

BMO's 2013 ESG Scorecard

See reverse for definitions
Further information: See 2013 Environmental, Social and Governance Report and Public Accountability Statement

	Target	2013 ¹	2012 ¹	2011 ¹
Environmental				
Renewable energy financing:				
i. Involvement in equity and debt financings (\$ billions)		\$1.8	\$3.6	*
ii. Lending commitments (\$ billions)		\$1.7	\$1.6	*
Operational footprint:				
a. Renewable energy purchases (MWh) [▲]	New 3-year commitment	115,197	115,213 ²	115,213 ²
b. Scope 1 emissions (tCO ₂ e)	10% reduction by 2016	TBD ³	20,933	21,151
c. Scope 2 emissions (tCO ₂ e)	10% reduction by 2016	TBD ³	86,853	65,603
Social				
Employees:				
a. Diversity and Inclusion:				
i. Women executives – Canada & United States (%) [▲]	40% by 2016	30	33	34
ii. Visible minority employees – Canada (% in senior and executive roles) [▲]	25% by 2016 (N.A.)	22	21	20
iii. People of colour – United States (% in senior and executive roles) [▲]	Included in above target	7	7	8
iv. Persons with disabilities – Canada (% of total workforce) [▲]	3.8% by 2016	2.8	2.5	2.4
v. Aboriginal employees – Canada (% of total workforce) [▲]	1.5% by 2016	1.3	1.4	1.4
b. Employee Engagement Index (EEI)(%) [▲]		78 ⁵	75	76
c. Turnover rate:				
i. Canada (%) [▲]		10.5	9.8	8.0
ii. United States (%) [▲]		12.9	11.8	9.2
Community Investment:				
a. Donations (\$ millions) [▲]		56.0	55.7	38.5
b. Community Development Loans United States (US\$ millions)		536.7	–	–
c. Community Development Investments United States (US\$ millions)		178.9	139.8	39.3
Governance				
Board Diversity:				
a. Women on Board of Directors (%)	No less than 1/3	33	33	25
Business Conduct:				
a. Ethics training (% completion) [▲]		98.9	98.8	99.2
b. Significant fines/monetary sanctions for non-compliance ^{4▲}	none	0	0	*
c. Incidents of discrimination (from external bodies) [▲]		24	21	24

Legend:

¹ Fiscal year (November 1 to October 31)

³ Available online in June 2014 at: [Environmental Performance](#)

⁵ New provider and new survey in 2013

– Not publicly disclosed

[▲] Began reporting on this metric in 2012

² Part of a 3-year contract

⁴ A fine is classified as "significant" if it is greater than \$500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO.

[▲] 2013 data externally assured

(Refer to KPMG's external assurance statement contained within the 2013 ESG Report)

ESG Scorecard Glossary

Active employee

Includes full-time or part-time permanent employees with an “active” payroll status, but excludes term/contract employees.

Diversity

Diversity is the mix of demographics, skills, experiences and styles of all BMO employees. Diversity metrics include women employees in executive roles (Canada and the United States), visible minority employees in senior and executive roles (Canada only) and people of colour in senior and executive roles (United States only), Aboriginal employees (Canada only) and employees with disabilities (Canada only). All active employees are included in the metric.

Data is reported for the period November 1 to October 31.

Donations

Includes cash-based donations and donations as part of the Matching Gifts Program and Volunteer Grants Program. Excludes in-kind donations and fundraising dollars.

Employee Engagement Index (EEI)

Refers to the degree of employee engagement as indicated by the annual employee survey. EEI is the average of the agreement scores of five survey questions that measure how employees feel overall about BMO, and their level of commitment, satisfaction and advocacy for the company. The EEI score is an aggregate of the survey results for all BMO employees worldwide.

Environmental, Social and Governance (ESG)

ESG is the term we use to describe the three different areas of concern when looking at sustainability issues that have or may have an impact on our stakeholders or our business.

Ethics training coverage

The percentage coverage of ethics training is calculated by dividing the number of employees who completed BMO’s code of conduct and ethics training course, *FirstPrinciples*, during the period April 1 to June 30 by the total number of employees as at June 30. Ethics training coverage includes all BMO employees worldwide.

Incidents of discrimination

Includes the number of claims or allegations made against BMO and filed through the Canadian Human Rights Commission and provincial equivalents (in Canada); or the Equal Employment Opportunity Commission and state/local equivalents (in the United States) during the reporting period. Incidents of discrimination can include claims and allegations relating to age, gender, persons with disabilities and ethnicity. Excludes internally-reported claims.

Renewable energy purchases

Refers to total purchases in megawatt-hours (MWh) of renewable energy certificates (RECs) during the reporting period. In Canada, RECs represent power from certified wind and low-impact hydro generators and have been used in retail branches in the provinces of Ontario, British Columbia, Alberta, Nova Scotia, New Brunswick and Prince Edward Island. In the United States, RECs represent power generated from wind turbines. In both Canada and the United States, the RECs are retired after purchase through legal contract with the supplier.

Scope 1 emissions

Refers to direct greenhouse gas emissions from sources owned and/or controlled by BMO. Total Scope 1 emissions are calculated in accordance with the ISO 14064-1 standard and include those resulting from energy combustion from owned facilities (e.g., natural gas, heating oil, other fuels,) owned transportation assets, and some ozone-depleting substances. This definition of Scope 1 aligns with the greenhouse gas (GHG) protocol and is reported at an enterprise-wide level for the period November 1 to October 31.

Scope 2 emissions:

Refers to indirect greenhouse gas emissions associated with the generation of electricity, heating and cooling, or steam purchased for an organization’s own consumption. BMO’s total Scope 2 emissions represent our worldwide operations and include those resulting from the purchase of non-renewable electricity and steam for use at our owned facilities. This definition aligns with the GHG protocol and is reported for the period November 1 to October 31.

Significant fines/monetary sanctions for non-compliance with laws and regulations

Refers to significant monetary fines that have been levied against BMO by a regulatory body during the reporting period. A fine is classified as “significant” if it is greater than \$500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO. Monetary sanctions refer to the prohibition of BMO to operate in certain jurisdictions or product lines.

Significant fines/monetary sanctions exclude fines or sanctions levied directly on employees by regulators for breach of trading rules, where it has been determined that BMO has adequate policies and procedures in place to prevent non-compliance. This is determined by the regulatory body that performs an investigation of the individual and the organization to ensure the organization was not aware of and unable to prevent the individual’s behaviour with better policies and procedures.

This metric excludes fines/monetary sanctions for non-compliance with environmental laws and regulations.

Turnover rate

Refers to the number of active employees that have voluntarily resigned during the reporting period as a proportion of the number of active employees at the end of the reporting period. Turnover rate excludes executives.

Women executives

Refers to total number of female leaders (e.g., Vice-President and Senior Vice-President).

Women on Board of Directors

The percentage of women who are independent members of BMO’s Board of Directors as at the end of the reporting period.