

# BMO Financial Group: Our Environmental Policy

April 2008

BMO Financial Group is committed to the principles of sustainable development and, in particular, to the belief that the quality of our lives improves when economic growth is integrated with respect for the environment.

As a North American financial services company, we acknowledge that our actions affect the environment directly in terms of our own operations, and indirectly through our procurement practices and the products and services we provide to our customers. We are committed to minimizing the impact of our operations on the environment and to demonstrating leadership by integrating environmental considerations into our business practices.

This Policy sets out our approach to ensure we honour this commitment.

## Scope

This Policy applies to our global business operations and, specifically to the environmental impacts arising from:

1. Our business operations;
2. Our procurement of products and services; and
3. The design and provision of our own products and services.

## Policy Content

Specifically, we commit to:

- Ensure that we are compliant with all environmental legal requirements pertaining to the countries in which we operate;

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- Conform to the standards set out in the Equator Principles ([www.equator-principles.com](http://www.equator-principles.com)), the United Nations Environment Programme “Statement by Financial Institutions on the Environment and Sustainable Development” ([www.unepfi.org](http://www.unepfi.org)) and any other environmental standards to which we subscribe;
  - Minimize the environmental impacts of our business operations through best practice management of our use of energy, transportation, material consumption, water use, waste, emissions and effluent;
  - Consider the environmental performance of our suppliers and the environmental attributes of products and services during the procurement process;
  - Ensure that in the lending process, environmental risks associated with credit and counterparty transactions are identified, analyzed, managed and mitigated to the extent reasonably possible. This is taken into account before lending approval and is underpinned by internal policies and guidelines. Where appropriate, specific measures to manage or mitigate environmental risks may be required as a condition of lending;
  - Investigate and pursue opportunities to develop new products and services that may help to achieve the objective of sustainable development;
  - Establish, and periodically review objectives and targets in the pursuit of continual improvement in our environmental performance and ongoing prevention of pollution;
  - Raise employee awareness and engage employee creativity and enthusiasm with respect to implementing and enhancing our environmental policies, guidelines, programs and initiatives;
  - Maintain open lines of communication with our stakeholders with respect to environmental issues and take into consideration their concerns and suggestions;
  - Support, through community donations and sponsorships, the promotion of environmental initiatives undertaken by external groups and organizations;
  - Conduct periodic audits, both internally and externally, to ensure adherence to our established environmental processes; and

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- Report publicly on our environmental performance through ongoing channels, such as the company website (www.bmo.com), and on an annual basis within our Corporate Responsibility Report and Public Accountability Statement, and Annual Report.

## Policy Governance

**President & Chief Executive Officer, and Senior Executive Team** will:

- Endorse this Policy and related implementation procedures; and
- Review progress and achievement with respect to environmental performance.

**Head of Corporate Responsibility** will:

- Coordinate the development and maintenance of an enterprise-wide strategy to fulfill BMO's overarching environmental responsibilities; and
- Assist in the coordination of communication with, and reporting to, BMO's stakeholders on matters relating to environmental performance.

**Head of Environmental Sustainability** will:

- Establish meaningful environmental programs, objectives and targets with respect to business operations; and
- Coordinate the development and maintenance of an environmental management system to manage the environmental impacts arising from BMO's operations;

**Operating Groups** will:

- Ensure that appropriate operating procedures are in place to support the requirements of this Policy and associated implementation activities.

**Procurement and Strategic Sourcing** will:

- Coordinate the implementation of sustainable procurement practices.

**Corporate Real Estate** will:

- Coordinate the implementation of environmental programs, objectives and targets specific to BMO's physical premises.

**Corporate Responsibility Committee** will:

- Act as a cross-organizational consultative body on matters relating to environmental performance and the setting of new objectives and targets.