Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of $642 billion and close to 47,000 employees, BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to more than 12 million customers. We serve eight million customers across Canada through our Canadian personal and commercial arm, BMO Bank of Montreal. We also serve customers through our wealth management businesses: BMO Global Asset Management, BMO Nesbitt Burns, BMO Private Banking, BMO Insurance and BMO InvestorLine. BMO Capital Markets, our investment and corporate banking and trading products division, provides a full suite of financial products and services to North American and international clients. In the United States, BMO serves customers through BMO Harris Bank, based in the U.S. Midwest with more than two million retail, small business and commercial customers. BMO Financial Group conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

For Cautionary Statement Regarding Forward-Looking Information, please see attachment entitled "CDP 2016 - FLI Statement (BMO).pdf".

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Sat 01 Nov 2014 - Sat 31 Oct 2015

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Australia
Barbados
Brazil
Canada
China
France
Germany
Gibralter
India
Ireland
Luxembourg
Mexico
Netherlands
Portugal
Singapore
Sweden

Select country
Switzerland
United Arab Emirates
United Kingdom
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD ($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.
If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Forward Looking Information Statement attached.

Attachments

https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC0.Introduction/CDP 2016 - FLI Statement (BMO).pdf

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The BMO Sustainability Council (SC), comprised of senior leaders, provides guidance and insight on environmental, social and governance (ESG) matters. Members of the SC include executives representing each business (e.g. Retail Banking, Capital Markets, and corporate areas; e.g. Real Estate, Human Resources). The Council meets every quarter.
The Chair of the SC is General Counsel for BMO, a direct report of the CEO and a member of BMO's Management Committee (MC). Our Board of Directors is responsible for enterprise-wide oversight and governance, and a number of our Board committee mandates include addressing ESG matters. For example, the Audit and Conduct Review Committee reviews reports on ESG issues. Any issues requiring escalation are brought to the MC. Further issues may be escalated to the Board, at the discretion of the CEO and depend on materiality.

The BMO Sustainability Working Group (WG) is comprised of leaders from each group represented on the SC. The WG was established to support the management/execution of enterprise-wide ESG issues and initiatives.

As a service provider the vast majority (88%) of our carbon footprint is driven by emissions from the buildings that we occupy. The remaining amount is a result of business travel by our employees. The direct and indirect aspects of climate change are managed internally by two different groups. The direct impacts are managed by the Environmental Sustainability (ES) group. Led by the Director of ES, this group is responsible for measuring, evaluating and providing guidance and direction to manage our operational foot print. The Director of ES reports to the Senior Vice-President responsible for Corporate Real Estate. Both of these individuals sit on the Sustainability Council. The indirect impact of climate change (the impact our business activities may have) is managed by the Environmental, Social and Governance (ESG) Group. This group is led by the Director of ESG, who sits on the SC and reports directly to the Senior Vice President, Deputy General Counsel, Corporate Affairs & Corporate Secretary.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Environment/Sustainability managers	Monetary reward	Emissions reduction project Energy reduction project Behaviour change related indicator	Aligned with the position mandate, decisions relative to monetary compensation in the form of incentive pay awarded, are influenced by these elements as part of the annual process.
Facility managers	Monetary reward	Energy reduction project Efficiency project	Aligned with the position mandate, decisions relative to monetary compensation in the form of incentive pay awarded, are influenced by these elements as part of the annual process.
Corporate executive team	Recognition (non-monetary)	Emissions reduction target Behaviour change related indicator	BMO's Sustainability Council includes a number of senior executives who are recognized for their participation efforts and ability to influence change within their various operating groups.
All employees	Recognition (non-monetary)	Behaviour change related indicator	Employees participate and are recognized in many ways. Employees who participate voluntarily as "Environmental Ambassadors" are recognized periodically via our internal employee recognition system for employee lead events and raising general awareness with their colleagues. All employees have the opportunity to participate in many aspects of our sustainability efforts (e.g. waste reduction, reduced consumption of materials, etc.) and we

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			recognize their efforts in general, realizing that they are critical to the success of our program. Vehicles for this type of recognition are varied and can be internal (intranet banners) or external (reference in press release - e.g. BMO's achievement for Carbon Neutrality).
Corporate executive team	Monetary reward	Efficiency target	Executives at the business group level are measured on the profitability of their areas of accountability. Contributing to the decisions relative to incentive compensation are contributions to productivity challenges and more specifically, the ongoing control over expenses. Reducing employee travel for business purposes (e.g. commercial air travel) is one example of how the focus on expense reduction contributes positively to BMO's reduction in GHG emissions.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Sporadically, not defined	Other committee	Australia Barbados Brazil Canada China France Germany Gibraltar India Ireland Luxembourg Netherlands Portugal Mexico Singapore Sweden Switzerland United Arab Emirates United Kingdom United States of America	Unknown	We do not disaggregate climate change risk from others applicable to our organization. At the point that climate change on its own becomes material, we would elevate to the relevant risk officers, then the Risk Management Committee chaired by the chief risk officer and it would be at their discretion whether this was escalated further.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

From a risk management perspective, we consider the indirect impact of climate change; specifically the extent to which our clients' exposure to climate change and associated regulation may affect us. At the company level, the Environmental, Social and Governance (ESG) group is responsible for identifying indirect risks related to the effects of climate change. These risks are monitored as part of the regular sustainability issues monitoring that takes place at a minimum annually, and more frequently if needed. This is done by monitoring regulatory developments and their likelihood of occurrence through the review of literature (policy, legal opinion, research); participating in industry groups &/or conferences discussing the impacts of climate change; engaging with stakeholders and benchmarking ourselves against best practice organizations.

At an asset level, risks associated with climate change fall within the category of credit and counterparty risk. BMO's credit risk management begins with our experienced professional lending and credit risk officers, who operate in a dual control structure to authorize lending transactions. When evaluating clients, we consider all risks in an integrated fashion as applicable; however, specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. We seek to understand the borrower's climate change adaptation and mitigation strategies. We assess: - Whether the borrower monitors and reports their greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting; - The extent of the borrower's overall greenhouse gas emissions; - Whether the borrower has a carbon mitigation plan, how it is being implemented and whether their Board of Directors was involved in its development; and - The borrower's preparedness to deal with any potential regulatory requirements regarding greenhouse gas emissions.

CC2.1c

How do you prioritize the risks and opportunities identified?

At the company level, the information gathered is then distilled to determine the impact to our business and in collaboration with the potentially affected areas, a determination of materiality (against other issues and priorities) is made. With respect to climate change; if the risk is material, meaning that it would have a negative impact on a company's operating leverage such that they would be unable to meet their financial commitments to us, a mitigation plan is put in place. Regardless of level of materiality, reporting on climate change issues is provided to the bank's Sustainability Council at the regularly scheduled meetings (quarterly).

At the asset level, the output of our client evaluation/process (described above) is our credit risk profile which feeds into our overall risk reporting and quarterly disclosure directed at key stakeholders including the Board, Regulators, and the Investor Community.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

(i) While BMO Financial Group (Bank of Montreal) does not operate in an emissions intensive industry, we understand our direct impact on climate change and are actively managing it. Our Guiding Principle is: "We aim to deliver top-tier shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work."

Our strategic vision is "To be the bank that defines great customer experience" and our organization competes in a changing world. It's changing because people are reassessing their idea of value. They want the freedom to do their banking everywhere and they expect a higher standard of social responsibility from companies

than ever before. Our message in this regard is consistently communicated both internally and externally through a variety of medium. Internally, we use regular communication from our CEO via intranet and targeted email communications, and business groups are measured based on performance targets. Externally, we disclose information about our strategic direction and on-going results by way of regular press releases, on our website, and annually in Annual Reports and Environmental, Social and Governance Report.

(ii) We also see the opportunity to differentiate our organization, potentially resulting in additional brand recognition/profitability, by offering new products/business services relating to climate change and providing financing solutions to assist our customers in reducing their environmental impact. BMO has been very active in supporting our institutional clients' development of renewable energy. In FY2015 BMO made $2.5b in lending commitments and advised on $2.9b in equity and debt financing in the renewable energy sector. On the retail side, we provide opportunities for customers to do their banking from wherever they are (online, mobile). In addition to our sustainable mutual fund offerings, we have a mortgage product that rewards energy efficient characteristics of the home with a lower mortgage rate for the term of the mortgage.

(iii) The most important component of our short term strategy that has been influenced by climate change relates to our focus on carbon emissions reduction activities concerning our own operations. We believe it is important to “walk the talk” and as such have been extremely focused on reducing our operational footprint as a starting point. Emissions from the buildings that we occupy represent 88% of our footprint, with the majority of the balance attributed to business travel by employees. As one of the organization's priorities is controlling operating costs, energy consumption, the associated costs and reduced emissions are all key factors, particularly as we expect that energy costs will continue to increase and fossil fuel based resource availability comes under pressure.

Operationally we continue to focus on improving our practices. From a standards perspective, we have developed, documented and are now executing and governing retail and office build-outs to meet aggressive performance specifications. The revised office standards, which now include branding, functionality and sustainability elements have been communicated across the various business groups and are used to guide floor refresh activities.

In addition to work we do on building standards, our membership in industry groups supports the voices seeking clarity around the need for coordinated progress and incentives on managing climate change. This is done particularly through the United Nations’ Environment Program Finance Initiative.

(iv) The most important components of our long term strategy, influenced by climate change build on our short term goals. We intend to remain extremely focused on energy costs and the diminishing supply of fossil fuel based resources while at the same time continuing to look for opportunities, from both our own and our customers’ perspective, in the area of alternative/renewable energy sources. We will also be monitoring the changes to the regulatory environment which may provide additional opportunities to enter new markets from a trading perspective.

(v) In our primary markets a climate strategy does not necessarily provide a strategic advantage. However, BMO is well positioned with a clear strategy, and a brand promise common to every business. As we reach important milestones our aspirations remain ambitious. We take Corporate Governance seriously and are proud that BMO ranks among the top companies in Canada for governance. Our internal focus on the reduction of operating costs relating to energy consumption has contributed to both the bottom line and to BMO’s reputation as an organization that considers climate change important.

(vi) BMO achieved enterprise-wide carbon neutrality in August 2010. Our most substantial business decision is ensure that we remain carbon neutral. Despite pressures to allocate resources elsewhere and although we’ve grown our business substantially in the United States, we’ve maintained our carbon neutral status. We did this by reducing emissions related to business travel by employees and energy use in the buildings we occupy; purchasing electricity from renewable energy sources; and purchasing carbon credits to offset the remaining emissions.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

i) Scope that the emissions pertain to:
Scope 1 & Scope 2

ii) rationale for employing a price
Since 2008, BMO has employed a price on carbon in order to raise internal awareness and monetize the value of carbon emissions savings.

iii) actual price used
BMO uses $25 per tonne as the price.

iv) variances in prices over time and across geographies
The price has remained constant since implemented and is applicable enterprise-wide to every significant energy related business case. These are typically energy projects undertaken within our Critical Facilities environments.

v) who is responsible for determining the price
The price was originally set by Director, Environmental Sustainability and was based on the price of high quality voluntary carbon offsets at the time.

vi) examples of how carbon pricing affects investment decisions
For the large scale projects where carbon pricing is applied, it is considered as one of the many factors (cost, savings, payback, etc.) in assessing the viability of the investment decision/business case. At the current price of $25 per tonne, it is not likely the most determinant of factors, but it has increased the focus on energy management within the organization.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Climate finance	Support	Our subsidiary BMO Global Asset Management (BMO GAM) has engaged extensively with policymakers both directly and through its membership of the Institutional Investors Group on Climate Change (IIGCC). In 2014-15 BMO GAM's key activities in advance of COP21 included co-authoring, with the IIGCC, the Global Investor Statement on Climate Change, which attracted 409 supporters with over $24 trillion in assets and was delivered to Heads of State at the UN Secretary General's Climate Summit in September 2014. BMO GAM also co-authored an open letter to G7 and G20 finance ministers expressing investor's concerns regarding the systemic nature of climate risks, which was signed by 120 investor CEOs, and had the support of four regional investor groups on climate change and the Principles for Responsible Investment. We are also involved in providing input via submissions to the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD is in the process of developing cross-sector disclosure recommendations on climate-related risks.	Ensuring that investors' concerns regarding the systemic nature of climate risk are considered as part of the legislation.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Institutional Investors Group on Climate Change	Consistent	Calling for clear consistent climate change policies in order to promote an orderly transition to a low carbon economy.	Representation from our subsidiary BMO Global Asset Management (EMEA) on the Board, participating actively in policy work.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Please provide details of the other engagement activities that you undertake

BMO personnel participated as a subject matter expert and international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 - Environmental Management Systems (EMS). BMO supported participation in both international and national meetings related to the revision process for the ISO 14001 EMS standard, which was aimed at improving organizations' environmental performance. As such, BMO provided a service to both Canada and the extended international community and supported actions to provide organizations of any size with a common framework, built on international consensus, upon which they could build robust, credible and reliable management systems.

These efforts contributed to the development of the updated requirements and subsequent publication of the new standard on September 15, 2015.

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

BMO's participation as an international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 (Environmental Management Systems) is closely aligned with the Environmental Sustainability group's mandate and the organization's general focus on energy and cost reduction. As an organization that has publicly announced and achieved both Carbon Neutrality and absolute emissions reduction targets, the ISO 14001 framework is very much aligned with our internal focus on energy practices specifically and climate change implications in general. The establishment of and tracking against specific targets and adoption of ISO 14001 for Environmental Management System implementation are examples of processes for direct activities that align with policy, relative to the initiative identified.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target
Intensity target
Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (market-based)+3 (upstream)	100%	100%	2015	191880.65	2015	No, but we anticipate setting one in the next 2 years	Successfully maintained enterprise-wide carbon neutrality goal which was originally achieved in fiscal 2010. Note that for the purposes of this target, fiscal 2015 is quoted as both the "base year" and "target year" and "base year emissions" reflect total Scope 1 + 2 (market based) + 3 emissions. Specifically for Scope 3, emissions covered include: - upstream leased assets - business travel - waste to landfill
Abs2	Scope 1+2 (location-based)+3 (upstream)	100%	10%	2012	220426.59	2017	No, but we anticipate setting one in the next 2 years	Using the FY2012 emissions as our new baseline – reduce enterprise carbon emissions resulting from energy use and business transportation, over which BMO has direct control, by 10% - to be achieved by the end of Fiscal 2017. For the purposes of tracking against this target, BMO will adjust for the impacts of weather and emissions factors changes vs. the base year emissions of FY2012 to arrive at the annual measure for adjusted absolute emissions. This provides us with an indication of the progress against those factors over which we have direct control. Specifically for Scope 3, emissions covered include: - upstream leased assets - business travel - waste to landfill

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)+3 (upstream)	100%	10%	Metric tonnes CO2e per unit FTE employee	2012	4.76	2017	No, but we anticipate setting one in the next 2 years	BMO's intensity target is to reduce Scope 1, 2 (location based), 3 Emissions per FTE by 0.5 tonne over 5 years vs. FY2012 baseline of 4.76 tonnes per full-time employee (adjusting for weather/emissions factors) Specifically for Scope 3, emissions covered include: - upstream leased assets - business travel - waste to landfill

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	10	Decrease	10	BMO's intensity target was derived based on the expected reduction of 10% in absolute emissions for scopes 1, 2 (location based) & 3 inclusive. This target reduction was then stated as an intensity per FTE with the resultant reduction of .5 tonnes per FTE over the 5 year period adjusting for the impacts of weather and emissions factors. Specifically for Scope 3, emissions covered include: - upstream leased assets - business travel - waste to landfill

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2015	23786.04	17.53%	2017	22.53%	BMO's target in Canada is to purchase additional electricity from renewable sources to increase our % renewable energy purchased versus total consumption to 22.53%, an increase of 5% versus the base year of 2015. To achieve this, we will invest in additional Renewable Energy Certificates, which are supported by renewable energy fed to the grid and generated by a combination of wind turbines and low impact hydroelectric sources.
RE2	Electricity consumption	2015	90652.95	100%	2016	100%	BMO's target in the United States is to maintain our existing purchase of electricity from renewable sources in order to offset 100% of total electricity consumption.. To achieve this, we will continue to invest in Renewable Energy Certificates, which are supported by renewable energy fed to the grid and generated by wind turbines.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	100%	100%	Achieved/maintained. In August 2010 BMO publically announced that it had achieved its Carbon Neutrality goal, through a combination of consumption reduction activities, the purchase of renewable electricity (Renewable Energy

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
			Certificates) and the purchase of high quality voluntary carbon offset credits. In fiscal 2015, we successfully maintained this ongoing goal.
Abs2	60%	99.0%	Absolute emissions, adjusted to exclude the impacts of weather and emissions factors changes, have decreased by 9.9% as at the end of FY2015 vs. our FY2012 baseline, just shy of our 5 year 10% target.
Int1	60%	92.0%	With a reduction of 0.46 tCO2e per FTE realized, versus the target of 0.5 tCO2e, we are currently tracking at a 92.00% reduction rate versus the base year of FY2012. BMO uses emissions for Scopes 1, 2 & 3 for this target. Emissions, adjusted for weather and changes to emissions factors decreased versus FY2012 baseline by 9.9% while total employees increase by approximately 0.18% over the same period.
RE1	0%	0%	This is a new 2 year target. For Canadian facilities, BMO will purchase additional electricity from renewable sources to increase our % renewable energy use versus total consumption to 22.53%, an increase of 5% versus the base year of 2015.
RE2	0%	0%	This is a new annual target. For facilities located in the United States, BMO will maintain existing purchases of electricity from renewable sources in order to offset 100% of total electricity consumption.

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

No

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	290	913
To be implemented*	237	2031
Implementation commenced*	114	999
Implemented*	142	2816
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Continuation of implementation of building automation systems (BAS) technologies within retail branches in Canada. Implementations for FY2015 were aligned with renovation activities completed for select branches in the network. BAS systems controls include interior lighting, exterior signage and heating/air conditioning (HVAC) infrastructure. Business rules are created to align energy usage with functional usage of the space to ensure that non-essential interior lighting is extinguished during non-business hours and HVAC systems/ temperatures are “set back” during non-occupied hours. Savings relate to reduced energy consumption and savings from reduced service calls to branches as many issues can now be solved remotely, thereby avoiding the costs of vendor site	295.0	Scope 1 Scope 2 (location-based) Scope 3	Voluntary	360000	1440000	4-10 years	11-15 years	This initiative covers 20 installations for building automation system technologies in Canada, completed during the fiscal period.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	visits. For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.								
Energy efficiency: Building services	Lighting, HVAC and controls upgrades made at various facilities in Canada and the United States. This is part of the ongoing program focusing on energy retrofits. For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.	2267.9	Scope 1 Scope 2 (location-based) Scope 3	Voluntary	860714	4340246	4-10 years	11-15 years	This initiative covers a total of 43 separate projects for facilities in Canada and the United States, completed during the fiscal period.
Energy efficiency: Building services	Ongoing program within our critical facilities environments focusing on the upgrades such as; fans and motors (to variable frequency drive units), compressors, cooling tower filtration systems, chiller infrastructure, lighting, etc. Savings result from the decreased use of electricity (and reduced emissions) to run the equipment as well as reduced maintenance costs as the cooling equipment is not subject to the same demand. For	184.0	Scope 2 (location-based)	Voluntary	108811	2451523	21-25 years	21-30 years	This initiative covers a total of 4 major projects completed during the fiscal period.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	activities undertaken this fiscal year for owned facilities, reductions impact Scope 2. This activity is voluntary.								
Energy efficiency: Building fabric	Program based activities focused on energy efficiency improvements to building envelopes for facilities (e.g. window film, roof, windows/doors). For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.	69.1	Scope 1 Scope 2 (location-based) Scope 3	Voluntary	72520	2220000	>25 years	21-30 years	This initiative covers a total of 6 major projects completed during the fiscal period.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Annually, we set aside a specified capital amount which is used to fund energy efficiency activities across the enterprise.
Dedicated budget for	As an organization committed to carbon neutrality (achieved in 2010), we recognize that achieving this goal annually is dependent

Method	Comment
other emissions reduction activities	on funding other emission reduction activities such as the purchase of renewable energy and carbon offsets. BMO specifically budgets for these expenditures on an annual basis.
Employee engagement	Employee engagement continues to be a key element in our overall strategy to reduce emissions across the organization. Our Environmental Ambassadors (employee volunteers) act as champions in the field to promote our sustainability efforts. Our employees participate in driving down emissions by promoting behavioural change and also provide ideas to the Sustainability Office for deployment consideration on a broader basis. BMO invests annually in internal communication support media (e.g. intranet, newsletters, etc.) to support employee engagement efforts.
Financial optimization calculations	As an organization (financial institution) with access to capital, we have the opportunity to move beyond normal capital restrictions where there is a positive impact from a "cash flow" perspective on the annual expense line. We regularly assess initiatives using this cash flow basis or life-cycle approach which allows for extended ROI projects to be approved.
Internal price of carbon	Since 2008, BMO has been monetizing the value of carbon emissions savings (based on an internally established price of carbon) and including the benefits as part of large initiative energy related business cases.
Lower return on investment (ROI) specification	There are a variety of means by which we determine whether emissions reductions initiatives receive funding. While not the only reason, ROI specification is one of them. We do look at extended ROI for owned assets, particularly in the case of real estate assets where there is an expectation that we will occupy beyond the short term.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Complete	MD&A, BMO Financial Group 197th Annual Report Fiscal Year 2015, page 117	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/BMO Annual Report - 2015.pdf	
In voluntary communications	Complete	ESG F2015 report, Pages 3, 11, 18-22, 33-35	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/BMO_ESG_PAS 2015en.pdf	
In voluntary communications	Underway - previous year attached	Corporate Responsibility Report F2015, Pages 9-11, 45	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/BMO_CR 2015en.pdf	Report titled 2015, produced in 2015 but represents coverage for 2014.
In voluntary communications	Complete	Corporate Knights Magazine, Winter 2016, page 42 attached	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/Bill Downe Climate Change quote in Corporate Knights_ mag Jan 2016.PDF	
In voluntary communications	Complete	Corporate Responsibility Website – Operations disclosure, all	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/http___www.bmo.pdf	
In voluntary communications	Complete	Climate Change Statement, Page 1	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/BMO_ClimateChange2016en.pdf	
In voluntary communications	Complete	BMO GAM Responsible Investment Annual Report 2015, Page 11	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC4.1/CM08114 Responsible Investment Annual Report 2015 - Final.pdf	Public Policy Engagement

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Increases in fuel/energy taxes and regulations in North America, where we are primarily based. How this could affect BMO specifically: Such increases may result in additional operating costs for the use of	Increased operational cost	1 to 3 years	Direct	Likely	Low	This could result in increases to our overall fuel costs and impact our overall operating costs. Our fiscal 2015 reported operating costs totalled approximately $12.2 billion, with less than $70 million	We continue to actively monitor the regulatory landscape for new fuel/energy taxes and regulations. As any increase in costs resulting from fuel/energy taxes and regulation would increase our operating costs, we continue to actively manage energy costs on a regular basis. We have undertaken some very specific measures to	From a cost to manage perspective, there is zero additional cost/effort required to keep abreast of the potential regulatory changes as this is a function of our current risk management process. There

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	electricity and/or natural gas as consumed in our real estate premises occupied.						relating to annual energy costs. In the event of increased taxes on energy due to regulation in the range of 5% to 10%, our on-going operating costs could be impacted by up to $7 million.	hedge against price escalations and/or measures to continually drive down consumption. For facilities, in specific areas of North America where opportunities exist, we have entered into bulk fuel/electricity purchase contracts at the wholesale level to insulate the organization against price increases. In addition, we continue to concentrate our efforts on consumption reduction efforts, focusing on retrofits to building envelope, HVAC systems and lighting, as a way of reducing our on-going operating costs, as well as emissions. We continue to act on the energy audit reports (commissioned for approximately 33% of our retail facilities in Canada and the United States) and forecast energy consumption/cost savings of between 15% - 20% annually when all recommended actions are completed.	is also zero additional cost associated with our efforts to drive down consumption, as this is an ongoing focus of our Corporate Real Estate group.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	Introduction of / increased regulation around emissions reductions in the form of carbon taxes for our clients operating in emissions intensive industries. How this could affect BMO specifically: Regulation in the form of carbon taxes may increase these clients' operational costs, which could put financial pressure on their ability to repay loans or meet other financial commitments they have with us and/or the value of our collateral.	Other: impact on credit risk profile	3 to 6 years	Indirect (Client)	More likely than not	Low	We do not typically calculate separately the impact of carbon taxes on our exposures – it is included as one of many factors affecting our assessment of the financial capacity of our clients.	The credit risk arising from potential carbon taxes imposed on our clients is captured within our enterprise wide risk management framework. Specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. In addition to other factors mentioned earlier, we assess: (a) whether the borrower monitors and reports its greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting; (b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding	There is zero additional cost to manage this risk as it is within the context of our existing risk management framework.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								greenhouse gas emissions.	
Product efficiency regulations and standards	Introduction of building regulations concerning energy efficiency. While not currently regulated in North America, there is clearly a move towards a variety of voluntary rating systems such as LEED, BOMABest, Energy Star, etc. How this could affect BMO specifically: As a financial institution occupying office space, future regulation related to energy efficiency in buildings could result in	Increased capital cost	1 to 3 years	Direct	More likely than not	Low	As we occupy approximately 20.0 million square feet of real estate, the introduction of building regulations related to energy efficiency could result in additional capital costs for our organization. We estimate these to be upwards of 3% more than our existing cost base. We view the move to making buildings more efficient as a positive step and while there may be upward pressures on capital costs to build there would also likely	For owned assets, this risk is managed as part of our normal construction/renovation activities and we would incorporate any new standards into the process as and when they are introduced. For leaseholds, the risk is managed by our portfolio management group, responsible for negotiating new leases.	We would expect zero additional costs as any new regulation is likely to be forward looking with the current building stock to be addressed over time.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	additional capital costs for our organization.						be downward pressures on our ongoing operating costs.		

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Changes in mean (average) temperature (e.g., hotter summers, colder winters) have the potential to impact BMO's operations, which are primarily North American based. How this could affect BMO specifically: Hotter summers and colder winters would result in: • increased energy consumption	Increased operational cost	3 to 6 years	Direct	Very likely	Low	Heating or cooling energy consumption can increase by 5% for every degree decrease or increase, respectively, in mean (average) outdoor temperature. For example, 1- to 3-degree	Over the past couple of years, we have begun to track the weather data for those large urban centres in North America where BMO Financial Group facilities are predominantly located. Currently, we collect and analyze weather data for about	The costs associated with tracking changes to average mean temperatures are zero as it is part of the activities performed by the Environmental Sustainability group during the completion of carbon

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	such as electricity and natural gas in facilities occupied • shorter life-span of heating, ventilation and air conditioning (HVAC) equipment, which could be operating well beyond normal design parameters. This might result in us having to invest in upgrading or replacing the equipment before current projected end-of-life.						Celsius change in mean outdoor temperature could potentially translate into $5 - $10 million increase in energy-related operating costs. Also, changes in mean temperature could shorten the life-span of HVAC systems. With a current end of life cycle of 15 - 20 years for HVAC systems, change in mean temperature could translate into a 1.5 – 2.0 year reduction in the useful life	151 and 82 weather monitoring stations in Canada and United States, respectively. We source this weather data from Environment Canada and US National Aeronautics and Space Administration (NASA). Weather data includes, but is not limited to, minimum, mean, and maximum daily temperatures as well as heating degree days (HDD) and cooling degree days (CDD). Weather normalization techniques, which involve statistical processes such as regression analysis, are	emissions calculations.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							of these assets, resulting in an annual cost of 10% for HVAC equipment.	used to factor out the variations in temperatures or degree days. Weather-normalized utility consumption data is used to manage, benchmark and/or forecast the energy performance and emissions reductions of BMO's portfolio of facilities.	
Change in temperature extremes	Change in temperature extremes may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based	To manage the risks, all units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	The costs associated with these actions are part of our ongoing business continuity planning and are not considered to be incremental.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	disruption to operations and workforce absenteeism. In addition, critical systems in the financial sector (e.g. payment, clearing and settlement systems, ACH) have a high degree of interdependency with critical infrastructure in the energy/ electricity, telecommunications, information technology, and transportation sectors. Prolonged disruptions of critical infrastructure sectors due to severe weather events or failure to replace aging infrastructure due to economic pressures, combined with rising demand from the increasing concentration of people in major urban centres, point could lead to higher risk. Approximately						on geographic locations; cost of energy, as well as the state of our physical infrastructure, including technology.		

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	99% of BMO's physical real estate occupied is located in North America.								
Change in precipitation pattern	Change in precipitation may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical real estate occupied is located in North America.	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based on geographic locations of facilities occupied.	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation patterns in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations)	
Change in precipitation extremes and droughts	Change in precipitation extremes and droughts may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99%	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect it to be material to our financial condition. Modelling the financial implications would seem difficult and inaccurate since changes to precipitation extremes and droughts	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation extremes in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. As a financial institution, our operations are not heavily dependent on water. From a business

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	of BMO's physical real estate occupied is located in North America.						could vary greatly across the geographies in which our facilities are located.	banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Tropical cyclones (hurricanes and typhoons)	Tropical cyclones may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect it to be material to our financial condition. We believe we have limited direct	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for extreme weather events in the potentially affected regions. In the event that our facilities are unable to operate, we rely	Flood remediation costs could range from $50k-$100k and/or additional costs per unit depending on the severity/type of the damage and could escalate if not addressed right away as

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	productivity due to disruption to operations and workforce absenteeism. This risk would be most prominent for our facilities located in China, and those locations subject to hurricanes in the United States (e.g. Florida, Kansas).						exposure to this risk as facilities currently located in areas subject to these conditions are minimal.	on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	mould or decay could be an issue in the future. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Uncertainty of physical risks	Physical risks affecting our suppliers. How this could affect BMO specifically: Physical risks affecting our suppliers could	Reduction/disruption in production capacity	3 to 6 years	Indirect (Supply chain)	More likely than not	Low	We have not modelled the financial implications of this risk.	With a relatively diverse supply base we would anticipate the ability to move to an alternate provider with relative ease	This is part of our ongoing supplier governance and business continuity planning and does not

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	ultimately impact not only our own operations but our provision of products or services to our customers as well, depending on the circumstances. We view the range of impacts as follows: (a) minor delay in service or delivery (e.g. if paper supplies are impacted, internal processes and perhaps paper based deliverables to customers could be delayed); (b) supply chain issues resulting in need to switch to alternate supplier which may result in delayed delivery, process workarounds, increased costs and differences in quality of materials (better or worse) and; (c) complete cessation of service or delivery in the short to medium term.							and at cost competitive pricing. For more significant suppliers/partner relationships, where there is perhaps more risk associated with the failure to perform, we classify and manage these vendors as "high risk". We require the existence and regular testing of supplier's business contingency plans and also request confirmation of annual testing of the BCP plans as part of our annual attestation exercise. In addition, we also ensure that there are plans in place to deal with disruption of service in the event that the	represent additional cost to the organization.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								supplier or partner encounters issues.	

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Reputational risk associated with climate change may impact us in two areas • Lending and investing • Own operations How this could affect BMO specifically: • Lending and investing: Our operations are predominantly in North America where comprehensive regulations related to climate change do not currently exist. As a financial	Other: customer impact, reduced market valuation	Unknown	Direct	Unlikely	Unknown	It is difficult to accurately quantify the financial impact of reputation risk however we do value our reputation and strive to protect it in all we do.	Lending and investing: To manage this risk, specific guidelines related to climate change are applied to transactions with clients operating in emissions intensive industry sectors. In addition to other integrated risk factors, we assess: (a) whether the borrower monitors and reports its greenhouse gas emissions, as well as the extent and	Lending and investing: These activities have no cost as they are within existing infrastructure and work plans. Own operations: Costs associated with our ISO 14001 EMS certifications and 3rd party verification of our carbon emissions total less than $75K annually. In addition to the annual capital costs related to on-going

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	institution, some of our clients are in carbon intensive industries. As such, we face reputational risks as NGOs and other stakeholders may scrutinize our role in lending to and investing in industry sectors of this nature. • Own operations: BMO occupies approximately 20 million square feet of real estate and therefore has a relatively large operational carbon footprint. We may face reputational risks if we do not proactively take steps towards reducing our emissions from own operations.							quality of such monitoring and reporting; (b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding greenhouse gas emissions. Own operations: We are committed to reducing the impact we have on the environment, including the impact from own operations. The largest contributing factor to that impact – 88% – is the real estate space we	conservation efforts, we spend just under $3 million annually on the purchases of renewable energy credits (RECs) and high quality voluntary carbon offset credits.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								occupy. Business transportation by our employees and the fleet of vehicles we own account for most of the balance. If we do not take action towards reducing our emissions from own operations, then we may face reputational risk. In order to manage this risk, we have developed a robust Environmental Management System (EMS) to mitigate the impact of our operations on the environment. Our goal is to achieve continual improvement in our overall environmental performance.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Voluntary agreements	Voluntary standards related to energy efficiency / environment. How this could affect BMO specifically: At BMO, we strive to be a leader in environmental sustainability and choose to lead by example in how we measure, manage and set reduction targets to reduce our environmental impact. It is for this reason that we voluntarily implement the independent, internationally recognized standard - ISO14001:2004 for Environmental Management Systems. Adoption of this standard for a number of our facilities provides evidence of our leadership in taking voluntary action with both employees	Other: Potential impact is two-fold: Increased employee engagement and positive reputational impact AND reduced operational costs	3 to 6 years	Direct	Very likely	Low-medium	Voluntary agreements/standards support our EMS and enhance our ability to achieve our overall emissions reduction targets (BMO is currently 3 years into a 5 year 10% absolute emissions reduction target). Holding emissions factors constant a 10% emissions reduction would result in a 10% reduction in energy operating costs. Based on our current mix of utilities consumption/pricing, a 10% reduction in utilities consumption would translate into savings of between $6 - $7 million CAD annually. We estimate that our	BMO's Environmental Sustainability group oversees the strategic implementation of the ISO 14001:2004 certified EMS at our facilities. This group also coordinates the calculation of enterprise carbon emissions, annual verification and carbon neutrality strategy. Annual reporting related to these elements is aligned with	Costs for our ISO 14001certification and carbon emissions 3rd party verification are less than $75k annually. We also invest approximately $3MM annually on high quality carbon offsets and renewable energy certificates. There is zero additional annual cost associated with our procurement practices as the incorporation of standards based procurement for leased or owned facilities is now

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and external stakeholders. Furthermore, voluntary standards such as LEED (Leadership in Energy and Environmental Design) and BOMA (Building Owners and Managers Association) provide us with the opportunity to make more informed choices when selecting real estate facilities for occupancy. This in turn helps us in reducing energy consumption and the resultant GHG emissions. Our GHG emissions are verified annually by a commercially independent 3rd party and our carbon neutral commitment/achievement is also voluntary.						adoption of voluntary standards will contribute 25%-35% towards our overall reduction target and this equates to a savings of $1.8 - $2.5 CAD million annually. LEED / BOMA certified facilities result in more cost effective / energy efficient office space and lower operating costs. Furthermore, as building efficiency standards become more commonplace and the number of buildings certified to these standards increases, the premiums we pay for leases are reduced.	our fiscal period in order to align with other external reporting at the enterprise level. BMO manages the procurement of additional building stock through a formal process which incorporates specific focus on quality standards such as LEED Gold (where appropriate). BMO also participates in a Commercial Building Energy Initiative in the greater Toronto area, which brings together landlords and	embedded in our operating practices.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								tenants for the purposes of improving energy efficiency and standards form a part of this ongoing initiative. We continually update our internal design and construction standards to include performance specifications for the build out of office space in order to achieve additional energy reductions (e.g. 1 watt per square foot for lighting). These measures are expected to contribute to our 10% absolute	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								emissions reduction goal.	
Cap and trade schemes	New emission trading markets How this could affect BMO specifically: BMO Financial Group is a North American based organization with a presence in the global capital markets. Introduction of legislation may present opportunities for participation in new emission trading markets. To date there have been limited opportunities in North America as legislation is just being introduced in certain regions.	New products/business services	3 to 6 years	Direct	Likely	Low	The introduction of legislation that could drive economic incentives or lead to the creation of robust new markets can be viewed as an opportunity by BMO Financial Group. This could result in additional revenues for BMO although to date there has been limited opportunities in North America as legislation is unclear and existing markets are very thin.	Our current position is to monitor the evolution of cap and trade legislation, primarily in North America, and assess the opportunities for participation in new emission trading markets when there is more certainty.	As a global trading organization, there would be costs associated with developing carbon trading capabilities (resources, systems, etc.) however the magnitude of these costs has not been defined at this point. The financial benefits associated have also not been defined at this point. Responsibility for managing this would lie with our Trading Products group.

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Changes in physical climate parameters. How this could affect BMO specifically: As an organization that occupies mainly office space or smaller scale retail space, we are constantly looking for ways to take advantage of changes in physical climate parameters for our buildings. As we construct and retrofit facilities across the enterprise portfolio we attempt to take advantage of opportunities related to changes in natural weather elements. A specific example would include retrofitting our	Reduced operational costs	Up to 1 year	Direct	Likely	Low	We currently outsource facilities management activities in both Canada and the United States to third party professionals, the costs of which are not for public disclosure. Energy performance for these facilities has been benchmarked and 5 year capital improvement plans are in place to deal with specific actions and initiatives we can undertake to leverage on-going energy related operating cost reduction opportunities.	In our office towers and other critical facilities (operations centres) we continue to actively assess building infrastructure for opportunities to upgrade equipment, retrofit for improved efficiency and refine operating processes to reduce our costs and overall emissions impacts. “Free cooling” is a practice that we have implemented in a number of our facilities across the network. In certain geographic areas, we have also completed bulk energy purchases, at the wholesale level, to proactively manage our costs in the face of	Costs associated with these energy upgrade opportunities can amount to significant dollars (e.g. $2 - $4 million annually), dependent on the scope and volume of projects. We typically observe energy savings in the range of 15% - 20%, again dependent on the scope of the specific initiative. As we are continually focused on reducing on-going operating costs, these activities form part of our existing infrastructure so no significant additional costs are required.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	buildings to take advantage of "free cooling". Specifically we bring lower temperature outside air into the facility to relieve the electricity demand to cool indoor air (via base building chillers) and reduce operating costs. We also see more conventional building retrofits as ongoing opportunities to take advantage of changing conditions.							rising fuel costs. The costs associated with these actions are part of our on-going energy management focus and are not considered to be incremental.	

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	Employee engagement. How this could affect BMO specifically: BMO's action relative to climate change and its on-going commitment to absolute carbon footprint reductions and carbon neutrality has had a positive impact on employee engagement. Our on-going focus on energy efficiency initiatives (consumption reduction), investment in renewable energy and purchase of carbon offset credits is the underlying strategy supporting our carbon neutral achievement. We believe that our actions in this regard contribute to attracting new employees to the organization and retention of existing	Other: Committed and engaged workforce	Up to 1 year	Direct	Likely	Low-medium	BMO's actions with respect to climate change help foster employee engagement. Our HR group has provided feedback that new recruits are increasingly looking at the sustainability values of organizations when investigating their employment options. While a direct correlation to retention is not quantifiable, our ability to retain employees provides benefits to the organization which may include intellectual capital retention and hiring/training cost avoidance.	BMO has introduced a number of programs to raise awareness amongst employees and engage them in climate change activities, including but not limited to: - Corporate intranet site specifically focused on BMO's environmental sustainability activities - Environmental ambassadors program where employees volunteer to assist the environmental sustainability group to roll out tactical initiatives and provide feedback from the field - Introduction of electronic pay advices for employees allowing them to opt out of paper statements - Public transit pass	The annual operating budget for the Environmental Sustainability group includes the costs associated with activities to raise employee awareness and the management of our carbon neutrality commitment; these costs are approximately $200k annually inclusive of salary and benefits. The costs of purchasing renewable energy and carbon offsets annually range from $2 - $3 million. Environmental Ambassadors are volunteers and there are zero additional costs for their efforts.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	employees.							program in select cities which encourage the avoidance of transportation emissions - Climate change information contained within our Annual Report, Sustainability Report, Corporate Responsibility Report and external website Carbon Neutrality has been achieved through a primary focus on consumption reduction activities, investments in renewable energy and the purchase of high quality carbon offset credits to fill the remaining gap. The Environmental Sustainability group within BMO has oversight for this program.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Demonstrating leadership by example. How this could affect BMO specifically: BMO attempts to maximize shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work. We believe that our efforts to lead by example in measuring, managing, setting reductions to reduce our carbon impacts as well as being transparent about our climate change policies and practices, has positive impact on our reputation with customers and broader stakeholders.	Increased stock price (market valuation)	Up to 1 year	Direct	Likely	Low	It is difficult to quantify the financial impacts of our climate change and carbon management activities from a reputational perspective as there are clearly other factors that impact our share price. If our actions resonate with stakeholders and customers, this positive reputational impact could result in new customer attraction and contribute to increased revenues.	We transparently report our progress internally to personnel and externally to customers, shareholders and other stakeholders via medium such as CDP, our Annual Report, Sustainability Performance Report, Corporate Responsibility Report, external website and regular news releases as appropriate.	There are costs associated with our climate change activities and carbon management strategy however the marginal costs of these activities are not considered significant and now form part of our annual operating budget.
Changing consumer	Providing sustainability	Other: Customer	Up to 1 year	Indirect (Client)	Likely	Low	It is difficult to quantify the	By providing information on our	Costs are negligible to

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
behaviour	tips/information to customers to create awareness and influence change. How this could affect BMO specifically: BMO attempts to lead by example and provide meaningful information to our customers in this regard. As well our efforts may serve to mobilize customers in taking action to reduce their own impact on the environment, and perhaps enhance their loyalty to our organization.	attraction and loyalty					financial impacts of these actions from a customer attraction and loyalty perspective as there are a variety of other factors (e.g. cost of services, service offering, distribution channels, etc.) that could potentially contribute. If our actions resonate with customers, this could result in increased enhanced loyalty or perhaps the attraction of new customers.	website, we potentially influence the decisions made by our customers (e.g. tips to green your home and tips to reduce cost of living) which could result in enhanced customer loyalty to BMO.	gather and post awareness materials on our site as the infrastructure (website) exists and information gathering and posting is part of the current role for groups (e.g. Environmental Sustainability) within the organization.

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Nov 2011 - Wed 31 Oct 2012	20932.55

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 2 (location-based)	Tue 01 Nov 2011 - Wed 31 Oct 2012	86853.06
Scope 2 (market-based)	Tue 01 Nov 2011 - Wed 31 Oct 2012	86853.06

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	0.05061	metric tonnes CO2e per GJ	GHG Protocol Stationary Combustion (2010) 2006
Distillate fuel oil No 1	0.07077	metric tonnes CO2e per GJ	GHG Protocol Stationary Combustion (2010) 2006
Distillate fuel oil No 2	0.07391	metric tonnes CO2e per GJ	GHG Protocol Facilities - 2000
Steam	0.14925	metric tonnes CO2e per metric tonne	CANMET Energy Diversification Laboratory - 2000
Motor gasoline	0.00229	metric tonnes CO2e per liter	GHG Protocol Mobile (2013) 2013
Jet kerosene	0.00252	metric tonnes CO2e per liter	GHG Protocol Mobile - 2013
Other: HFC-410A	1725	metric tonnes CO2e per metric tonne	IPCC - 2000

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: HFC-134a	1300	metric tonnes CO2e per metric tonne	IPCC - 2000
Propane	0.06007	metric tonnes CO2e per GJ	GHG Protocol Facilities - 2000
Electricity	798.90190	kg CO2e per MWh	Australia IEA (2014) 2012
Electricity	642.77410	kg CO2e per MWh	Barbados IEA (2014) 2012
Electricity	98.17390	kg CO2e per MWh	Brazil IEA (2014) 2012
Electricity	734.28530	kg CO2e per MWh	China IEA (2014) 2012
Electricity	69.25420	kg CO2e per MWh	France IEA (2014) 2012
Electricity	475.40810	kg CO2e per MWh	Germany IEA (2014) 2012
Electricity	748.51140	kg CO2e per MWh	Gibraltar IEA (2014) 2012
Electricity	926.09800	kg CO2e per MWh	India IEA (2014) 2012
Electricity	456.58360	kg CO2e per MWh	Ireland IEA (2014) 2012
Electricity	340.34080	kg CO2e per MWh	Luxembourg IEA (2014) 2012
Electricity	453.44450	kg CO2e per MWh	Mexico IEA (2014) 2012
Electricity	440.69660	kg CO2e per MWh	Netherlands IEA (2014) 2012
Electricity	363.95910	kg CO2e per MWh	Portugal IEA (2014) 2012
Electricity	472.47890	kg CO2e per MWh	Singapore IEA (2014) 2012
Electricity	12.35790	kg CO2e per MWh	Sweden IEA (2014) 2012
Electricity	28.03630	kg CO2e per MWh	Switzerland IEA (2014) 2012
Electricity	597.27590	kg CO2e per MWh	United Arab Emirates IEA (2014) 2012
Electricity	479.47830	kg CO2e per MWh	United Kingdom IEA (2014) 2012
Electricity	797.04000	kg CO2e per MWh	Canada Alberta EC (2016) 2014
Electricity	14.64200	kg CO2e per MWh	Canada British Columbia EC (2016) 2014
Electricity	3.43730	kg CO2e per MWh	Canada Manitoba EC (2016) 2014
Electricity	291.66000	kg CO2e per MWh	Canada New Brunswick EC (2016) 2014
Electricity	30.31840	kg CO2e per MWh	Canada Newfoundland EC (2016) 2014
Electricity	419.02000	kg CO2e per MWh	Canada Northwest Territories EC (2016) 2014
Electricity	693.73000	kg CO2e per MWh	Canada Nova Scotia EC (2016) 2014
Electricity	419.02000	kg CO2e per MWh	Canada Nunavut EC (2016) 2014
Electricity	40.52000	kg CO2e per MWh	Canada Ontario EC (2016) 2014

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	291.66000	kg CO2e per MWh	Canada Prince Edward Island EC (2016) 2014
Electricity	2.13520	kg CO2e per MWh	Canada Quebec EC (2016) 2014
Electricity	787.25000	kg CO2e per MWh	Canada Saskatchewan EC (2016) 2014
Electricity	38.35200	kg CO2e per MWh	Canada Yukon EC (2016) 2014
Electricity	576.80570	kg CO2e per MWh	United States of America (eGrid AKGD) US EPA (2015) 2012
Electricity	218.93120	kg CO2e per MWh	United States of America (eGrid AKMS) US EPA (2015) 2012
Electricity	525.24300	kg CO2e per MWh	United States of America (eGrid AZNM) US EPA (2015) 2012
Electricity	296.07088	kg CO2e per MWh	United States of America (eGrid CAMX) US EPA (2015) 2012
Electricity	520.36655	kg CO2e per MWh	United States of America (eGrid ERCT) US EPA (2015) 2012
Electricity	512.49802	kg CO2e per MWh	United States of America (eGrid FRCC) US EPA (2015) 2012
Electricity	546.78785	kg CO2e per MWh	United States of America (eGrid HIMS) US EPA (2015) 2012
Electricity	718.92338	kg CO2e per MWh	United States of America (eGrid HIOA) US EPA (2015) 2012
Electricity	694.45118	kg CO2e per MWh	United States of America (eGrid MROE) US EPA (2015) 2012
Electricity	650.11152	kg CO2e per MWh	United States of America (eGrid MROW) US EPA (2015) 2012
Electricity	291.54616	kg CO2e per MWh	United States of America (eGrid NEWE) US EPA (2015) 2012
Electricity	303.55998	kg CO2e per MWh	United States of America (eGrid NWPP) US EPA (2015) 2012
Electricity	316.67188	kg CO2e per MWh	United States of America (eGrid NYCW) US EPA (2015) 2012
Electricity	546.98607	kg CO2e per MWh	United States of America (eGrid NYLI) US EPA (2015) 2012
Electricity	186.11468	kg CO2e per MWh	United States of America (eGrid NYUP) US EPA (2015) 2012

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	391.30346	kg CO2e per MWh	United States of America (eGrid RFCE) US EPA (2015) 2012
Electricity	715.47085	kg CO2e per MWh	United States of America (eGrid RFCM) US EPA (2015) 2012
Electricity	628.92978	kg CO2e per MWh	United States of America (eGrid RFCW) US EPA (2015) 2012
Electricity	830.90207	kg CO2e per MWh	United States of America (eGrid RMPA) US EPA (2015) 2012
Electricity	784.93789	kg CO2e per MWh	United States of America (eGrid SPNO) US EPA (2015) 2012
Electricity	700.94432	kg CO2e per MWh	United States of America (eGrid SPSO) US EPA (2015) 2012
Electricity	479.28680	kg CO2e per MWh	United States of America (eGrid SRMV) US EPA (2015) 2012
Electricity	780.03525	kg CO2e per MWh	United States of America (eGrid SRMW) US EPA (2015) 2012
Electricity	523.59289	kg CO2e per MWh	United States of America (eGrid SRSO) US EPA (2015) 2012
Electricity	609.60946	kg CO2e per MWh	United States of America (eGrid SRTV) US EPA (2015) 2012
Electricity	425.42580	kg CO2e per MWh	United States of America (eGrid SRVC) US EPA (2015) 2012

Further Information

For Base Year, Scope 2 (market based) emissions, we have used location based emissions as the proxy.

Page: CC8. Emissions Data - (1 Nov 2014 - 31 Oct 2015)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

22733.97

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
69947.81	7452.34	

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data Gaps & Metering/Measurement Constraints: Completeness/Accuracy – we still estimate a small percentage of our Scope 1 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for facilities is gathered from a centralized energy and utility bill tracking software that has the robust capability to generate consumption reports, verify bills, spot errors, and track issues related to BMO's energy information. Data estimates for facilities with missing utility data are performed using the actual average energy use intensity (EUI)—measured in annual energy use per floor area—of similar facilities in the same geographical location. The use of average EUIs for data estimates provides accurate

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			calculation of energy use and mitigates potential deviation of estimates from the mean. Monthly missing data or gaps in utility consumption are filled in using utility meter readings or average consumption of adjacent months, trend lines of historical usage, weather-adjusted consumption of previous year's data, and other sound methodologies. Consumption data for Scope 1 transportation equipment emissions is gathered internally by BMO personnel or supplied by our preferred vendors, managing these elements on our behalf. Data handling: Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation spreadsheets also introduces the risk of error. Segregation of duties exists for input/output audit checking both by our Facilities Management providers as well as information gathered internally. Once captured in the various source systems, we mitigate transposition risk when uploading to the GHG:ID tool's Data Collection Form, by using automated methods to perform the data loading activities and use check totals, comparing before and after. When Data Collection Forms are further uploaded to the GHG:ID database, further data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. Finally, our Scope 1 emissions are verified annually by a commercially independent 3rd party who provides BMO with a positive assurance verification statement.
Scope 2 (location-based)	Less than or equal to 2%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data Gaps & Metering/Measurement Constraints: Completeness/Accuracy – we still estimate a small percentage of our Scope 2 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for facilities is gathered from a centralized energy and utility bill tracking software that has the robust capability to generate consumption reports, verify bills, spot errors, and track issues related to BMO's energy information. Data estimates for facilities with missing utility data are performed using the actual average energy use intensity (EUI)—measured in annual energy use per floor area—of similar facilities in the same geographical location. The use of average EUIs for data estimates provides accurate calculation of energy use and mitigates potential deviation of estimates from the mean. Monthly missing data or gaps in utility consumption are filled in using utility meter readings or average consumption of adjacent months, trend lines of historical usage, weather-adjusted consumption of previous year's data, and other sound methodologies. Data handling: Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation spreadsheets also introduces the risk of error. Segregation of duties exists for input/output audit checking both by our Facilities Management providers as well as information gathered internally. Once captured in the various source systems, we mitigate transposition risk when uploading to the GHG:ID tool's Data Collection Form, by using automated methods to perform the data loading activities and use check totals, comparing before and after. When Data Collection Forms are further uploaded to the GHG:ID database, further data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. Finally, our Scope 2 (location based) emissions are

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			verified annually by a commercially independent 3rd party who provides BMO with a positive assurance verification statement.
Scope 2 (market-based)	Less than or equal to 2%	Assumptions	While Scope 2 (market based) emissions are somewhat dependent on the Scope 2 (location based) calculations, we have included only those elements that are pertinent specifically to the market based calculations. While we believe that our interpretation of the guidance documentation for Market Based Scope 2 emissions is sound, there is perhaps a low level of risk associated with our understanding, this being the first year of introduction. We believe that we have mitigated this risk by engaging the services of a 3rd party expert to provide us with the appropriate consultative guidance to properly reflect this data. For F2015, our market based scope 2 emissions have also been verified (positive assurance) by a commercially independent 3rd party.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC8.6a/BMO Emissions Verification Statement FY2015 (Morrison Hershfield).pdf	Page 1 & 2	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC8.7a/BMO Emissions Verification Statement FY2015 (Morrison Hershfield).pdf	Page 1 & 2	ISO14064-3	100
Market-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC8.7a/BMO Emissions Verification Statement FY2015 (Morrison Hershfield).pdf	Page 1 & 2	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	Absolute emissions as at year end for Scopes 1+2+3 only - no additional data points.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Nov 2014 - 31 Oct 2015)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	11410.80
United States of America	11323.17

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility
By GHG type
By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
BMO Bank of Montreal	11410.80
BMO Harris Bank	11323.17

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Retail Facilities (Branches, ATMs)	13450.02	90	-180
Office Facilities	3705.75	90	-180

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	3317.57	90	-180
Transportation Equipment	2260.62	90	-180

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CH4	40.12
N2O	31.03
CO2	22020.98
HFCs	641.84

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Stationary combustion (facilities)	19831.51

Activity	Scope 1 emissions (metric tonnes CO2e)
Mobile combustion (transport)	2260.62
Fugitive emissions (HFCs - facilities)	641.84

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Nov 2014 - 31 Oct 2015)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	9632.20	4041.75	137033.82	23786
United States of America	60315.61	3410.59	96878.04	91400

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility
By activity

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
BMO Bank of Montreal	9632.20	4041.75
BMO Harris Bank	60315.61	3410.59

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Retail Facilities (Branches, ATMs)	48935.11	2775.15

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Office Facilities	9920.18	1439.13
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	11092.51	3238.06

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Stationary combustion (facilities)	69947.81	7452.34

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	Energy purchased and consumed (MWh)
Heat	0
Steam	7573.15
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

115513.17

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	100213.75
Distillate fuel oil No 1	4267.24
Distillate fuel oil No 2	1800.29
Propane	27.41
Jet kerosene	2697.27
Motor gasoline	6507.21

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
Energy attribute certificates, Renewable Energy Certificates (RECs)	91400	In the United States, BMO has purchased renewable energy certificates for the last 6 years. The 91,400 MWh amount quoted is our annual purchase for FY2015, applicable to Scope 2 emissions.
Other	23786	In Canada, BMO has purchased renewable energy certificates for the last 8 years. RECs instruments comply with the Scope 2 Quality Criteria of the GHG Protocol Scope 2 guidance of 2015. The 23,786 MWh amount quoted is our annual purchase for FY2015, applicable to Scope 2 emissions.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
226338.71	226338.71	0	0	0	BMO purchases all electricity consumed, none produced internally.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	2.51	Decrease	Real estate facilities related emissions reduction initiatives focused primarily on programmatic activities including; lighting/signage retrofits, building automation systems implementations, building envelope upgrades and HVAC equipment retrofits/upgrades. In FY2015, we reduced our emissions by 2,765 tCO2e, as a result of emissions reduction projects. Our total Scope 1 and Scope 2 emissions in the previous year was 109,948 tCO2e, resulting in a decrease of 2.51%. (2,765/109,948)*100= 2.51%)
Divestment	0.0	No change	
Acquisitions	0.0	No change	
Mergers	0.0	No change	
Change in output	3.04	Decrease	The net decrease reported reflects the impacts of owned facilities occupied for the full year in FY2014 and vacated in FY2015, as well as those owned facilities that were not in our inventory in FY2014 and occupied in FY2015. We consider this organic reduction. In FY2015, we reduced our emissions by 3,341 tCO2e, as a result of changes in output. Our total Scope 1 and Scope 2 emissions in the previous year was 109,948 tCO2e, resulting in a decrease of 3.04%. (3,341/109,948)*100= 3.04%)
Change in methodology	7.66	Decrease	This reduction represents the net impact resulting from changes in Provincial emissions factors (lower) for electricity in Canada. Emissions factors: CDP 2015 submission (fiscal 2014 data) referenced Environment Canada's 2015 published Provincial electricity emissions factors (as at 2013 year) for Canada. CDP 2016 submission (fiscal 2015 data) references Environment Canada's 2016 published Provincial electricity emissions factors (as at 2014 year) for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity emissions related to owned facilities (Scope

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			2). In FY2015, we reduced our emissions by 8,420 tCO2e, as a result of changes in methodology – emissions factors. Our total Scope 1 and Scope 2 emissions in the previous year was 109,948 tCO2e, resulting in a decrease of 7.66%. (8,420/109,948)*100= 7.66%)
Change in boundary	0.0	No change	
Change in physical operating conditions	2.49	Decrease	Weather normalized energy use (and its associated emissions) is the energy that the building portfolio would have used in the current fiscal year (FY2015) under the same weather conditions as the previous year (FY2014). On average, heating degree days decreased by about 9.1% and cooling degree days increased by about 9.9% for the entire facility portfolio from FY2014 to FY2015. Statistical process was used to factor out the variations in degree days and adjust the weather sensitive component of the energy use. In FY2015, our emissions decreased by 2,741 tCO2e, as a net result of changes in degree days (physical operating conditions). Our total Scope 1 and Scope 2 emissions in the previous year was 109,948 tCO2e, resulting in a decrease of 2.49%. (2,741/109,948)*100= 2.49%)
Unidentified	0.0	No change	
Other	0.0	No change	

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000038968	metric tonnes CO2e	23784000000	Location-based	19.18	Decrease	Revenues increased 4.3% in FY2015 versus FY2014. Absolute emissions (tCO2e - Scope 1 & Scope 2) decreased by 15.7% over the same period. Emissions reduction activities have contributed to the decrease in total Scope 1 & Scope 2 emissions. For this metric, we have used gross revenues reported and actual emissions reported, year over year. While this information has been provided, as requested, we don't believe that this is the most relevant indicator. We consider the relativity measures of tCO2e per employee and tCO2e per m2 of premises occupied (see CC12.3 below) as more meaningful.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1.9995	metric tonnes CO2e	full time equivalent (FTE)	46353	Location-based	14.93	Decrease	Number of employees decreased by 425 or 0.91% (FY2015 vs. FY2014), while absolute emissions (tCO2e - Scope 1 & Scope 2 (location based))

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
		employee					decreased by 17,267 or 15.70% over the same period. Emissions reduction activities have contributed to the decrease in total Scope 1 & Scope 2 emissions as have lower emissions factors, offset somewhat by weather impacts. Net result is a 14.93% decrease in this metric for FY2015 vs. FY2014.
0.0963	metric tonnes CO2e	square meter	1748660	Location-based	11.30	Decrease	Square meters of real estate occupied decreased by 129,476 or 6.89% (m2 - FY2015 vs. FY2014), while facilities related emissions (tCO2e - Scope 1, Scope 2 & Scope 3) decreased 35,494.10 or 17.41% over the same period. The facilities related emissions have not been normalized for weather nor emissions factors changes for the purposes of this calculation. Net result is a decrease of 11.30% in this metric for FY2015 vs. FY2014. Note that for the purposes of this metric, Scope 1, Scope 2 (location based) & Scope 3 facilities related emissions have been included.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit	Energy efficiency:	Commission Scolaire Marguerite-	Other:	1945	1945	Yes	Voluntary

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
purchase	industry	Bourgeoys (CSMB)	ISO14064-2				Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				For this question, we have determined those scope 3 categories that are relevant to ensure that BMO's GHG inventory appropriately reflects the emissions of the company, and serves the decision-making needs of users, both internal and external to the company. We asses relevance based on the criteria in Table 6.1

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					of "The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard", developed by the World Resources Institute and the World Business Council for Sustainable Development. Criteria for determining the relevance of scope 3 emissions include: i) size of the emissions, ii) our ability to influence emissions reductions, iii) extent to which the emissions contribute to our company's risk exposure, iv) if the emissions are deemed critical by key stakeholders , and v) extent to which outsourced activities contribute to our emissions. BMO Financial Group's Scope 3 emissions resulting from our purchase of goods and services are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company's total scope 3 emissions. Purchased goods and services include: - technology/telecommunications equipment (personal computers, servers, copiers, printers, routers, switches, etc.), - office supplies (e.g. pens, paper, etc.), - furniture and fixtures for premises (desks, chairs, lighting, building materials, etc.), - consulting services as provided by third parties and, - marketing and advertising materials. The primary reason BMO Financial Group has not focused on the specific measurement of emissions related to its supply chain is due to the lack of available source data. Since early 2008 we have employed a Sustainable Procurement questionnaire as part our competitive bid process (supply chain focus) and have scored the results to

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					these questions as part of overall decision process. While this process does not provide results that would allow us to quantitatively answer this question, it has proved beneficial in affecting supplier behaviour for a number of our key relationships.
Capital goods	Not relevant, explanation provided				This is not relevant to BMO as our ongoing strategy is to lease facilities space and transportation equipment for use in our operations whenever possible.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				This scope 3 emission source represents upstream emissions of purchased electricity and the associated transmission and distribution (T&D) losses. We do not consider this relevant for BMO as we have limited ability to influence.
Upstream transportation and distribution	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from upstream transportation and distribution are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company's total scope 3 emissions. Emissions from the transportation and distribution of products purchased by BMO, between tier 1 suppliers and our own operations (in vehicles and facilities not owned or controlled by BMO) are relevant. We have not attempted to calculate the impact of these emissions to date. Emissions from the transportation and distribution services purchased by BMO related to outbound logistics of sold products (in vehicles and facilities not owned or controlled by the reporting company) are relevant. BMO Financial Group distributes product information to customers and

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					shareholder information to shareholders. Doing so may result in transportation emissions relating to the delivery of paper statements, Annual Reports, Corporate Responsibility Reports and other paper correspondence. The lack of readily available information is the prime reason we do not currently measure/report on emissions from this source.
Waste generated in operations	Relevant, calculated	1276.06	BMO Financial Group is indirectly responsible for the emissions created by the solid waste generated from our operations. In FY2015, we measured and reporting the emissions resulting from solid waste generated from 19 large facilities (owned and leased). These buildings represent 4.9 million square feet of real estate, which is approximately 26% of total space occupied. Where possible, we continue to expand the scope of our review annually. To gather the raw waste data, we contracted third party providers to conduct waste audits at selected owned facilities (as required by regulation in Ontario) and also secured prorated data from landlords for our tenancy in leased facilities. The content of the waste audit reports and landlord provided data allowed us to detail the break-down of waste to landfill/recycling. The waste to landfill data was annualized and input to the ICF International GHG:ID	100%	BMO Financial Group's Scope 3 emissions resulting from waste generated in operations are deemed relevant from a size perspective, as they contribute to the company’s total scope 3 emissions. The percentage noted relates to the data available for the 19 large facilities. A significant number of our facilities are smaller in size and geographically dispersed across North America. It is not economical to gather waste information from these locations and our focus is therefore on those larger facilities which are either owned or, if leased, where we are a major tenant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			Tool to calculate the resulting emissions. The emission factor used by the GHG:ID Tool is specifically calibrated for corporate GHG inventories, based on the EPA published WaRM tool. The mixed Municipal Solid Waste factor incorporates all emissions associated with transporting the waste, dumping it in a landfill, degrading and releasing methane as it decomposes in anaerobic conditions, and finally the residual biogenic carbon "credit" for the biogenic carbon that gets stored in the landfill long term. The factor accounts for not only methane, but also CO2 as well (all converted and expressed as the CO2 equivalent factor).		
Business travel	Relevant, calculated	21284.04	As a financial institution, our most significant Scope 3 emissions relating to employee business travel include the following: commercial air, ground travel (incl. employees' occasional use of personal vehicles for business, rental vehicles, and rail). For the past nine years BMO has used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and	100%	BMO Financial Group's Scope 3 emissions resulting from business travel are deemed relevant from a size perspective, as they contribute significantly to the company's total scope 3 emissions. We obtain primary data for the types of employee business travel noted (commercial air, rental cars, personal automobile and rail). Due to the lack of readily available data for ground transportation such as taxis, limousines and public transit, these emissions are not included in our inventory.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; "ISO 14064 Part 1: Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". For transportation data, we utilize the following data collection methodology: Commercial Air Travel data for business purposes is provided by our preferred travel supplier on an annual basis. The data provided consists of one-way flight segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool for short haul, medium haul and long haul flights. Ground Travel 1) Employee travel for business purposes using personal vehicles – all data is captured via our internal expense reimbursement system as claims are submitted. Annually we extract this data and use kilometres travelled and a proxy for vehicle type (mid-sized automobile efficiency) within the ICF International GHG:ID Tool for calculation of emissions. 2) Rail travel data for business purposes is		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			provided directly by our rail service suppliers on an annual basis. The data provided consists of one-way rail segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool. 3) Rental vehicles – data is provided by our two preferred suppliers on an annual basis. The data consists of vehicle type and total distance travelled. The data combined with a proxy for vehicle type (mid-sized automobile efficiency) is used within the ICF International GHG:ID Tool for calculation of the relevant emissions. Emissions are reported as tCO2e.		
Employee commuting	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from employee commuting are deemed relevant from a size perspective, as they would contribute to the company’s total scope 3 emissions. Emissions from approximately 46,000 employees commuting between their homes and BMO Financial Group workplaces are relevant. The lack of readily available information about their commuting modes and travel distances is the prime reason we do not currently calculate/report on emissions from this source.
Upstream leased assets	Relevant, calculated	76638.77	Based on our reporting boundary (Financial Control) and contractual obligations per leased facilities (per GHG Protocol	100%	BMO Financial Group's Scope 3 emissions resulting from upstream leased assets are deemed relevant from a size perspective, as they contribute

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			Standard), emissions from leased premises have been classified as Scope 3. The emissions relating to fuel combusted and purchased electricity used in our leased facilities (Scope 1 & Scope 2 emissions of the lessor), form a significant portion of our total Scope 3 emissions reported. For the past nine years BMO has used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; ISO 14064 Part 1: Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. At our request, consumption data is provided annually by the landlord/facilities managers for the facilities occupied by BMO Financial Group. In those instances where check meters are installed, actual consumption information for fuels/electricity is used to reflect our actual consumption. In the		significantly to the company's total scope 3 emissions. In FY2015, actual consumption data was obtained for 70% of all leased facilities (based on percentage of emissions calculated). Defensible and transparent consumption estimates are utilized for leasehold facilities where actual data is not available. Consumption estimates are calculated based on type of facility, and either a proxy for intensity per square foot where sufficient sample of similar facilities (with actual data) available, or based on published intensities for facility type by subregion (state/province) or region (country) as applicable.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			absence of this specific level of information, we receive consumption information for the entire facility and based on the area occupied by BMO Financial Group, we determine our prorated portion for each of the fuels/electricity consumed. We also ask for confirmation from our landlords that the information provided accurately reflects the consumption figures provided and for a number of facilities, we receive the actual source utility data. We retain a detailed calculation worksheet for each of the leased properties where information has been gathered in this manner. The consumption data provided is routinely reviewed for intensity (consumption/square foot) to identify any obvious anomalies for further investigation. Finally, the consumption information is then input to the ICF International GHG:ID tool to calculate the relevant emissions.		
Downstream transportation and distribution	Not relevant, explanation provided				Not relevant as this Scope 3 activity source includes only emissions from transportation and distribution of products after the point of sale – not applicable to BMO.
Processing of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Use of sold	Not relevant,				As a financial institution, our products are financial

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
products	explanation provided				services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
End of life treatment of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Downstream leased assets	Not relevant, explanation provided				Any assets that BMO owns and leases to 3rd parties are included in our Scope 1 and Scope 2 reported numbers.
Franchises	Not relevant, explanation provided				BMO Financial Group does not engage in franchise activity and therefore this Scope 3 source is not relevant.
Investments	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from investments are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company's total scope 3 emissions. We are aware of the discussions related to financed emissions and are following the work being done by the GHG Protocol and the UNEP Finance Initiative re: disclosure guidance for financial institutions but at this stage, we have not evaluated the impact on our organization. There are many factors to be considered including availability, credibility, and consistency of information as well as the direction of the regulatory landscape in North America which is where the bulk of our activities take place.
Other (upstream)	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Other (downstream)	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/17/1417/Climate Change 2016/Shared Documents/Attachments/CC14.2a/BMO Emissions Verification Statement FY2015 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Upstream leased assets	Emissions reduction activities	1.12	Decrease	The decrease is attributed to fuel and energy related reductions in our leased real estate facilities (Scope 1 & Scope 2 emissions of the lessor). Reduction activities focused primarily on energy efficiency programs including; lighting/signage retrofits and building systems upgrades where BMO has the opportunity to positively effect change. In FY2015, we reduced our emissions by 1,293 tCO2e, as a result of emissions reductions initiatives. Our total Scope 3

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				emissions in the previous year was 115,211 tCO2e, resulting in a decrease of 1.12%. (1,293/115,211)*100= 1.12%)
Upstream leased assets	Change in output	8.12	Decrease	The net decrease reported reflects the impacts of leasehold facilities occupied for the full year in FY2014 and vacated in FY2015, as well as those leasehold facilities that were not included in our inventory in FY2014 and newly occupied in FY2015. We consider this change to be organic in nature. In FY2015, we reduced our emissions by 9,351 tCO2e, as a result of changes in output. Our total Scope 3 emissions in the previous year was 115,211 tCO2e, resulting in a decrease of 8.12%. (9,351/115,211)*100= 8.12%)
Upstream leased assets	Change in methodology	4.83	Decrease	This reduction represents the net impact resulting from changes in Provincial emissions factors (lower) for electricity in Canada. Emissions factors: CDP 2015 submission (fiscal 2014 data) referenced Environment Canada's 2015 published Provincial electricity emissions factors (as at 2013 year) for Canada. CDP 2016 submission (fiscal 2015 data) references Environment Canada's 2016 published Provincial electricity emissions factors (as at 2014 year) for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity emissions related to leased facilities. Due to BMO's Financial Control reporting boundary, upstream leased assets are reported as Scope 3. In FY2015, we reduced our emissions by 5,561 tCO2e, as a result of changes in methodology – emissions factors. Our total Scope 3 emissions in the previous year was 115,211 tCO2e, resulting in a decrease of 4.83%. (5,561/115,211)*100= 4.83%)
Waste generated in operations	Change in boundary	0.63	Decrease	In FY2015, there was a reduction in waste data coverage, since waste audit reports were not available yet for a few facilities. We also excluded some waste data that were estimated by volume, since this can cause significant error or discrepancy in determining the weight of the waste. In FY2015, we reduced our emissions by 730 tCO2e, as a result of changes in boundary for waste generated in operations. Our total Scope 3 emissions in the previous year was 115,211 tCO2e, resulting in a decrease of 0.63%. (730/115,211)*100= 0.63%)
Upstream leased assets	Change in physical operating conditions	1.57	Decrease	Weather normalized energy use (and its associated emissions) is the energy that the building portfolio would have used in the current fiscal year (FY2015) under the same weather conditions as the previous year (FY2014). On average, heating degree days decreased by about 9.1% and cooling degree days increased by about 9.9% for the entire facility portfolio from FY2014 to FY2015. Statistical process was used to factor out the variations in degree days and adjust the weather sensitive component of the energy use. In FY2015, our emissions decreased by 1,813 tCO2e, as a net result of changes in degree days (physical operating conditions). Our total Scope 3 emissions in the previous year was 115,211 tCO2e, resulting in a decrease of 1.57%. (1,813/115,211)*100= 1.57%)

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Other (upstream)	Other:	2.38	Increase	As a large organization it is difficult to gain visibility to all emissions impacts/causes/activities across leased facilities. The other emissions impacts can be mostly attributed to the increase in occupant density and electrical plug loads, due to the closure of major operations center and relocation of staff to existing facilities. In FY2015, emissions increased by 2,737 tCO2e, as a result of unidentified changes. Our total Scope 3 emissions in the previous year was 115,211 tCO2e, resulting in an increase of 2.38%. (2,737/115,211)*100= 2.38%)

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagement and measures of success

BMO's engagement with suppliers and customers to date, relative to climate change, has been focused largely on practical initiatives. Our strategy for prioritizing these engagements is based on a combination of factors, including:
• Opportunity to generate cost savings
• Opportunity to reduce GHG emissions
• Ability to create or raise awareness and advance BMO’s reputation
• Being a responsible corporate citizen

Measures of success are detailed per each of the examples illustrated below.

Example 1:
Renewable energy purchases (Renewable Electricity Certificates - RECs) for Canadian retail branches. As part of our Carbon Neutrality commitment, BMO has invested in renewable energy to reduce emissions. Over the past 8 years, we have developed a strong relationship with our preferred supplier and in addition to our

corporate commitment, have worked with them to extended discount offers to BMO employees and customers for their purchase of renewable energy.
BMO's investment in renewable energy, in addition to assisting the organization in meeting its carbon neutrality goal, provides the potential to positively impact its reputation. In fiscal 2015, as a continuation of the efforts initiated in 2014 and as part of our efforts to create awareness and engage customers, BMO continued to promote the video co-created with our vendor to our Canadian customer base. The overall purpose of the video was to raise awareness with customers relative to BMO's climate change initiatives, with a specific focus on our commitment to renewable energy.
Quantitative benefits are difficult to determine as the correlation between increased customer loyalty/revenues, as a result of our partnership and investment in renewable energy, is challenging. Evidence is anecdotal at best, based on qualitative feedback and support from customers received via responses to periodic surveys conducted.

Measures of success:
• Positive contribution to Carbon Neutrality target vis-a–vis the use of low carbon energy
• Positive impact on awareness of both employees and customers, relative to BMO's climate change initiatives

Example 2:
In partnership with our preferred supplier for office products, BMO diverts office ink and toner cartridges from landfill by offering the THINK! recycling program. When a cartridge is depleted, BMO personnel request a pickup online. Old ink and toner cartridges are then either recycled or remanufactured.
BMO employees respect the sustainability efforts of the company and the potential for employee retention and/or attraction, through simple measures such as these, may be increased.
As an enterprise-wide recycling program, THINK! raises employee awareness of the hazardous effects of e-waste and the importance of recycling cartridges. It also brings attention to the organizational challenge of waste reduction and opens the lines of communication on this topic.
The quantitative benefits of this program relate to cost avoidance relative to waste management. Whether the ink and toner were recycled or sent to landfill, waste management service fees would apply. The THINK! Program, therefore, serves to reduce these costs, but the amounts have not been quantified to date.
In FY2015, our preferred vendor reported that BMO employees diverted 9,104 Ink and toner cartridges from landfill, via this program.

Measures of success:
• Reduced GHG emissions as a result of landfill avoidance for spent toner cartridges (BMO includes waste to landfill in its emissions calculations, where data is available)
• Increased employee awareness and engagement in climate change initiatives

Example 3:
BMO partners with preferred suppliers to facilitate the environmentally responsible recycling or refurbishment/resale of technology equipment. In many cases, equipment deemed to have reached the end of its useful life from a BMO perspective, can be refurbished and reused by organizations (e.g. schools). This effectively results in the diversion of landfill waste and the creation of harmful greenhouse gases.
In fiscal 2015, approximately 325 tonnes of technology equipment was collected, refurbished and repurposed for sale by our trusted provider. The proceeds of the sales, net of refurbishment costs, are then available to BMO for donation to various causes.

Measures of success:
• Reduced GHG emissions as a result of landfill avoidance for technology assets taken out of service (BMO includes waste to landfill in its emissions calculations, where data is available)
• Reduced costs to BMO for disposal of technology equipment
• Socially responsible contribution by way of donations to organizations in need – in fiscal 2015, $99k (CAD) was donated to charities on BMO's behalf

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend (direct and indirect)	Comment
3	1.22%	Relative spend is associated with the three examples provided in CC14.4(a).

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	At this point, we have not asked for GHG emissions data from suppliers. We leverage initiatives such as the ones described in internal and external communications to promote our collaborative efforts with suppliers in the area of sustainability.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Frank Techar	Chief Operating Officer, BMO Financial Group	Chief Operating Officer (COO)

Further Information

CDP