

# Statement of Verification

## Introduction

Stantec Consulting Ltd. (Stantec) was contracted by BMO Financial Group (BMO) to conduct an independent third-party verification of a selection of their 2024 reporting year<sup>1</sup> greenhouse gas (GHG) assertions (the Assertions) for their facilities located globally.

In this work, BMO was responsible for the collection of activity data used in the calculations, data management, completion of the calculations, preparation of the report that contains the Assertions, and quality assurance and control.

Stantec was responsible for planning and executing the verification to deliver a limited level of verification opinion as to whether the GHG Assertions are presented fairly and in accordance with the verification criteria. Stantec is accredited with the ANSI National Accreditation Board (ANAB), a member of the International Accreditation Forum (IAF), in accordance with ISO/IEC 17029:2019 Conformity Assessment – General Principles and Requirements for Validation and Verification Bodies, ISO 14065:2020 General Principles and Requirements for Bodies Validating and Verifying Environmental Information, and ISO 14064-3:2019 Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements. Stantec's accreditation ID is 0805 issued to Stantec Consulting Ltd.

## Intended User

The results of the verification will be used by BMO for voluntary Corporate Sustainability reporting. The intended users of this statement are BMO, shareholders and the public.

## Verification Objective

The objective of the verification is to assess whether the Assertions (as presented in Table 1) for BMO's 2024 reporting year is accurately prepared in accordance with appropriate criteria.

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<sup>1</sup> The BMO 2024 reporting year is August 1, 2023 to July 31, 2024 for Scope 1, Scope 2 and Scope 3, Categories 6 and 13; and November 1, 2023 to October 31, 2024 for Scope 3, Category 1

## **Verification Boundaries**

The boundaries of the verification include BMO owned or leased banking and financial services operations worldwide, for which BMO has operational control. Details on BMO's boundary and specific site inclusions and exclusions within the Assertions have been provided to Stantec and were found to be satisfactory.

## **Reporting Period**

The verification was conducted for the 2024 reporting year period of August 1, 2023 to July 31, 2024, which is applicable to Scope 1, Scope 2 and Scope 3 Category 6 and 13 GHG emissions. The reporting period for Scope 3, Category 1 GHG emissions is November 1, 2023 to October 31, 2024.

## **Materiality Threshold**

The quantitative materiality threshold was set at 5% for the verification of Scope 1 and Scope 2 GHG emissions combined. The quantitative materiality threshold for the verification of the Scope 3 categories was 10% combined. The materiality was assessed for each GHG Scope. The aggregate total of individual discrepancies (with understatements as negative values and overstatements as positive values) was compared against the Scope 1 and Scope 2 and Scope 3 materiality thresholds identified above. The materiality of qualitative discrepancies was at the discretion of the Verification Body.

## **GHG Assertions**

The GHG Assertions are provided in Table 1.

**Table 1 BMO – Reporting Year 2024 Assertions**

<b>Scope</b>	<b>Parameter</b>	<b>Assertion</b>	<b>Units</b>	<b>Unresolved Immaterial Discrepancies</b>
<b>Scope 1 &amp; 2 Emissions</b>	Scope 1 GHG Emissions	33,090	tCO <sub>2</sub> e	Scope 1 – no identified discrepancies Scope 2 – identified immaterial discrepancies are resolved
	Scope 2 GHG Emissions (location-based)	69,822	tCO <sub>2</sub> e	
	Scope 2 GHG Emissions (market-based)	356	tCO <sub>2</sub> e	
	Total Scope 1 & 2 (location-based)	102,912	tCO <sub>2</sub> e	
	Total Scope 1 & 2 (market-based)	33,446	tCO <sub>2</sub> e	
	Carbon credits retired for Scope 1 & 2	33,446	tCO <sub>2</sub> e	No identified discrepancies
	GHG reductions from renewable energy credit purchased	69,466	tCO <sub>2</sub> e	No identified discrepancies
<b>Scope 3 Emissions</b>	Scope 3, Category 1 GHG Emissions (Purchased Goods and Services GHG Emissions)	658,151	tCO <sub>2</sub> e	No identified discrepancies
	Scope 3, Category 6 GHG Emissions (Business Travel)	18,820	tCO <sub>2</sub> e	
	Scope 3, Category 13 GHG Emissions (Downstream Leased Asset GHG Emissions)	2,453	tCO <sub>2</sub> e	
	Carbon credits retired for Scope 3 Category 6	18,820	tCO <sub>2</sub> e	
	Fuel Consumption	169,520	MWh	

Scope	Parameter	Assertion	Units	Unresolved Immaterial Discrepancies
<b>Energy Consumption</b>	Electricity Consumption	328,062	MWh	No identified discrepancies
	Steam and Chilled Water Consumption	1,395	MWh	
	Electricity, Steam and Chilled Water	329,457	MWh	
	Renewable Energy Certificates (RECs) purchased	328,062	MWh	
	Global electricity use procured from renewable sources	100%	%	
<b>Scope 1 &amp; 2 GHG Intensity</b>	Scope 1 & 2: GHG Emissions per Full-Time Equivalent (FTE) Employee (Location-Based)	1.92	tCO <sub>2</sub> e/FTE	No identified discrepancies
	Scope 1 & 2: GHG Emissions per FTE Employee (Market-Based)	0.62	tCO <sub>2</sub> e/FTE	
	Scope 1 & 2: GHG Emissions per Square Meter (Location-Based)	0.06	tCO <sub>2</sub> e/m <sup>2</sup>	
	Scope 1 & 2: GHG Emissions per Square Meter (Market-Based)	0.02	tCO <sub>2</sub> e/m <sup>2</sup>	

## Verification Criteria

Stantec has conducted sufficient and appropriate procedures to express a **limited level of verification** opinion as to whether the Assertions for the 2024 reporting year as quantified by BMO satisfies the requirements of the following criteria:

- ISO 14064-1: 2018 Greenhouses Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD), *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (Revised Edition), March 2004
- WRI/WBCSD, GHG Protocol Scope 2 Guidance: An Amendment to the GHG Corporate Standard, January 2015
- WRI/WBCSD, Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011
- WRI/WBCSD, Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions (Version 1.0), Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, 2013

## **Verification Standards**

The verification was conducted in accordance with:

- ISO 14064-3:2019, Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.
- ISO 14065:2020, General principles and requirements for bodies validating and verifying environmental information.
- ISO/IEC 17029: 2019, Conformity assessment – General principles and requirements for validation and verification bodies.
- International Accreditation Forum Mandatory Document for the Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes: Issue 2 (IAF MD4:2023).

## **Verification Procedures**

BMO provided Stantec with documentation and data supporting the Assertions. Stantec completed a desktop review of the Assertions along with supporting information, including a risk assessment to inform the development of a detailed Verification and Sampling Plan. Verification and sampling procedures, including the risk assessment and sample size, were updated throughout the course of the verification. Verification activities conducted by Stantec included but were not limited to:

- Review of GHG emissions sources, data management procedures and BMO's boundaries.
- Review of GHG data and overall contribution of sources to the Assertions to identify potential outliers.
- Review of invoice volumes and fuel characteristics from supplier for consistency with the data used in calculations.

- Review of estimation methods where energy use intensity was used for sites without third-party consumption data.
- Review of quantification methods (including the appropriate use of equations, higher heating values and emission factors) for consistency with criteria.
- Recalculation and reaggregation of GHG Emissions and Assertions, Annual Energy Use, and GHG Emissions Intensity.

## **Verification Opinion**

Based on the processes and procedures completed, there is no evidence that BMO's stated Assertions for the 2024 reporting year are not, in all material respects, fairly stated in accordance with the criteria noted herein.

## **Verifier's Independence, Impartiality, and Competence**

Stantec provides this conclusion as an independent third-party verification body. Prior to entering into a verification agreement Stantec assesses for any real, potential, or perceived conflict. Stantec continues to monitor for compromised impartiality throughout the engagement.

Stantec provides this statement to BMO in accordance with our terms of agreement. We consent to its public release. Because of the inherent limitations in any verification, Stantec accepts no responsibility by use of a third party. Stantec has undertaken all assignments in its role as an environmental engineering consulting firm using professional effort consistent with ISO 14064-3. Stantec has assessed the 2024 reporting year Assertions for BMO using reasonably ascertainable information. The assessment represents the conditions in the subject area at the time of the assessment. Stantec did not conduct direct GHG emissions monitoring or other environmental sampling and analysis in conjunction with this verification statement.

### **Stantec Consulting Ltd.**

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