024, we revisited our 2021 analysis alongside the results of our 2024 priority topic assessment (see p. 5 of SCR). We concluded that climate and financial inclusion (which includes housing) continue to be our significant impact areas. 'Housing' as a priority topic has been expanded to 'financial inclusion' to reflect the role that banks can – and in some cases are required to – play in expanding access to financial services and fostering economic growth. Please refer to our SCR for more details on targets, actions and progress for our most significant impact areas.</p>	<p>SCR p. 19-24 (Financial inclusion)</p> <p>SCR p. 29-31 (Sustainable finance)</p> <p>SCR p. 75-90 (Metrics and targets)</p>
PRINCIPLE 3: CLIENTS & CUSTOMERS	Links & references
<p>BMO's success is linked to the long-term prosperity of our customers, communities and society. We offer specialized products, services, and educational resources to meet the needs of our customers.</p> <p>Additionally, being our clients' lead partner in the transition to a net-zero world is one of our strategic priorities. We offer products and services that support our clients in achieving their own sustainability and risk management objectives, including energy transition and decarbonization objectives. This strategy supports BMO's own risk management activities and opens new market opportunities to create value for our shareholders.</p>	<p>SCR p. 17 (Customer experience)</p> <p>SCR p. 19-24 (Financial inclusion)</p> <p>SCR p. 29-31 (Sustainable finance)</p> <p>SCR p. 32-33 (Responsible investing)</p> <p>SCR p. 45 (Our Climate Transition Action Plan)</p> <p>SCR p. 51-54 (Client partnership and commercialization)</p> <p>SCR p. 55-61 (Partnering with our clients in the transition to a net-zero world: Our approach to key sectors)</p> <p>SCR p. 62-63 (Capabilities)</p>
PRINCIPLE 4: STAKEHOLDERS	Links & references
<p>We considered the views of stakeholders, both within and outside of our organization, in our assessment of the potential impacts, risks and opportunities that various sustainability topics may have on our business. We strive to maintain regular, open and meaningful communication with stakeholders to better understand the issues that are important to them. Some of the ways we engage with our stakeholders include one-on-one conversations; newsletters; events and conferences; technical committees, working groups and advisory boards; research surveys and workshops; and media such as webinars and podcasts.</p>	<p>SCR p. 5 (Determining our priority sustainability topics)</p>
PRINCIPLE 5: GOVERNANCE & CULTURE	Links & references
<p>Our existing sustainability governance structure includes governance over the implementation of the PRB.</p>	<p>SCR p. 7-8 (Sustainability governance)</p> <p>SCR p. 35-43 (Climate governance)</p>
PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY	Links & references
<p>We have obtained independent third-party assurance or verification on a selection of performance indicators throughout our SCR.</p>	<p>SCR p. 4 (About this report)</p> <p>2024 KPMG Limited Assurance Report</p> <p>2024 Stantec Verification Statement</p> <p>2024 LBG Canada Verification Statement</p>

Important Notice regarding this report

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 behavior, 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.

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