



Thursday, January 9, 2025

To the Stakeholders of the Bank of Montreal.

BMO Community Investment Report for 2024 (the Report) has been prepared by the management of BMO, who retains responsibility for its overall content.

Our responsibility is to conduct a detailed audit of the transactions within BMO's community investment portfolio, to assess whether the value of what is generally agreed to constitute corporate community investment across Canada has been fairly and adequately reported.

This engagement has been performed in accordance with the LBG Canada valuation principles, as agreed upon and evolved by the corporate community since 2005.

The following evaluation criteria have been used:



Adherence to the overarching investment principles and detail of the 100+ decisions agreed upon by the Canadian network of corporate investors in the community.



Alignment to principles outlining the form of what constitutes corporate community investment (cash, in-kind, time volunteered, program management costs) and how the value of each investment is to be assessed, including the value of stakeholder contributions to community programming.



Alignment to the principles in order to report on the value of what is eligible to be reported as community investment, versus what is ineligible to report as such. This also includes activities that may be considered partially eligible.

Methodology

We undertook the following:

1. A line-by-line audit of the community investment portfolio to confirm the overall eligibility of transactions presented for audit as 'community investment'. This audit is governed by the LBG Canada Valuation Principles, as voted upon by the LBG Canada community.
2. Each audit includes a first and second review of each transaction, and a detailed list highlighting the eligibility of each transaction. If a transaction is deemed to be ineligible or partially eligible, it will include a complete explanation as to the reasoning behind this assessment.
3. Research on the charitable, non-profit, social enterprise, and social purpose status of each organization, when not immediately obvious from the information provided.
4. Research on the project undertaken by the charitable, non-profit, social enterprise, and social purpose status, when not immediately obvious from the information provided.
5. Discussion with the company of findings under the headings: 100% eligible, partially eligible, ineligible, community sponsorship, tickets & tables, and questions for review.
6. The full detail and summarized result of the LBG Canada audit is presented for reference in reporting, for ongoing reference, and integration into other financial audit and performance verification processes.
7. Once the full audit cycle is complete, each company accesses peer comparisons to inform key aspects of strategy.

Limitations of Our Review

The scope of our work was limited to the information provided by BMO, two detailed reviews of each transaction, research to close any information gaps, and discussion to clarify with company representatives. The LBG Canada audit does not include whether the community partner received funds, nor whether funds were used for their intended purpose.

Conclusions

Our work confirms that the total value of \$108,574,262 reported as community investment during the fiscal year 2024 by BMO upholds the LBG Canada valuation principles as agreed upon by the LBG Canada community.

Breakdown of Community Investment:

Cash	\$	100,972,856
Employee Volunteer Time	\$	607,582
Program Management Cost	\$	6,993,824



Our Independence

We are independent of the Banking Sector, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our role is to uphold the valuation principles across all companies seeking third-party verification of the reported value of annual community investment.

The LBG Model is the recognized global standard for managing, measuring, and reporting community investment; it helps companies ensure credibility and accountability in their disclosure of the value of community investment.

A handwritten signature in black ink, appearing to read 'Stephanie Robertson'.

Stephanie Robertson
Lead Auditor, LBG Canada
CEO, SiMPACT Strategy Group
Toronto, January 2025

**Currency in Canadian dollars