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## SASB Disclosure

The Sustainability Accounting Standards Board (SASB) has developed a set of industry-specific standards to help businesses identify, manage and communicate financially material sustainability information for their investors and other stakeholders.

BMO published its first SASB disclosure in 2019. Since then, there has been accelerated interest in and adoption of these standards by the investor and analyst community and corporate issuers globally. Our 2020 SASB disclosure cites metrics from the standards that are relevant to our operating groups and lending activity, including asset management and custody, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance.

### Legend

- [AR – BMO Financial Group 2020 Annual Report to Shareholders](#)
- [EENR – 2019 Employment Equity Narrative Report](#)
- [Sustainability Report and PAS – Sustainability Report and Public Accountability Statement](#)
- [Supplementary Information – Supplementary Financial Information for the Quarter Ended October 31, 2020](#)

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>ACTIVITY METRICS – ASSET MANAGEMENT AND CUSTODY ACTIVITY</b>		
<b>FN-AC-000.A</b>	(1) Total registered and (2) total unregistered assets under management	BMO reports assets under administration and assets under management (AUM). See page 46 of the AR (BMO Wealth Management – Key Performance Metrics and Drivers). BMO does not disclose the breakdown of registered and unregistered AUM.
<b>FN-AC-000.B</b>	Total assets under custody and supervision	The Office of the Superintendent of Financial Institutions Canada (OSFI) requires that we, as a domestic systemically important bank (D-SIB), disclose on an annual basis information related to the 12 indicators utilized in the global systemically important bank (G-SIB) assessment methodology, including assets under custody. See page 25 of the <a href="#">2020 Q1 Report to Shareholders</a>
<b>ACTIVITY METRICS – COMMERCIAL BANKS</b>		
<b>FN-CB-000.A</b>	(1) Number and (2) value of chequing and savings accounts by segment: (a) personal and (b) small business	BMO reports the average value of Personal Banking and Commercial Banking deposits. See page 38 of the AR (Canadian P&C) and page 42 of the AR (U.S. P&C). BMO does not disclose the number of accounts or the breakdown of chequing and savings accounts.
<b>FN-CB-000.B</b>	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	BMO reports the value of loans by industry within Commercial Banking and by product within Personal Banking. See page 130 of the AR (Table 7: Net Loans and Acceptances – Segmented Information) and page 131 of the AR (Table 9: Net Loans and Acceptances – Segmented Information, Net Business and Government Loans by Industry). BMO also reports, by province, the amount of money authorized to be made available as debt financing to firms in Canada and the number of firms to which debt financing was made available. See page 116 of the 2020 Sustainability Report and PAS (Business Debt Financing).
<b>ACTIVITY METRICS – CONSUMER FINANCE</b>		
<b>FN-CB-000.A</b>	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	As at the end of fiscal 2020, BMO had 3.6 million unique customers with an active credit card account across personal, single-serve and wealth customers.
<b>FN-CB-000.B</b>	Number of (1) credit card accounts and (2) pre-paid debit card accounts	As at the end of fiscal 2020, BMO had 4.0 million active credit card accounts across personal, single-serve and wealth customers.
<b>ACTIVITY METRICS – INVESTMENT BANKING AND BROKERAGE</b>		
<b>FN-IB-000.A</b>	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	BMO reports the underwriting and advisory fees earned in Capital Markets from securities offerings in which we act as an underwriter or agent, structuring and administering loan syndications and fees earned from providing merger-and-acquisition services and structuring advice. See page 27 of the AR (Non-Interest Revenue). BMO does not report the number and value of transactions.
<b>ACTIVITY METRICS – MORTGAGE FINANCE</b>		
<b>FN-MF-000.A</b>	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	BMO reports the value of residential and non-residential mortgages. See page 13 of the Supplementary Information (Balance Sheet). In addition, BMO reports the following information related to residential mortgages. See page 30 of the Supplementary Information. <ul style="list-style-type: none"> <li>• Value of residential mortgages past due not impaired</li> <li>• Value of residential mortgages insured and uninsured, and average loan to value (LTV) uninsured</li> <li>• Value of home equity lines of credit (HELOC)</li> <li>• Residential mortgages by remaining term of amortization</li> </ul> BMO does not report the number and value of mortgages originated.

2020 Q1 Report to Shareholders: [www.bmo.com/main/about-bmo/banking/investor-relations/financial-information](http://www.bmo.com/main/about-bmo/banking/investor-relations/financial-information)

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<b>BUSINESS ETHICS</b>		
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	In fiscal 2020, Bank of Montreal and its affiliates (collectively, "BMO") do not expect outcomes of any legal proceedings, individually or in aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of the bank, or be material in the context of the SASB framework. See page 206 of the AR: Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities.
FN-CB-510a.2	Description of whistleblower policies and procedures	See page 48 of the 2020 Sustainability Report and PAS (Business Conduct (Speak Up!)).
<b>CUSTOMER PRIVACY</b>		
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	<p>BMO does not disclose the number of account holders whose information is used for secondary purposes.</p> <p><b>Further information:</b></p> <p><b><i>Manner in which account holder consent is received with respect to use of information for secondary purposes</i></b> We require meaningful consent for any use of personal information for a secondary purpose. Customers can manage their direct marketing preferences to opt out of some or all of our direct marketing communications. BMO does not sell personal information.</p> <p><b><i>Extent to which information is disclosed to account holders regarding use of information for secondary purposes</i></b> Our Privacy Code describes the purposes of our collection of personal information, who may access such personal information, the manner in which we use personal information, and to whom we may disclose the personal information.</p> <p><b><i>Regulatory environment related to account holder privacy in which BMO operates</i></b> BMO follows all applicable privacy laws and regulations in the jurisdictions in which it operates. To comply with such regulations, BMO has adopted customer privacy policies (our Privacy Code) and procedures in each of its locations. See in particular the following:  <a href="#">BMO website – Privacy Code – Canada</a>  <a href="#">BMO Harris website – Privacy Code, Notice and CCPA Policy – United States</a>  <a href="#">BMO Privacy Code – European Union</a></p>
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	In fiscal 2020, Bank of Montreal and its affiliates (collectively, "BMO") do not expect outcomes of any legal proceedings, individually or in aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of the bank, or be material in the context of the SASB framework. See page 206 of the AR: Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities.

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<b>DATA SECURITY</b>		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	See page 15 of the 2020 Sustainability Report and PAS (Sustainability Scorecard – Substantiated complaints regarding breaches of customer privacy and losses of customer data).
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	<p>See page 55 of the 2020 Sustainability Report and PAS (Data Security).</p> <p><b>Further information:</b></p> <p>BMO established an industry-leading Financial Crimes Unit (FCU) in 2019. The FCU ensures a coordinated approach to security across all functions and lines of business, with intelligence-led horizontal collaboration and provisions for rapid recovery. The FCU strengthens our incident response capabilities and integrates multiple layers of protection to safeguard our customers, our partners and our organization from current and emerging security threats.</p> <p><b>Approach to identifying vulnerabilities in information systems that pose a data security risk</b></p> <ul style="list-style-type: none"> <li>• BMO’s vulnerability identification and remediation process is implemented in alignment with industry best practices, including the requirements for information security certification under ISO 27001:2013, and is independently audited for compliance and operational effectiveness on an annual basis. BMO conducts periodic vulnerability scans utilizing an industry-leading software solution. As per industry best practices, an independent partner also carries out external penetration testing at least once a year. Identified vulnerabilities are verified, risk-rated, tracked, reported and monitored for timely remediation.</li> </ul> <p><b>Approach to addressing data security risks and vulnerabilities</b></p> <ul style="list-style-type: none"> <li>• BMO is committed to keeping its customer information secure while also providing highly professional and reliable business services. The bank follows cyber security best practices and maintains an IT environment that meets international standards and expectations. To address the rapidly changing security threat landscape, BMO utilizes resilient, agile technologies and makes significant investments in the continuous improvement of its information security position.</li> <li>• BMO is also committed to building and reinforcing the soundest possible foundation by providing appropriate management support and instilling a culture of security awareness across the organization. This involves: <ul style="list-style-type: none"> <li>- A three-lines-of-defence model for effective risk management and compliance monitoring.</li> <li>- Appropriate segregation of duties, organizational structures, reporting lines, authorities and security responsibilities.</li> <li>- A dedicated security risk governance function that applies risk metrics to monitor the current state of our operations and risk profile.</li> </ul> </li> <li>• BMO continuously monitors and mitigates information security risks. This includes implementation of the following: <ul style="list-style-type: none"> <li>- Comprehensive policies and standards for information security and privacy.</li> <li>- Secure processes for the classification, handling and storage of information.</li> <li>- End-point protection and network security.</li> <li>- An annual mandatory security awareness training program for all employees.</li> <li>- Frequent reporting to our executives, external regulators, and internal and external auditors.</li> <li>- Self-assessment against recognized frameworks and process benchmarking.</li> </ul> </li> </ul> <p><b>Trends observed in type, frequency and origination of attacks on data security and information systems</b></p> <ul style="list-style-type: none"> <li>• No single area is more vulnerable to attack than any other area. As we are a large enterprise with a significant technology and user footprint, our infrastructure and employees may be targeted frequently by opportunistic attacks, and less frequently by targeted attacks. Any such events are in line with the overall industry threat and risk profile.</li> </ul> <p><b>Policies and procedures for disclosing incidents involving breaches of data security to customers</b></p> <ul style="list-style-type: none"> <li>• Depending on the nature of the breach, incidents involving suspected or actual breaches of data security or information systems must be reported to either the Privacy Office or the Information Security team, which then manages BMO’s response to the incident, including notifying regulators and affected customers in accordance with all applicable regulatory requirements.</li> </ul>

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		<p><b>Data and system security efforts related to new and emerging cyber threats and attack vectors</b></p> <ul style="list-style-type: none"> <li>The BMO Financial Crimes Unit is responsible for managing all aspects of cyber security, information security, internal and external fraud, and physical security. The unit combines existing capabilities from across the enterprise in an integrated central function, and uses an industry-leading fusion centre model to enhance both intelligence-gathering and response recovery.</li> <li>As per industry best practices, a well-qualified Cyber Threat Intelligence and Analytics team is also in place, which proactively monitors emerging threats that could impact BMO's employees, processes, technology and customers by gathering and analyzing threat information from various commercial, industry, government, internal and open sources. The team also conducts threat hunting on a regular basis to identify potential malicious activity. We continually enhance our cyber security controls in alignment with threat intelligence forecasts.</li> <li>We continue to make additional investments in defensive technology, talent and processes in order to prevent, or detect and manage, cyber security threats within BMO. These measures include benchmarking and review of best practices across the banking and cyber security industries, evaluation of the effectiveness of our key controls and development of new controls as needed, with ongoing investments in both technology and human resources.</li> <li>In addition, senior management reviews BMO's information security management system at regular intervals to ensure its ongoing suitability, adequacy and effectiveness, and makes timely decisions for continuous improvement.</li> </ul> <p><b>Degree to which BMO's approach is aligned with external standards or frameworks and/or legal or regulatory frameworks for managing data security</b></p> <ul style="list-style-type: none"> <li>BMO is a highly regulated organization and undergoes many independent reviews on a periodic basis. BMO's cyber security capabilities are on par with our peers in the industry, align with the framework of the U.S. National Institute of Standards and Technology (NIST), and meet the requirements of ISO 27001:2013 certification for information security. We have achieved the target maturity level for all controls, and we continue to enhance our controls in alignment with threat intelligence forecasts. BMO was the first Canadian bank to obtain ISO 27001 certification for information security, and we have also been certified (Tier IV) by Uptime Institute for our high-fault-tolerant data centre.</li> </ul>

**DISCRIMINATORY LENDING**

<p><b>FN-MF-270b.1</b></p>	<p>(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all borrowers, by FICO scores above and below 660</p>	<p>BMO reports the value of insured and uninsured mortgages, and the average LTV uninsured for residential mortgages. See page 30 of the Supplementary Information. BMO does not report the value of mortgages issued to minority borrowers or by credit score.</p>
<p><b>FN-MF-270b.3</b></p>	<p>Description of policies and procedures for ensuring nondiscriminatory mortgage origination</p>	<p><u>BMO's Code of Conduct</u> and our values of integrity, empathy, diversity and responsibility define how we work, including how we treat our customers. Discrimination is a violation of BMO's Code of Conduct and the commitments made as part of the <u>BMO Statement on Human Rights</u></p> <p>Further information: page 57 of the 2020 Sustainability Report and PAS (Human Rights).</p> <p>In addition, BMO's credit risk management framework incorporates governing principles that are defined in a series of corporate policies and standards and apply to more specific operating procedures. These are reviewed on a regular basis and modified when necessary to keep them current and consistent with BMO's risk appetite. The structure, limits (both notional and capital-based), collateral requirements, monitoring, reporting and ongoing management of our credit exposures are all governed by these credit risk management principles.</p> <p>Lending officers in the operating groups are responsible for recommending credit decisions based on the completion of appropriate due diligence, and they assume accountability for the risks. With limited exceptions, credit officers in Enterprise Risk and Portfolio Management approve all credit transactions and are accountable for providing an objective independent assessment of the lending recommendations and risks assumed by the lending officers. All of these skilled and experienced individuals in the first and second lines of defence are subject to a rigorous lending qualification process and operate in a disciplined environment with clear delegation of decision-making authority, including individually-set lending limits, which are reviewed annually.</p> <p>Further information: page 84 of the AR (Credit and Counterparty Risk).</p>

BMO's Code of Conduct: <https://www.bmo.com/home/about/banking/corporate-information/codeofconduct>  
 BMO Statement on Human Rights: <https://corporate-responsibility.bmo.com/our-approach/statement-on-current-issues/>

## EMPLOYEE DIVERSITY AND INCLUSION

## FN-IB-330a.1

Percentage of general and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

See page 15 of the 2020 Sustainability Report and PAS (Sustainability Scorecard – Diversity and Inclusion).

**Further information:** EENR.

**Leadership accountability**

- Leadership accountability and advocacy are critical to success. At BMO, our leaders' advocacy for diversity and inclusion starts at the top, with CEO Darryl White, who is a vocal champion of inclusivity. On his first day as our new CEO in November 2017, Mr. White signed on as a Catalyst CEO Champion for Change and affirmed his commitment to "reviewing and improving the pipeline of women of diverse backgrounds for advancement and empowering them with a strong support system." He also signed the Catalyst Accord 2022, pledging to work to increase the average percentage of women on boards and in executive positions in corporate Canada to 30% or higher by 2022. In 2020, Mr. White signed the BlackNorth CEO Pledge.
- In 2012, we established the Leadership Committee for Inclusion and Diversity (LCID), an enterprise-wide committee of 25 senior executives representing diversity at BMO, which oversees our progress toward achieving our diversity and inclusion (D&I) goals and advocates for inclusive practices. The committee is co-chaired by a member of BMO's Executive Committee who is appointed by the CEO. LCID establishes the strategic priorities that define our direction, along with a number of specific action plans and ambitious workforce goals. A D&I update is presented to the Board of Directors on an annual basis.
- BMO's D&I governance model is built on this leadership accountability, and combines a leader-led approach with a grassroots approach that is spearheaded by the 3,500 members of our 14 Enterprise Resource Groups (ERGs). Each ERG is sponsored by a senior executive.

**Representation goals**

- We set specific and ambitious goals across our organization by identifying gaps, removing barriers and then holding everyone – leaders and managers – accountable for moving BMO forward. We know that what gets measured gets done, so diversity goals are included every year in the performance objectives for the Group Head of each business. Since 2018, Diversity Dashboards have been included in the meeting materials for Performance Committee meetings. In these quarterly meetings 46 of BMO's most senior leaders, chaired by the CEO, discuss and report on critical business goals and results. The Dashboards show how diverse employee segments in each line of business are represented. They ensure that diversity and inclusion remains a top priority and clarify accountability for our senior leaders.
- In 2020, we announced new five-year diversity goals to address gaps affecting Black, Indigenous, People of Colour, Latino and LGBTQ2+ employees, customers and communities. Our Zero Barriers to Inclusion 2025 goals represent an ambitious expansion of the multi-year diversity strategy we set in 2017. New benchmarks and plans include doubling enterprise-wide representation of Black senior leaders, accelerating Indigenous talent strategies, introducing an LGBTQ2+ representation goal, and sustaining a strong gender equity position.

**Culture of inclusion**

- We make our leaders and employees aware of the value of inclusivity, and we share practical actions and behaviours to help build an inclusive environment. For example, in 2016, we launched Learn from Difference (LFD), a multi-year initiative focused on building inclusive leadership capabilities, equipping leaders with strategies to mitigate the effects of unconscious bias and creating a more inclusive environment for colleagues, customers and the community. Phase one centred on an introductory e-learning course on diversity and inclusion. Within three months, more than 80% of managers had completed the course, and 97% of those managers felt confident in their ability to apply what they had learned in everyday business decisions. Creating an inclusive work environment is a responsibility shared by everyone at BMO, and in 2019, we expanded the LFD program to all employees and launched phase two, Learn from Difference for All (LFDA). In 2020, more than 80% of all colleagues completed the new LFDA program, building a culture of inclusion and belonging for all. See page 38 of the 2020 Sustainability Report and PAS (Diversity and Inclusion).
  - To ensure BMO employees, and in particular Black employees, were feeling supported during the heightened period of racial injustice protests in 2020, we launched a new internal website offering racial injustice educational materials. It includes a guide that provides background for understanding recent issues of racial injustice in the Black community, followed by a conversation guide to support further conversations across the organization on race and what we can all do to make sure everyone is valued.
  - BMO's leadership programs include a robust module focused on inclusive leadership capabilities and what managers can do to ensure all employees feel valued, respected and heard. As we build virtual offerings in response to COVID-19, diversity, inclusion and inclusive leadership capability continue to be an important part of the leadership curriculum.
  - In 2020, our Zero Barriers to Inclusion 2025 strategy for colleagues, customers and community led to a series of branch huddles focused on cultural sensitivity. Across 900 branches in Canada, more than 8,000 branch employees and leaders participated.
- See page 38 of the 2020 Sustainability Report and PAS (Diversity and Inclusion).

**Talent practices**

- Each year, as part of our Leadership Planning program, we identify employees with the potential to take on more senior roles in the organization and prepare succession slates for key roles.

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>FINANCIAL INCLUSION AND CAPACITY BUILDING</b>		
<b>FN-CB-240a.1</b>	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	See page 15 of the 2020 Sustainability Report and PAS (Sustainability Scorecard – Number of women-owned businesses; Indigenous communities with which BMO has a relationship), page 18 of the 2020 Sustainability Report and PAS (Sustainable Finance – Lending authorized for sustainable clients and projects) and page 30 of the 2020 Sustainability Report and PAS (Financial Inclusion).
<b>FN-CB-240a.3</b>	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers	See page 33 of the 2020 Sustainability Report and PAS (Financial Inclusion – Free or Discounted Services table).
<b>FN-CB-240a.4</b>	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers and description of financial literacy initiatives	See page 35 of the 2020 Sustainability Report and PAS (Financial Literacy).
<b>INCORPORATION OF ESG FACTORS IN CREDIT ANALYSIS</b>		
<b>FN-CB-410a.1</b>	Commercial and industrial credit exposure, by industry	See page 131 of the AR (Table 9: Net Loans and Acceptances – Segmented Information). Further information: page 59 of the 2020 Sustainability Report and PAS (Climate Report – Climate-Related Risks and Strategy).
<b>FN-CB-410a.2</b>	Description of approach to incorporation of ESG factors in credit analysis	See page 26 of the 2020 Sustainability Report and PAS (Environmental and Social Risk Management). Further information: page 112 of the AR (Environmental and Social Risk).
<b>INCORPORATION OF ESG FACTORS IN INVESTMENT BANKING AND BROKERAGE ACTIVITIES</b>		
<b>FN-IB-410a.1</b>	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry	BMO tracks and reports on the value of sustainable finance activity. See page 15 of the 2020 Sustainability Report and PAS (Sustainability Scorecard – Sustainable Finance).
<b>FN-IB-410a.2</b>	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	BMO tracks and reports on the value of sustainable finance activity. See page 15 of the 2020 Sustainability Report and PAS (Sustainability Scorecard – Sustainable Finance).
<b>FN-IB-410a.3</b>	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	See page 18 of the 2020 Sustainability Report and PAS (Sustainable Finance), page 22 of the 2020 Sustainability Report and PAS (Responsible Investing) and page 26 of the 2020 Sustainability Report and PAS (Environmental and Social Risk Management). Further information: page 112 of the AR (Environmental and Social Risk).

<b>SASB Disclosure</b>	<b>Accounting Metric</b>	<b>2020 Disclosure</b>
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**INCORPORATION OF ESG FACTORS IN INVESTMENT MANAGEMENT AND ADVISORY**

<b>FN-AC-410a.1</b>	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening	BMO reports this information in our annual reporting to the Principles for Responsible Investing. Our most recent report is available on our <a href="#">website</a>
<b>FN-AC-410a.2</b>	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	<p>See page 22 of the 2020 Sustainability Report and PAS (Responsible Investing).</p> <p><b>Further information:</b></p> <p>Page 59 of the 2020 Sustainability Report and PAS (Climate Report – Climate-Related Risks and Strategy).  BMO Global Asset Management <a href="#">Responsible Investment Approach</a>  BMO Global Asset Management <a href="#">PRI Reporting Framework 2020</a></p> <p>The following information pertains to BMO Global Asset Management (BMO GAM).</p> <p><b>Approach to incorporation of ESG factors in investment processes and strategies</b></p> <ul style="list-style-type: none"> <li>ESG integration is the consideration of financially material ESG issues in the course of investment analysis and decision-making in order to gain a more comprehensive understanding of risk and long-term opportunity.</li> <li>In integrating a consideration of ESG factors, BMO GAM tailors its approach to each specific investment strategy and asset class in order to ensure that the resulting analyses are relevant and meaningful for each investment process. Elements of this approach include: <ul style="list-style-type: none"> <li><b>Screening:</b> BMO GAM offers a range of screened funds for clients who wish to link investment performance to a clear set of ethical and sustainability principles. To determine the eligibility of companies for investment under these strategies, we have developed stringent criteria that are published on our website and are subject to oversight by our Responsible Investment Advisory Council.</li> </ul> <p>We review the criteria and indicators on a regular basis to ensure they reflect evolving responses to critical issues, emerging issues, changes in regulation and other developments. Sustainability funds must meet a set of common criteria regarding minimum sustainability performance. Each fund publishes its own investment policy outlining its respective specifications.</p> <li><b>Thematic:</b> BMO GAM offers a number of thematic investment solutions which seek to generate returns by investing in companies that are working to meet specific sustainability challenges. These include the Women in Leadership Fund and the Sustainable Opportunities Global Equity Fund.</li> <li><b>Engagement:</b> Our SDG Engagement Global Equity Fund has a mandate based on intensive engagement to improve the long-term performance of investee companies and their contribution to achieving the Sustainable Development Goals.</li> <li><b>Integration:</b> As a long-term investor, we seek to build an understanding of the fundamental factors shaping the risks and opportunities facing the entities that issue the equity or debt we invest in. We believe that ESG factors can have a material impact on the performance of those entities – and on the economy as a whole – and that a firm commitment to identifying and assessing the risks and opportunities arising from ESG factors is an integral part of good risk management. A consideration of ESG factors is incorporated into our investment analyses across asset classes, including equities, corporate credit, sovereign credit, private equity and real estate, and a tailored approach is taken to address the specific factors in each class.</li> </li></ul> <p><b>Approach to implementing ESG incorporation practices</b></p> <ul style="list-style-type: none"> <li>Each of our investment teams identifies and integrates material ESG factors in its standard investment process, with the support of the specialist Responsible Investment team. Fund managers and analysts have access to a wide range of ESG data and research – both third-party and proprietary – which they use to systematically flag potentially material concerns that are then further analyzed to determine their relevance to the investment case.</li> <li>We continuously seek to strengthen the feedback loop that brings together the ESG information and experience we have gained through active ownership activities (i.e., engagement and voting) with our main ESG databases and decision-making processes. We do this by conducting regular cross-team meetings and presentations on relevant ESG issues, including regular thematic webinars; sharing active ownership data across platforms that are accessible to our investment teams; encouraging analysts and portfolio managers to address ESG issues in their meetings with investee companies; and closely involving investment teams when we exercise our right to vote at shareholders’ meetings and design our engagement programs.</li> </ul>

Principles for Responsible in vesting on BMO website: <https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2020/08/pri-2020-public-transparency-report-bmo-gam.pdf>  
Responsible Investment Approach: <https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2019/05/responsible-investment-approach.pdf>  
PRI Reporting Framework: <https://www.unpri.org/signatory-directory/bmo-global-assetmanagement/955.article>

SASB Disclosure	Accounting Metric	2020 Disclosure
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>See page 22 of the 2020 Sustainability Report and PAS (Responsible Investing). The following information pertains to BMO Global Asset Management (BMO GAM).</p> <p><b>Policies and procedures</b></p> <ul style="list-style-type: none"> <li>• See BMO Global Asset Management <a href="#">Responsible Investment Approach</a></li> <li>• See also <a href="#">Corporate Governance Guidelines</a></li> <li>• See also <a href="#">Expectations of Social Practices Statement</a></li> <li>• See also <a href="#">Expectations of Environmental Practices Statement</a></li> <li>• See also <a href="#">Climate Change Engagement</a></li> </ul> <p><b>Proxy voting approach</b></p> <ul style="list-style-type: none"> <li>• See Policies and procedures (above).</li> <li>• BMO GAM publishes all vote reports on our <a href="#">website</a>, including the rationale for our voting decisions. We also communicate with investee companies when our in-house team has reviewed any resolutions that will be presented for voting and has decided to vote against one or more of them, in order to alert those companies to our decision and the rationale.</li> </ul> <p><b>Investee engagement approach</b></p> <ul style="list-style-type: none"> <li>• Engagement is carried out by our Responsible Investment team, working in close partnership with our fund investment teams. Our process is based on the following principles: <ul style="list-style-type: none"> <li>- <b>Prioritization:</b> In order to identify targets or areas for engagement, the Responsible Investment team regularly monitors the performance of investee companies in managing the ESG issues that present the greatest risks or opportunities in relation to long-term investor value, as well as emerging governance and sustainability trends that could affect groups of companies within a sector or across sectors. This monitoring and research activity significantly overlaps with the proprietary ESG monitoring systems we have set up to support our ESG integration practices.</li> <li>- <b>Setting objectives:</b> Setting specific engagement objectives and tracking results are both necessary in order to assess progress and determine the next steps. Our Responsible Investment team takes the lead in developing objectives, but this is done in close consultation and collaboration with our investment teams in order to ensure that our messages to investee companies are robust and consistent. We strive to clearly communicate to those companies our engagement objectives and expectations, including an outline of what would be a successful outcome</li> <li>- <b>Tracking results:</b> We log and report activity in real time in an online engagement database. This information includes engagement activity, method of engagement, company response and instances of change. We track the progress of our engagements (at issue level for each company), and we itemize successful engagements and related milestones. Our engagement and milestone entries aim to capture the context and materiality of our objectives and the impact of the progress made by the company.</li> <li>- <b>Escalation:</b> If we deem initial engagement efforts to be unsuccessful, we will consider escalation strategies, such as contacting a company's board, using proxy voting, filing a resolution, reducing our exposure or divesting our holdings.</li> <li>- <b>Reporting:</b> We report publicly on our active ownership activities on an annual basis in our Responsible Investment Review</li> </ul> </li> <li>• Our internal systems track the level at which engagement takes place. This may be at the board or senior executive level, or with operational or investor relations specialists, depending on the nature of the engagement. We seek board-level engagement where possible.</li> <li>• BMO GAM publishes a detailed <a href="#">report</a> on engagement annually, as well as research on individual engagement topics on our <a href="#">website</a>. We also publish reports on the ESG impact of some of the funds we offer, including our Responsible Global Equity Fund and our Responsible Global Emerging Markets Equity Fund. For clients, we frequently include data and case studies of engagement in our regular reporting.</li> </ul>

Responsible Investment Approach: <https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2019/05/responsible-investment-approach.pdf>  
Corporate Governance Guidelines: <https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2019/05/corporate-governance-guidelines.pdf>  
Expectations of Social Practices Statement: <https://www.bmogam.com/wp-content/uploads/2020/03/expectations-for-social-policies.pdf>  
Expectations of Environmental Practices Statement: <https://www.bmogam.com/wp-content/uploads/2020/07/our-expectations-on-environmental-practices.pdf>  
Climate Change Engagement: [https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2019/10/climate-change\\_esg-viewpoint.pdf](https://www.bmogam.com/gb-en/intermediary/wp-content/uploads/2019/10/climate-change_esg-viewpoint.pdf)  
Vote reports on our website: <http://vds-staging.issproxy.com/SearchPage.php?CustomerID=36606StagingPassword=TRITenpxo>  
Detailed report on engagement: <https://www.bmogam.com/gb-en/intermediary/responsible-investment-2019-review/>  
Engagement topics on our website: <https://www.bmogam.com/gb-en/institutional/institutional-capabilities/responsible-investing/>

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>PROFESSIONAL INTEGRITY</b>		
<b>FN-IB-510b.1</b>	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Due to the highly regulated nature of its business and its size and longevity in the marketplace, BMO Nesbitt Burns Inc. (BMO NB) is involved in disciplinary actions and regulatory investigations in the ordinary course of business. In some instances, notices of hearings are issued. BMO NB is also subject to numerous legal proceedings and enters into settlement agreements in the ordinary course of business.  In its annual report to shareholders BMO provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries, including BMO NB, are a party.
<b>FN-IB-510b.2</b>	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	See FN-IB-510b.1 (above).
<b>FN-IB-510b.4</b>	Description of approach to ensuring professional integrity, including duty of care	BMO's Code of Conduct sets out BMO's non-negotiable expectations of behaviour. It is a guide for ethical and responsible decision-making. The Code of Conduct applies to BMO's Board of Directors, to the directors of the boards of BMO's subsidiaries and to all employees of BMO Financial Group.
<b>SYSTEMIC RISK MANAGEMENT</b>		
<b>FN-CB-550a.1</b>	Global Systematically Important Bank (G-SIB) score, by category. Include description of whether score is calculated by BMO or obtained from regulatory authority and whether BMO is required to report the underlying data to the regulators	BMO is not currently on the Financial Stability Board's list of global systemically important banks (G-SIBs). We have been identified as a domestic systemically important bank (D-SIB) by the Office of the Superintendent of Financial Institutions Canada (OSFI). We report the Canadian-dollar-denominated values of the 12 indicators utilized in the G-SIBs assessment methodology, as required. See page 25 of the <a href="#">2020 Q1 Report to Shareholders</a>
<b>FN-CB-550a.2</b>	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Stress testing is a key element of our risk and capital management frameworks.  Further information: page 83 of the AR (Stress Testing), page 112 of the AR (Environmental and Social Risk) and page 67 of the 2020 Sustainability Report and PAS (Climate Report – Scenario Analysis).  In addition, BMO produces stress testing disclosures for our U.S. subsidiaries, BMO Financial Corp. and BMO Harris Bank N.A., as outlined by the United States Government Office of the Comptroller of the Currency and Federal Reserve Board in relation to the Dodd-Frank Wall Street Reform and Consumer Protection Act. These are available on our <a href="#">website</a> .
<b>FN-AC-550a.2</b>	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Our liquidity risk management programs are summarized in each relevant fund's annual report, available on our <a href="#">website</a> .

BMO's Code of Conduct: <https://www.bmo.com/home/about/banking/corporate-information/codeofconduct>  
2020 Q1 Report to Shareholders: <https://www.bmo.com/main/about-bmo/banking/investor-relations/financial-information#2020>  
Website: <https://www.bmo.com/home/about/banking/investor-relations/regulatory-disclosure>  
Relevant fund's annual report: <https://www.bmogam.com/us-en/individuals/documents/>

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>TRANSPARENT INFORMATION AND FAIR ADVICE FOR CUSTOMERS</b>		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Due to the highly regulated nature of its business and its size and longevity in the marketplace, Bank of Montreal covered employees are involved in the ordinary course of business in investment related investigations, consumer- initiative complaints, private civil litigations or other regulatory proceedings pursued against either itself, one of its subsidiaries or directly against such employees. Bank of Montreal provides disclosure regarding material legal proceedings to which its subsidiaries are a party in its annual report to shareholders.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	In fiscal 2020, Bank of Montreal and its affiliates (collectively, “BMO”) do not expect outcomes of any legal proceedings, individually or in aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of the bank, or be material in the context of the SASB framework. See page 206 of the AR: Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities.
FN-AC-270a.3	Description of approach to informing customers about products and services	<p>The fair design and sale of financial products and services is addressed in BMO’s Code of Conduct. BMO has also participated in the development of, and is committed to, voluntary commitments and codes of conduct that are intended to protect customers, which are listed on our <a href="#">website</a></p> <p>BMO complies with all regulations that are intended to protect the interests of customers. Regulators to which our retail banking business is subject include the Financial Consumer Agency of Canada for our Canadian operations, and the Consumer Financial Protection Bureau for our U.S. operations. Regulators to which our wealth management business is subject include the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association (under the umbrella of the Canadian Securities Administrators) for our Canadian operations, and the Financial Industry Regulatory Authority, the Securities and Exchange Commission, the Office of the Comptroller of the Currency, and the Department of Labor for our U.S. operations.</p> <p>BMO’s compensation and incentive plans are designed to encourage and reward performance aligned with appropriate behaviours. BMO’s performance management process balances <i>what</i> our employees achieve with <i>how</i> they demonstrate our values. Sales force training reinforces these expectations. Sales revenue is generally recognized when a customer uses a product, and may be reversed if a customer cancels or does not use a product. Customers can raise and escalate concerns through defined processes. Regular monitoring of our sales force, along with audits and reviews of our policies and procedures, ensures the continued integrity of our practices and processes. In 2018, the Human Resources Committee of BMO’s Board of Directors reviewed retail incentive compensation plans in conjunction with the joint review of retail sales practices at six Canadian banks conducted by the Financial Consumer Agency of Canada and OSFI.</p>