

Global Reporting Initiative (GRI) Reporting Guide

Global Reporting Initiative

The Global Reporting Initiative (GRI) is a worldwide, multi-stakeholder network of thousands of experts that collaborate through consensus-seeking approaches to create a generally accepted framework for sustainability reporting, or the reporting of economic, social and environmental performance.

GRI's Sustainability Reporting Guidelines consist of Reporting Principles, Reporting Guidance, and Standard Disclosures (including performance indicators). BMO has used the GRI 2006 Sustainability Reporting Guidelines (G3) and the GRI Financial Services Sector Supplement as the basis for our reporting. Based on the level of our disclosure, we are self-declaring an Application Level B.

Learn more about the GRI at www.globalreporting.org

The following index lists the various websites and publications (BMO's 2010 Annual Report, Notice of 2011 Annual Meeting of Shareholders and Proxy Circular, and 2010 Corporate Responsibility Report and Public Accountability Statement) where you can find information on BMO's sustainability reporting.

Legend:

- A/R – 2010 Annual Report
- CR/PAS – 2010 Corporate Responsibility Report and Public Accountability Statement
- P/C – Notice of 2011 Annual Meeting of Shareholders and Proxy Circular
- Corporate Responsibility Website

| GRI Indicator | Indicator Description | Location |
|---------------|--|---------------------------------|
| 1.1 | Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy | ● CR/PAS page 1 |
| 1.2 | Description of key impacts, risks and opportunities | ● A/R pages 26-95 |
| 2.1 | Name of the organization | ● A/R page 1 ● CR/PAS page 2 |
| 2.2 | Primary brands, products and/or services | ● A/R pages 27, 157, 158 |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures | ● A/R pages 157-158, 169 |
| 2.4 | Location of organization's headquarters | ● A/R page 169 |

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|---------------|---|--|
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | <ul style="list-style-type: none"> ● CR/PAS page 2 ● A/R pages 157, 158, 169 |
| 2.6 | Nature of ownership and legal form | <ul style="list-style-type: none"> ● CR/PAS page 25 ● A/R page 27 |
| 2.7 | Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries) | <ul style="list-style-type: none"> ● A/R pages 157, 158 |
| 2.8 | Scale of the reporting organization | <ul style="list-style-type: none"> ● A/R page 27 |
| 2.9 | Significant changes during the reporting period regarding size, structure or ownership | <ul style="list-style-type: none"> ● A/R pages 18, 28, 35, 137, 138 |
| 2.10 | Awards received in the reporting period | <ul style="list-style-type: none"> ● Awards and Recognition |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided | <ul style="list-style-type: none"> ● A/R page 26 |
| 3.2 | Date of most recent previous report | We publish our A/R, CR/PAS and P/C on an annual basis |
| 3.3 | Reporting cycle (annual, biennial, etc.) | Annual |
| 3.4 | Contact point for questions regarding the report or its contents | <ul style="list-style-type: none"> ● CR/PAS outside back cover ● A/R inside back cover |
| 3.5 | Process for defining content | <ul style="list-style-type: none"> ● CR/PAS page 3 |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) | <ul style="list-style-type: none"> ● CR/PAS page 2 ● A/R page 27 |
| 3.7 | State any specific limitations on the scope or boundary of the report | None |

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|---------------|--|---------------------------------|
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations | ● CR/PAS page 29 |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. | ● A/R pages 114-117 |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods) | ● A/R pages 26-168 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report | ● A/R pages 26-168 |
| 3.12 | Table identifying the location of the standard disclosures in the report. Identify the page numbers or web links where the information can be found | ● A/R page 1 ● CR/PAS page 2 |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s) | ● A/R page 109 |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight | ● A/R pages 19-23 |
| 4.2 | Indicate whether the chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement) | ● A/R pages 19-23 |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non- | ● P/C pages 7-15 |

| GRI Indicator | Indicator Description | Location |
|---------------|---|--|
| | executive members | |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | ● A/R inside back cover |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance) | ● P/C pages 25-35 |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided | ● P/C pages 50-55 |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics | ● Corporate Governance |
| 4.8 | Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation | ● Our Commitment |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles | ● P/C page 55 |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance | ● P/C pages 23, 24 |
| 4.11 | Explanation of whether and how the precautionary approach or principles are addressed by the organization. | ● A/R pages 75-90 |
| 4.12 | Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses | ● Memberships and Associations |

| GRI Indicator | Indicator Description | Location |
|---------------|---|--------------------------------|
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations | ● Memberships and Associations |
| 4.14 | List of stakeholder groups engaged by the organization | ● Engaging our Stakeholders |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | ● Engaging our Stakeholders |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | ● Engaging our Stakeholders |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting | ● CR/PAS various |
| FS1 | Policies with specific environmental and social components applied to business lines | ● Responsible Lending |
| FS2 | Procedures for assessing and screening environmental and social risks in business lines | ● Responsible Lending |
| FS3 | Processes for monitoring clients' implementation of, and compliance with, environmental and social requirements included in agreements or transactions | ● Responsible Lending |
| FS4 | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines | ● Responsible Lending |
| FS5 | Interactions with clients/investees/business partners regarding environmental and social risks and opportunities | ● CR/PAS page 6 |
| DMA | Economic | ● CR/PAS page 23 |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments | ● CR/PAS pages 12, 24 |

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|---------------|--|-----------------------------|
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change | ● BMO CDP 2010 Response |
| EC3 | Coverage of the organization's defined benefit plan obligations | ● A/R pages 149-154 |
| EC4 | Significant financial assistance received from government | None |
| EC6 | Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation | ● CR/PAS page 24 |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts | ● CR/PAS pages 12, 13 |
| DMA | | ● Environment |
| EN1 | Materials used by weight or volume | ● Environmental Performance |
| EN2 | Percentage of materials used that are recycled input materials | ● Environmental Performance |
| EN3 | Direct energy consumption by primary energy source | ● Environmental Performance |
| EN4 | Indirect energy consumption by primary energy source | ● Environmental Performance |
| EN5 | Energy saved due to conservation and efficiency improvements | ● Environmental Program |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved | ● Environmental Program |
| EN14 | Strategies, current actions and future plans for managing impacts on biodiversity | ● Environmental Policy |
| EN16 | Total direct and indirect GHG emissions by weight | ● Environmental Performance |
| EN17 | Other relevant direct and indirect GHG emissions by weight | ● Environmental Performance |
| EN18 | Initiatives to reduce GHG emissions and reductions achieved | ● Environmental Program |

| GRI Indicator | Indicator Description | Location |
|---------------|--|---|
| EN19 | Emissions of ozone-depleting substances by weight | ● Environmental Performance |
| EN22 | Total weight of waste by type and disposal method | ● Environmental Performance |
| EN23 | Total number and volume of significant spills | ● Environmental Performance |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental law and regulations | ● Environmental Performance |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce | ● Environmental Performance |
| DMA | Labour Practices and Decent Work | ● CR/PAS page 14 |
| LA1 | Total workforce by employment type, employment contract and region | ● CR/PAS page 26 |
| LA10 | Average hours of training per year per employee by employee category | ● CR/PAS page 15 |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | ● CR/PAS pages 14, 15 |
| LA12 | Percentage of employees receiving regular performance and career development reviews | Our intention is that all employees receive regular performance and career development reviews. |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity | ● CR/PAS page 29 ● A/R pages 20-23 |
| DMA | Human Rights | ● Human Rights |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of | ● Code of Conduct |

| GRI Indicator | Indicator Description | Location |
|---------------|--|--------------------------------------|
| | employees trained. | |
| DMA | Society | ● CR/PAS pages 12, 23 |
| S01 | Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting | ● CR/PAS pages 26, 27, 28 |
| FS13 | Access points in low-populated or economically disadvantaged areas by type | ● CR/PAS page 8 |
| FS14 | Initiatives to improve access to financial services for disadvantaged people | ● CR/PAS pages 8, 9 |
| S02 | Percentage and total number of business units analyzed for risks related to corruption | ● CR/PAS pages 4, 5 ● P/C page 22 |
| S03 | Percentage of employees trained in organization's anti-corruption policies and procedures | ● CR/PAS page 5 |
| S04 | Actions taken in response to incidents of corruption | ● CR/PAS page 4 |
| DMA | Product Responsibility | ● Product Responsibility |
| FS15 | Policies for the fair design and sale of financial products and services | ● Product Responsibility |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | ● CR/PAS page 11 |
| FS16 | Initiatives to enhance financial literacy by type of beneficiary | ● Financial Literacy |
| PR6 | Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship | ● Product Responsibility |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and | 0 incidents |

| GRI Indicator | Indicator Description | Location |
|---------------|---|------------------|
| | sponsorship by type of outcomes | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | ● CR/PAS page 11 |