Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of $589 billion and more than 46,000 employees as at October 31, 2014, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers. We serve more than seven million customers across Canada through our Canadian retail arm, BMO Bank of Montreal. We also serve customers through our wealth management businesses: BMO Nesbitt Burns, BMO InvestorLine, BMO Private Banking, BMO Global Asset Management and BMO Insurance. BMO Capital Markets, our investment and corporate banking and trading products division, provides a full suite of financial products and services to North American and international clients. In the United States, BMO serves customers through BMO Harris Bank, based in the U.S. Midwest with more than two million retail, small business and commercial customers. BMO Financial Group conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

For Cautionary Statement Regarding Forward-Looking Information, please see attachment entitled "CDP 2015 - FLI Statement.pdf".

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Nov 2013 - Fri 31 Oct 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Australia
Barbados
Brazil
Canada
China
France
Germany
Gibralter
India
Ireland
Luxembourg
Mexico
Netherlands
Portugal
Singapore
Switzerland

Select country
United Arab Emirates
United Kingdom
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD ($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.
If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Forward Looking Information Statement attached.

Attachments

https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC0.Introduction/CDP 2015 - FLI Statement (BMO).pdf

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The BMO Sustainability Council (SC), comprised of senior leaders, provides guidance and insight on environmental, social and governance (ESG) matters. Members of the SC include executives representing each business (e.g. Retail Banking, Capital Markets, and corporate area (e.g. Real Estate, Human Resources). The Council meets every quarter.
The Chair of the SC is General Counsel for BMO, a direct report of the CEO and a member of BMO's Management Committee (MC). Our Board of Directors is responsible for enterprise-wide oversight and governance, and a number of our Board committee mandates include addressing ESG matters. For example, the Audit and Conduct Review Committee reviews reports on ESG issues. Any issues requiring escalation are brought to the MC. Further issues may be escalated to the Board, at the discretion of the CEO and depend on materiality.

The BMO Sustainability Working Group (WG) is comprised of leaders from each group represented on the SC. The WG was established to support the management/execution of enterprise-wide ESG issues and initiatives.

As a service provider the vast majority (91%) of our carbon footprint is driven by emissions from the buildings that we occupy. The remaining amount is a result of business travel by our employees. The direct and indirect aspects of climate change are managed internally by two different groups. The direct impacts are managed by the Environmental Sustainability (ES) group. Led by the Director of ES, this group is responsible for measuring, evaluating and providing guidance and direction to manage our operational foot print. The Director of ES reports to the Senior Vice-President responsible for Corporate Real Estate. Both of these individuals sit on the Sustainability Council. The indirect impact of climate change (the impact our business activities may have) is managed by the Environmental, Social and Governance (ESG) Group. This group is led by the Director of ESG, who sits on the SC and reports directly to the Senior Vice President, Deputy General Counsel, Corporate Affairs & Corporate Secretary.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Environment/Sustainability managers	Monetary reward	Emissions reduction project Energy reduction project Behaviour change related indicator	Aligned with the position mandate, decisions relative to monetary compensation in the form of incentive pay awarded, are influenced by these elements as part of the annual process.
Facility managers	Monetary reward	Energy reduction project Efficiency project	Aligned with the position mandate, decisions relative to monetary compensation in the form of incentive pay awarded, are influenced by these elements as part of the annual process.
Corporate executive team	Recognition (non-monetary)	Emissions reduction target Behaviour change related indicator	BMO's Sustainability Council includes a number of senior executives who are recognized for their participation efforts and ability to influence change within their various operating groups.
All employees	Recognition (non-monetary)	Behaviour change related indicator	Employees participate and are recognized in many ways. Employees who participate voluntarily as "Environmental Ambassadors" are recognized periodically via our internal employee recognition system for employee lead events and raising general awareness with

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			their colleagues. All employees have the opportunity to participate in many aspects of our sustainability efforts (e.g. waste reduction, reduced consumption of materials, etc.) and we recognize their efforts in general, realizing that they are critical to the success of our program. Vehicles for this type of recognition are varied and can be internal (intranet banners) or external (reference in press release - e.g. BMO's achievement for Carbon Neutrality).
Corporate executive team	Monetary reward	Efficiency target	Executives at the business group level are measured on the profitability of their areas of accountability. Contributing to the decisions relative to incentive compensation are contributions to productivity challenges and more specifically, the ongoing control over expenses. Reducing employee travel for business purposes (e.g. commercial air travel) is one example of how the focus on expense reduction contributes positively to BMO's reduction in GHG emissions.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Sporadically, not defined	Other committee	Australia Barbados Brazil Canada China France Germany Gibraltar India Ireland Luxembourg Netherlands Portugal Mexico Singapore Switzerland United Arab Emirates United Kingdom United States of America	Unknown	We do not disaggregate climate change risk from others applicable to our organization. At the point that climate change on its own becomes material, we would elevate to the relevant risk officers, then the Risk Management Committee chaired by the chief risk officer and it would be at their discretion whether this was escalated further.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

From a risk management perspective, we consider the indirect impact of climate change; specifically the extent to which our clients' exposure to climate change and associated regulation may affect us. At the company level, the Environmental, Social and Governance (ESG) group is responsible for identifying indirect risks related to the effects of climate change. These risks are monitored as part of the regular sustainability issues monitoring that takes place at a minimum annually, and more frequently if needed. This is done by monitoring regulatory developments and their likelihood of occurrence through the review of literature (policy, legal opinion, research); participating in industry groups &/or conferences discussing the impacts of climate change; engaging with stakeholders and benchmarking ourselves against best practice organizations.

At an asset level, risks associated with climate change fall within the category of credit and counterparty risk. BMO's credit risk management begins with our experienced professional lending and credit risk officers, who operate in a dual control structure to authorize lending transactions. When evaluating clients, we consider all risks in an integrated fashion as applicable; however, specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. We seek to understand the borrower's climate change adaptation and mitigation strategies. We assess: - Whether the borrower monitors and reports their greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting; - The extent of the borrower's overall greenhouse gas emissions; - Whether the borrower has a carbon mitigation plan, how it is being implemented and whether their Board of Directors was involved in its development; and - The borrower's preparedness to deal with any potential regulatory requirements regarding greenhouse gas emissions.

CC2.1c

How do you prioritize the risks and opportunities identified?

At the company level, the information gathered is then distilled to determine the impact to our business and in collaboration with the potentially affected areas, a determination of materiality (against other issues and priorities) is made. With respect to climate change; if the risk is material, meaning that it would have a negative impact on a company's operating leverage such that they would be unable to meet their financial commitments to us, a mitigation plan is put in place. Regardless of level of materiality, reporting on climate change issues is provided to the bank's Sustainability Council at the regularly scheduled meetings (quarterly).

At the asset level, the output of our client evaluation/process (described above) is our credit risk profile which feeds into our overall risk reporting and quarterly disclosure directed at key stakeholders including the Board, Regulators, and the Investor Community.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

(i) While BMO Financial Group (Bank of Montreal) does not operate in an emissions intensive industry, we understand our direct impact on climate change and are actively managing it. Our Guiding Principle is: "We aim to deliver top-tier shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work."
Our strategic vision is "To be the bank that defines great customer experience" and our organization competes in a changing world. It's changing because people are reassessing their idea of value. They want the freedom to do their banking everywhere and they expect a higher standard of social responsibility from companies

than ever before. Our message in this regard is consistently communicated both internally and externally through a variety of medium. Internally, we use regular communication from our CEO via intranet and targeted email communications, and business groups are measured based on performance targets. Externally, we disclose information about our strategic direction and on-going results by way of regular press releases, on our website, and annually in Annual Reports and Environmental, Social and Governance Report.
(ii) We also see the opportunity to differentiate our organization, potentially resulting in additional brand recognition/profitability, by offering new products/business services relating to climate change and providing financing solutions to assist our customers in reducing their environmental impact. BMO has been very active in supporting our institutional clients' development of renewable energy. In FY2014 BMO made $2.3b in lending commitments and advised on $2.8 b in equity and debt financing in the renewable energy sector. On the retail side, we provide opportunities for customers to do their banking from wherever they are (online, mobile). In addition to our sustainable mutual fund offerings, we have a mortgage product that rewards energy efficient characteristics of the home with a lower mortgage rate for the term of the mortgage.
(iii) The most important component of our short term strategy that has been influenced by climate change relates to our focus on carbon emissions reduction activities concerning our own operations. We believe it is important to “walk the talk” and as such have been extremely focused on reducing our operational footprint as a starting point. Emissions from the buildings that we occupy represent 91% of our footprint, with the majority of the balance attributed to business travel by employees. As one of the organization's priorities is controlling operating costs, energy consumption, the associated costs and reduced emissions are all key factors, particularly as we expect that energy costs will continue to increase and fossil fuel based resource availability comes under pressure.
Operationally we continue to focus on improving our practices. From a standards perspective, we have developed, documented and are now executing and governing retail and office build-outs to meet aggressive performance specifications. The revised office standards, which now include branding, functionality and sustainability elements have been communicated across the various business groups and are used to guide floor refresh activities.

In addition to work we do on building standards, our membership in industry groups supports the voices seeking clarity around the need for coordinated progress and incentives on managing climate change. This is done particularly through the United Nations’ Environment Program Finance Initiative.

(iv) The most important components of our long term strategy, influenced by climate change build on our short term goals. We intend to remain extremely focused on energy costs and the diminishing supply of fossil fuel based resources while at the same time continuing to look for opportunities, from both our own and our customers’ perspective, in the area of alternative/renewable energy sources. We will also be monitoring the changes to the regulatory environment which may provide additional opportunities to enter new markets from a trading perspective.

(v) In our primary markets a climate strategy does not necessarily provide a strategic advantage. However, BMO is well positioned with a clear strategy, and a brand promise common to every business. As we reach important milestones our aspirations remain ambitious. We take Corporate Governance seriously and are proud that BMO ranks among the top companies in Canada for governance. Our internal focus on the reduction of operating costs relating to energy consumption has contributed to both the bottom line and to BMO’s reputation as an organization that considers climate change important.

vi) BMO achieved enterprise-wide carbon neutrality in August 2010. Our most substantial business decision is ensure that we remain carbon neutral. Despite pressures allocate resources elsewhere and although we’ve grown our business substantially in the United States, we’ve maintained our carbon neutral status. We did this by reducing emissions related to business travel by employees and energy use in the buildings we occupy; purchasing electricity from renewable energy sources; and purchasing carbon credits to offset the remaining emissions.

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

Since 2008, BMO has been monetizing the value of carbon emissions savings (based on an internally established price of carbon) and including the benefits as part of every significant energy related business case.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Climate finance	Support	Our subsidiary F&C Management Ltd. has engaged extensively with policymakers both directly and through its membership of the Institutional Investors Group on Climate Change (IIGCC). In 2014 one of their activities focused on supporting an investor statement on green bonds.	Investors supporting more robust and transparent green bond standards.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Institutional Investors Group on Climate Change	Consistent	Calling for clear consistent climate change policies in order to promote an orderly transition to a low carbon economy.	Representation from our subsidiary, F&C Management Ltd. on the Board, participating actively in policy work.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

No

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

BMO personnel participates as a subject matter expert and international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 - Environmental Management Systems (EMS). BMO supports participation in both international and national meetings related to the revision process for the ISO 14001 EMS standard, which is aimed at improving organizations' environmental performance. As such, BMO provides a service to both Canada and the extended international community and supports actions to provide organizations of any size with a common framework, built on international consensus, upon which they can build robust, credible and reliable management systems.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

BMO's participation as an international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 (Environmental Management Systems) is closely aligned with the Environmental Sustainability group's mandate and the organization's general focus on energy and cost reduction. As an organization that has publicly announced and achieved both Carbon Neutrality and absolute emissions reduction targets, the ISO 14001 framework is very much aligned with our internal focus on energy practices specifically and climate change implications in general. The establishment of and tracking against specific targets and adoption of ISO 14001 for Environmental Management System implementation are examples of processes for direct activities that align with policy, relative to the initiative identified.

CC2.3i

Please explain why you do not engage with policy makers

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

BMO's board has not developed a position or offered formal support of an international agreement on climate change. While certain environmental issues fall within the mandates of certain committees of the board, BMO's Sustainability Council, a management level body with representation by corporate areas and business groups, is ultimately responsible for matters relating to the integration of BMO's environmental commitments and engaging with the board when necessary.

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.

In 2008, we updated our Environmental Policy and developed an enterprise-wide action plan to make our environmental commitment come to life. Even in the absence of a global agreement, we continue to set and achieve emission reduction targets, invest in renewable energy, work with our clients to develop new products/services, and provide financing to the renewable energy sector. Not just because it's the right thing to do, but because it makes sense for our business.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2+3	100%	100%	2014	225159.75	2014	Successfully maintained enterprise-wide carbon neutrality goal which was originally achieved in fiscal 2010. Note that for the purposes of this target, fiscal 2014 is quoted as both the "base year" and "target year" and "base year emissions" reflect total Scope 1+2+3 emissions.
Abs2	Scope 1+2+3	100%	10%	2012	220426.59	2017	Using the FY2012 emissions as our new baseline – reduce enterprise carbon emissions resulting from energy use and business transportation, over which BMO has direct control, by 10% - to be achieved by the end of Fiscal 2017. For the purposes of tracking against this target, BMO will normalize the impacts of weather and emissions factors changes vs. the base year emissions of FY2012 to arrive at the annual measure for adjusted absolute emissions. This provides us with an indication of the progress against those factors over which we have direct control.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	100%	Achieved/maintained. In August 2010 BMO publically announced that it had achieved its Carbon Neutrality goal, through a combination of consumption reduction activities, the purchase of renewable electricity (Renewable Energy Certificates) and the purchase of high quality voluntary carbon offset credits. In fiscal 2014, we successfully maintained this ongoing goal.
Abs2	40%	2.0%	Absolute emissions, normalized to exclude the impacts of weather and emissions factors changes, have decreased by 2.0% as at the end of FY2014 vs. our FY2012 baseline. While initiatives focusing on lighting, building envelope and HVAC systems yielded emissions reductions, they have been somewhat offset by changes in output and other factors. We continue to focus on real consumption and their related emissions impacts as we progress toward our 5 year target.
Int1	40%	31.0%	With a reduction of 0.15 tCO2e per FTE realized, versus the target of 0.5 tCO2e, we are currently tracking at a 31.0% reduction rate versus the base year of FY2012. BMO uses emissions for Scopes 1, 2 & 3 for this target. Emissions, normalized for weather and changes to emissions factors decreased versus FY2012 baseline by 2% while total employees increase by approximately 1.1% over the same period.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

Green products - In order to promote energy efficiency and sustainable living, BMO introduced the BMO Eco Smart Mortgage. The mortgage is designed to encourage and reward Canadian homeowners looking to reduce their energy usage and save on household operating expenses. To qualify for the BMO Eco Smart Mortgage, a home must meet the requirements outlined in the BMO Eco Smart Mortgage checklist as confirmed by a third party appraiser (or energy auditor) arranged by BMO.

i) How the emissions are/were avoided;
BMO customers implement energy savings in their homes in order to qualify for the Eco Smart Mortgage. Examples include installation of Energy Star rated windows/doors, upgraded insulation, high efficiency heating/air conditioning systems etc., all aimed at reducing the consumption of energy by the homeowner. Scope 1 and Scope 2 emissions avoided by 3rd party.

ii) An estimate of the amount of emissions that are/were avoided over time;
Not available.

iii) Methodology, assumptions, emission factors and GWPs (if figure given in CO2e) used for the estimations;
Not applicable – estimates not available.

Electronic Banking - BMO Financial Group also offers electronic banking services which allow customers to consume fewer resources and reduce their carbon footprints. These services allow customers to complete banking transactions online, transfer funds electronically, view/pay bills and opt out of receiving paper statements (e.g. view statement details electronically).Our online services provide customers with electronic alternatives, thereby avoiding travel to BMO branch locations, facilitating reductions in their carbon footprint.

i) How the emissions are/were avoided;
Our online services provide customers with electronic alternatives, thereby avoiding travel to BMO branch locations, facilitating reductions in their carbon footprint. Scope 1 or Scope 3 emissions avoided by 3rd party, potentially offset by marginal increase in Scope 2 emissions for technology use.

ii) An estimate of the amount of emissions that are/were avoided over time;
While quantifying customers' carbon emissions savings relative to travel avoided is difficult, we can estimate the impacts of paperless account statements. For those customers currently opting to view their account information electronically, we estimate the annual emissions reductions to be about 5 tonnes CO2e per year, versus the baseline established as fiscal 2008.

iii) Methodology, assumptions, emission factors and GWPs (if figure given in CO2e) used for the estimations;
Calculations have been completed using the Environmental Paper Network's online Paper Calculator v3.0, using the weight and delivery frequency of those paper statements avoided. The calculator has built into it the relative emissions factors and global warming potentials.

CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	301	925.00
To be implemented*	241	2779.60
Implementation commenced*	102	1242.30
Implemented*	73	2297.90
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Continuation of implementation of building automation systems (BAS) technologies within retail branches in Canada. Implementations for FY2014 were aligned with renovation activities planned for select branches in the network. BAS systems controls include interior lighting, exterior signage and heating/air conditioning (HVAC) infrastructure. Business rules are created to align energy usage with functional usage of the space to ensure that non-essential interior lighting is extinguished during non-business hours and HVAC systems/temperatures are “set back” during non-occupied hours. Savings relate to reduced energy consumption and savings from reduced service calls to branches as many issues can now be solved remotely, thereby avoiding the costs of vendor site visits. For owned facilities, reductions impact Scope 1 and Scope 2 and for leased	214.22	Scope 1 Scope 2 Scope 3	Voluntary	261429	915000	4-10 years	11-15 years	This initiative covers 20 installations for building automation system technologies in Canada, completed during the fiscal period.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.								
Energy efficiency: Building services	Lighting, HVAC and controls upgrades made at various facilities in Canada and the United States. This is part of the ongoing program focusing on energy retrofits. For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.	1966.55	Scope 1 Scope 2 Scope 3	Voluntary	348398	1045109	4-10 years	11-15 years	This initiative covers a total of 43 separate projects for facilities in Canada and the United States, completed during the fiscal period.
Energy efficiency: Building services	Ongoing program within our critical facilities environments focusing on the upgrades such as; fans and motors (to variable frequency drive units), compressors, cooling tower filtration systems, chiller infrastructure, lighting, etc. Savings result from the decreased use of electricity (and reduced emissions) to run the equipment as well as reduced maintenance costs as the cooling equipment is not subject to the same demand. For activities undertaken this fiscal year for owned facilities, reductions impact Scope 2. This activity is voluntary.	80.01	Scope 2	Voluntary	50126	522092	4-10 years	16-20 years	This initiative covers a total of 4 major projects completed during the fiscal period.
Energy efficiency:	Program based activities focused on energy efficiency improvements to	37.12	Scope 1	Voluntary Mandatory	23403	979469	>25 years	21-30 years	This initiative covers a total of 6

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Building fabric	building envelopes for facilities (e.g. window film, roof, windows/doors). For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This is a voluntary activity.		Scope 2 Scope 3						major projects completed during the fiscal period.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Annually, we set aside a specified capital amount which is used to fund energy efficiency activities across the enterprise.
Dedicated budget for other emissions reduction activities	As an organization committed to carbon neutrality (achieved in 2010), we recognize that achieving this goal annually is dependent on funding other emission reduction activities such as the purchase of renewable energy and carbon offsets. BMO specifically budgets for these expenditures on an annual basis.
Employee engagement	Employee engagement continues to be a key element in our overall strategy to reduce emissions across the organization. Our Environmental Ambassadors (employee volunteers) act as champions in the field to promote our sustainability efforts. Our employees participate in driving down emissions by promoting behavioural change and also provide ideas to the Sustainability Office for deployment consideration on a broader basis. BMO invests annually in internal communication support media (e.g. intranet, newsletters, etc.) to support employee engagement efforts.

Method	Comment
Financial optimization calculations	As an organization (financial institution) with access to capital, we have the opportunity to move beyond normal capital restrictions where there is a positive impact from a "cash flow" perspective on the annual expense line. We regularly assess initiatives using this cash flow basis or life-cycle approach which allows for extended ROI projects to be approved.
Internal price of carbon	Since 2008, BMO has been monetizing the value of carbon emissions savings (based on an internally established price of carbon) and including the benefits as part of large initiative energy related business cases.
Lower return on investment (ROI) specification	There are a variety of means by which we determine whether emissions reductions initiatives receive funding. While not the only reason, ROI specification is one of them. We do look at extended ROI for owned assets, particularly in the case of real estate assets where there is an expectation that we will occupy beyond the short term.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

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	Status	Page/Section reference	Attach the document
In mainstream financial reports in accordance with the CDSB Framework	Complete	MD&A, BMO Financial Group 197th Annual Report Fiscal Year 2014, p 80	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC4.1/bmo_ar14_mda.pdf

Publication	Status	Page/Section reference	Attach the document
In voluntary communications	Complete	Pg 28-29, 43	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC4.1/BMO_ESG_PAS2014en.pdf
In voluntary communications	Underway - previous year attached	Pg 7-8, 15-16	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC4.1/BMO 2014 Corporate Responsibility Report.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Increases in fuel/energy taxes and regulations in North America, where we are primarily based. How this could affect BMO specifically: Such increases may result in additional operating costs for the use of electricity and/or natural gas as consumed in our real estate premises occupied.	Increased operational cost	1 to 3 years	Direct	Likely	Low	This could result in increases to our overall fuel costs and impact our overall operating costs. Our fiscal 2014 reported operating costs totalled approximately $10.9 billion, with less than $100 million relating to annual energy costs. In the event of increased taxes on energy due to regulation in the range of 5% to 10%, our on-going operating costs could be impacted by up to $10 million.	We continue to actively monitor the regulatory landscape for new fuel/energy taxes and regulations. As any increase in costs resulting from fuel/energy taxes and regulation would increase our operating costs, we continue to actively manage energy costs on a regular basis. We have undertaken some very specific measures to hedge against price escalations and/or measures to continually drive down consumption. For facilities, in specific areas of North America where opportunities exist, we have entered into bulk fuel/electricity purchase contracts at the wholesale level to insulate the organization against price increases. In addition, we continue to concentrate our efforts on consumption reduction efforts, focusing on retrofits to building envelope, HVAC systems and lighting, as a way of reducing our on-going	From a cost to manage perspective, there is zero additional cost/effort required to keep abreast of the potential regulatory changes as this is a function of our current risk management process. There is also zero additional cost associated with our efforts to drive down consumption, as this is an ongoing focus of our Corporate Real Estate group.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								operating costs, as well as emissions. We continue to act on the energy audit reports (commissioned for approximately 33% of our retail facilities in Canada and the United States) and forecast energy consumption/cost savings of between 15% - 20% annually when all recommended actions are completed.	
Carbon taxes	Introduction of / increased regulation around emissions reductions in the form of carbon taxes for our clients operating in emissions intensive industries. How this could affect BMO specifically: Regulation in the form of carbon taxes may increase these clients'	Other: impact on credit risk profile	Unknown	Indirect (Client)	Unknown	Low	Although we do have some clients in jurisdictions that impose carbon taxes, we have not isolated the potential financial implications associated with this risk.	The credit risk arising from potential carbon taxes imposed on our clients is captured within our enterprise wide risk management framework. Specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. In addition to other factors mentioned earlier, we assess: (a) whether the borrower monitors and reports its greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting;	There is zero additional cost to manage this risk as it is within the context of our existing risk management framework.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	operational costs, which could put financial pressure on their ability to repay loans or meet other financial commitments they have with us.							(b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding greenhouse gas emissions.	
Product efficiency regulations and standards	Introduction of building regulations concerning energy efficiency. While not currently regulated in North America, there is clearly a move towards a variety of voluntary rating systems such as LEED, BOMABest, Energy Star,	Increased capital cost	1 to 3 years	Direct	More likely than not	Low	As we occupy approximately 20.0 million square feet of real estate, the introduction of building regulations related to energy efficiency could result in additional capital costs for our organization. We estimate these to be	For owned assets, this risk is managed as part of our normal construction/renovation activities and we would incorporate any new standards into the process as and when they are introduced. For leaseholds, the risk is managed by our portfolio management group, responsible for negotiating new leases.	We would expect zero additional costs as any new regulation is likely to be forward looking with the current building stock to be addressed over time.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	etc. How this could affect BMO specifically: As a financial institution occupying office space, future regulation related to energy efficiency in buildings could result in additional capital costs for our organization.						upwards of 3% more than our existing cost base. We view the move to making buildings more efficient as a positive step and while there may be upward pressures on capital costs to build there would also likely be downward pressures on our ongoing operating costs.		

CC5.1b

Please describe your inherent risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average)	Changes in mean (average) temperature (e.g.,	Increased operational cost	>6 years	Direct	Very likely	Low	Heating or cooling energy	Over the past couple of years, we have begun	The costs associated with tracking

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
temperature	hotter summers, colder winters) have the potential to impact BMO's operations, which are primarily North American based. How this could affect BMO specifically: Hotter summers and colder winters would result in: • increased energy consumption such as electricity and natural gas in facilities occupied • shorter life-span of heating, ventilation and air conditioning (HVAC) equipment, which could be operating well beyond normal design parameters. This might result in us having to invest in upgrading or replacing the equipment before current projected end-of-life.						consumption can increase by 5% for every degree decrease or increase, respectively, in mean (average) outdoor temperature. For example, 1- to 3-degree Celsius change in mean outdoor temperature could potentially translate into $5 - $10 million increase in energy-related operating costs. Also, changes in mean temperature could shorten the life-span of HVAC systems. With a	to track the weather data for those large urban centres in North America where BMO Financial Group facilities are predominantly located. Currently, we collect and analyze weather data for about 104 and 82 weather monitoring stations in Canada and United States, respectively. We source this weather data from Environment Canada and US National Aeronautics and Space Administration (NASA). Weather data includes, but is not limited to, minimum, mean, and maximum daily	changes to average mean temperatures are zero as it is part of the activities performed by the Environmental Sustainability group during the completion of carbon emissions calculations.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							current end of life cycle of 15 - 20 years for HVAC systems, change in mean temperature could translate into a 1.5 – 2.0 year reduction in the useful life of these assets, resulting in an annual cost of 10% for HVAC equipment.	temperatures as well as heating degree days (HDD) and cooling degree days (CDD). Weather normalization techniques, which involve statistical processes such as regression analysis, are used to factor out the variations in temperatures or degree days. Weather-normalized utility consumption data is used to manage, benchmark and/or forecast the energy performance and emissions reductions of BMO's portfolio of facilities.	
Change in temperature extremes	Change in temperature extremes may result in interrupted supply	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications	To manage the risks, all units develop business	The costs associated with these actions are

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. In addition, critical systems in the financial sector (e.g. payment, clearing and settlement systems, ACH) have a high degree of interdependency with critical infrastructure in the energy/ electricity, telecommunications, information technology, and transportation sectors. Prolonged disruptions of critical infrastructure sectors due to						of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based on geographic locations; cost of energy, as well as the state of our physical infrastructure, including technology.	continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	part of our ongoing business continuity planning and are not considered to be incremental.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	severe weather events or failure to replace aging infrastructure due to economic pressures, combined with rising demand from the increasing concentration of people in major urban centres, point could lead to higher risk. Approximately 99% of BMO's physical real estate occupied is located in North America.								
Change in precipitation pattern	Change in precipitation may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation patterns in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. From a

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical real estate occupied is located in North America.						on geographic locations of facilities occupied.	network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations)	business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Change in precipitation extremes and droughts	Change in precipitation extremes and droughts may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect it to	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation extremes in the	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical real estate occupied is located in North America.						be material to our financial condition. Modelling the financial implications would seem difficult and inaccurate since changes to precipitation extremes and droughts could vary greatly across the geographies in which our facilities are located.	potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	escalate if not addressed right away as mould or decay could be an issue in the future. As a financial institution, our operations are not heavily dependent on water. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Tropical cyclones	Tropical cyclones may result in	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the	Our Business Continuity	Flood remediation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
(hurricanes and typhoons)	interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. This risk would be most prominent for our facilities located in China, and those locations subject to hurricanes in the United States (e.g. Florida, Kansas).						financial implications of this risk but based on current experience, we do not expect it to be material to our financial condition. We believe we have limited direct exposure to this risk as facilities currently located in areas subject to these conditions are minimal.	Management (BCM) team manages this risk by monitoring the trends for extreme weather events in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being	costs could range from $50k-$100k and/or additional costs per unit depending on the severity/type of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								performed (e.g. employees working from home, split operations).	
Uncertainty of physical risks	Physical risks affecting our suppliers. How this could affect BMO specifically: Physical risks affecting our suppliers could ultimately impact not only our own operations but our provision of products or services to our customers as well, depending on the circumstances. We view the range of impacts as follows: (a) minor delay in service or delivery (e.g. if paper supplies are impacted, internal processes and perhaps paper based deliverables to customers could be delayed); (b) supply chain issues resulting in need to switch to alternate	Reduction/disruption in production capacity	3 to 6 years	Indirect (Supply chain)	More likely than not	Low	We have not modelled the financial implications of this risk.	With a relatively diverse supply base we would anticipate the ability to move to an alternate provider with relative ease and at cost competitive pricing. For more significant suppliers/partner relationships, where there is perhaps more risk associated with the failure to perform, we classify and manage these vendors as "high risk". We require the existence and regular testing of supplier's business contingency plans and also request	This is part of our ongoing supplier governance and business continuity planning and does not represent additional cost to the organization.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	supplier which may result in delayed delivery, process workarounds, increased costs and differences in quality of materials (better or worse) and; (c) complete cessation of service or delivery in the short to medium term.							confirmation of annual testing of the BCP plans as part of our annual attestation exercise. In addition, we also ensure that there are plans in place to deal with disruption of service in the event that the supplier or partner encounters issues.	

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Reputational risk associated with climate change may impact us in two areas • Lending and	Other: customer impact, reduced market	Unknown	Direct	Unlikely	Unknown	It is difficult to accurately quantify the financial impact of	Lending and investing: To manage this risk, specific guidelines related to climate	Lending and investing: These activities have no cost as they are within existing

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	investing • Own operations How this could affect BMO specifically: • Lending and investing: Our operations are predominantly in North America where comprehensive regulations related to climate change do not currently exist. As a financial institution, some of our clients are in carbon intensive industries. As such, we face reputational risks as NGOs and other stakeholders may scrutinize our role in lending to and investing in industry sectors of this nature. • Own operations: BMO occupies just over 20 million square feet of real estate and therefore has a relatively large operational carbon footprint. We may face reputational risks if we do not proactively take	valuation					reputation risk however we do value our reputation and strive to protect it in all we do.	change are applied to transactions with clients operating in emissions intensive industry sectors. In addition to other integrated risk factors, we assess: (a) whether the borrower monitors and reports its greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting; (b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding	infrastructure and work plans. Own operations: Costs associated with our ISO 14001 EMS certifications and 3rd party verification of our carbon emissions total less than $75K annually. In addition to the annual capital costs related to on-going conservation efforts, we spend just under $3 million annually on the purchases of renewable energy credits (RECs) and high quality voluntary carbon offset credits.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	steps towards reducing our emissions from own operation.							greenhouse gas emissions. Own operations: We are committed to reducing the impact we have on the environment, including the impact from own operations. The largest contributing factor to that impact – 91% – is the real estate space we occupy. Business transportation by our employees and the fleet of vehicles we own account for most of the balance. If we do not take action towards reducing our emissions from own operations, then we may face reputational risk. In order to manage this risk, we have developed a robust Environmental Management System (EMS) to mitigate the impact of our operations on the environment. Our goal is to	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								achieve continual improvement in our overall environmental performance.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Voluntary agreements	Voluntary standards related to energy efficiency / environment. How this could affect BMO specifically: At BMO, we strive to be a leader in environmental sustainability and choose to lead by	Other: Potential impact is two-fold: Increased employee engagement and positive reputational impact AND reduced operational costs	3 to 6 years	Direct	Very likely	Low-medium	Voluntary agreements support our EMS and derive value as reduction targets are met. Holding emissions factors constant a 10% emissions reduction would result in a 10%	BMO's Environmental Sustainability group oversees the strategic implementation of the ISO 14001:2004 certified EMS	Costs for our ISO 14001certification and carbon emissions 3rd party verification are less than $75k annually. We also invest approximately

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	example in how we measure, manage and set reduction targets to reduce our environmental impact. It is for this reason that we voluntarily implement the independent, internationally recognized standard - ISO14001:2004 for Environmental Management Systems. Adoption of this standard for a number of our facilities provides evidence of our leadership in taking voluntary action with both employees and external stakeholders. Furthermore, voluntary standards such as LEED (Leadership in Energy and Environmental Design) and BOMA (Building Owners and Managers Association) provide us with the opportunity to make more informed choices when selecting real estate facilities for occupancy. This in						reduction in energy operating costs. Based on our current mix of utilities consumption/pricing, a 10% reduction in utilities consumption could translate into savings of between $3.5 million - $4.0 million CAD annually. LEED or BOMA certified facilities are also more energy efficient and result in lower ongoing operating costs.	at our facilities. This group also coordinates the calculation of enterprise carbon emissions, annual verification and carbon neutrality strategy. Annual reporting related to these elements is aligned with our fiscal period in order to align with other external reporting at the enterprise level. BMO manages the procurement of additional building stock through a formal process	$3MM annually on high quality carbon offsets and renewable energy certificates. There is zero additional annual cost associated with our procurement practices as the incorporation of standards based procurement for leased or owned facilities is now embedded in our operating practices.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	turn helps us in reducing energy consumption and the resultant GHG emissions. Our GHG emissions footprint is verified annually by an accredited 3rd party and our carbon neutral commitment/achievement is also voluntary.							which incorporates specific focus on quality standards such as LEED Gold (where appropriate). BMO also participates in a Commercial Building Energy Initiative in the greater Toronto area, which brings together landlords and tenants for the purposes of improving energy efficiency and standards form a part of this ongoing initiative. We have also updated our internal design and construction standards to	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								include performance specifications for the build out of office space in order to achieve additional energy reductions (e.g. 1 watt per square foot for lighting). These measures are expected to contribute to our 10% absolute emissions reduction goal.	
Cap and trade schemes	New emission trading markets How this could affect BMO specifically: BMO Financial Group is a North American based organization with a presence in the global capital markets. Introduction of legislation may present opportunities	New products/business services	3 to 6 years	Direct	Likely	Low	The introduction of legislation that could drive economic incentives or lead to the creation of robust new markets can be viewed as an opportunity by BMO Financial Group. This could	Our current position is to monitor the evolution of cap and trade legislation, primarily in North America, and assess the opportunities	As a global trading organization, there would be costs associated with developing carbon trading capabilities (resources, systems, etc.) however the

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	for participation in new emission trading markets. To date there have been limited opportunities in North America as legislation is just being introduced in certain regions.						result in additional revenues for BMO although to date there has been limited opportunities in North America as legislation is unclear and existing markets are very thin.	for participation in new emission trading markets when there is more certainty.	magnitude of these costs has not been defined at this point. The financial benefits associated have also not been defined at this point. Responsibility for managing this would lie with our Trading Products group.

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Changes in physical climate parameters. How this could affect BMO	Reduced operational costs	Up to 1 year	Direct	Likely	Low	We currently outsource facilities management activities in both Canada and the	In our office towers and other critical facilities (operations centres) we	Costs associated with these energy upgrade opportunities can amount to

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	specifically: As an organization that occupies mainly office space or smaller scale retail space, we are constantly looking for ways to take advantage of changes in physical climate parameters for our buildings. As we construct and retrofit facilities across the enterprise portfolio we attempt to take advantage of opportunities related to changes in natural weather elements. A specific example would include retrofitting our buildings to take advantage of "free cooling". Specifically we bring lower temperature outside air into						United States to third party professionals, the costs of which are not for public disclosure. Energy performance for these facilities has been benchmarked and 5 year capital improvement plans are in place to deal with specific actions and initiatives we can undertake to leverage on-going energy related operating cost reduction opportunities.	continue to actively assess building infrastructure for opportunities to upgrade equipment, retrofit for improved efficiency and refine operating processes to reduce our costs and overall emissions impacts. “Free cooling” is a practice that we have implemented in a number of our facilities across the network. In certain geographic areas, we have also completed bulk energy purchases, at the wholesale level, to proactively manage our costs in the face of rising fuel costs. The costs associated with these actions are part of our on-going energy management	significant dollars (e.g. $2 - $4 million annually), dependent on the scope and volume of projects. We typically observe energy savings in the range of 15% - 20%, again dependent on the scope of the specific initiative. As we are continually focused on reducing on-going operating costs, these activities form part of our existing infrastructure so no significant additional costs are required.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the facility to relieve the electricity demand to cool indoor air (via base building chillers) and reduce operating costs. We also see more conventional building retrofits as ongoing opportunities to take advantage of changing conditions.							focus and are not considered to be incremental.	

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	Employee engagement. How this could affect BMO specifically: BMO's action	Other: Committed and engaged workforce	Up to 1 year	Direct	Likely	Low-medium	BMO's actions with respect to climate change help foster employee engagement. Our	BMO has introduced a number of programs to raise awareness amongst	The annual operating budget for the Environmental Sustainability group includes the

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	relative to climate change and its on-going commitment to absolute carbon footprint reductions and carbon neutrality has had a positive impact on employee engagement. Our on-going focus on energy efficiency initiatives (consumption reduction), investment in renewable energy and purchase of carbon offset credits is the underlying strategy supporting our carbon neutral achievement. We believe that our actions in this regard contribute to attracting new employees to the organization and retention of existing employees.						HR group has provided feedback that new recruits are increasingly looking at the sustainability values of organizations when investigating their employment options. While a direct correlation to retention is not quantifiable, our ability to retain employees provides benefits to the organization which may include intellectual capital retention and hiring/training cost avoidance.	employees and engage them in climate change activities, including but not limited to: - Corporate intranet site specifically focused on BMO's environmental sustainability activities - Environmental ambassadors program where employees volunteer to assist the environmental sustainability group to roll out tactical initiatives and provide feedback from the field - Introduction of electronic pay advices for employees allowing them to opt out of paper statements - Public transit pass program in select cities which encourage the avoidance of transportation emissions -	costs associated with activities to raise employee awareness and the management of our carbon neutrality commitment; these costs are approximately $200k annually inclusive of salary and benefits. The costs of purchasing renewable energy and carbon offsets annually range from $2 - $3 million. Environmental Ambassadors are volunteers and there are zero additional costs for their efforts.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Climate change information contained within our Annual Report, Sustainability Report, Corporate Responsibility Report and external website Carbon Neutrality has been achieved through a primary focus on consumption reduction activities, investments in renewable energy and the purchase of high quality carbon offset credits to fill the remaining gap. The Environmental Sustainability group within BMO has oversight for this program.	
Reputation	Demonstrating leadership by example. How this could affect BMO specifically: BMO attempts to	Increased stock price (market valuation)	Up to 1 year	Direct	Likely	Low	It is difficult to quantify the financial impacts of our climate change and carbon	We transparently report our progress internally to personnel and externally to customers,	There are costs associated with our climate change activities and carbon management

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	maximize shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work. We believe that our efforts to lead by example in measuring, managing, setting reductions to reduce our carbon impacts as well as being transparent about our climate change policies and practices, has positive impact on our reputation with customers and broader stakeholders.						management activities from a reputational perspective as there are clearly other factors that impact our share price. If our actions resonate with stakeholders and customers, this positive reputational impact could result in new customer attraction and contribute to increased revenues.	shareholders and other stakeholders via medium such as CDP, our Annual Report, Sustainability Performance Report, Corporate Responsibility Report, external website and regular news releases as appropriate.	strategy however the marginal costs of these activities are not considered significant and now form part of our annual operating budget.

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Nov 2011 - Wed 31 Oct 2012	20932.55
Scope 2	Tue 01 Nov 2011 - Wed 31 Oct 2012	86853.06

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	0.05061	metric tonnes CO2e per GJ	GHG Protocol - Stationary Combustion (2010) 2006
Distillate fuel oil No 1	0.07077	metric tonnes CO2e per GJ	GHG Protocol - Stationary Combustion (2010) 2006
Distillate fuel oil No 2	0.07391	metric tonnes CO2e per GJ	GHG Protocol - Facilities 2000
Steam	0.14925	metric tonnes CO2e per metric tonne	CANMET Energy Diversification Laboratory 2000
Motor gasoline	0.00229	metric tonnes CO2e per liter	GHG Protocol - Mobile (2013) 2013
Jet kerosene	0.00252	metric tonnes CO2e per liter	GHG Protocol - Mobile (2013)
Other: R-410A	1725.00000	metric tonnes CO2e per metric tonne	IPCC 2000

Fuel/Material/Energy	Emission Factor	Unit	Reference
Propane	0.06007	metric tonnes CO2e per GJ	GHG Protocol - Facilities (2000)
Electricity	798.90190	kg CO2e per MWh	Australia - IEA (2014) 2012
Electricity	642.77410	kg CO2e per MWh	Barbados - IEA (2014) 2012
Electricity	98.17390	kg CO2e per MWh	Brazil - IEA (2014) 2012
Electricity	734.28530	kg CO2e per MWh	China - IEA (2014) 2012
Electricity	69.25420	kg CO2e per MWh	France - IEA (2014) 2012
Electricity	475.40810	kg CO2e per MWh	Germany - IEA (2014) 2012
Electricity	748.51140	kg CO2e per MWh	Gibraltar - IEA (2014) 2012
Electricity	926.09800	kg CO2e per MWh	India - IEA (2014) 2012
Electricity	456.58360	kg CO2e per MWh	Ireland - IEA (2014) 2012
Electricity	340.34080	kg CO2e per MWh	Luxembourg - IEA (2014) 2012
Electricity	453.44450	kg CO2e per MWh	Mexico - IEA (2014) 2012
Electricity	440.69660	kg CO2e per MWh	Netherlands - IEA (2014) 2012
Electricity	363.95910	kg CO2e per MWh	Portugal - IEA (2014) 2012
Electricity	472.47890	kg CO2e per MWh	Singapore - IEA (2014) 2012
Electricity	28.03630	kg CO2e per MWh	Switzerland - IEA (2014) 2012
Electricity	597.27590	kg CO2e per MWh	United Arab Emirates - IEA (2014) 2012
Electricity	479.47830	kg CO2e per MWh	United Kingdom - IEA (2014) 2012
Electricity	827.04000	kg CO2e per MWh	Canada - Alberta - EC (2015) 2013
Electricity	15.14200	kg CO2e per MWh	Canada - British Columbia - EC (2015) 2013
Electricity	3.23520	kg CO2e per MWh	Canada - Manitoba - EC (2015) 2013
Electricity	291.66000	kg CO2e per MWh	Canada - New Brunswick - EC (2015) 2013
Electricity	21.00630	kg CO2e per MWh	Canada - Newfoundland - EC (2015) 2013
Electricity	312.82000	kg CO2e per MWh	Canada - Northwest Territories - EC (2015) 2013
Electricity	693.73000	kg CO2e per MWh	Canada - Nova Scotia - EC (2015) 2013
Electricity	312.82000	kg CO2e per MWh	Canada - Nunavut - EC (2015) 2013
Electricity	76.83000	kg CO2e per MWh	Canada - Ontario - EC (2015) 2013
Electricity	291.66000	kg CO2e per MWh	Canada - Prince Edward Island - EC (2015) 2013
Electricity	2.03520	kg CO2e per MWh	Canada - Quebec - EC (2015) 2013

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	697.04000	kg CO2e per MWh	Canada - Saskatchewan - EC (2015) 2013
Electricity	41.14200	kg CO2e per MWh	Canada - Yukon - EC (2015) 2013
Electricity	574.01974	kg CO2e per MWh	United States of America (eGrid AKGD) US EPA (2014) 2010
Electricity	204.16395	kg CO2e per MWh	United States of America (eGrid AKMS) US EPA (2014) 2010
Electricity	536.55073	kg CO2e per MWh	United States of America (eGrid AZNM) US EPA (2014) 2010
Electricity	278.18119	kg CO2e per MWh	United States of America (eGrid CAMX) US EPA (2014) 2010
Electricity	554.69047	kg CO2e per MWh	United States of America (eGrid ERCT) US EPA (2014) 2010
Electricity	545.12421	kg CO2e per MWh	United States of America (eGrid FRCC) US EPA (2014) 2010
Electricity	606.00903	kg CO2e per MWh	United States of America (eGrid HIMS) US EPA (2014) 2010
Electricity	739.76250	kg CO2e per MWh	United States of America (eGrid HIOA) US EPA (2014) 2010
Electricity	734.74926	kg CO2e per MWh	United States of America (eGrid MROE) US EPA (2014) 2010
Electricity	700.85007	kg CO2e per MWh	United States of America (eGrid MROW) US EPA (2014) 2010
Electricity	330.03519	kg CO2e per MWh	United States of America (eGrid NEWE) US EPA (2014) 2010
Electricity	384.17861	kg CO2e per MWh	United States of America (eGrid NWPP) US EPA (2014) 2010
Electricity	282.94377	kg CO2e per MWh	United States of America (eGrid NYCW) US EPA (2014) 2010
Electricity	608.27179	kg CO2e per MWh	United States of America (eGrid NYLI) US EPA (2014) 2010
Electricity	248.73834	kg CO2e per MWh	United States of America (eGrid NYUP) US EPA (2014) 2010
Electricity	456.78425	kg CO2e per MWh	United States of America (eGrid RFCE) US EPA (2014) 2010
Electricity	743.13961	kg CO2e per MWh	United States of America (eGrid RFCM) US

Fuel/Material/Energy	Emission Factor	Unit	Reference
			EPA (2014) 2010
Electricity	685.61604	kg CO2e per MWh	United States of America (eGrid RFCW) US EPA (2014) 2010
Electricity	864.66940	kg CO2e per MWh	United States of America (eGrid RMPA) US EPA (2014) 2010
Electricity	820.43908	kg CO2e per MWh	United States of America (eGrid SPNO) US EPA (2014) 2010
Electricity	720.10248	kg CO2e per MWh	United States of America (eGrid SPSO) US EPA (2014) 2010
Electricity	468.82600	kg CO2e per MWh	United States of America (eGrid SRMV) US EPA (2014) 2010
Electricity	825.73098	kg CO2e per MWh	United States of America (eGrid SRMW) US EPA (2014) 2010
Electricity	617.36153	kg CO2e per MWh	United States of America (eGrid SRSO) US EPA (2014) 2010
Electricity	633.45072	kg CO2e per MWh	United States of America (eGrid SRTV) US EPA (2014) 2010
Electricity	489.68554	kg CO2e per MWh	United States of America (eGrid SRVC) US EPA (2014) 2010

Further Information

Page: CC8. Emissions Data - (1 Nov 2013 - 31 Oct 2014)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

26041.22

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

83907.16

CC8.4

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

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data gathering/management: 1) Completeness – we still estimate a percentage of our Scope 1 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for Scope 1 facilities/transportation equipment emissions is gathered internally by BMO personnel or via facilities managers (for facilities). 2) Accuracy - there is a degree of risk that data provided by 3rd party providers (facilities managers) is not completely accurate. We rely on the internal controls implemented by our facilities managers and periodically audit their processes to provide a reasonable level of assurance regarding their activities. Data handling: 1) Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation spreadsheets also introduces the risk of error. For internally gathered information, we task one individual to gather and consolidate the monthly data to a spreadsheet record with verification checks performed by separate individuals on a spot check basis. We focus the spot checks on those facilities with the largest consumption in order to mitigate any significant misstatements. We request the same processes be followed for information provided by our facilities managers (e.g. where they have responsibility for utility bill handling for our owned facilities). We attempt to mitigate transposition risk when uploading to the GHG:ID Tool by using automated methods to perform the data loading activities and use check totals, comparing before and after. Data collected from across the enterprise and from 3rd party providers is populated in a data collection template. Any gaps requiring estimation are identified during this process. The populated data collection template is then loaded into the GHG:ID Tool where data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. For internally developed spreadsheet driven calculations, we mitigate these risks by segregating the responsibilities for creation and verification between separate individuals.
Scope 2	More than 2% but less than or equal to 5%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data gathering/management: 1) Completeness – we still estimate a percentage of our Scope 2 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for Scope 2 facilities emissions is gathered internally by BMO personnel or via facilities managers. 2) Accuracy - there is a degree of risk that data provided by 3rd party providers (facilities managers) is not completely accurate. We rely on the internal controls implemented by our facilities managers and periodically audit their processes to provide a reasonable level of assurance regarding their activities. Data handling: 1) Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			spreadsheets also introduces the risk of error. For internally gathered information, we task one individual to gather and consolidate the monthly data to a spreadsheet record with verification checks performed by separate individuals on a spot check basis. We focus the spot checks on those facilities with the largest consumption in order to mitigate any significant misstatements. We request the same processes be followed for information provided by our facilities managers (e.g. where they have responsibility for utility bill handling for our owned facilities). We attempt to mitigate transposition risk when uploading to the GHG:ID Tool by using automated methods to perform the data loading activities and use check totals, comparing before and after. Data collected from across the enterprise and from 3rd party providers is populated in a data collection template. Any gaps requiring estimation are identified during this process. The populated data collection template is then loaded into the GHG:ID Tool where data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. For internally developed spreadsheet driven calculations, we mitigate these risks by segregating the responsibilities for creation and verification between separate individuals.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC8.6a/BMO Emissions Verification Statement FY2014 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC8.7a/BMO Emissions Verification Statement FY2014 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	Absolute emissions as at year end for Scopes 1+2+3 only - no additional data points.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Nov 2013 - 31 Oct 2014)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	13272.99
United States of America	12768.23

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility
By GHG type
By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
BMO Bank of Montreal	13272.99
BMO Harris Bank	12768.23

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Retail Facilities (Branches, ATMs)	16696.03	90	-180
Office Facilities	4460.20	90	-180
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	3164.66	90	-180
Transportation Equipment	1720.33	90	-180

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CH4	48.71
N2O	32.27
CO2	25852.58
HFCs	107.66

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Stationary combustion (facilities)	24213.23
Mobile combustion (transport)	1720.33
Fugitive emissions (HFCs - facilities)	107.66

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Nov 2013 - 31 Oct 2014)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
Canada	13809.10	142250.20	23786.00
United States of America	70098.06	107006.22	91400.00

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility
By activity

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
BMO Bank of Montreal	13809.10
BMO Harris Bank	70098.06

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
Retail Facilities (Branches, ATMs)	64022.55
Office Facilities	14020.26
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	5864.35

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
Stationary combustion (facilities)	83907.16

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	135533.03
Electricity	238391.66
Heat	0.00
Steam	10864.75
Cooling	0.00

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	118805.65
Distillate fuel oil No 2	9860.69
Propane	18.17
Jet kerosene	3100.57
Motor gasoline	3747.95

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Tracking instruments, RECS (USA)	91400.00	In the United States, BMO has purchased renewable energy certificates for the last 5 years. The 91,400 MWh amount quoted is our annual purchase for FY2014.
Other	23786.00	Tracking instruments, RECS (Canada) - In Canada, BMO has purchased renewable energy certificates for the last 7 years. The 23,786 MWh amount quoted is our annual purchase for FY2014.

Further Information

For question 11.2 Heating & Cooling are included in the Electricity line item.

Page: CC12. Emissions Performance

CC12.1

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

Increased

CC12.1a

Please 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

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	1.89	Decrease	Real estate facilities related emissions reduction initiatives focused primarily on programmatic activities including; lighting/signage retrofits, building automation systems implementations, building envelope upgrades and HVAC equipment retrofits/upgrades. In F2014, we reduced our emissions by 2,094 tCO2e, as a result of emissions reduction projects. Our total Scope 1 and Scope 2 emissions in the previous year was 110,547 tCO2e, resulting in a decrease of 1.89%. (2,094/110,547)*100= 1.89%)
Divestment	0.00	No change	
Acquisitions	0.00	No change	
Mergers	0.00	No change	
Change in output	0.44	Decrease	The net decrease reported reflects the impacts of owned facilities occupied for the full year in FY2013 and vacated in FY2014, as well as those owned facilities that were not in our inventory in FY2013 and occupied in FY2014. We consider this organic reduction. In F2014, we reduced our emissions by 484 tCO2e, as a result of changes in output. Our total Scope 1 and Scope 2 emissions in the previous year was 110,547 tCO2e, resulting in a decrease of 0.44%. (484/110,547)*100= 0.44%)
Change in methodology	2.12	Decrease	This change represents the net impact resulting from changes in the Provincial emissions factors for electricity in Canada. Emissions factors: CDP 2014 submission (fiscal 2013 data) referenced Environment Canada's 2014 published Provincial electricity emissions factors (as at 2012 year) for Canada. CDP 2015 submission (fiscal 2014 data) references Environment Canada's 2015 published Provincial electricity emissions factors (as at 2013 year) for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity emissions related to owned facilities (Scope 2). In F2014, we reduced our emissions by 2,340 tCO2e, as a result of changes in methodology – emissions factors. Our total Scope 1 and Scope 2 emissions in the previous year was 110,547 tCO2e, resulting in a decrease of 2.12%. (2,340/110,547)*100= 2.12%)

Reason	Emissions value (percentage)	Direction of change	Comment
Change in boundary	0.00	No change	
Change in physical operating conditions	2.78	Increase	Weather normalized energy use (and its associated emissions) is the energy that the building portfolio would have used in the current fiscal year (FY2014) under the same weather conditions as the previous year (FY2013). Heating degree days increased by about 13% and cooling degree days decreased by about 3% for the entire facility portfolio from FY2013 to FY2014. Statistical process was used to factor out the variations in degree days, and adjust the weather sensitive component of the energy use. In F2014, our emissions increased by 3,069 tCO2e, as a result of changes in physical operating conditions – weather normalization. Our total Scope 1 and Scope 2 emissions in the previous year was 110,547 tCO2e, resulting in an increase of 2.78%. (3,069/110,547)*100= 2.78%)
Unidentified	1.13	Increase	Emissions impacts unidentified. As a large organization it is difficult to gain visibility to all emissions reductions impacts/causes/activities across both facilities and transportation assets. This is therefore a balancing number and remains unidentified. In F2014, our emissions increased by 1,250 tCO2e, as a result of unidentified changes. Our total Scope 1 and Scope 2 emissions in the previous year was 110,547 tCO2e, resulting in an increase of 1.13%. (1,250/110,547)*100= 1.13%)
Other	0.00	No change	

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
.0000003055	metric	unit total	4.44	Decrease	Revenues increased 4.08% in FY2014 versus FY2013. Absolute emissions (tCO2e -

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	tonnes CO2e	revenue			Scope 1 & Scope 2) decreased by 0.54% over the same period. Emissions reduction activities have contributed to the decrease in total Scope 1 & Scope 2 emissions. For this metric, we have used actual revenues reported and actual emissions reported, year over year. While this information has been provided, as requested, we don't believe that this is the most relevant indicator. We consider the relativity measures of tCO2e per employee and tCO2e per m2 of premises occupied (see CC12.3 and CC12.4 below) as more meaningful.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
2.3504	metric tonnes CO2e	FTE employee	2.98	Decrease	Number of employees increased by 1,147 or 2.51% (FY2014 vs. FY2013), while absolute emissions (tCO2e - Scope 1 & Scope 2) decreased by 598.82 or 0.54% over the same period. Emissions reduction activities have contributed to the decrease in total Scope 1 & Scope 2 emissions. Net result is a 2.98% decrease in this metric for FY2014 vs. FY2013.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.1078	metric tonnes CO2e	square meter	0.85	Decrease	Square meters of real estate occupied increased by 28,322 or 1.53% (m2 - FY2014 vs. FY2013), while facilities related emissions (tCO2e - Scope 1, Scope 2 & Scope 3) increased by 1,353.57 or 0.67% over the same period. The facilities related emissions have not been normalized for weather nor emissions factors changes for the purposes of this calculation. While emissions reduction activities have resulted in a decrease, the upward pressures for weather and organic growth have resulted in the net increase in total Scope 1, 2 & Scope 3 emissions. Net result is a marginal decrease of 0.85% in this metric for FY2014 vs. FY2013. Note that for the purposes of this metric, Scope 1, Scope 2 & Scope 3 facilities related emissions have been included.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Landfill gas	Greening Canada Fund - City of Guelph (COG)	Other: ISO14064-2	61061	61061	Yes	Voluntary Offsetting
Credit	Energy efficiency:	Greening Canada Fund - Toronto District	Other:	60956	60956	Yes	Voluntary

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Purchase	industry	School Board (TDSB)	ISO14064-2				Offsetting
Credit Purchase	Methane avoidance	Greening Canada Fund - St. Felicien (SF)	Other: ISO14064-2	53209	53209	Yes	Voluntary Offsetting
Credit Purchase	Landfill gas	Greening Canada Fund - North Bay (NB)	Other: ISO14064-2	26799	26799	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Greening Canada Fund - Merom Farms Ltd. (MRM)	Other: ISO14064-2	17609	17609	Yes	Voluntary Offsetting
Credit Purchase	Methane avoidance	Greening Canada Fund - City of Guelph (SSO)	Other: ISO14064-2	10155	10155	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - University of Alberta (UOA)	Other: ISO14064-2	8405	8405	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Commission Scolaire Marguerite-Bourgeoys (CSMB)	Other: ISO14064-2	3890	3890	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Commission Scolaire Pointe-de-l'Ile (CSPI)	Other: ISO14064-2	1569	1569	Yes	Voluntary Offsetting
Credit Purchase	Geothermal	Greening Canada Fund - Central de Chauffage de Chicoutimi, S.E.N.C. (CHI)	Other: ISO14064-2	1455	1455	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Les Soeurs de l'Assomption de Sainte-Vierge (SASV)	Other: ISO14064-2	1404	1404	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				For this question, we have determined those scope 3 categories that are relevant to ensure that BMO's GHG inventory appropriately reflects the emissions of the company, and serves the decision-making needs of users, both internal and external to the company. We asses relevance based on the criteria 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. Criteria for determining the relevance of scope 3 emissions include: i) size of the emissions, ii) our ability to influence emissions reductions, iii) extent to which the emissions contribute to our company's risk exposure, iv) if the emissions are deemed critical by key stakeholders , and v) extent to which outsourced activities contribute to our emissions. BMO Financial Group's Scope 3 emissions resulting from our purchase of goods and services are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company's total scope 3 emissions. Purchased goods and services include: - technology/telecommunications equipment (personal computers, servers, copiers, printers, routers, switches, etc.), - office supplies (e.g. pens, paper, etc.), - furniture and fixtures for premises (desks, chairs, lighting, building materials, etc.), - consulting

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					services as provided by third parties and, - marketing and advertising materials. The primary reason BMO Financial Group has not focused on the specific measurement of emissions related to its supply chain is due to the lack of available source data. Since early 2008 we have employed a Sustainable Procurement questionnaire as part our competitive bid process (supply chain focus) and have scored the results to these questions as part of overall decision process. While this process does not provide results that would allow us to quantitatively answer this question, it has proved beneficial in affecting supplier behaviour for a number of our key relationships.
Capital goods	Not relevant, explanation provided				This is not relevant to BMO as our ongoing strategy is to lease facilities space and transportation equipment for use in our operations whenever possible.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				This scope 3 emission source represents upstream emissions of purchased electricity and the associated transmission and distribution (T&D) losses. We do not consider this relevant for BMO as we have limited ability to influence.
Upstream transportation and distribution	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 significantly 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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					or controlled by BMO) are relevant. We have not attempted to calculate the impact of 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	Relevant, calculated	2130.40	BMO Financial Group is indirectly responsible for the emissions created by the solid waste generated from our operations. In FY2014, we measured and reporting the emissions resulting from solid waste generated from 449 facilities (owned and leased). These buildings represent 8.1million square feet of real estate. Where possible, we continue to expand the scope of our review annually. To gather the raw waste data, we contracted third party providers to conduct waste audits at selected owned facilities (as required by regulation in Ontario) and also secured	100.00%	BMO Financial Group's Scope 3 emissions resulting from waste generated in operations are deemed relevant from a size perspective, as they contribute to the company’s total scope 3 emissions. The percentage noted relates to the data available for the 449 facilities noted. A significant number of our facilities are smaller in size and geographically dispersed across North America. It is not economical to gather waste information from these locations and our focus is therefore on those larger facilities which are either owned or, if leased, where we are a major tenant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			prorated data from landlords for our tenancy in leased facilities. The content of the waste audit reports and landlord provided data allowed us to detail the break-down of waste to landfill/recycling. The waste to landfill data was annualized and input to the ICF International GHG:ID Tool to calculate the resulting emissions. The emission factor used by the GHG:ID Tool is specifically calibrated for corporate GHG inventories, based on the EPA published WaRM tool. 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. The factor accounts for not only methane, but also CO2 as well (all converted and expressed as the CO2 equivalent factor).		
Business travel	Relevant, calculated	19610.19	As a financial institution, our most significant Scope 3 emissions relating to employee business travel include the following: commercial air, ground travel (incl. employees' occasional use of personal vehicles for business, rental vehicles, and rail). For the past eight years BMO has	100.00%	BMO Financial Group's Scope 3 emissions resulting from business travel are deemed relevant from a size perspective, as they contribute significantly to the company’s total scope 3 emissions. We obtain primary data for the types of employee business travel noted (commercial air, rental cars, personal automobile and rail). Due to the lack of readily

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; "ISO 14064 Part 1: Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". For transportation data, we utilize the following data collection methodology: Commercial Air Travel data for business purposes is provided by our preferred travel supplier on an annual basis. The data provided consists of one-way flight segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool for short haul, medium haul and long haul flights. Ground Travel 1) Employee travel for business purposes using personal vehicles – all data is captured via our internal expense reimbursement system as claims		available data for ground transportation such as taxis, limousines and public transit, these emissions are not included in our inventory.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			are submitted. Annually we extract this data and use kilometres travelled and a proxy for vehicle type (mid-sized automobile efficiency) within the ICF International GHG:ID Tool for calculation of emissions. 2) Rail travel data for business purposes is provided directly by our rail service suppliers on an annual basis. The data provided consists of one-way rail segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool. 3) Rental vehicles – data is provided by our two preferred suppliers on an annual basis. The data consists of vehicle type and total distance travelled. The data combined with a proxy for vehicle type (mid-sized automobile efficiency) is used within the ICF International GHG:ID Tool for calculation of the relevant emissions. Emissions are reported as tCO2e.		
Employee commuting	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 approximately 46,000 employees commuting between their homes and BMO Financial Group workplaces are relevant. The lack of readily available

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					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	Relevant, calculated	93470.78	Based on our reporting boundary (Financial Control) and contractual obligations per leased facilities (per GHG Protocol Standard), emissions from leased premises have been classified as Scope 3. The emissions relating to fuel combusted and purchased electricity used in our leased facilities (Scope 1 & Scope 2 emissions of the lessor), form a significant portion of our total Scope 3 emissions reported. For the past eight years BMO has used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; ISO 14064 Part 1: Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. At our	100.00%	BMO Financial Group's Scope 3 emissions resulting from upstream leased assets are deemed relevant from a size perspective, as they contribute significantly to the company's total scope 3 emissions. Actual consumption data obtained for 56.23% (based on percentage of emissions calculated). Consumption estimates are utilized for leasehold facilities where actual data is not available. Consumption estimates are calculated based on type of facility, and either a proxy for intensity per square foot where sufficient sample of similar facilities (with actual data) available, or based on published intensities for facility type by subregion (state/province) or region (country) as applicable.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			request, consumption data is provided annually by the landlord/facilities managers for the facilities occupied by BMO Financial Group. In those instances where check meters are installed, actual consumption information for fuels/electricity is used to reflect our actual consumption. In the absence of this specific level of information, we receive consumption information for the entire facility and based on the area occupied by BMO Financial Group, we determine our prorated portion for each of the fuels/electricity consumed. We also ask for confirmation from our landlords that the information provided accurately reflects the consumption figures provided and for a number of facilities, we receive the actual source utility data. We retain a detailed calculation worksheet for each of the leased properties where information has been gathered in this manner. The consumption data provided is routinely reviewed for intensity (consumption/square foot) to identify any obvious anomalies for further investigation. Finally, the consumption information is then input to the ICF International GHG:ID tool to calculate the relevant emissions.		
Downstream	Not relevant,				Not relevant as this Scope 3 activity source includes

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
transportation and distribution	explanation provided				only emissions from transportation and distribution of products after the point of sale – not applicable to BMO.
Processing of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Use of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
End of life treatment of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Downstream leased assets	Not relevant, explanation provided				Any assets that BMO owns and leases to 3rd parties are included in our Scope 1 and Scope 2 reported numbers.
Franchises	Not relevant, explanation provided				BMO Financial Group does not engage in franchise activity and therefore this Scope 3 source is not relevant.
Investments	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from investments are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company's total scope 3 emissions. We are aware of the discussions related to financed emissions and are following the work being done by the GHG Protocol and the UNEP Finance Initiative re: disclosure guidance for financial institutions but at this stage, we have not evaluated the impact on our organization. There are many

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					factors to be considered including availability, credibility, and consistency of information as well as the direction of the regulatory landscape in North America which is where the bulk of our activities take place.
Other (upstream)	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Other (downstream)	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/17/1417/Climate Change 2015/Shared Documents/Attachments/CC14.2a/BMO Emissions Verification Statement FY2014 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Upstream leased assets	Emissions reduction activities	0.18	Decrease	The decrease is attributed to fuel and energy related reductions in our leased real estate facilities (Scope 1 & Scope 2 emissions of the lessor). Reduction activities focused primarily on energy efficiency programs including; lighting/signage retrofits and building systems upgrades where BMO has the opportunity to positively effect change.
Upstream leased assets	Acquisitions	0.63	Increase	In May, 2014, BMO Financial Group completed the acquisition of F&C Asset Management plc, including F&C Investments. Fourteen facilities (107,000 square feet of

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				leased space) were added to the portfolio, with the resultant energy consumption/emissions accounted for accordingly, from acquisition date.
Upstream leased assets	Change in output	0.60	Increase	The net increase reported reflects the impacts of leasehold facilities occupied for the full year in FY2013 and vacated in FY2014, as well as those leasehold facilities that were not in our inventory in FY2013 and occupied in FY2014. We consider this organic growth.
Upstream leased assets	Change in methodology	1.36	Decrease	This change represents the net impact resulting from changes in Provincial emissions factors for electricity in Canada. Emissions factors: CDP 2014 submission (fiscal 2013 data) referenced Environment Canada's 2014 published Provincial electricity emissions factors (as at 2012 year) for Canada. CDP 2015 submission (fiscal 2014 data) references Environment Canada's 2015 published Provincial electricity emissions factors (as at 2013 year) for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity emissions related to leased facilities. Due to BMO's Financial Control reporting boundary, upstream leased assets are reported as Scope 3.
Waste generated in operations	Other: Additional waste data gathered for facilities within our existing boundary	1.03	Increase	A concerted effort to gather additional Waste to Landfill data, particularly in facilities located in the United States, has resulted in an increase in the related emissions captured for FY2014.
Upstream leased assets	Change in physical operating conditions	3.82	Increase	Weather normalized energy use (and its associated emissions) is the energy that the building portfolio would have used in the current fiscal year (FY2014) under the same weather conditions as the previous year (FY2013). Heating degree days increased by about 13% and cooling degree days decreased by about 3% for the entire facility portfolio from FY2013 to FY2014. Statistical process was used to factor out the variations in degree days, and adjust the weather sensitive component of the energy use.
Other (upstream)	Unidentified	1.87	Decrease	Emissions impacts unidentified. As a large organization it is difficult to gain visibility to all emissions reductions impacts/causes/activities across both leased facilities assets and transportation elements. This is therefore a balancing number and remains unidentified.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

BMO's engagement with suppliers and customers to date, relative to climate change, has been focused largely on practical initiatives. Our strategy for prioritizing these engagements is based on a combination of factors, including:
• Opportunity to generate cost savings
• Opportunity to reduce GHG emissions
• Ability to create or raise awareness and advance BMO's reputation
• Being a responsible corporate citizen

Measures of success are detailed per each of the examples illustrated below.

Example 1:

Renewable energy purchase (Renewable Electricity Certificates - RECs) for Canadian retail branches. As part of our Carbon Neutrality commitment, BMO has invested in renewable energy to reduce emissions. Over the past 7 years, we have developed a strong relationship with our preferred vendor and in addition to our corporate commitment, have worked with them to extended discount offers to BMO employees and customers for their purchase of renewable energy.

BMO's investment in renewable energy, in addition to assisting the organization in meeting its carbon neutrality goal, provides the potential to positively impact its reputation. In fiscal 2014, as part of our efforts to create awareness and engage customers, BMO partnered with its vendor to conduct a two week long awareness campaign. This involved the participation of customers and BMO personnel in approximately 150 retail branches in Canada, where renewable power has been allocated. The overall purpose of the campaign was to raise awareness with customers relative to BMO's climate change initiatives, with a specific focus on our commitment to renewable energy.

Quantitative benefits are difficult to determine as the correlation between increased customer loyalty/revenues, as a result of our partnership and investment in renewable energy, is challenging. Evidence is anecdotal at best, based on qualitative feedback and support from customers received via the survey responses.

Measures of success:
• Positive contribution to Carbon Neutrality target vis-a–vis the use of low carbon energy
• Positive impact on awareness of both employees and customers, relative to BMO's climate change initiatives

Example 2:

In partnership with our preferred supplier for office products, BMO diverts office ink and toner cartridges from landfill by offering the THINK! recycling program. When

a cartridge is depleted, BMO personnel request a pickup online. Old ink and toner cartridges are then either recycled or remanufactured.

BMO employees respect the sustainability efforts of the company and the potential for employee retention and/or attraction, through simple measures such as these, may be increased.

As an enterprise-wide recycling program, THINK! raises employee awareness of the hazardous effects of e-waste and the importance of recycling cartridges. It also brings attention to the organizational challenge of waste reduction and opens the lines of communication on this topic.

The quantitative benefits of this program relate to cost avoidance relative to waste management. Whether the ink and toner were recycled or sent to landfill, waste management service fees would apply. The THINK! Program, therefore, serves to reduce these costs, but the amounts have not been quantified to date.

In 2014, our preferred vendor reported that BMO employees saved 1,790 Ink and toner cartridges from landfill.

Measures of success:
• Reduced GHG emissions as a result of landfill avoidance for spent toner cartridges (BMO includes waste to landfill in its emissions calculations, where data is available)
• Increased employee awareness and engagement in climate change initiatives

Example 3:

BMO partners with preferred suppliers to facilitate the environmentally responsible recycling or refurbishment/resale of technology equipment. In many cases, equipment deemed to have reached the end of its useful life from a BMO perspective, can be refurbished and reused by organizations (e.g. schools). This effectively results in the diversion of landfill waste and the creation of harmful greenhouse gases.
In fiscal 2014, approximately 116 tonnes of technology equipment was collected, refurbished and repurposed for sale by our trusted provider. The proceeds of the sales, net of refurbishment costs, are then available to BMO with a percentage used as donations to various causes.

Measures of success:
• Reduced GHG emissions as a result of landfill avoidance for spent toner cartridges (BMO includes waste to landfill in its emissions calculations, where data is available)
• Reduced costs to BMO for disposal of technology equipment
• Socially responsible contribution by way of donations to organizations in need

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment

Number of suppliers	% of total spend	Comment
3	1.15%	Relative spend is associated with the three examples provided in CC14.4(a).

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	To date, we have not asked for GHG emissions data from suppliers. We leverage initiatives such as the ones described in internal and external communications to promote our collaborative efforts with suppliers in the area of sustainability.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Frank Techar	Chief Operating Officer, BMO Financial Group	Chief Operating Officer (COO)

Further Information

CDP