

# Carbon Neutrality — Achieving our Goal

## BMO's commitment

Since 2010, BMO has publicly committed to being carbon neutral, with respect to portfolio-wide operational energy consumption (electricity and steam, natural gas, diesel, heating oil, and propane) and emissions associated with transportation (air and ground travel for business purposes) and solid waste to landfill for major facilities.

## BMO's pathways to carbon neutrality

- **Step 1:** promoting energy efficiency as the “first-fuel” and limiting emissions from transportation and waste.
- **Step 2:** purchasing electricity from renewable energy sources Renewable Energy Certificates (RECs).
- **Step 3:** purchasing high-quality carbon offsets to neutralize remaining emissions.

## Energy efficiency

We manage about 1,800 facilities with approximately 1.8 million square meters of retail, office, and special purpose spaces in North America and international locations. Energy use from property operations accounts for about 85 percent of BMO's carbon footprint or greenhouse gas (GHG) emissions. To improve energy efficiency, we adhere to the ISO principles for continual improvement in environmental and energy management. Annually, we continue to upgrade the lighting, heating, ventilation and air conditioning (HVAC), controls, building envelope (roofs and windows), and other energy-consuming equipment and systems in our facilities.

## Renewable energy

In April 2020, BMO announced a goal to match 100 per cent of its electricity usage with electricity produced from renewable sources across global operations by the end of fiscal 2020. In October 2020 [we reached our goal](#). This achievement included investment in Renewal Energy Certificates from wind, solar and low-impact hydro projects in the regions where BMO operates, in quantities that matched its 2019 global electricity consumption. The investment has enabled the generation of over 407,000 MWh of renewable energy.

## Carbon offsets

BMO purchases high quality-carbon offsets to neutralize the remaining emissions for Scopes 1, 2 and 3 (as per Greenhouse Gas Protocol classification of emission sources). The sources for carbon offsets include landfill gas-to-energy projects and diverse source activities such as energy efficiency for buildings, redirection of waste from landfills, and improvement of industrial and commercial processing practices.<sup>1</sup> The carbon credits are independently verified to ISO-14064-3 or equivalent standard.

## Emissions reporting and verification

BMO reports on our energy and emissions management strategy and performance on our website, and to the CDP. We engage an accredited third party, to provide reasonable assurance as to the completeness and accuracy of BMO's stated GHG emissions. Those reports are available [here](#).

We also report on our sustainability program in our Sustainability Report, and produce a Climate Report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Those reports are available [here](#).



<sup>1</sup> Descriptions of the projects can be found on our [website](#).