

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Established in 1817, BMO Financial Group (BMO, Bank of Montreal, the bank, we, our, us) is a highly diversified provider of financial products and services based in North America. We are the eighth largest bank in North America by assets, with total assets of \$1.14 trillion (as of October 31, 2022). We are highly diversified, providing a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services. We serve 12 million customers across Canada and the United States, and in select markets globally through three integrated operating groups: Personal and Commercial Banking, BMO Wealth Management and BMO Capital Markets (as of October 31, 2022).

BMO disclosed more detailed information regarding our climate and ESG approach in the reports listed below. Throughout this CDP disclosure we may refer to specific sections and pages in these reports where additional information can be found. Each report is available in the hyperlinks below:

- Climate Report, 2022 - https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf
- Sustainability Report, 2022 - https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf
- Global Asset Management Responsible Investment 2022 Annual Report - <https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>
- 2022 Climate Action: BMO Global Asset Management Approach - https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf
- Annual Report, 2022 - https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
- Notice of Annual Meeting of Shareholders and Management Proxy Circular, 2023 - https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

August 1, 2021

End date

July 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Barbados
Canada
China
France
Germany
India
Ireland
Japan
Luxembourg
Netherlands
Portugal
Singapore
Spain
Sweden
Switzerland
Taiwan, China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	Exposed to all broad market sectors
Investing (Asset manager)	Yes	Exposed to all broad market sectors
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	BMO.TO

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate related issues
Board-level committee	<p>Each of the standing committees of BMO's Board has responsibility for the oversight of climate change risks and opportunities that fall within its purview. Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for information on Board oversight of climate related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p> <p>For more information on our Board of Directors refer to pages 17-20 of our Proxy Circular: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate related issues are a scheduled agenda item	Governance mechanisms into which climate related issues are integrated	Scope of board level oversight	Please explain
Scheduled – some meetings			Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for information on Board oversight of climate related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate related issues	Criteria used to assess competence of board member(s) on climate related issues
Row 1	Yes	<p>BMO’s directors are recruited and evaluated based on a skills matrix that includes understanding and experience with corporate responsibility and sustainable development practices. Nine of our twelve current independent directors have such experience. The board has members with demonstrated experience in climate change issues and these board members are represented on each of its standing committees.</p> <p>For more information on our Board members' skills and expertise refer to pages 8-15 of our Proxy Circular for details on our Board members' skills and expertise: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other, please specify

Climate-related responsibilities of this position

Coverage of responsibilities

Reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Please explain

Led by BMO's Chief Executive Officer (CEO), our Executive Committee and their corresponding teams are responsible for strategically driving climate considerations within their lines of business, corporate function or geographic segment in pursuit of our Climate Ambition. The ESG Executive Committee has responsibility for the oversight of climate strategy across the bank.

Refer to pages 13-15 of our 2022 TCFD-aligned Climate Report for details on Management oversight of climate-related issues, including members, teams, and their role in climate governance: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate related issues	Comment
Row 1	Yes	Refer to page 82 of our Sustainability Report for details on how ESG is integrated into BMO's executive compensation design: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

	Provide incentives for the management of climate related issues	Comment
		Refer to page 50-61 of our Proxy Circular for details on BMO's approach to executive compensation, including its principle of linking compensation to bank performance: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Type of incentive

Incentive(s)

Performance indicator(s)

Incentive plan(s) this incentive is linked to

Further details of incentive(s)

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Refer to page 82 of our Sustainability Report for details on how ESG is integrated into BMO's executive compensation design: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Refer to page 50-61 of our Proxy Circular for details on BMO's approach to executive compensation, including its principle of linking compensation to bank performance: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

Employment based retirement scheme that incorporates ESG criteria, including climate change	
Row 1	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

BMO defines substantive financial impacts as those that would influence our ability to deliver on our strategic priorities and/or meet financial and sustainability performance objectives. Impacts will vary depending on the nature of the risk and whether it is related to our business activities with our clients or related to our own operations. For example, regarding client lending transactions, a substantive impact includes any negative impact on a company's operating leverage such that they would be unable to meet their financial commitments to us.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Description of process

Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on our processes for identifying, assessing, and managing, climate-related risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Value chain stage(s) covered

Upstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Description of process

Enterprise Risk and Portfolio Management and our Sustainability Team work with the lines of business – including BMO Capital Markets Sustainable Finance team, BMO Global Asset Management, and Corporate Services – to manage E&S risk within our organization and to make progress toward our sustainability goals.

Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on our processes for identifying, assessing, and managing, climate-related risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on identifying, assessing, and managing, climate-related legal, regulatory, and strategic risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

	Relevance & inclusion	Please explain
		Also refer to page 109 and 113 of our 2022 Annual Report for a discussion on Legal and Regulatory risk related to climate change and ESG matters: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
Emerging regulation	Relevant, always included	Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on identifying, assessing, and managing, climate-related legal, regulatory, and strategic risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf Also refer to page 109 and 113 of our 2022 Annual Report for a discussion on Legal and Regulatory risk related to climate change and ESG matters: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
Technology	Relevant, always included	Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on climate-related operational risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf Also refer to page 74 of our 2022 Annual Report for a broader technology risk discussion: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
Legal	Relevant, always included	Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on climate-related legal, regulatory, and strategic risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf Also refer to page 109 and 113 of our 2022 Annual Report for a discussion on Legal and Regulatory risk related to climate change and ESG matters: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
Market	Relevant, always included	Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on climate-related market risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf Also refer to page 111 of our 2022 Annual Report for a discussion on our approach to Environmental and Social Risk management related to our customers and operations: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf
Reputation	Relevant, always included	Refer to page 31 of our 2022 TCFD-aligned Climate Report for details on reputational risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf Also refer to our 2022 Annual Report, page 110 for information on Reputation risk related to climate change and ESG, as well as page 113 for a discussion on Reputation risk more broadly: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

	Relevance & inclusion	Please explain
Acute physical	Relevant, always included	<p>Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on climate-related operational and physical risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p> <p>Also refer to page 112 of our 2022 Annual Report for a discussion on physical and transition risks related to climate change: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf</p>
Chronic physical	Relevant, always included	<p>Refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on climate-related operational and physical risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p> <p>Also refer to page 112 of our 2022 Annual Report for a discussion on physical and transition risks related to climate change: https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf</p>

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio’s exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure
Banking (Bank)	Yes
Investing (Asset manager)	Yes



C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis Other, please specify Key Risk Metrics, Financed emissions analysis and target-setting	<p>In 2022, we developed an initial heatmap to aid in identifying physical and transition risk across our lending portfolio. Refer to page 30 of our 2022 Climate Report: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p> <p>We have conducted three types of quantitative analysis on a selection of BMO’s lending portfolios: carbon-related assets, financed emissions and target-setting and scenario analysis. Refer to our 2022 TCFD-aligned Climate Report for details on measuring our financed emissions and target setting (pages 34-35, 37-49, 51-55), carbon-related asset analysis (page 50), and scenario analyses (pages 32-33): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p>



	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate related risks and opportunities
Investing (Asset manager)	A specific climate-related risk management process	11.7	Qualitative and quantitative	Short-term Medium-term Long-term	Internal tools/methods Other, please specify Net Zero Investment Framework	<p>Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details related to our commitment as part of the Net Zero Asset Managers Initiative (pg 41): https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf</p> <p>Also refer to the Climate Action: BMO Global Asset Management Approach for details on our climate-related risk management through ESG integration, engagement and proxy voting activities (pages 6-7): https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf</p> <p>For information on the Net Zero Investment Framework, refer to the Paris Aligned Investor Initiative's NZIF Implementation Guide: https://www.iigcc.org/download/net-zero-investment-framework-implementation-guide/?wpdmdl=4425&refresh=64bfc8d4710d11690290388</p>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate related information
Banking (Bank)	Yes
Investing (Asset manager)	Yes

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Banking (Bank)

Type of climate-related information considered

Emissions data
 Emissions reduction targets
 Climate transition plans
 TCFD disclosures

Process through which information is obtained

Directly from the client/investee
 Data provider
 Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
 Utilities
 Other, please specify
 Mining, Others defined as environmentally sensitive

State how this climate-related information influences your decision-making

Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations across the enterprise through our E&S Risk Corporate Policy, Enterprise-wide Risk Management Framework, E&S Risk Financing Guidelines and E&S Risk Rating Assessments: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Portfolio

Investing (Asset manager)

Type of climate-related information considered

Emissions data
Emissions reduction targets
Climate transition plans

Process through which information is obtained

Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Other, please specify
All industries

State how this climate-related information influences your decision-making

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details related to our commitment as part of the Net Zero Asset Managers Initiative (pg 41):
<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Also refer to the Climate Action: BMO Global Asset Management Approach for details on our climate-related risk management through ESG integration, engagement and proxy voting activities (pages 6-7):
https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Banking portfolio

Risk type & Primary climate-related risk driver

Emerging regulation
Carbon pricing mechanisms

Primary potential financial impact

Climate risk type mapped to traditional financial services industry risk classification

Company-specific description

BMO is exposed to risks related to environmental events and extreme weather conditions that could potentially disrupt our operations, impact our customers and counterparties, and result in lower earnings and higher losses. Factors contributing to heightened environmental risks include the impacts of climate change and the continued intensification of development in areas of greater environmental sensitivity. Business continuity management plans provide us with the roadmap and tools that would support the restoration, maintenance and management of critical operations and processes in the event of a business disruption.

BMO is also exposed to risks related to borrowers that may experience financial losses or increases in operating costs as a result of climate-related litigation or policies, such as carbon emissions pricing, or that may experience a decline in revenue as new and emerging technologies disrupt or displace demand for certain commodities, products and services. As a global bank, we aim to help drive the transformation to a net-zero carbon economy by partnering with our clients to accelerate the low-carbon transition, in part through the establishment of the BMO Climate Institute announced in March 2021, and our dedicated Energy Transition Group.

Legal and regulatory, business or reputation risks could arise from actual or perceived actions, or inaction, in our operations and those of our customers in relation to climate change and other environmental and social risk issues, or our disclosures related to these matters. Risks related to these issues could also affect our customers, suppliers or other stakeholders, which could give rise to new business or reputation risks. Globally, climate-related litigation or enforcement measures could arise from new and more stringent obligations to manage and report climate-related risks.

Refer to our 2022 Annual Report (page 74):
https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

Time horizon

Likelihood

Magnitude of impact

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

We consider the physical and transition risks arising from climate change to be transverse risks, as provided by our Board-approved, Enterprise-wide Environmental and Social Risk Corporate Policy. Our Environmental and Social Risk Financing Guideline includes direction on developing an understanding of specific climate change impacts on borrowers and their operations, including regulatory and/or legislative changes. To avoid over-exposure to any one sector or geographic region that might be exposed to climate-related risks, we maintain a diversified lending portfolio. We continue to conduct sector-specific reviews across our lending portfolio to assess exposure to climate-sensitive industries.

We are developing a climate scenario analysis program to explore climate-specific vulnerabilities in order to enhance our resilience to climate-related risks, in line with the TCFD recommendations. The climate scenario analysis program leverages existing risk capabilities in combination with climate-specific expertise. This program includes the evaluation of transition risks and/or physical risks, where relevant and potentially significant, across a selection of climate-sensitive portfolios, and we will continue expanding analyses across sectors and risk types in line with internal policies and any applicable regulatory requirements. Utilizing scenario analysis to gain a deeper understanding of climate-related risks is relatively new and evolving rapidly. As we enhance our knowledge of climate-related impacts and consider comprehensive climate-based scenarios, and as data modelling techniques and data availability improve, we expect our approach to analysing these scenarios will evolve. These analyses will help identify potential exposures to material financial risks and may inform our business strategy in relation to climate change, going forward.

We continue to assess the credibility, reliability, comparability and decision-making usefulness of various measurement, assessment and reporting approaches, as well as how they could be incorporated into our climate risk management program and associated disclosures.

Refer to our 2022 Annual Report (page 112):
https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

Comment

For more information, refer to pages 29-31 of our 2022 TCFD-aligned Climate Report for details on our processes for identifying, assessing, and managing, climate-related risks:
https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Refer to our 2022 Annual Report Management Discussion and Analysis for details on how the Bank views and approaches its climate and other environmental and social risks (page 74 and 110-113): https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We are furthering our efforts to reduce the environmental impact of BMO's business operations by enhancing our operational efficiency. Our environmental stewardship includes decarbonizing our corporate real estate portfolio, integrating circular economy principles into our purchasing decisions, and advancing innovative solutions in our carbon neutrality program. Refer to our 2022 Sustainability Report for details on our operational efficiency efforts (page 50-52) which are related to energy costs savings: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Time horizon

Likelihood

Magnitude of impact

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Our sustainable design and construction guidelines include specifications for energy-efficient operations and outcomes in the construction of BMO's office and retail locations, as well as in renovation projects. We continue to incorporate more sustainable materials in new construction and renovation projects at BMO's facilities. Wherever possible, we purchase building materials that are manufactured locally, as well as materials with recycled content, to reduce our impact on the environment.

Our guidelines are based on industry best practices identified by the Green Building Councils in Canada and the United States, the International WELL Building Institute and other organizations. We have obtained WELL Health + Safety Rating for all 15 of our major office buildings in North America.

We maintain ISO 14001 certification at two BMO office buildings in Canada, and we have achieved Leadership in Energy and Environmental Design (LEED) certifications at many of our office and branch locations around the world.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Meeting the goal of net-zero emissions by 2050 will require transformation across every sector of the economy. As a global bank, we aim to facilitate this transformation by partnering with our clients to accelerate the low-carbon transition, including identifying and advancing climate solutions that meet net-zero objectives and social justice goals. Our clients will play a critical role in the transition to a net-zero carbon economy and we believe this transition presents opportunities – from gains in efficiency to growing customer demand for sustainable finance and transition-finance products. Refer to our 2022 TCFD-aligned Climate Report for details on our Climate Ambition and strategy (pages 16-18) and client partnerships and products (pages 22-23): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Time horizon

Likelihood

Magnitude of impact

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

As part of BMO's Climate Ambition to be our clients' lead partner in the transition to a net-zero world, we are committed to helping our clients adapt to climate change, offering a tailored suite of green advisory, investment and lending products and services to support their transition to a net-zero global economy.

For example, our acquisition of Radicle enhances BMO's commitment to help our clients understand and manage the risks and opportunities of the energy transition. It will enhance our ability to support our clients as an advisor on decarbonization opportunities, facilitate analysis of net-zero aligned transition and foster economic incentives tied to decarbonization.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Investing (Asset manager) portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for how our investment teams consider ESG risks and opportunities along with other relevant factors (pages 53-62) as well as details on our products and solutions for investors that seek to consider and mitigate long-term material ESG risks (pages 63-65): <https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

BMO Global Asset Management manages climate-related products and solutions which align our clients with companies demonstrating positive progress towards managing climate risks or pursuing climate-related opportunities. Please refer to our website or most recently filed prospectus for the BMO ESG ETFs and actively managed responsible investment branded funds to learn more about such solutions: <https://www.bmogam.com/ca-en/institutional/investment-solutions/>

Time horizon

Likelihood

Magnitude of impact

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world


Publicly available climate transition plan

No

Mechanism by which feedback is collected from shareholders on your climate transition plan

Attach any relevant documents which detail your climate transition plan (optional)

Our current Transition Plan is focused on sectors that are the subject of targets that have been set in accordance with our Net Zero Banking Alliance commitments, and operational sustainability goals. It has been approved by our Board of Directors, but is not yet public. Please refer to our 2022 TCFD-aligned Climate Report for details on our NZBA commitment, portfolio targets, and transition plans (pages 37, 51-55): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

 BMO_2022_Climate_Report_EN-1.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Use of climate related scenario analysis to inform strategy	
Row 1	Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
			<p>We have established a climate-related scenario analysis (CSA) framework and program to assess climate-specific vulnerabilities in order to enhance our resilience to climate-related risks, in line with the TCFD recommendations. In 2022, an expanded CSA team within Risk, in collaboration with a working group (consisting of members from our operating groups, other Risk teams, the Sustainability team and Technology & Operations), worked on building out our internal capacity to conduct climate-related scenario analysis. Taking a holistic and multi-disciplinary approach, the working group seeks to promote consistency in design and implement a repeatable climate scenario analysis program, leveraging existing stress testing capabilities and augmented with climate-specific expertise</p> <p>Refer to pages 32-33 and 37-49 of our 2022 TCFD-aligned Climate Report for details on the approach to assessing our portfolios' exposure to climate-related risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Refer to pages 32-33 and 37-49 of our 2022 TCFD-aligned Climate Report for details on the approach to assessing our portfolios' exposure to climate-related risks: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Results of the climate-related scenario analysis with respect to the focal questions

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Refer to our 2022 TCFD-aligned Climate Report for details on our Climate Ambition and strategy (pages 16-18) and client partnerships and products (pages 22-23): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf
Supply chain and/or value chain	Yes	Refer to our 2022 TCFD-aligned Climate Report for details on our Climate Ambition and strategy (pages 16-18) and supply chain ESG work (page 31): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf
Investment in R&D	Yes	Refer to our 2022 TCFD-aligned Climate Report for details on our Climate Ambition and strategy (pages 16-18) Climate Institute (pages 20-21) and convenings for climate action (pages 24-26): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf
Operations	Yes	Refer to our 2022 TCFD-aligned Climate Report for details on our Climate Ambition and strategy (pages 16-18) and operations (page 19): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Access to capital Assets Liabilities	Refer to our 2022 Annual Report Management Discussion and Analysis for details on how the Bank views and approaches its climate and other environmental and social risks and opportunities (page 74 and 110-113): https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

	Policy framework for portfolio activities that include climate related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio

Banking (Bank)

Type of policy

Risk policy

Portfolio coverage of policy

100

Policy availability

Not publicly available

Attach documents relevant to your policy

Criteria required of clients/investees

No criteria required

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

No timeframe

Industry sectors covered by the policy

Energy

Exceptions to policy based on

Explain how criteria required, criteria coverage and/or exceptions have been determined

Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations across the enterprise through E&S Risk Financing Guidelines and assessments: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Portfolio

Investing (Asset manager)

Type of policy

Engagement policy

Sustainable/Responsible Investment Policy

Proxy voting

Other, please specify

- 1) Climate Action: BMO Global Asset Management Approach is aligned with TCFD and posted on our website: <https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches> 2) Corporate Governance Guidelines

Portfolio coverage of policy

Policy availability

Publicly available

Attach documents relevant to your policy

Criteria required of clients/investees

Other, please specify

Set a science-based emissions reduction target as per guidance from NZAM.

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

No timeframe

Industry sectors covered by the policy

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate
Other, please specify

Policies related to company expectations are specific to corporate issuers.

Exceptions to policy based on

Explain how criteria required, criteria coverage and/or exceptions have been determined

For assets included in our commitment under the Net Zero Asset Managers Initiative, our requirements for net zero alignment evaluation include science-based Scope 1, 2, material Scope 3, and emissions targets subject to data availability. We engage with

investees to support these requirements. Net zero objectives are managed at a portfolio level. More generally, we publish an expectations statement on environmental practices for our investee companies: <https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches/>

As we undertake our responsible investment activities on behalf of our clients, we believe it is important for them to know the guiding policies and approaches we have created. We make these documents publicly available and hope to encourage this as best practice for other investors. Refer to BMO Global Asset Management's Responsible Investment Policies & Approaches here: <https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches/>

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio

Banking (Bank)

Type of exclusion policy

Thermal coal

Year of exclusion implementation

2021

Timeframe for complete phase-out

Other, please explain

BMO will not provide financing where the proceeds are primarily used to develop a new greenfield coal-fired power plant, thermal coal mine or significant expansion of such plants or mines. Plants with CCUS will be considered on a case-by-case basis.

Application

New business/investment for new projects

Country/Area/Region the exclusion policy applies to

Canada

United States of America

Description

Refer to our Statement on Coal Lending here: https://our-impact.bmo.com/wp-content/uploads/2021/03/BMO_Stmt_Coal_Lending_EN_Mar2021_accessible.pdf#:~:text=BMO%20may%20lend%20to%20new%20clients%20that%20operate,%28HELE%29%20or%20other%20technologies%20that%20lower%20GHG%20emissions.

Portfolio

Banking (Bank)

Type of exclusion policy

Arctic oil and gas

Year of exclusion implementation

2020

Timeframe for complete phase-out

Other, please explain

It is our intention to avoid direct financing for any project or transaction that involves exploration or development in the ANWR.

Application

New business/investment for new projects

Country/Area/Region the exclusion policy applies to

United States of America

Description

It is our intention to avoid direct financing for any project or transaction that involves exploration or development in the Arctic National Wildlife Refuge (ANWR). Region covered is the United States only as that is the location of the ANWR.

Portfolio

Investing (Asset manager)

Type of exclusion policy

Thermal coal

Other, please specify

Unconventional Oil

Year of exclusion implementation

2021

Timeframe for complete phase-out

Other, please explain

No phase-out timeline as these are exclusionary policies applied to select actively managed responsible investment branded funds.

Application

Country/Area/Region the exclusion policy applies to

Other, please specify

All regions applicable within select actively managed responsible investment branded funds and covered by exclusion policy.

Description

These exclusions are included in our internal ESG governance framework applied only to select actively managed responsible investment branded funds and. These exclusions are limited to certain thresholds, such as % of revenue or energy generation.

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on ESG integration (pages 53-62):
<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Also refer to our recently filed prospectus on how exclusions are integrated into select actively managed responsible investment branded funds:
https://www.bmo.com/assets/pdfs/gam/bmo_mutual_funds_sp_may_30_2023_en.pdf

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

Climate related requirements included in selection process and engagement with external asset managers	
Row 1	Yes

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage

All assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection

Other, please specify
 Qualitative and quantitative approach to assessing external asset managers

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy

We take a qualitative and quantitative approach when assessing external asset managers, that may include, but is not limited to, any combination of the listed mechanisms. Our approach may involve:

- Asking the third-party manager about their approach to climate-related risks and ESG

integration when managing the investment fund

- Asking whether the fund manager is a signatory to the UN Principles for Responsible Investing (UN PRI) or other responsible investment and ESG-related commitments
- Asking if the third-party manager uses internal and/or external ESG evaluation metrics, research, data and ratings/rankings on investee companies
- Reviewing the investment fund’s holdings to ensure it does not hold any ESG laggards based on external ESG ratings/rankings (e.g., MSCI)
- Engaging BMO Global Asset Management’s Responsible Investment team to perform an assessment, that includes consideration of:
 - i. The climate issues the fund claims to address and whether the fund has a defensible strategy in place to indicate it can make progress towards addressing those issues; and
 - ii. Whether there are egregious practices/behaviours by the fund manager or the constituents of the fund that would impede progress

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

Climate related covenants in financing agreements	
Row 1	Yes

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Coverage of covenants	Please explain
Purpose or use of proceeds clause refers to sustainable project Margin or pricing depends on sustainability criteria Minimum level of green assets mandated Legal mandate to obtain third party verification Covenants related to compliance with your policies	Corporate loans Retail loans Corporate real estate Retail mortgages Trade finance Asset finance Project finance Debt and equity underwriting		Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations across the enterprise through our E&S Risk Corporate Policy, Enterprise-wide Risk Management Framework, E&S Risk Financing Guidelines and E&S Risk Rating Assessments. Refer to our 2022 Annual Report Management Discussion and Analysis for details on how the Bank views and approaches its climate and other environmental and social risks (page 74 and 110-113): BMO Financial Group 2022 Annual Report to Shareholders

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Portfolio target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO₂e)

45,672

Base year Scope 2 emissions covered by target (metric tons CO₂e)

90,457

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

136,129

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO₂e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO₂e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO₂e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO₂e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

30

Total emissions in target year covered by target in all selected Scopes (metric tons CO₂e) [auto-calculated]

95,290.3

Scope 1 emissions in reporting year covered by target (metric tons CO₂e)

34,083

Scope 2 emissions in reporting year covered by target (metric tons CO₂e)

54,788

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO₂e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

88,871

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

115.7186688117

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

In 2021, we set a new target to reduce operational greenhouse gas emissions by 30% by 2030 versus a 2019 baseline using science-based approaches (Absolute Contraction), building on BMO's Carbon Neutral operations (since 2010) and matching 100% of global electricity use with renewable energy purchases (since 2020). Target covers 100% of Scope 1 and Scope 2 emissions without exclusions.

Plan for achieving target, and progress made to the end of the reporting year

Although "% of target achieved" is over 100, we have marked target status as "underway" because we have not yet reached target year end of 2030.

In 2022, we surpassed our 2030 target, due in part to the implementation of improved cooling efficiency initiatives in our data centres, and largely attributable to COVID-19 related remote working conditions. A return to the office could add to our emissions in future years, but we will continue to target a 30% reduction from 2019 baseline.

List the emissions reduction initiatives which contributed most to achieving this target

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number

Por1

Year target was set

2021

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate loans

Sectors covered by the target

Energy

Target type

Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Metric tons CO₂e

Target denominator

Other, please specify
TJ of primary energy produced

Base year

2019

Figure in base year

5.3

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Percentage of portfolio covered by the target, using a monetary metric

Frequency of target reviews

Interim target year

Figure in interim target year

Target year

2030

Figure in target year

3.6

Figure in reporting year

5.6

% of target achieved relative to base year [auto-calculated]

-17.6470588235

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

The target described here reflects BMO's target in relation to our upstream oil and gas borrowers' Scope 1 and Scope 2 emissions. We are targeting a 33% reduction in portfolio emissions intensity by 2030 relative to a 2019 baseline. We measure portfolio emissions intensity as tCO₂e/TJ of primary energy produced. Our baseline intensity for Canada is 5.3 tCO₂e/TJ and for the Rest of the world is 3.4 tCO₂e/TJ.

The figures represent the Canadian portfolio and the reporting year figure is for 2021, as this is the most recent year of completed financed emissions analysis.

This target is part of BMO's Net-Zero Ambition commitment to target net-zero financed emissions in our lending by 2050 with intermediate targets for financed emissions that will be achieved in partnership with our clients. This target would be achievable with a 30% reduction in CO2 emissions consistent with industry led initiatives and CH4 emissions reductions consistent with the Global Methane Pledge as adopted by the Government of Canada. This target is somewhat lower than the IEA's global combined CO2 and CH4 pathway to 2030 but represents a material emissions reduction goal that is based on scientific insights, existing and proposed government policy aligned with net zero, and credible industry initiatives that will lead to net-zero emissions from operations by 2050. It is expected that industry decarbonization efforts from 2030 to 2050 will accelerate and may exceed global decarbonization trajectories which is how net zero 2050 will be achieved.

Refer to our 2022 TCFD-aligned Climate Report for details on our Oil & Gas Financed Emissions and Targets (pages 51-52): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Target reference number

Por2

Year target was set

2021

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate loans

Sectors covered by the target

Energy

Target type

Portfolio emissions

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment
Metric (or target numerator if intensity)

tCO2e

Target denominator
Base year

2019

Figure in base year

38,914,000

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Percentage of portfolio covered by the target, using a monetary metric

Frequency of target reviews

Interim target year

Figure in interim target year

Target year

2030

Figure in target year

29,574,000

Figure in reporting year

19,320,000

% of target achieved relative to base year [auto-calculated]

209.7858672377

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

The target described here reflects BMO's target in relation to our upstream oil and gas borrowers' Scope 3 emissions only. We are targeting a 24% reduction in absolute Scope 3 emissions by 2030 relative to a 2019 baseline.

The reporting year figure is for 2021, as this is the most recent year of completed financed emissions analysis for this portfolio.

We use the granular data on global and Canadian future primary energy mix in the GCAM NZE scenario to model emissions pathways for primary energy combustion, and to understand the associated technology shifts. GCAM NZE pathways show a 24% reduction in emissions from primary energy combustion by 2030 for both Canada and globally. This target is part of BMO's Net-Zero Ambition commitment to target net-zero financed emissions in our lending by 2050 with intermediate targets for financed emissions that will be achieved in partnership with our clients. This target could be the result of a reduction in global oil and gas demand, the use of carbon capture and storage technology across the economy, increasing alternate uses for oil and gas products and BMO's own strategic exit from non-Canadian oil and gas announced in 2019.

Refer to our 2022 TCFD-aligned Climate Report for details on our Oil & Gas Financed Emissions and Targets (pages 51-52): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Target reference number

Por3

Year target was set

2021

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Corporate loans

Sectors covered by the target

Utilities

Target type

Sector Decarbonization Approach (SDA)

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Metric tons CO₂e

Target denominator

Other, please specify
MWh of electricity generated

Base year

2019

Figure in base year

0.2

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Percentage of portfolio covered by the target, using a monetary metric

Frequency of target reviews

Interim target year

Figure in interim target year

Target year

2030

Figure in target year

0.06

Figure in reporting year

0.16

% of target achieved relative to base year [auto-calculated]

28.5714285714

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition**Please explain target coverage and identify any exclusions**

The target described here reflects BMO's target in relation to our Canadian portfolio of pure-play power generators and the power generation share of businesses operating in the electric power distribution and natural gas distribution sectors. We are targeting a Canadian portfolio carbon intensity of 0.06 tCO₂ /MWh by 2030, equivalent to a 45% reduction, which is indicated by an 88% share of low-carbon power generation. The reporting year is 2020, as this is the most recent year of completed financed emissions analysis for this portfolio.

We measured physical emissions intensity using tonnes of carbon dioxide per megawatt hour of electricity generated (tCO₂ /MWh), and benchmarked our alignment with the Paris Agreement using the GCAM NZE scenario for emissions from the Canadian power sector. In this scenario, the Canadian power sector will reach net-negative emissions by 2035 due to the application of negative emissions technologies such as Bioenergy Carbon Capture and Storage (BECCS). The GCAM NZE trajectory shows a net-zero-aligned emissions intensity for Canada of 0.05 tCO₂ / MWh by 2050, reaching 0.06 tCO₂ /MWh by 2030, equivalent to a 63% reduction by 2030. BMO's Canadian portfolio baseline carbon intensity of 0.11 tCO₂ /MWh is below the GCAM NZE average for Canada. The GCAM NZE scenario shows that in Canada the share of low-carbon electricity generation reaches 88% by 2030. The baseline 2019 share of low-carbon electricity generation of BMO's portfolio is 78%.

This target is part of BMO's Net-Zero Ambition commitment to target net-zero financed emissions in our lending by 2050. Canada is already a world leader in renewable electricity production and generates a larger share of electricity from non-emitting sources than most developed economies. Regulations are in place in Canada that require the phase out of conventional coal-fired electricity by 2030, and the Government of Canada has plans to invest in the clean grid of the future by supporting increased renewable power generation capacity and the deployment of grid modernization technologies such as power storage. Canada estimates that a doubling or tripling of the supply of clean power is required to meet a 2050 net-zero goal. To meet this, Canada's share of renewables-based electricity generation is projected to grow to 80% by 2050. We expect that Canada will develop a strategy to substantially increase zero-emissions generation and interconnection capacity.

Target reference number

Por4

Year target was set

2021

Portfolio

Banking (Bank)

Product type/Asset class/Line of business

Retail loans

Sectors covered by the target

Transportation

Target type

Green finance

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Other, please specify

Proportion of loans to ZEVs

Target denominator

Base year

2019

Figure in base year

2

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Percentage of portfolio covered by the target, using a monetary metric

Frequency of target reviews

Interim target year

Figure in interim target year**Target year**

2035

Figure in target year

100

Figure in reporting year

11

% of target achieved relative to base year [auto-calculated]

9.1836734694

Aggregation weighting used**Proportion of portfolio emissions calculated in the reporting year based on asset level data****Proportion of the temperature score calculated in the reporting year based on company targets****Target status in reporting year**

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition**Please explain target coverage and identify any exclusions**

The target described here reflects BMO's target in relation to our Canadian portfolio of retail consumer motor vehicle loans. We are targeting 100% of new loans for new light-duty cars and passenger trucks in Canada to be zero emissions vehicles (ZEVs) by 2035. The reporting year figure is for 2021, as this is the most recent year of completed financed emissions analysis for this portfolio.

Governments have set goals to transition national vehicle stocks to ZEV. As part of the Canadian net-zero policy objectives for example, the Government of Canada has set a mandatory target for all new light-duty cars and passenger trucks sales to be ZEV by 2035. Many major vehicle manufacturers have also made commitments to electrify their product offering in line with similar goals. The Canadian government goal of 100% of new sales of light-duty cars and passenger truck sales to be ZEV by 2035 is a swifter pathway to net zero than the IEA contemplates and therefore net zero 2050 aligned. Since the initial publication of our target, the Canadian government has put in place

sales mandates to ensure at least 20% of new light-duty vehicle sales will be ZEV by 2026, and at least 60% by 2030. This initiative, if successful, will support ZEV penetration aligned with net zero by 2050 pathways. If this initiative is not successful, it will be more difficult for BMO to achieve 100% ZEV by 2035. We will monitor these developments and adjust our targets to 2030 as government policy becomes clearer. This target is part of BMO's Net-Zero Ambition commitment to target net-zero financed emissions in our lending by 2050 with intermediate targets for financed emissions that will be achieved in partnership with our clients.

Refer to our 2022 TCFD-aligned Climate Report for details on our Personal Motor Vehicles (Canada) Financed Emissions and Targets (page 54): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Target reference number

Por5

Year target was set

2021

Portfolio

Investing (Asset manager)

Product type/Asset class/Line of business

All asset classes

Sectors covered by the target

All sectors

Target type

Other, please specify

Net Zero Asset Manager Initiative - Net zero aligned assets under management

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment**Metric (or target numerator if intensity)**

Other, please specify

Portion of assets under management aligned with net zero by 2050

Target denominator**Base year**

2019

Figure in base year

0

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Other, please specify

Percentage

Percentage of portfolio covered by the target, using a monetary metric

100

Frequency of target reviews

Other, please specify

Every 5 years or less

Interim target year

2030

Figure in interim target year

50

Target year

2040

Figure in target year

100

Figure in reporting year

11.7

% of target achieved relative to base year [auto-calculated]

11.7

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

Our disclosed proportion is limited to a select subset of actively-managed equity and fixed income portfolios with investment mandates that are aligned with net zero management practices currently in place. We have selected on a fund-by-fund basis to systematically expand our participating AUM in phases to ensure each new participating fund's investment mandate is aligned with net zero and supported by engagement activities through a strong stewardship strategy. We acknowledge that not all asset classes within our management are aligned with a net zero pathway at this time and will seek to expand our proportion of participating AUM to other asset classes as appropriate.

Target reference number

Por6

Year target was set

2021

Portfolio

Investing (Asset manager)

Product type/Asset class/Line of business

All asset classes

Sectors covered by the target

All sectors

Target type

Other, please specify

Net Zero Asset Manager Initiative - Portfolio decarbonisation

Target type: Absolute or intensity

Intensity

Scopes included in temperature alignment**Metric (or target numerator if intensity)**

Other, please specify

For assets committed to NZAM, portfolio financed emission intensity - tCO₂e/\$M USD invested.**Target denominator**

Other, please specify

100% by 2050

Base year

2019

Figure in base year

89.5

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Other, please specify

Base year and reporting figures = tCO₂e/\$M USD invested; whereas, interim and target figures = Percentage reduced

Percentage of portfolio covered by the target, using a monetary metric

100

Frequency of target reviews

Other, please specify

Every 5 years or less

Interim target year

2030

Figure in interim target year

50

Target year

2050

Figure in target year

100

Figure in reporting year

46.05

% of target achieved relative to base year [auto-calculated]

-413.8095238095

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

BMO Global Asset Management has selected on a fund-by-fund basis to systematically expand our participating AUM in phases to ensure each new participating fund's investment mandate is aligned with net zero and supported by engagement activities through a strong stewardship strategy. As additional funds are included, re-baselining will be necessary.

Our 2019 benchmark carbon intensity as determined from the participating portion of our assets committed to the NZAM initiative is 89.5 tCO₂e/\$M USD invested; we aim to have a 50% reduction in carbon intensity by 2030; and 100% reduction by 2050. Read more about our baseline and targets:

<https://www.netzeroassetmanagers.org/signatories/bmo-global-asset-management/>

Target reference number

Por7

Year target was set

2021

Portfolio

Investing (Asset manager)

Product type/Asset class/Line of business

All asset classes

Sectors covered by the target

All sectors

Target type

Other, please specify

Net Zero Asset Manager Initiative – Financed emissions engaged or aligned

Target type: Absolute or intensity

Absolute

Scopes included in temperature alignment

Metric (or target numerator if intensity)

Other, please specify

For assets committed to NZAM, portion of financed emissions engaged or aligned.

100% by 2050.

Target denominator

Base year

2019

Figure in base year

0

Percentage of portfolio emissions covered by the target

100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)

Other, please specify

Base year and reporting figures = tCO₂e/\$M USD invested; whereas Interim and target figures = Percentage reduced

Percentage of portfolio covered by the target, using a monetary metric

100

Frequency of target reviews

Other, please specify

Every 5 years or less

Interim target year

2021

Figure in interim target year

70

Target year

2030

Figure in target year

90

Figure in reporting year

96

% of target achieved relative to base year [auto-calculated]

106.666666667

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain target coverage and identify any exclusions

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on our Net Zero Asset Managers Initiative target (page 41):
<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify

Other, please specify

In 2019, BMO set a target to match 100% of its annual electricity usage with electricity produced from renewable sources across our global operations. This contributes to our overarching initiative to maintain carbon neutrality on an annual basis.

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

0

Target year

2022

Figure or percentage in target year

308,819

Figure or percentage in reporting year

308,819

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

No, but this does contribute to our Scope 2 Market-based emissions number.

Is this target part of an overarching initiative?

Other, please specify

This contributes to our overarching initiative to maintain carbon neutrality on an annual basis.

Please explain target coverage and identify any exclusions

Coverage is all buildings in which we operate globally with no exclusions.

In 2019, BMO set a target to match 100% of its annual electricity usage with electricity produced from renewable sources across our global operations.

"Base year" is start of reporting period and "target year" is end of reporting period.

Refer to pages 24 and 50-51 of our 2022 Sustainability Report for details on operational energy efficiency initiatives and emission reduction activities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

Purchase of Renewable Energy Certificates (or equivalent) for all regions we operate in globally.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Por1

Por2

Por3

Por4

Por5

Por6

Por7

Target year for achieving net zero

2050

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions

As a member of the Net-Zero Banking Alliance, BMO is committed to transition all operational and financed emissions to align with pathways to net zero by 2050 or sooner, including clients' scope 1, 2 and 3 emissions where significant and where data allows.

As a member of the Net Zero Asset Managers Initiative, BMO Global Asset Management is targeting 100% of net zero assets under management by 2050.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

BMO has been carbon neutral in its operations since 2010 and will continue to neutralize any residual operational emissions annually and at the target year. We purchase offsets to neutralize remaining Scopes 1, 2 and operational Scope 3 emissions. In 2021, BMO became the first bank in the world to publicly announce the pre-purchase of DAC carbon removals using Carbon Engineering technology. As an early adopter, BMO is supporting Canadian innovation to accelerate the development,

commercialization, and deployment of carbon removal technologies at scale.

Read about our Net Zero Asset Managers Initiative baseline and targets here:
<https://www.netzeroassetmanagers.org/signatories/bmo-global-asset-management/>

Planned actions to mitigate emissions beyond your value chain (optional)

Established in 2021, the BMO Climate Institute is a centre of excellence that bridges climate policy and science with business strategy and finance to unlock solutions for both clients and the bank. Led by a multidisciplinary team with climate-related expertise, the Institute leads BMO’s efforts to convene stakeholders and drive thought leadership to advance the low-carbon transition and enhance resilience. This will have impacts beyond BMO’s value chain.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	892	6,173.84
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Estimated lifetime of the initiative

Comment

Refer to pages 50-52 of our 2022 Sustainability Report for details on operational energy efficiency initiatives and emission reduction activities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Refer to page 36 of our 2022 TCFD-aligned Climate Report for details on BMO's operational GHG emissions data: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	<p>Refer to pages 50-52 of our 2022 Sustainability Report for details on operational energy efficiency initiatives and emission reduction activities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf</p> <p>Refer to page 36 of our 2022 TCFD-aligned Climate Report for details on BMO's operational GHG emissions data: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p>

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Taxonomy or methodology used to classify product

Internally classified

Description of product

BMO Global Asset Management's products and solutions are not named according to a taxonomy based on our jurisdiction. Regarding NZAM's stated target related to allocation to climate solutions, a taxonomy to define "climate solutions" in the Canadian context is being developed under the guidance of Canada's Net Zero Advisory Board (NZAB). To ensure consistency with the NZAB guidance, BMO Global Asset Management will refrain from publicly disclosing progress towards this target until the Canadian taxonomy has been released and formally adopted by the Canadian investment community.

Refer to our website to learn more about the funds and solutions that we offer for our clients: <https://www.bmogam.com/ca-en/institutional/investment-solutions/>

Refer to our 2022 Sustainability Report for details on our products and services that enable clients to mitigate and/or adapt to climate change, including Responsible Investing (pages 45-47): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Adaptation

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

Type of activity financed/insured or provided

Other, please specify

Investment spans a wide variety of sectors.

Product type/Asset class/Line of business

Banking
Other, please specify
all of the above

Taxonomy or methodology used to classify product

Externally classified using other taxonomy or methodology, please specify
Green Bond Principles , Social Bond Principles, Sustainability Bond Guidelines,
Sustainability-Linked Bond Principles (ICMA) SLL Principles (LMA) Green Loan
Principles (LMA) Social Loan Principles (LMA) Climate Transition Finance
Handbook (ICMA)

Description of product

Refer to our 2022 TCFD-aligned Climate Report for details on BMO products and services that support our clients' efforts to mitigate or adapt to climate change (pages 22-23) and our BMO Climate Institute (pages 20-21): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf.

Also refer to our 2022 Sustainability Report for details on our products and services that enable clients to mitigate and/or adapt to climate change, including our: Sustainable Finance (pages responsible investing (page 40-42), our Impact Investment Fund (page 43), and our Sustainable Bond Program (page 44): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Product enables clients to mitigate and/or adapt to climate change

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

Type of activity financed/insured or provided

Other, please specify
Various activities financed.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?	
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO₂e)

45,672

Comment

Scope 2 (location-based)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO₂e)

90,457

Comment

Scope 2 (market-based)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO₂e)

544

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Relevant, not yet calculated.

BMO Financial Group's Scope 3 emissions resulting from purchased goods and services are deemed relevant from a size perspective, as they would contribute to the company's total Scope 3 emissions. We are currently refining a calculation methodology.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not evaluated.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end**Base year emissions (metric tons CO₂e)****Comment**

Not evaluated.

Scope 3 category 4: Upstream transportation and distribution

Base year start**Base year end****Base year emissions (metric tons CO₂e)****Comment**

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 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 quantified 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 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.

Scope 3 category 5: Waste generated in operations

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO₂e)

982

Comment

Scope 3 emissions from waste generated in operations is focused on waste-to-landfill data for relatively larger corporate facilities in North America. Per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, average-data method is used

for calculating emissions from waste generated in operations. The average-data method involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method. The waste-to-landfill data is annualized and the resulting emissions are calculated. 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.

Scope 3 category 6: Business travel

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO₂e)

24,655

Comment

Scope 3 emissions from business travel consist primarily of Air Travel (Short-Haul, Medium-Haul and Long-Haul), Employee Vehicles, Rail Travel, and Rental Cars. Per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, the distance-based method is used for calculating emissions from business travel. The distance-based method involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used. We identify and calculate our Scope 3 emissions in accordance with both the (a) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and (b) ISO 14064 Part 1: Greenhouse gases.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

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 over 40,000 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.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not evaluated.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

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. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant. We have determined that none of the criteria noted in Table 6.1 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, have been met for this Scope 3 category.

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

As a financial institution, our products are financial services as opposed to tangible goods. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

As a financial institution, our products are financial services as opposed to tangible goods. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

Any assets that BMO owns and leases to third parties are included in our Scope 1 and Scope 2 reported numbers. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

BMO Financial Group does not engage in franchise activity. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not relevant.

We have determined that no additional upstream Scope 3 emissions are relevant to BMO using the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3, Category 15 Investments is relevant.
 Details of our financed emissions are reported in Section 14 of this CDP Questionnaire.

Also refer to our 2022 TCFD-aligned Climate Report for details on measuring our financed emissions and related targets (pages 34-35, 37-49, 51-55): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- Other, please specify
- Partnership for Carbon Accounting Financials (PCAF) Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

34,083

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

54,788

Scope 2, market-based (if applicable)

295

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

Scope 3 Purchased Goods and Services emissions are being quantified using spend-based method approach following the Greenhouse Gas Protocol guidance. As BMO takes part in the CDP Supply chain program, supplier-specific emission factors were available based on supplier emissions disclosures from CDP (from FY21) were leveraged. Where supplier specific emissions data was unavailable, we engaged a third party to apply emissions factors to estimate our full supply chain emissions for F22. This

data is an estimate and subject to change as we refine the methodology and seek third-party verification.

Capital goods

Evaluation status

Not evaluated

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

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 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 quantified 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 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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

667

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

21.26

Please explain

Scope 3 emissions from waste generated in operations is focused on waste-to-landfill data for relatively larger corporate facilities in North America. Per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, average-data method is used for calculating emissions from waste generated in operations. The average-data method involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method. The waste-to-landfill data is annualized and the resulting emissions are calculated. 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.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

6,297

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Scope 3 emissions from business travel consist primarily of Air Travel (Short-Haul, Medium-Haul and Long-Haul), Employee Vehicles, Rail Travel, and Rental Cars. Per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, the distance-based method is used for calculating emissions from business travel. The distance-based method involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used. We identify and calculate our Scope 3 emissions in accordance with both the (a) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and (b) ISO 14064 Part 1: Greenhouse gases.

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

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 over 40,000 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

Evaluation status

Not evaluated

Please explain

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

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. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant. We have determined that none of the criteria noted in Table 6.1 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, have been met for this Scope 3 category.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a financial institution, our products are financial services as opposed to tangible goods. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a financial institution, our products are financial services as opposed to tangible goods. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Any assets that BMO owns and leases to third parties are included in our Scope 1 and Scope 2 reported numbers. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

BMO Financial Group does not engage in franchise activity. We have determined that none of the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

We have determined that no additional upstream Scope 3 emissions are relevant to BMO using the criteria noted in Table 6.1 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, have been met in for this Scope 3 category.

Other (downstream)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Scope 3, Category 15 Investments is relevant.
 Details of our financed emissions are reported in Section 14 of this CDP Questionnaire.

Also refer to our 2022 TCFD-aligned Climate Report for details on measuring our financed emissions and related targets (pages 34-35, 37-49, 51-55): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000026363

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

88,871

Metric denominator

unit total revenue

Metric denominator: Unit total

33,710,000,000

Scope 2 figure used

Location-based

% change from previous year

26.34

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Change in revenue

Please explain

Gross global combined Scope 1 and 2 emissions decreased by 8.7% 2022 vs. 2021.

Revenue increased by 24% 2022 vs. 2021.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) 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.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities	6,173.84	Decreased	73	Energy reduction initiatives as described in C4.3.
Divestment				
Acquisitions				

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other	2,250.16	Decreased	27	COVID-19 related remote working conditions.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No

	Indicate whether your organization undertook this energy related activity in the reporting year
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non renewable sources	Total (renewable and non renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		168,418	168,418
Consumption of purchased or acquired electricity		308,819		308,819
Consumption of purchased or acquired steam			1,415	1,415
Total energy consumption		308,819	169,833	478,652

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Canada

Consumption of purchased electricity (MWh)

217,079.47

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

1,414.8

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

218,494.27

Country/area

United States of America

Consumption of purchased electricity (MWh)

88,282.64

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

88,282.64

Country/area

Other, please specify

Other countries outside of Canada and the U.S.

Consumption of purchased electricity (MWh)

3,457.16

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3,457.16

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Metric value

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change

Please explain

Refer to our 2022 Sustainability Report Data Pack and Glossary for details on additional BMO sustainability performance metrics: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_DPG_EN.pdf

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 BMO-GHG-Verification-Stmt-FY2022-EN-Rev.1.pdf

Page/ section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 BMO-GHG-Verification-Stmt-FY2022-EN-Rev.1.pdf

Page/ section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 BMO-GHG-Verification-Stmt-FY2022-EN-Rev.1.pdf

Page/ section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Investments

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 BMO_2022_Climate_Report_EN-1.pdf

Page/section reference

Page 56-57

Relevant standard

Other, please specify

Other, please specify (Canadian Standards on Assurance Engagements (CSAE) 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information and CSAE 3410, Assurance engagements on greenhouse gas statements)

Proportion of reported emissions verified (%)

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 BMO-GHG-Verification-Stmt-FY2022-EN-Rev.1.pdf

Page/section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

21

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 BMO-GHG-Verification-Stmt-FY2022-EN-Rev.1.pdf

Page/section reference

1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Other, please specify
Combination

Type of mitigation activity

Emissions reduction

Project description

Will Solutions' Sustainable Community Solution encourages, quantifies and clusters together GHG reduction efforts of both small and medium-sized public and private entities. The high-quality carbon credits generated come from diverse source activities such as fuel switching, implementation of energy efficiency initiatives for buildings, redirection of waste from landfills and improved industrial and commercial processing practices. The projects are certified against the VCS Program's rigorous set of rules and requirements.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

9,000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2016

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Approach(es) by which the selected program requires this project to address reversal risk

Potential sources of leakage the selected program requires this project to have assessed

Provide details of other issues the selected program requires projects to address

Comment

Project type

Other, please specify
Combination

Type of mitigation activity

Emissions reduction

Project description

Will Solutions' Sustainable Community Solution encourages, quantifies and clusters together GHG reduction efforts of both small and medium-sized public and private entities. The high-quality carbon credits generated come from diverse source activities such as fuel switching, implementation of energy efficiency initiatives for buildings, redirection of waste from landfills and improved industrial and commercial processing practices. The projects are certified against the VCS Program's rigorous set of rules and requirements.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

8,000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2017

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Approach(es) by which the selected program requires this project to address reversal risk

Potential sources of leakage the selected program requires this project to have assessed

Provide details of other issues the selected program requires projects to address

Comment

Project type

Other, please specify
Combination

Type of mitigation activity

Emissions reduction

Project description

Will Solutions' Sustainable Community Solution encourages, quantifies and clusters together GHG reduction efforts of both small and medium-sized public and private entities. The high-quality carbon credits generated come from diverse source activities such as fuel switching, implementation of energy efficiency initiatives for buildings, redirection of waste from landfills and improved industrial and commercial processing practices. The projects are certified against the VCS Program's rigorous set of rules and requirements.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

8,000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2018

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Method(s) the program uses to assess additionality for this project

Approach(es) by which the selected program requires this project to address reversal risk

Potential sources of leakage the selected program requires this project to have assessed

Provide details of other issues the selected program requires projects to address

Comment

Project type

Cement

Type of mitigation activity

Carbon removal

Project description

In 2022, BMO announced its committed to purchase carbon credits over five years, representing 5,750 metric tons of carbon dioxide removal and reductions, via an agreement with Halifax-based CarbonCure Technologies, a climate tech company supporting the decarbonization of the global concrete industry. BMO was the first North American bank to purchase CarbonCure carbon credits and the first purchaser of carbon credits supporting CarbonCure's full suite of carbon mineralization technologies, delivering permanent storage of CO₂ across the concrete manufacturing process.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

1,000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

No

Vintage of credits at cancellation

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project

Approach(es) by which the selected program requires this project to address reversal risk

Potential sources of leakage the selected program requires this project to have assessed

Provide details of other issues the selected program requires projects to address

Comment**Project type**

Other, please specify
See below.

Type of mitigation activity

Carbon removal

Project description

The Great Bear (Haida Gwaii) Forest Carbon Project
The objective of the project is to protect and increase carbon stocks by converting forests that were previously available for logging to protected forests, thereby protecting existing carbon stocks, reducing emissions caused by harvesting, road building and other forestry operations, and increasing the carbon stocks as the forest continues to grow. The project proponent is a group of First Nations represented by the Council of Haida Nation, whose traditional territory is consistent with the project area. The Council of Haida Nation is part of the Great Bear Initiative Society (GBI) who represent First Nations on the North and Central Coast and Haida Gwaii. The project plan for this project was originally validated under the Greenhouse Gas Reduction Targets Act and has been accepted under the Greenhouse Gas Industrial Reporting and Control Act transitional provision.

Credits canceled by your organization from this project in the reporting year (metric tons CO₂e)

16,000

Purpose of cancellation

Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2017

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

Other regulatory carbon crediting program, please specify
BC Carbon Registry

Method(s) the program uses to assess additionality for this project**Approach(es) by which the selected program requires this project to address reversal risk**

Potential sources of leakage the selected program requires this project to have assessed

Provide details of other issues the selected program requires projects to address

Comment

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Price/cost of voluntary carbon offset credits

Objective(s) for implementing this internal carbon price

Drive energy efficiency

Scope(s) covered

Scope 1

Scope 2

Scope 3 (upstream)

Pricing approach used – spatial variance

Pricing approach used – temporal variance

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

20

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

30

Business decision-making processes this internal carbon price is applied to
Capital expenditure

Mandatory enforcement of this internal carbon price within these business decision-making processes

No

Explain how this internal carbon price has contributed to the implementation of your organization’s climate commitments and/or climate transition plan

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, our investees

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect other climate related information at least annually from suppliers

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Comment

Refer to page 53 of our 2022 Sustainability Report for details on how we engage with suppliers on issues such as climate, supplier diversity, and responsibility: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Refer to page 31 of our 2022 TCFD-aligned Climate Report for details on how we engage with suppliers on climate issues: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients

Customers/clients of Banks

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

% client-related Scope 3 emissions as reported in C-FS14.1a

Portfolio coverage (total or outstanding)

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Refer to page 40-44 of our 2022 Sustainability Report for details on how we engage with our clients on climate issues through our sustainable finance, impact investments, and sustainable bond programs: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Refer to page 22-23 of our 2022 TCFD-aligned Climate Report for details on how we partner with our clients to help adapt to the impacts of climate change and contribute to the transition to a net-zero global economy: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Type of clients

Clients of Asset Managers (Asset owners)

Type of engagement

Details of engagement

% client-related Scope 3 emissions as reported in C-FS14.1a

Portfolio coverage (total or outstanding)

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

We hold ourselves accountable to publicly reporting on our responsible investment activities each year for our clients, which includes activities and outcomes related to climate engagement. Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on how we use stewardship (including engagement, proxy voting, policy advocacy, and industry collaboration) to influence positive change in support of better company practices on climate and the net zero transition (pages 40-45):

<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b

Investing (Asset managers) portfolio coverage

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

For assets under management committed to NZAM (11.7% of total AUM as at June 30, 2022), we have an engagement threshold target, which constitutes a minimum of 70%

of financed emissions “engaged or aligned”, which will be increased to 90% by 2030.

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on how we use stewardship (including engagement, proxy voting, policy advocacy, and industry collaboration) to influence positive change in support of better company practices on climate and the net zero transition (pages 40-45):
<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Refer to BMO Global Asset Management’s Stewardship Policy for more details on our commitment to responsible stewardship of our clients’ investments by engaging companies:
https://www.bmogam.com/uploads/2023/05/516543444f0783137da6a0b6b251396d/bmogam_stewardship_policy_en.pdf

Also refer to Climate Action: BMO Global Asset Management Approach, which details our strategy behind managing climate-related risks in our responsible investment activities:
https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We periodically engage with value chain partners, such as investment consultants, policy makers and investee companies, sometimes collaboratively with other industry groups or asset managers/owners, to align with a net zero world by 2050.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

Exercise voting rights as a shareholder on climate related issues	
Row 1	Yes

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder

Exercise voting rights directly

How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?

Percentage of voting disclosed across portfolio

100

Climate-related issues supported in shareholder resolutions

Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues
Other, please specify
Climate

Do you publicly disclose the rationale behind your voting on climate-related issues?

Yes, for all

Method used to exercise your voting rights as a shareholder

Exercise voting rights through an external service provider

How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?

Vote tracking
Review external service provider's climate-related policies
Other, please specify
We have integrated climate-related expectations into our voting policy and approach, which enables us to vote against management at companies where climate disclosure, performance and/or plans are lagging. Large emitters are flagged in our platform.

Percentage of voting disclosed across portfolio

100

Climate-related issues supported in shareholder resolutions

Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues
Other, please specify
Climate

Do you publicly disclose the rationale behind your voting on climate-related issues?

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Category of policy, law, or regulation that may impact the climate

Focus area of policy, law, or regulation that may impact the climate

Policy, law, or regulation geographic coverage

Country/area/region the policy, law, or regulation applies to

Your organization's position on the policy, law, or regulation

Description of engagement with policy makers

Refer to our 2022 Sustainability Report for details on how BMO Financial Group (page 17) and BMO Global Asset Management (page 46) engages with industry, government, academia and investor groups on sustainability and climate issue: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

Refer to our 2022 TCFD-aligned Climate Report for details on how we bring together industry, government, researchers and investors to catalyse the climate conversation, collaborate on solutions and accelerate a socially and economically just net-zero transition through our BMO Climate Institute (pages 20-21) and other engagements (pages 24-26): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

BMO Global Asset Management regularly uses our voice as an institutional investor through policy advocacy. This includes advocating on developments related to climate and net zero. In 2022, this included submitting comment letters on climate-related disclosures proposed by the SEC, CSA & ISSB. Please refer to BMO Global Asset Management Responsible Investment 2022 Annual Report for more details pg 25): <https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Refer to our 2022 TCFD-aligned Climate Report (pages 20-21, 24-26), or our 2022 Sustainability Report for details on how BMO Financial Group (page 17), and BMO Global Asset Management (page 46) engagement.

Is your organization's position on climate change policy consistent with theirs?

Has your organization attempted to influence their position in the reporting year?

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

State the organization or individual to which you provided funding

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Refer to our 2022 Sustainability Report for details on how BMO Financial Group (page 17) engages with industry, government, academia and investor groups on sustainability and climate issue: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

For a list of collaborative initiatives BMO Global Asset Management participates in or is a signatory to, please see the BMO Global Asset Management Responsible Investment 2022 Annual Report (pg 27-29):

<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Refer to our 2022 TCFD-aligned Climate Report for details on how we bring together industry, government, researchers and investors to catalyse the climate conversation, collaborate on solutions and accelerate a socially and economically just net-zero transition through our BMO Climate Institute (pages 20-21) and other engagements (pages 24-26): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

C12.4

(C12.4) 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

In voluntary sustainability report

Status

Complete

Attach the document

 BMO_2022_SR_EN_AODA.pdf

Page/Section reference

BMO Financial Group 2022 Sustainability Report and Public Accountability Statement - Pages 38-56

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment


Publication

In mainstream reports

Status

Complete

Attach the document

 bmo_ar2022.pdf

Page/Section reference

BMO Financial Group 2022 Annual Report to Shareholders - 110-113

Content elements

Governance
Strategy
Risks & opportunities

Comment


Publication

In mainstream reports

Status

Complete

Attach the document

 BMOProxy_March2023.pdf

Page/Section reference

Notice of Annual Meeting of Shareholders and Management Proxy Circular - pages 17-20, 30-31, 37, 40, 44, 50, 93-94, 96-97, 100-101

Content elements

Governance
Strategy

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

 20-3012_EnvironmentalPolicy_ACC_Ev1.pdf

Page/Section reference

Environmental Policy - All pages

Content elements

Governance
Strategy

Comment


Publication

In voluntary communications

Status

Complete

Attach the document

 BMO GAM climate_action_approach_policy_en.pdf

Page/Section reference

Climate Change: BMO Global Asset Management Approach - All pages

Content elements

Governance
Strategy
Risks & opportunities

Comment


Publication

In voluntary communications

Status

Complete

Attach the document

 BMO_2022_DPG_EN.pdf

Page/Section reference

BMO Financial Group 2022 Sustainability Report Data Pack and Glossary - pages 5-11

Content elements

Emissions figures
Emission targets
Other metrics

Comment


Publication

In voluntary communications

Status

Complete

Attach the document

 BMO_2022_Climate_Report_EN-1..pdf

Page/Section reference

BMO Financial Group 2022 Climate Report - all pages

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Climate Action 100+ Equator Principles Institutional Investors Group on Climate Change (IIGCC) Net Zero Banking Alliance Net Zero Asset Managers initiative Partnership for Carbon Accounting Financials (PCAF)	Refer to our 2022 Sustainability Report for details on how BMO Financial Group (page 17) and BMO Global Asset Management (page 46) engages with industry, government, academia and investor groups on sustainability and climate issue: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf Refer to our 2022 TCFD-aligned Climate Report for details

Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Principle for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) Task Force on Nature-related Financial Disclosures (TNFD) UNEP FI UNEP FI Principles for Responsible Banking Other, please specify Responsible Investment Association, ISSB, Sustainable Finance Action Council (SFAC), Global Investor Statement to Govns. on the Climate Crisis (2022), Climate Risk Consortium, ISO Technical Committee 207 (Env Mgmt) and 322 (SusFin), among others.	on how we bring together industry, government, researchers and investors to catalyse the climate conversation, collaborate on solutions and accelerate a socially and economically just net-zero transition through our BMO Climate Institute (pages 20-21) and other engagements (pages 24-26): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Lending to all carbon-related assets

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

8,000,000,000

New loans advanced in reporting year (unit currency – as specified in C0.4)

Percentage of portfolio value comprised of carbon-related assets in reporting year

1.4

Details of calculation

Refer to our 2022 TCFD-aligned Climate Report for details on how we calculate and track our Carbon-related Assets (page 50): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

The above value represents our 2022 lending to carbon-related assets.

Lending to coal

Are you able to report a value for the carbon-related assets?

No, and we do not plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Lending to oil and gas

Are you able to report a value for the carbon-related assets?

No, and we do not plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Understanding our total exposures to high emitting sectors and carbon-related assets is of importance to our responsible investment work. We are working to build a comprehensive approach to measuring these exposures across our entire business in order to be properly informed.

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual

Report for details on how ESG risks and opportunities along with other relevant factors are integrated into our portfolios (pages 53-62):
<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Also refer to the Climate Action: BMO Global Asset Management Approach for details on our ESG risk management (pages 6-7):
https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Understanding our total exposures to high emitting sectors and carbon related assets is of importance to our responsible investment work. We are working to build a comprehensive approach to measuring these exposures across our entire business in order to be properly informed.

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<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Also refer to the Climate Action: BMO Global Asset Management Approach for details on our ESG risk management (pages 6-7):
https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Important, but not immediate priority

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

Understanding our total exposures to high emitting sectors and carbon related assets is of importance to our responsible investment work. We are working to build a comprehensive approach to measuring these exposures across our entire business in order to be properly informed.

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<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Also refer to the Climate Action: BMO Global Asset Management Approach for details on our ESG risk management (pages 6-7):
https://www.bmogam.com/uploads/2023/05/f0c699651e41d9393b11e5ad2c9e36d3/climate_action_approach_policy_en.pdf

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric
Banking (Bank)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)
Investing (Asset manager)	Yes	Other carbon footprinting and/or exposure metrics (as defined by TCFD)

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Banking (Bank)

Portfolio emissions (metric unit tons CO₂e) in the reporting year

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

As a signatory to PCAF, we have committed to measure and disclose the GHG emissions associated with our portfolio of loans, investments and other financial products and services using GHG accounting methodologies. In 2022, we expanded upon this analysis and assessed the Scope 1 and 2 emissions associated with our business and government lending portfolio, using the PCAF methodology for business loans. This analysis includes our business banking, commercial banking and capital markets lending activity, including project finance loans as at the end of fiscal year 2020. The portfolio emissions are calculated based on our business and government loans outstanding as of October 31, 2020 and at a PCAF Data Quality Score of 5 using sectoral and geographic emission factors sourced from the PCAF emission factor database.

Refer to our 2022 TCFD-aligned Climate Report for details on our financed emissions across our business and government lending portfolio (page 38), as well as by specific sectors (page 39-49, 51-55): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

C-FS14.1b

(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

Portfolio

Investing (asset manager)

Portfolio metric

Portfolio carbon footprint (tCO₂e/Million invested)

Metric value in the reporting year

46

Portfolio coverage

11.7

Percentage calculated using data obtained from clients/investees

Calculation methodology

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on how we engage with our investee companies to move them towards achieving net-zero emissions as part of the Net Zero Asset Manager's Initiative (page 41): <https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Refer to our NZAM submissions:

<https://www.netzeroassetmanagers.org/signatories/bmo-global-asset-management/>

Portfolio

Banking (Bank)

Portfolio metric

Other, please specify

Economic emissions intensity (tCO2 e/\$ millions loan outstanding)

Metric value in the reporting year

Portfolio coverage

Percentage calculated using data obtained from clients/investees

Calculation methodology

Refer to our 2022 TCFD-aligned Climate Report for specific data regarding economic emissions intensity per analysed sector (page 39-49, 51-55): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Question 14.2b: (breakdown by industry) reflects Scope 1 and 2 emissions for reporting year 2020, as this is the most recent year of completed financed emissions analysis across industry type.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization’s portfolio impact?

	Portfolio breakdown
Row 1	Yes, by industry

C-FS14.2b

(C-FS14.2b) Break down your organization’s portfolio impact by industry.

Portfolio	Industry	Portfolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Energy	Absolute portfolio emissions (tCO2e)	2,356,000
Banking (Bank)	Automobiles & Components	Absolute portfolio emissions (tCO2e)	828,000

Portfolio	Industry	Portfolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Real Estate	Absolute portfolio emissions (tCO ₂ e)	1,123,000
Banking (Bank)	Utilities	Absolute portfolio emissions (tCO ₂ e)	332,000
Banking (Bank)	Other, please specify Agriculture	Absolute portfolio emissions (tCO ₂ e)	6,991,000
Banking (Bank)	Other, please specify Cement	Absolute portfolio emissions (tCO ₂ e)	362,000
Banking (Bank)	Other, please specify Aluminium	Absolute portfolio emissions (tCO ₂ e)	482,000
Banking (Bank)	Other, please specify Iron & Steel	Absolute portfolio emissions (tCO ₂ e)	413,000

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5 degree world
Banking (Bank)	Yes	
Investing (Asset manager)	Yes	BMO Global Asset Management is a signatory to the Net Zero Asset Managers Initiative with the goal of net-zero greenhouse gas emissions by 2050 across all AUM, in line with global efforts to limit warming to 1.5°C.

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	We are taking a sectoral approach to our evaluation of net zero alignment across our portfolio and have not yet covered all sectors in our portfolio. We plan to expand sector coverage over time.

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Investing (Asset manager)	Yes, for some	All assets under management are assessed for net zero alignment based on their investment mandates. We have selected "Yes, for some" as not all BMO Global Asset Management investment mandates are aligned with net zero at this time.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board level oversight and/or executive management level responsibility for biodiversity related issues	Description of oversight and objectives relating to biodiversity	Scope of board level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for details on Board oversight of climate and biodiversity related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p> <p>Refer to pages 13-15 of our 2022 TCFD-aligned Climate Report for details on Management oversight of climate and biodiversity-related issues, including members, teams, and their role in governance: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf</p>	<p>Risks and opportunities to our own operations</p> <p>Risks and opportunities to our bank lending activities</p> <p>The impact of our own operations on biodiversity</p> <p>The impact of our bank lending activities on biodiversity</p>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Adoption of the mitigation hierarchy approach Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Other, please specify https://www.prnewswire.com/news-releases/bmo-named-to-un-convened-group-providing-guidance-to-global-banks-on-nature-target-setting-301821069.html	SDG Other, please specify Equator Principles Biodiversity Working Group, UNEP FI PRB Biodiversity Community, Taskforce on Nature-related Financial Disclosures (TNFD)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity related commitments?	Type of action taken to progress biodiversity related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Other, please specify Participation in industry forums and working groups to continue to build our capabilities to identify biodiversity impacts, understand nature-based targets and look to drawn on proposed disclosure frameworks to help inform our approach.	Refer to our 2022 Sustainability Report (pages: 46, 50, 54, and 56): https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_SR_EN_AODA.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Michael Torrance, Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Scope of emissions

Scope 2 accounting method

Scope 3 category(ies)

Allocation level

Allocation level detail

Emissions in metric tonnes of CO₂e

Uncertainty ($\pm\%$)

Major sources of emissions

Verified

Allocation method

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	The nature of our business as a service provider means our energy consumption is limited to offices and business travel which simultaneously serve multiple customers and cannot easily be allocated to any individual or business to which we provide financial products and services.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

We do not plan to develop capabilities to allocate emissions to our customers. As a diversified financial services provider with over 12 million customers globally (as of October 31, 2022) it would not be feasible to do and have data readily available to do so. The nature of our business as a service provider means our energy consumption is limited to offices and business travel which simultaneously serve multiple customers and cannot easily be allocated to any individual or business to which we provide financial products and services.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization’s goods or services?

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board level oversight of this issue area
Forests	Yes
Water	Yes

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s) or committee(s)	Responsibilities for forests and/or water related issues
Forests Water	Board-level committee	Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for details on Board oversight of climate and environmental related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

FW-FS1.1b

(FW-FS1.1b) Provide further details on the board’s oversight of forests- and/or water-related issues.

Issue area(s)

Forests

Frequency with which the issue area(s) is a scheduled agenda item

Sporadic - as important matters arise

Governance mechanisms into which this issue area(s) is integrated

Scope of board-level oversight

- Risks and opportunities to our banking activities
- Risks and opportunities to our investment (asset management) activities
- The impact of our banking activities on forests and/or water security
- The impact of our investing (asset management) activities on forests and/or water security

Please explain

Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for details on Board oversight of climate and environmental related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Issue area(s)

Water

Frequency with which the issue area(s) is a scheduled agenda item

Sporadic - as important matters arise

Governance mechanisms into which this issue area(s) is integrated

Scope of board-level oversight

- Risks and opportunities to our banking activities
- Risks and opportunities to our investment (asset management) activities
- The impact of our banking activities on forests and/or water security
- The impact of our investing (asset management) activities on forests and/or water security

Please explain

Refer to pages 10-12 of our 2022 TCFD-aligned Climate Report for details on Board oversight of climate and environmental related risks and opportunities: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

BMO's Board of Directors has members with demonstrated experience in sustainability and these board members are represented on each of our standing committees.

Refer to pages 8-15 of our Proxy Circular for details on our Board members' skills and expertise: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf

Water

Board member(s) have competence on this issue area

Yes

Criteria used to assess competence of board member(s) on this issue area

BMO's Board of Directors has members with demonstrated experience in sustainability issues and these board members are represented on each of our standing committees.

The chair of the Audit and Conduct Review Committee has a strong background in climate change and sustainability, and formerly led Ernst & Young's global Climate Change and Sustainable Services practice.

Refer to pages 8-15 of our Proxy Circular for details on our Board members' skills and expertise: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMOProxy_March2023.pdf

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee

Other, please specify

Chief Risk Officer, Chief Sustainability Officer, and General Counsel

Issue area(s)

Forests

Water

Forests- and/or water-related responsibilities of this position

Assessing forests- and/or water-related risks and opportunities

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking portfolio

Reporting line

CEO reporting line

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

As important matters arise

Please explain

Refer to pages 13-15 of our 2022 TCFD-aligned Climate Report for details on Management oversight of climate-related issues (such as forests and water), including members, teams, and their role in climate governance: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking – Forests exposure	Yes	
Banking – Water exposure	Yes	

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Investing (Asset manager) – Forests exposure	No, but we plan to within the next two years	
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Banking – Forests exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

Type of assessment

Qualitative only

Time horizon(s) covered

Short-term

Tools and methods used

Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations (including those for forests- and water-related risks) across the enterprise through our E&S Risk Corporate Policy, Enterprise-wide Risk Management Framework, E&S Risk Financing Guidelines and E&S Risk Rating Assessments.

Banking – Water exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

Type of assessment

Time horizon(s) covered

Short-term

Medium-term

Long-term

Tools and methods used

Internal tools/methods

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

In 2022, BMO's climate analytics platform was used to assess exposure of physical climate hazards across multiple time horizons and warming scenarios for more than one million unique assets. Results of this analysis have informed the development of resilience finance strategies, internal risk assessments, and market-shaping publications.

In 2022, BMO's Equity Research team, the BMO Climate Institute, BMO DnA Data Science and AI team, and Climate Engine collaborated to analyse the exposure of 70 U.S. REITs to physical climate risk for their U.S. assets. BMO's Climate Analytics Platform quantified the exposure of 39,243 individual REIT properties to exposure of inland flooding, coastal flooding, hurricane, tornado, and wildfire risks in today's climate and in 2050 under two potential scenarios based on the IPCC's RCP 4.5 and 8.5 scenarios. This analysis was conducted at the building level, providing industry-leading insights that quantified how climate change may affect future risks for U.S. REITs.

Refer to page 21 of the Climate Report for details on climate analytics.

Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations (including those for forests- and water-related risks) across the enterprise through our E&S Risk Corporate Policy, Enterprise-wide Risk Management Framework, E&S Risk Financing Guidelines and E&S Risk Rating Assessments.



FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests and/or water related information
Banking – Forests-related information	Yes
Banking – Water-related information	Yes
Investing (Asset manager) – Forests-related information	Yes
Investing (Asset manager) – Water-related information	Yes

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests and/or water related information influences your decision making
Banking – Forests-related information	Origin of forest risk commodities	Directly from the client/investee		Refer to pages 28-29 of our 2022 TCFD-aligned Climate Report for details on how BMO integrates E&S Risk considerations (including those for forests- and water-related risks) across the enterprise through our E&S Risk Corporate Policy, Enterprise-wide Risk Management Framework, E&S Risk Financing Guidelines and E&S Risk Rating Assessments.



	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests and/or water related information influences your decision making
Banking – Water-related information	Other, please specify impacts of water stress and drought	Other, please specify Our climate analytics platform		<p>We are starting to look at the impacts of water stress and drought on our own operations and on our clients as part of physical risk analysis.</p> <p>BMO's climate analytics platform, which uses geospatial tools, can help us assess exposure of physical climate risk including water-related risks. In 2022, this platform was used to assess exposure of physical climate hazards across multiple time horizons and warming scenarios for more than one million unique assets. We are developing and considering approaches for this to inform our resilience finance strategies, internal risk assessments, and market-shaping publications.</p>
Investing (Asset manager) – Forests-related information	Other, please specify Scores and metrics provided by third party ESG data vendors	Data provider	Energy Materials Capital Goods Commercial & Professional Services Transportation Automobiles & Components Consumer Durables & Apparel Consumer Services Retailing	<p>Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on how ESG risks and opportunities along with other relevant factors are integrated into our portfolios (pages 53-62): https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf</p> <p>Also refer to the Climate Action: BMO Global Asset Management Approach and Expectations for Environmental Practices Statement (https://www.bmogam.com/ca-institutional/responsible-investment/responsible-investing-policies-approaches/)</p>



	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests and/or water related information influences your decision making
			Food & Staples Retailing Food, Beverage & Tobacco Household & Personal Products Health Care Equipment & Services Pharmaceuticals, Biotechnology & Life Sciences Software & Services Technology Hardware & Equipment Semiconductors & Semiconductor Equipment Telecommunication Services Media & Entertainment Utilities Real Estate	



	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests and/or water related information influences your decision making
Investing (Asset manager) – Water-related information	Other, please specify Scores and metrics provided by third party ESG data vendors	Data provider	Energy Materials Capital Goods Commercial & Professional Services Transportation Automobiles & Components Consumer Durables & Apparel Consumer Services Retailing Food & Staples Retailing Food, Beverage & Tobacco Household & Personal Products Health Care Equipment & Services	Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on how ESG risks and opportunities along with other relevant factors are integrated into our portfolios (pages 53-62): https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf Also refer to the Climate Action: BMO Global Asset Management Approach and Expectations for Environmental Practices Statement (https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches/)



	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests and/or water related information influences your decision making
			Pharmaceuticals, Biotechnology & Life Sciences Software & Services Technology Hardware & Equipment Semiconductors & Semiconductor Equipment Telecommunication Services Media & Entertainment Utilities Real Estate	

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Not yet evaluated	We are continuing to build our capabilities to assess such risks and opportunities and look to draw on new disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), and evolving methodologies to help inform our approach.
Water	Yes		

FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk1

Portfolio where risk driver occurs

Banking (Bank) portfolio

Issue area risk relates to

Risk type & Primary risk driver

Acute physical

Other, please specify

Flood (coastal, fluvial pluvial, groundwater) and water stress/drought

Primary potential financial impact

Increased credit risk

Risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Climate-related risks, including water-related risks, could affect our exposure to credit and counterparty risk by impacting our customers' revenues, costs, or access to capital such that they may become unable to meet their financial commitments to BMO.

Borrowers may face losses or increases in their operating costs as a result of acute or chronic changes in climate conditions such as flooding.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

In 2022, BMO's climate analytics platform, which uses geospatial tools, can help us assess exposure of physical climate hazards (including water-related risks) across multiple time horizons and warming scenarios. We are developing and considering approaches for this to inform our resilience finance strategies, internal risk assessments, and market-shaping publications.

In 2022, BMO's Equity Research team, the BMO Climate Institute, BMO DnA Data Science and AI team, and Climate Engine collaborated to analyse the exposure of 70 U.S. REITs to physical climate risk for their U.S. assets. We used geospatial analysis to quantify the exposure of 39,243 individual REIT properties to exposure of inland flooding, coastal flooding, hurricane, tornado, and wildfire risks in today's climate and in 2050 under two potential scenarios based on the IPCC's RCP 4.5 and 8.5 scenarios. This analysis was highlighted on the BMO Sustainability Leaders Podcast with the purpose of contributing to field discussions on how climate change may affect future risks for U.S. REITs.

Refer to pages 21 of our 2022 TCFD-aligned Climate Report for information on our Climate Analytics Platform: https://our-impact.bmo.com/wp-content/uploads/2023/04/BMO_2022_Climate_Report_EN-1.pdf

Comment

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Evaluation in process	
Water	No	Evaluation in process	In collaboration with the BMO DnA Data Science & Artificial Intelligence team and external partner Climate Engine, the BMO Climate Institute developed capabilities to analyse over 80 climate-related risk drivers and outcomes, including temperature, precipitation, flooding, wildfires, wind, water stress, crop health, soil moisture and others. Continuously updated with the best available science and highest-resolution geospatial data, the platform quantifies historic changes and projects the physical impacts of climate change under different global temperature scenarios and time horizons. The BMO Climate Institute is advancing experimentation within the bank on the use of this advanced technology and applying it to identify opportunities to partner with clients to build resilience into their business strategy and better understand potential risks of physical climate change impacts.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization’s strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

No, we do not take risks and opportunities into consideration

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

We are continuing to build our capabilities to assess such risks and opportunities and look to draw on new disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), and evolving methodologies to help inform our approach.

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

No, we do not take risks and opportunities into consideration

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

In 2022, BMO's climate analytics platform was used to assess exposure of physical climate hazards across multiple time horizons and warming scenarios for more than one million unique assets. Results of this analysis have informed the development of resilience finance strategies, internal risk assessments, and market-shaping publications.

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don't plan to in the next two years

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

Biodiversity and forests-related risks is an emerging issue in financial services. We are continuing to build our capabilities to assess such risks and opportunities and look to draw on new disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), and evolving methodologies to help inform our approach.

Water

Scenario analysis conducted to identify outcomes for this issue area

Yes, we have conducted scenario analysis and we have identified outcomes for this issue area

Type of scenario analysis used

Climate-related

Parameters, assumptions, analytical choices

High resolution flood data, static state portfolio

Description of outcomes for this issue area

The bank has identified key resilience measures. This analysis has resulted in a formalized stress test of residential real estate portfolios.

Explain how the outcomes identified using scenario analysis have influenced your strategy

In Enterprise Risk, the Climate Scenario Analysis Team acquired tools to assess the potential impacts of water stress and drought on BMO exposures and is in the process of making an assessment for a number of projects including wholesale loans to agriculture, as well as BMO and BMO suppliers' operations.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, and we do not plan to set targets in the next two years	Biodiversity and forests-related risks is an emerging issue in financial services. We are continuing to build our capabilities to assess such risks and opportunities and look to draw on new disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), and evolving methodologies to help inform our approach and target setting.
Water Security	No, and we do not plan to set targets in the next two years	Water security is an emerging issue in financial services. BMO's climate analytics platform is capable of providing a high-resolution (i.e., property level) assessment of physical climate risk including water-related risks. Use cases are being evaluated including strategies to manage credit risk to flood, water stress, and biodiversity loss.

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity
Forests	Yes
Water	Yes

FW-FS3.4a

(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type

Other, please specify

Corporate loans and Fixed Income

Taxonomy or methodology used to classify product(s)

Product enables clients to mitigate

- Deforestation
- Water insecurity

Description of product(s)

BMO’s sustainable finance team offers innovative ways for businesses, governments and investors to align their financial priorities with broader sustainability objectives. The sustainable finance team works closely with clients to bring a sustainability lens to clients’ financing and strategic needs. We leverage our portfolio of lending, bond underwriting, public offerings and advisory products and services, working with our clients to explore new ideas and offering innovative options that can help them achieve their sustainability objectives. We also harness sustainable financing to drive progress toward the positive social and environmental outcomes expressed in the United Nations Sustainable Development Goals (UN SDGs), including support for the transition to a net-zero economy. Read more on page 41 of our 2022 Sustainability Report: BMO Financial Group 2022 Sustainability Report and Public Accountability Statement:

Type of activity financed, invested in or insured

- Sustainable forest management
- Forest protection
- Forests restoration
- Afforestation
- Sustainable agriculture
- Water supply and sewer networks infrastructure
- Water treatment infrastructure
- Wastewater treatment infrastructure
- Water resources and ecosystem protection
- Flood/drought resilience

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area
Forests	Yes
Water	Yes

FW-FS3.5a

(FW-FS3.5a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio

Banking (Bank)

Issue area(s) the policy covers

Forests

Type of policy

Credit/lending policy

Risk policy

Portfolio coverage of policy

100

Policy availability

Not publicly available

Attach documents relevant to your policy

Requirements for clients/investees

Commit to no conversion of High Conservation Value areas

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy

Forest risk commodities covered by the policy

All agricultural commodities

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

Portfolio

Investing (Asset manager)

Issue area(s) the policy covers

Forests

Type of policy

Other, please specify

Statement of Environmental Expectations


Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 BMO GAM_expectations_for_environmental_practices_en.pdf

Requirements for clients/investees

Other, please specify

Eliminating deforestation and land degradation, rehabilitating degraded land and protecting soils; Maintaining or enhancing the ecological and biodiversity support functions of air, land and water resources

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

No timeframe

Industry sectors covered by the policy

Energy
Materials
Capital goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services

Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Forest risk commodities covered by the policy

All agricultural commodities

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

100% portfolio coverage refers to portion of engageable assets which are covered by BMO Global Asset Management's Expectations of Environmental Practices Statement.

Portfolio

Investing (Asset manager)

Issue area(s) the policy covers

Water

Type of policy

Other, please specify
Statement of Environmental Expectations


Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

 BMO GAM_expectations_for_environmental_practices_en.pdf

Requirements for clients/investees

Other, please specify
: Eliminating deforestation and land degradation, rehabilitating degraded land and protecting soils; Maintaining or enhancing the ecological and biodiversity support functions of air, land and water resources

Value chain stages of client/investee covered by criteria

Direct operations and supply chain

Timeframe for compliance with policy criteria

No timeframe

Industry sectors covered by the policy

Energy
Materials
Capital goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Forest risk commodities covered by the policy

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

100% portfolio coverage refers to portion of engageable assets that are covered by BMO Global Asset Management's Expectations of Environmental Practices Statement)

FW-FS3.6

(FW-FS3.6) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, and we do not plan to in the next two years	Restrictions are in place for lending to companies involved in business activity affecting UNESCO World Heritage Sites or High Conservation Value Forests.
Water	No, and we do not plan to in the next two years	We have sector-specific financing guidelines to help us identify and manage E&S risks in higher risk sectors, such as water- and resource-intensive sectors, and determine how to factor these risks into our decision-making. Restrictions are in place for lending to companies involved in business activity affecting UNESCO World Heritage Sites or High Conservation Value Forests.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area
Clients – Forests	Yes
Clients – Water	Yes
Investees – Forests	Yes
Investees – Water	Yes

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients

Clients of Banks

Issue area this engagement relates to

Forests

Type of engagement

Education/information sharing

Details of engagement

Portfolio coverage of engagement

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Our engagement with clients is guided by material ESG issues for the industry, informed by standards such as the Sustainability Accounting Standards Board (SASB). When we structure sustainability-linked loans or sustainability financing frameworks (e.g., green bond frameworks), we consider KPIs and initiatives related to better land management and/or biodiversity.

Type of clients

Clients of Banks

Issue area this engagement relates to

Water

Type of engagement

Education/information sharing

Details of engagement

Portfolio coverage of engagement

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Our engagement with clients is guided by material ESG issues for the industry, informed by standards such as the Sustainability Accounting Standards Board (SASB). Water & Wastewater Management is one of the material ESG issues identified by the SASB for select industries. When we structure sustainability-linked loans or sustainability financing frameworks (e.g., green bond frameworks), we consider KPIs and initiatives related to better water and wastewater management.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to

Forests

Type of engagement

Collaboration & innovation

Details of engagement

Investing (asset manager) portfolio coverage of engagement

Rationale for the coverage of your engagement

Engagement targeted at investees with increased forest-related risks

Impact of engagement, including measures of success

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on our engagement with investees on a broad range of ESG issues including climate, forests, and water (pages 18-21, 68-71):

<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Please also refer to our Stewardship Policy to learn more about our approach to engagement on ESG topics (<https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches/>)

Issue area this engagement relates to

Water

Type of engagement

Collaboration & innovation

Details of engagement

Investing (asset manager) portfolio coverage of engagement

Rationale for the coverage of your engagement

Engagement targeted at investees with increased water-related risks

Impact of engagement, including measures of success

Refer to the BMO Global Asset Management Responsible Investment 2022 Annual Report for details on our engagement with investees on a broad range of ESG issues including climate, forests, and water (pages 18-21, 68-71):

<https://www.bmogam.com/uploads/2023/04/ce7b218230fc313e17f932dc0e23052e/bmo-responsible-investing-annual-report-2022-en.pdf>

Please also refer to our Stewardship Policy to learn more about our approach to engagement on ESG topics (<https://www.bmogam.com/ca-en/institutional/responsible-investment/responsible-investing-policies-approaches/>)

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area
Forests	Yes	Halting deforestation	
Water	Yes	Reduce water pollution	

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain
Row 1	

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Not assessed
Water	Not assessed

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, and we don't plan to in the next two years	Important but not an immediate priority	Biodiversity and forests-related risks is an emerging issue in financial services. We are continuing to build our capabilities to assess such risks and opportunities and look to draw on new disclosure frameworks, such as the Taskforce on Nature-related Financial

	We measure our portfolio impact on this issue area	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
			Disclosures (TNFD), and evolving methodologies to help inform our approach.
Banking – Impact on Water	No, and we don't plan to in the next two years	Important but not an immediate priority	Water security is an emerging issue in financial services. BMO's climate analytics platform is capable of providing a high-resolution (i.e., property level) assessment of physical climate risk including water-related risks. Use cases are being evaluated including strategies to manage credit risk to flood, water stress, and biodiversity loss.
Investing (Asset manager) – Impact on Forests	No, and we don't plan to in the next two years	Important but not an immediate priority	Climate Action: BMO Global Asset Management Approach includes a thematic focus on protecting our natural capital including terrestrial and aquatic biomes. We currently measure our stewardship activities through investee engagement and proxy voting in this area. However, no reasonable methodology exists to measure our portfolio impacts on forests and/or water security.
Investing (Asset manager) – Impact on Water	No, and we don't plan to in the next two years	Important but not an immediate priority	Climate Action: BMO Global Asset Management Approach includes a thematic focus on protecting our natural capital including terrestrial and aquatic biomes. We currently measure our stewardship activities through investee engagement and proxy voting in this area. However, no reasonable methodology exists to measure our portfolio impacts on forests and/or water security.

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity
Lending to companies operating in the timber products supply chain	
Lending to companies operating in the palm oil products supply chain	
Lending to companies operating in the cattle products supply chain	
Lending to companies operating in the soy supply chain	
Lending to companies operating in the rubber supply chain	
Lending to companies operating in the cocoa supply chain	
Lending to companies operating in the coffee supply chain	
Investing (asset manager) to companies operating in the timber products supply chain	
Investing (asset manager) to companies operating in the palm oil products supply chain	
Investing (asset manager) to companies operating in the cattle products supply chain	
Investing (asset manager) to companies operating in the soy supply chain	
Investing (asset manager) to companies operating in the rubber supply chain	
Investing (asset manager) to companies operating in the cocoa supply chain	
Investing (asset manager) to companies operating in the coffee supply chain	

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

Portfolio

Banking (Bank)

Issue area(s) the requirements cover

Forests

Forests risk commodity covered by the requirements

Measurement of proportion of clients/investees compliant with forests- or water-related requirements

No, and we do not plan to measure this in the next two years

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future

Complying with criteria listed in FW-FS3.5 is a pre-requisite for business.

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication


Publication

In a voluntary sustainability report

Status

Complete

Attach the document

 BMO_2022_Climate_Report_EN-1..pdf

Page/Section reference

21, 23, 30, 47-49

Content elements

Comment

Focus of the Publication

Publication

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43, 50, 54-56

Content elements**Comment**

Cautionary statement regarding forward-looking information

Certain statements in this document are forward-looking statements under the United States Private Securities Litigation Reform Act of 1995 (and are made pursuant to the 'safe harbour' provisions of such Act) and applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements with respect to customer growth, engagement and support, sustainable lending and underwriting targets, sustainable investment targets, the regulatory environment, BMO's Climate Ambition, net-zero financed emissions targets and reducing operational GHG emissions. Forward-looking statements are typically identified by words such as "targeting", "committed", "commitment", "ambition", "goal", "expect", "plan", "believe", "would", "project", "estimate", "could", "will", "may", "seek to", "aim to" and other similar expressions, or negative or grammatical variations thereof.

By their nature, forward-looking statements are based on various assumptions and are subject to inherent risks and uncertainties. Certain statements made in this document use a greater number and level of assumptions and estimates and are over longer time frames than many of our required disclosures. These assumptions and estimates are highly likely to change over time. Certain statements in this document are based on hypothetical or severely adverse scenarios and assumptions, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk. While future events discussed in this document may be significant, any significance should not be read as necessarily rising to the level of materiality of the disclosures required under Canadian or U.S. federal securities laws. In addition, our climate risk analysis and net-zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. As a result, we expect that certain disclosures made in this document are likely to be amended, updated or restated in the future as the quality and completeness of our data and methodologies continue to improve.

We caution readers of this document not to place undue reliance on our forward-looking statements as the assumptions underlying such statements may not turn out to be correct and a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, commitments, ambitions, plans or goals expressed in the forward-looking statements. Such factors include, but are not limited to: the availability of comprehensive and high-quality GHG emissions data, the evolution of our lending portfolios over time, the need for active and continued participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the development and deployment of new technologies and industry-specific solutions, international cooperation, the development of legislation and/or regulations nationally and internationally, our ability to successfully

implement various initiatives under expected time frames, the compliance of various third parties with our policies and procedures and legal requirements and those other factors set out in the Enterprise-Wide Risk Management section of BMO's 2022 Annual Report, as updated by quarterly reports, that may affect our future results and our ability to anticipate and effectively manage risks arising from all of the foregoing factors. We caution that the foregoing list is not exhaustive of all possible factors. For further information on the assumptions, risks, uncertainties, and other factors affecting Bank of Montreal's emissions targets, see the A Note about Data Challenges section on page 35 and the Financed Emissions section starting on page 37 of BMO's 2022 Climate Report. These factors should be considered in addition to other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

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

Other Disclaimers

This document includes voluntary disclosures on customer growth, support and engagement, sustainable lending and underwriting targets, sustainable investment targets, operational GHG emissions and targets, climate-related opportunities and risks, governance, strategy, risk management and metrics and targets that may not be, and are not required to be, incorporated into our mandatory disclosures, where we use a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.

Any third-party information contained in this document or otherwise used to derive information in this document is believed to be reasonable and reliable, but no representation or warranty is made by us as to the quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information. Specifically, the methodologies utilized to measure operational GHG emissions and financed emissions, set targets and track future progress against these targets use emissions information and estimates that have been derived from third-party sources, which Bank of Montreal believes to be reasonable. Further, in the absence of counter party specific emissions data, some financed emissions will be estimated using the best information available, including that provided by third-party sources. In no event shall Bank of Montreal be liable (whether in contract, tort, equity or otherwise) for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such information contained herein. Certain third-party information, such as Scope 3 emissions and emissions factors, may change over time as methodologies evolve and are refined. These inherent weaknesses with current methodologies, and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Bank of Montreal. While we are not aware of any misstatements regarding the industry, company or market data presented in this document, such data and estimates involve important uncertainties, risks, and assumptions and are subject to change based on various factors, including those discussed under the heading "Cautionary statement regarding forward-looking information" above.

Nothing in this document shall constitute, or form part of, an offer to sell or a solicitation of an offer to buy or subscribe for any security or other instrument of Bank of Montreal or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this document shall form the basis of, or be relied upon in connection with, any contract, commitment or investment decision. Offers to sell, sales, solicitations of offers to buy or purchases of securities issued by Bank of Montreal or any of its affiliates may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in

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