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## INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT

To the Board of Directors and Management of Bank of Montreal (“BMO”)

We have undertaken a limited assurance engagement on certain performance metrics of BMO, included in the 2024 Sustainability and Climate Reporting (the “Report”), for the year ended October 31, 2024.

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the “subject matter information”) and criteria:

Topic	Subject matter information	Reported Value for 2024	Report Page	Criteria
Climate Finance <sup>1</sup>	BMO Capital Markets climate finance to clients pursuing environmental or climate transition objectives (\$ billions)	\$8.6	53	BMO Sustainable & Climate Finance Framework (October 2024), publicly available on BMO’s website.
	BMO Capital Markets labelled green bond underwriting (\$ billions)	\$3.9		
	BMO Capital Markets climate-related equity and debt financing (\$ millions)	\$32		
	BMO Capital Markets climate-related lending (\$ billions)	\$1.5		
	BMO Capital Markets climate finance advisory services related to mergers and acquisitions (\$ billions)	\$3.2		
Sustainable Finance <sup>1</sup>	Capital Markets sustainable bond underwriting (\$ billions)	\$15.4	30	
	Capital Markets sustainable equity and debt financing (\$ billions)	\$4.1		
	Capital Markets sustainable lending (\$ billions)	\$1.5		



Topic	Subject matter information	Reported Value for 2024	Report Page	Criteria
	Capital Markets sustainability-linked lending (\$ billions)	\$1.6		
	Capital Markets sustainable finance mergers and acquisitions advisory services (\$ billions)	\$3.2		
Climate Change <sup>1</sup>	Credit risk exposure to carbon-related assets – Metric 1 (non-renewable energy and power generation) (%)	1.6%	89	Internally developed criteria as presented in the Glossary on pages 115 - 118 of the 2024 Sustainability and Climate Reporting.
	Credit risk exposure to carbon-related assets – Metric 2 (includes Metric 1 plus transportation, materials and buildings, and agriculture, food and forest products) (%)	17.0%	90	
Data Security <sup>1</sup>	Substantiated complaints regarding breaches of customer privacy and losses of customer data (#)	0	16	
Diversity & Inclusion <sup>1</sup>	Gender equity across senior leadership roles – enterprise-wide (%)	41.3%	28	
	People of Colour across senior leadership roles – Canada (%)	26.7%		
	People of Colour across senior leadership roles – United States (“U.S.”) (%)	26.1%		
	Indigenous Peoples across our workforce – Canada (%)	1.4%		
	Persons with disabilities across our workforce – Canada and U.S. (%)	6.3%		
	2SLGBTQ+ representation across our workforce – Canada and U.S. (%)	6.0%		
Financial Inclusion <sup>1</sup>	First Nations participating in BMO’s On-Reserve Housing Loan Program – Canada (#)	108	22	
Financed emissions - Residential Real Estate – Canada <sup>2</sup>	Loans outstanding (\$ millions)	\$123,424	88	PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition
	Scope 1 and 2 financed emissions (ktCO <sub>2</sub> e)	897		
	Portfolio PCAF data quality score	4.1		
	Economic emissions intensity (tCO <sub>2</sub> /\$ millions of loan outstanding)	7.3		
	Physical emissions intensity (kgCO <sub>2</sub> /m <sup>2</sup> financed)	24.7		



Topic	Subject matter information	Reported Value for 2024	Report Page	Criteria
Financed emissions - Commercial Real Estate – Canada <sup>3</sup>	Loans outstanding (\$ millions)	\$36,721	87	
	Scope 1 and 2 financed emissions (ktCO <sub>2</sub> e)	504		
	Portfolio PCAF data quality score	4.6		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)	13.7		
	Physical emissions intensity (kgCO <sub>2</sub> e/m <sup>2</sup> financed)	32.0		
Financed emissions - Upstream Oil and Gas – Canada <sup>2</sup>	Loans outstanding (\$ millions)	\$1,926	84	
	Scope 1 and Scope 2 financed emissions (ktCO <sub>2</sub> e)	357		
	Portfolio PCAF data quality score	2.9		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)	186		
	Physical emissions intensity (tCO <sub>2</sub> e/TJ)	5.1		
Financed emissions - Upstream Oil and Gas – Rest of World <sup>2</sup>	Loans outstanding (\$ millions)	\$141	84	
	Scope 1 and 2 financed emissions (ktCO <sub>2</sub> e)	28		
	Portfolio PCAF data quality score	3.1		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)	203		
	Physical emissions intensity (tCO <sub>2</sub> e /TJ)	2.7		
Financed emissions - Upstream Oil and Gas – Global <sup>2</sup>	Loans outstanding (\$ millions)	\$2,067	84	
	Downstream Scope 3 Financed emissions (ktCO <sub>2</sub> )	5,393		
	Portfolio PCAF data quality score	3.0		
	Economic emissions intensity (tCO <sub>2</sub> /\$ millions of loans outstanding)	2,610		
	Physical emissions intensity (tCO <sub>2</sub> /TJ)	66.5		
Financed emissions - Power	Loans outstanding (\$ millions)	\$1,309	86	
	Scope 1 Financed emissions (ktCO <sub>2</sub> e)	400		



Topic	Subject matter information		Reported Value for 2024	Report Page	Criteria
Generation – Canada <sup>2</sup>	Portfolio PCAF data quality score		2.9		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)		306		
	Physical emissions intensity (tCO <sub>2</sub> e/MWh of electricity generated)		0.20		
Financed emissions - Power Generation – U.S. <sup>2</sup>	Loans outstanding (\$ millions)		\$1,891	86	
	Scope 1 Financed emissions (ktCO <sub>2</sub> e)		1,181		
	Portfolio PCAF data quality score		3.6		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)		625		
	Physical emissions intensity (tCO <sub>2</sub> e/MWh of electricity generated)		0.23		
Financed emissions - Agriculture – Global <sup>2,3</sup>	Loans outstanding (\$ millions)		\$18,413 (2023) \$18,114 (2022)	88	
	Scope 1 and 2 financed emissions (ktCO <sub>2</sub> e)		14,112 (2023) 15,700 (2022)		
	Portfolio PCAF data quality score		4.4 (2023) 4.4 (2022)		
	Economic emissions intensity (tCO <sub>2</sub> e/\$ millions of loans outstanding)		766 (2023) 867 (2022)		
Financed emissions - Total Portfolio <sup>2</sup>	Business and government lending portfolio – 2023 full portfolio (%)	Agriculture Commercial real estate Heavy industries Upstream oil and gas Power generation Transportation All other	51% 1% <1% 3% 18% 5% 22%	82	

<sup>1</sup> As at and for the year-ended, October 31, 2024.

<sup>2</sup> As at and for the year-ended, October 31, 2023.

<sup>3</sup> As at and for the year-ended, October 31, 2022.



The subject matter information is denoted by the symbol **◆** in the Report.

Other than as described in the preceding table, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, BMO has applied the following criteria (“applicable criteria”):

- For the subject matter information within the Financed Emissions topics, PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.
- For the subject matter information within the Climate Finance and Sustainable Finance topics, BMO Sustainable & Climate Finance Framework (October 2024), publicly available on BMO’s website.
- For the subject matter information within the Climate Change, Data Security, Diversity & Inclusion, and Financial Inclusion topics, BMO’s internally developed criteria as presented in the Glossary on pages 115 - 118 of the 2024 Sustainability and Climate Reporting.

### ***Management’s Responsibility***

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining BMO’s objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

### ***Our Responsibility***

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with 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*. These standards require that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.



A limited assurance engagement involves assessing the suitability of the criteria used by BMO in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- evaluated the suitability of BMO's use of the criteria, as the basis for preparing the subject matter information in the circumstances;
- through inquiries, obtained an understanding of BMO's control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- evaluated whether BMO's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate BMO's estimates;
- inspected a limited number of items to or from supporting records, as appropriate;
- performed analytical procedures and made inquiries of management to obtain explanations for any significant differences we identified;
- performed recalculation, for certain performance metrics, and compared the recalculated amounts to recorded amounts; and
- considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### ***Our Independence and Quality Management***

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.



The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### ***Significant Inherent Limitations***

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read BMO's reporting methodologies disclosed in the BMO 2024 Financed Emissions Methodology, BMO Sustainable & Climate Finance Framework (October 2024), and the Glossary on pages 115 - 118 of the 2024 Sustainability and Climate Reporting, which are all available on BMO's website.

### ***Emphasis of Matter***

We draw attention to footnote 2 on page 82 and footnote 3 on page 88 of the Report, which describes that previously disclosed results have been restated to incorporate BMO's exposures from the acquisition of the Bank of the West. Our conclusion is not modified with respect to this matter.

### ***Other Matter***

We have not been engaged to, and therefore do not, provide any assurance in respect of the restatements discussed in footnote 2 on page 82 and footnote 3 on page 88. Our conclusion is not modified in respect of this matter.

### ***Conclusion***

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that BMO's subject matter information for the year ended October 31, 2024, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.



### ***Restriction on Use***

Our report is intended solely for use by BMO for the purpose set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by BMO alongside the 2024 Sustainability and Climate Reporting, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

*KPMG LLP*

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Chartered Professional Accountants

Toronto, Canada  
March 12, 2025