

**BMO  
Sustainable &  
Climate Finance  
Framework**

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**1. Introduction**

BMO Financial Group (“BMO”) is the seventh largest bank in North America by assets, with total assets of \$1.5 trillion. Serving clients for more than 200 years, BMO is a highly diversified financial institution, providing a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services to approximately thirteen million clients in Canada, the United States and select markets globally. We operate through four integrated operating segments: Canadian Personal and Commercial Banking, U.S. Banking, Wealth Management and Capital Markets.

BMO’s Purpose to **Boldly Grow the Good in business and life** informs our strategy and drives our ambition. We leverage our position as a leading financial services provider to drive progress for our clients and communities.



**For a Thriving Economy**



**For a Sustainable Future**



**For Stronger Communities**

BMO’s financing activities for clients pursuing sustainable outcomes supports our Purpose. The BMO Sustainable & Climate Finance Framework (the “Framework”), initially published in November 2024 and updated in March 2026, defines the scope, classification, eligibility requirements, and processes for products or services to be tracked and reported as sustainable, climate, environmental, or social finance. The Framework is applicable to all subsequent sustainable and climate finance reporting.

This Framework is informed by relevant industry guidelines including the International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, and Green Enabling Project Guidance; the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA), and the Loan Syndications and Trading Association (LSTA) Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles; and market guidelines, taxonomies and standards, such as the United Nations Sustainable Development Goals (SDGs).

BMO’s [Sustainable Bond Framework](#), which guides the issuance of our sustainability, green, transition, and social bonds, also informed the development of this Framework.

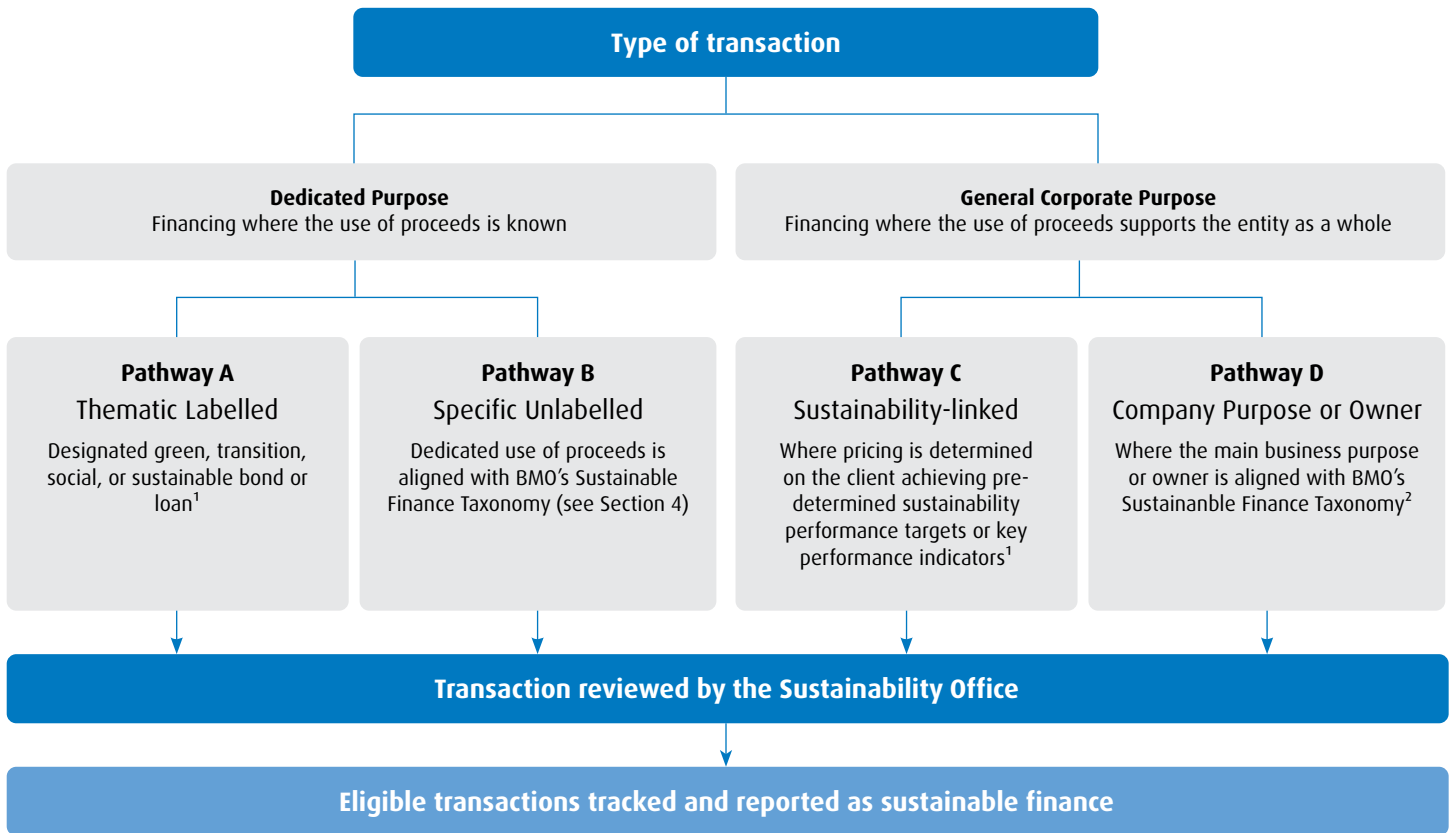
For further information on BMO’s sustainability and climate strategy and initiatives, please refer to our latest annual sustainability and climate reporting and other reports published online, at [BMO Sustainability](#).



## 2. Classification Pathways

We use classification pathways to determine the eligibility of transactions, which are then reviewed, tracked, and reported in accordance with this Framework (See Figure 1).

Figure 1. BMO Sustainable & Climate Finance Classification & Review Pathways



<sup>1</sup> In accordance with widely accepted industry principles (see Section 3).

<sup>2</sup> Based on an entity's revenue stream (≥ 90% of revenue), and/or company ownership.

### 3. Eligible Activities & Measurement

Eligible sustainable finance activities may occur across business lines and operating segments.<sup>3</sup> The measurement approach for each activity is described in the table below.

Business Activity	Definition/Description	Measurement	Relevant Guidelines & Frameworks
<b>Credit</b>	Lending or other credit facilities (including syndicated loans <sup>4</sup> ) authorized through BMO's personal and business, commercial and corporate banking businesses	Authorized loan amount	LMA/LSTA/APLMA Sustainability-Linked Loan Principles LMA/LSTA/APLMA Green Loan Principles LMA/LSTA/APLMA Social Loan Principles BMO Sustainable Finance Taxonomy U.S. Community Reinvestment Act's CD Loan Eligibility
<b>Advisory</b>	Mergers & Acquisition (M&A) advisory  Investment and production tax credit offering	League table value allocated in full to both buy and sell side advisors upon full closing  Full deal value to buy side advisor upon closing	BMO Sustainable Finance Taxonomy
<b>Spot &amp; Derivative Trading</b>	Derivatives that have a sustainability-linked component, or forward contracts that support GHG emission reducing project development and provide long-term pricing support	Notional value of trades settled during the reporting period	BMO Sustainable Finance Taxonomy
<b>Capital Raised</b>	Capital raised through debt or equity markets, including bond underwriting, private placements, securitization, project finance (e.g., capital raised through special purpose vehicles)	League table value allocated proportionately per bookrunner share for public transactions, and allocated equally per bookrunner for private transactions	BMO Sustainable Finance Taxonomy ICMA Green Bond Principles ICMA Social Bond Principles ICMA Sustainability-Linked Bond Principles ICMA Sustainability Bond Guidelines
<b>Investments</b>	Equity or equity equivalent investments of BMO's own capital  Treasury investments (e.g., bond purchase holdings)	Investment amount deployed	BMO Sustainable Finance Taxonomy U.S. Community Reinvestment Act
<b>Corporate Spend</b>	Corporate spend on operational improvements	Amount spent	BMO Sustainable Finance Taxonomy

<sup>3</sup> BMO's sustainable finance tracking and reporting does not include BMO Global Asset Management (GAM) Responsible Investment products that manage capital on behalf of clients, GAM seed investments in new mutual funds or exchange traded funds, sustainable or sustainability-linked deposits, or philanthropic grants.

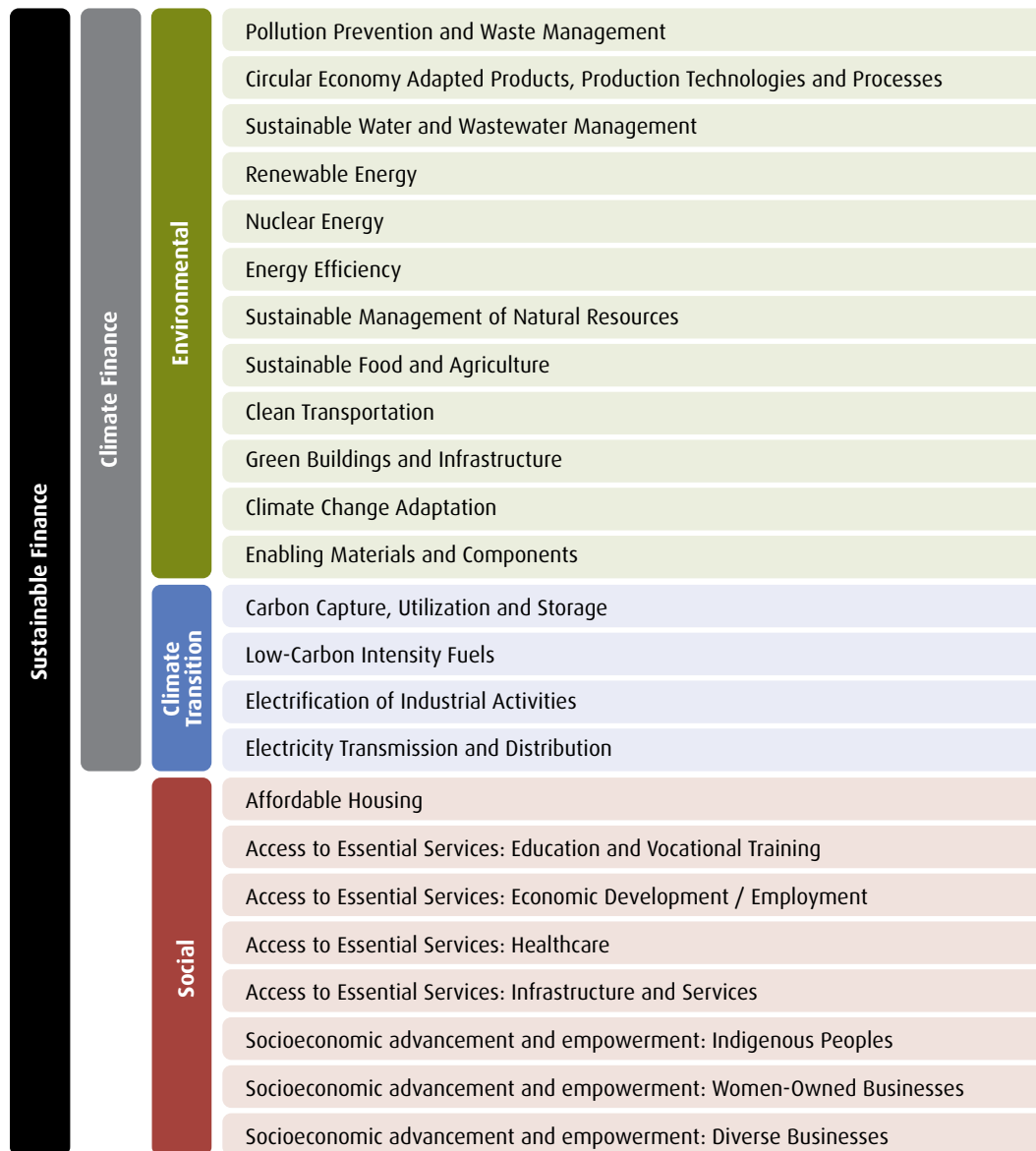
<sup>4</sup> Credit may include business lending, project finance, trade or supply chain finance, equipment loans and leases, letters of credit, and/or guarantees.

#### 4. BMO’s Sustainable Finance Taxonomy

BMO’s Sustainable Finance Taxonomy (“Taxonomy”) outlines the activities eligible for sustainable finance and/or climate finance reporting categorized as follows:

- **Sustainable Finance** refers to financing provided to, or facilitated for, one or more eligible category.
- **Climate Finance** is a sub-set of Sustainable Finance and refers to financing provided to, or facilitated for, one or more eligible Environmental or Climate Transition category.<sup>5</sup>
- **Social Finance** refers to financing provided to, or facilitated for, one or more eligible Social category.

If a transaction supports multiple eligible activities, it may be tracked and reported as: Sustainable Multi-Outcome<sup>6</sup>, Climate Multi-Outcome, or Social Multi-Outcome, as appropriate.



<sup>5</sup> Climate finance may relate to environment impacts that are not tied to GHG emissions reduction. We do not measure the environmental outcomes resulting from our climate finance and reporting of such does not represent a claim of GHG emissions reduction and should not be taken as such.

<sup>6</sup> Used for thematic sustainable labelled transactions and transactions that support one or more Climate and Social outcome.












The activities and outcomes eligible for sustainable, environmental, climate transition, and social finance reporting are defined below.






Category	Eligible Activities
<b>ENVIRONMENTAL</b>	
<p><b>Pollution Prevention and Waste Management</b></p> 	<p>Activities, equipment, services, and/or infrastructure that support:</p> <ul style="list-style-type: none"> <li>• Collection, sorting, treatment, and transportation of contaminated solid waste and waste materials</li> <li>• Recycling processes and facilities</li> <li>• Composting and anaerobic digestion</li> <li>• Thermal treatment with energy recovery of residual waste<sup>7</sup></li> </ul>
<p><b>Circular Economy Adapted Products, Production Technologies and Processes</b></p> 	<p>Businesses and projects that promote circular economy activities, including:</p> <ul style="list-style-type: none"> <li>• Substitution of virgin raw materials with 100% secondary (recycled or reused waste) materials (e.g., fabrics, metals, fibres, wood, and mechanically recycled plastics) in manufacturing and industrial processes</li> <li>• Production of products that can be recycled or composted where the input feedstock is from recycled/reused waste</li> <li>• Development, manufacturing, and distribution of sustainable packaging certified by a recognized third-party certification such as the Forest Stewardship Council (“FSC”), Programme for the Endorsement of Forest Certification (“PEFC”), Sustainable Forest Initiative (“SFI”), and Recycled Paperboard Alliance (“RPA 100”)</li> <li>• Minerals-based materials recovery or recycling in mining and industrial materials processes post-production</li> <li>• Initiatives in product lifecycle processes (including design and materials) that improve their usable life or reparability.</li> </ul>
<p><b>Sustainable Water and Wastewater Management</b></p> 	<p>Activities, technologies, and/or projects that improve quality, efficiency, reliability, and/or conservation of water such as:</p> <ul style="list-style-type: none"> <li>• Collection, treatment, recycling, or reuse of water</li> <li>• Storm water management</li> <li>• Water metering activities</li> <li>• Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage and sewer systems.</li> </ul>
<p><b>Renewable Energy</b></p> 	<p>Construction, development, acquisition, manufacturing, installation, operation, and/or maintenance of renewable energy assets (i.e., equipment, infrastructure, and facilities) including:</p> <ul style="list-style-type: none"> <li>• Offshore &amp; onshore wind</li> <li>• Solar photovoltaic</li> <li>• Waste biomass (biodigesters) and renewable biofuels whose sources include sustainable agriculture and forestry residues with lifecycle emissions &lt;100 grams of CO<sub>2</sub>/kWh</li> <li>• Run-of-river hydroelectricity facilities or hydroelectricity facilities that meet emission intensity and power density requirements<sup>8</sup></li> <li>• Geothermal energy facilities with lifecycle emissions &lt;100 grams of CO<sub>2</sub>/kWh</li> <li>• Hydrogen generation facilities using renewable energy</li> <li>• Tidal power.</li> </ul> <p>Construction, development, acquisition, manufacturing, installation, operation, and/or maintenance of electricity transmission and distribution systems that comply with at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• An average system grid emissions factor below the threshold of 100 grams CO<sub>2</sub>e/kWh, over a rolling five-year period</li> <li>• Over 67% of newly enabled generation capacity below the generation threshold value of 100 grams of CO<sub>2</sub>e/kWh, over a rolling five-year period.</li> </ul>
<p><b>Nuclear Energy<sup>9</sup></b></p> 	<p>Research, construction, development, demonstration, deployment, and/or safe operation of technologies that produce energy from nuclear processes with minimal waste from the fuel cycle, for purposes of generating electricity or heat, including for hydrogen production.</p> <p>Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production.</p> <p>Investments associated with operating life extension and/or efficiency enhancement of existing nuclear energy facilities, including maintenance and/or refurbishment with the purpose of increasing operational life span while maintaining or improving the level of operational safety.</p>

<sup>7</sup> Outside of the EU only.

<sup>8</sup> For projects operational prior to January 1, 2020, lifecycle greenhouse gas emission intensity should not exceed 100 grams of CO<sub>2</sub>e/kWh or must have a power density over 5W/m<sup>2</sup>. For projects operational post January 1, 2020, lifecycle greenhouse gas emission intensity should not exceed 50 grams of CO<sub>2</sub>e/kWh or must have a power density of 10W/m<sup>2</sup>.

<sup>9</sup> Financed nuclear projects will fully meet the regulatory requirements of the jurisdiction. The life-cycle greenhouse gas emissions from the electricity generation should not exceed 100 grams of CO<sub>2</sub>e/kWh.

Category	Eligible Activities
<p><b>Energy Efficiency</b></p>  	<p>Construction, manufacturing, and/or retrofitting of technologies or equipment that increase energy efficiency and/or reduce energy consumption or mitigate GHG emissions by 30% or more over the baseline, including:</p> <ul style="list-style-type: none"> <li>• Energy efficient lighting, heating, and cooling, ventilation, performance monitoring and demand management systems (e.g., smart meters)</li> <li>• Energy management and storage facilities or infrastructure (e.g., equipment and systems including batteries, and green hydrogen fuel cells)</li> <li>• Smart grid technology for energy generation, storage, transmission, and distribution</li> <li>• Communication network upgrades and modernization to reduce energy consumption.</li> </ul>
<p><b>Sustainable Management of Natural Resources</b></p>  	<p>Conservation, afforestation, reforestation and/or sustainable management of forest holdings or other nature-based assets such as: forests certified under the FSC, the PEFC, the SFI, or afforestation or reforestation of native forests.</p>
<p><b>Sustainable Food and Agriculture</b></p>    	<p>Food production, including:</p> <ul style="list-style-type: none"> <li>• Fishery and aquaculture, certified with: Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, or Best Aquaculture Practices (2 stars or more).</li> <li>• Agriculture certified with: Canada Organic, USDA Organic, Round Table on Responsible Soy Association Standard (“RTRS”).</li> </ul> <p>Agriculture activities, facilities, and/or technologies that improve resource use efficiency including energy and water, and/or reduce GHG emissions, or improve climate resilience, such as: advanced irrigation technologies; precision farming; protected farming; use of smart seeds, natural pesticides, and herbicides (including Rainforest Alliance certified biological crop protection); regenerative agriculture activities including no-till farming and cover cropping; as well as livestock management projects that reduce methane or other GHG emissions.</p> <p>Activities that advance sustainable production and consumption of alternative proteins.</p>
<p><b>Clean Transportation</b></p>   	<p>Research and development, procurement, leasing, manufacturing, operation, and/or maintenance of low-carbon transport assets and related infrastructure, such as:</p> <p><b>Passenger Transportation</b></p> <ul style="list-style-type: none"> <li>• Electric, hydrogen, or other zero-direct emissions transport (including private vehicles, public transport vehicles, passenger trains)</li> <li>• Private hybrid vehicles with emissions &lt;50 grams of CO<sub>2</sub>/passenger km</li> <li>• Public hybrid buses with emission of &lt;50 grams of CO<sub>2</sub>/passenger km.</li> </ul> <p><b>Freight Transportation</b></p> <ul style="list-style-type: none"> <li>• Road freight vehicles with direct emissions less than 25 grams of CO<sub>2</sub>e/km</li> <li>• Electric or hydrogen freight rail, for which &lt;25% of its freight is fossil fuels.</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Electric vehicle charging and hydrogen fuel infrastructure</li> <li>• Public walking and bicycle infrastructure</li> <li>• Transportation infrastructure, including expansions and capacity improvements of metro/train networks and station upgrades.</li> </ul> <p><b>Shipping</b></p> <ul style="list-style-type: none"> <li>• Zero emission vessels that do not transport fossil fuels or vessels with emissions intensity thresholds below those outlined in the Climate Bonds Initiative’s shipping criteria.</li> </ul>

Category	Eligible Activities
<p><b>Green Buildings and Infrastructure</b></p> 	<p>Construction, acquisition, operation, maintenance and/or refurbishment of public, commercial, residential, buildings that:</p> <ul style="list-style-type: none"> <li>Received, or expect to receive based on their design, construction, and operation plans, certification according to third-party verified buildings standards including: LEED (Gold or Platinum), BOMA Best (Gold or better), BREEAM (Excellent or better), ENERGY STAR (score of 85 or higher), CAGBC Zero Carbon Building Standards, Passive House Institute (EnerPHit) or relevant municipal green building standards (beyond mandatory levels)</li> <li>Are in the top 15% energy efficiency or GHG performance of their respective national or regional building stock</li> <li>Achieved, based on a third-party assessment, minimum of 30% energy savings or emissions reduction.</li> </ul> <p>Construction, acquisition, operation, maintenance and/or refurbishment of data centres with a power usage effectiveness (PUE) at or below 1.5.</p>
<p><b>Climate Change Adaptation</b></p> 	<p>Investments that improve the climate resilience of assets, systems, value chain, and communities:</p> <ul style="list-style-type: none"> <li>Upgrading of infrastructure to be climate resilient (examples below)</li> <li>Infrastructure projects for flood prevention and/or flood defense information and communications technology that improves climate monitoring and data collection, such as early warning systems</li> <li>Non-fossil fuel back up power generation and storage</li> <li>Wildfire mitigation and management activities.</li> </ul>
<p><b>Enabling Materials and Components<sup>10</sup></b></p> 	<p>Construction, development, acquisition, manufacturing, operation, and/or maintenance of facilities to extract raw materials and/or produce enabling components required for other environmental categories such as:</p> <ul style="list-style-type: none"> <li>Renewable energy assets, such as critical minerals (e.g., silicon, lithium, silver) used as inputs to manufacture photovoltaic cells and battery energy storage systems, and uranium for nuclear projects</li> <li>Low-carbon transport assets, such as batteries, battery cells, fuel cells, electric motors, powertrains and other components used in electric and hydrogen cell vehicle systems.</li> </ul> <p>Activities to be eligible under the Enabling Material and Components category are subject to additional criteria set by ICMA's Green Enabling Projects Guidance (2024).<sup>11</sup></p>
<p><b>CLIMATE TRANSITION</b></p>	
<p><b>Carbon Capture, Utilization and Storage<sup>12</sup></b></p> 	<p>Research, construction, development, acquisition, manufacturing, installation, operation and/or maintenance of Carbon Capture, Utilization and Storage ("CCUS") technologies.</p>
<p><b>Low-Carbon Intensity Fuels</b></p> 	<p>Development, manufacture, equipment and/or distribution of low carbon fuels and/or waste-to-energy pathways that enable a reduction of the carbon intensity of fuels, including, but not limited to: Hydrogen, ethanol, renewable diesel, co-processing of biocrude, sustainable aviation fuel, synthetic fuel, and renewable natural gas.</p> <p>Low carbon marine fuels such as renewable electricity based marine fuels in the form of hydrogen or ammonia with no direct emissions, e-methanol, e-gas oil, and electricity for use in batteries, bio-diesel and bio-methane, Liquefied Natural Gas in alignment with the International Marine Organization's goal and Poseidon Principles trajectory.</p> <p>Blue hydrogen that aligns with the CertifHy's recommended threshold for Carbon Intensity for green and low carbon hydrogen, which is set at 60% below the intensity of hydrogen produced from natural gas (currently set at 36.4 gCO<sub>2</sub>e/MJ).</p> <p>Methane capture retrofit of an existing natural gas production facility with an intensity of 270 grams of CO<sub>2</sub>e/MJ with a plan to transition to renewable or low-carbon fuel by 2036.</p>

<sup>10</sup> Financings for this category are eligible only if they are green labeled transactions.

<sup>11</sup> ICMA's Green Enabling Projects criteria: (1) Is a necessary component of an enabled Green Project's value chain; (2) Should not lead to locking-in high GHG emitting activities; (3) Provides a clear, quantifiable, and attributable environmental benefit; and (4) Should mitigate adverse social and environmental impacts.

<sup>12</sup> CCUS for the purpose of upstream Enhanced Oil Recovery ("EOR") activities are excluded. Only projects with a capture efficiency of >90% are eligible.

Category	Eligible Activities
<b>Electrification of Industrial Activities</b>  	<p>Construction, development, acquisition, installation, operation, maintenance and/or retrofitting of facilities or equipment used to reduce GHG emissions from conventional (non-electric) industrial activities, such as:</p> <ul style="list-style-type: none"> <li>Aluminum production, including improvement of thermal efficiency, development of novel anode technologies, retrofitting of smelters, electrification of calcination, and/or use of mechanical vapor recompression</li> <li>Cement production, including electric kilns, use of alternative fuels, and/or increase blend of alternative material to reduce use of clinker</li> <li>Iron and steel production, including scrap-based production of steel, blast furnace retrofits, electric arc furnaces, iron ore electrolysis, retrofitting of smelters and/or hydrogen-based direct reduced ironmaking.</li> </ul>
<b>Electricity Transmission and Distribution</b> 	<p>Construction, development, acquisition, manufacturing, installation, operation, and/or maintenance of electricity transmission and distribution systems in jurisdictions where current grids do not yet satisfy:</p> <ul style="list-style-type: none"> <li>An average system grid emissions factor below the threshold of 100 grams CO<sub>2</sub>e/kWh, over a rolling five-year period; or</li> <li>Over 67% of newly enabled generation capacity below the generation threshold value of 100 grams of CO<sub>2</sub>e/kWh, over a rolling five-year period.</li> </ul>
<b>SOCIAL</b>	
<b>Affordable Housing</b>   	<p>Construction, development, operation, and/or refurbishment of housing that meets accredited or registered affordable housing definitions<sup>13</sup> or contributes to access for low- to moderate-income individuals, Indigenous Peoples and/or Native American communities.</p>
<b>Access to Essential Services: Education and Vocational Training</b>   	<p>Activities enabling or facilitating the provision of educational and vocational services, such as:</p> <ul style="list-style-type: none"> <li>Public universities, schools, and training centres</li> <li>Activities that expand youth and adult access to education and/or target inclusion of women and minorities such as technical, apprenticeships, vocational and tertiary educational schemes.</li> </ul> <p>Construction of educational facilities or training infrastructure.</p>
<b>Access to Essential Services: Economic Development / Employment</b>  	<p>Activities enabling or facilitating economic development such as:</p> <ul style="list-style-type: none"> <li>Financing of businesses or farms that meet the U.S. Community Reinvestment Act definition<sup>14</sup></li> <li>Activities that support employment agencies and professional employer organizations for underserved or unemployed populations.</li> </ul>
<b>Access to Essential Services: Healthcare</b>   	<p>Activities enabling or facilitating the provision of health services for the socioeconomically vulnerable populations, such as seniors, people with disabilities, homeless, survivors of domestic violence and refugees, such as:</p> <ul style="list-style-type: none"> <li>Public and/or non-profit hospitals and/or health centers</li> <li>Medical equipment</li> <li>Homes or care facilities.</li> </ul>
<b>Access to Essential Services: Infrastructure and Services</b>    	<p>Construction, development, revitalization, stabilization<sup>15</sup>, and/or improvement of basic infrastructures for low- to moderate-income, or distressed or underserved rural communities<sup>16</sup> (e.g., clean drinking water, sanitation and clean energy, public spaces such as public libraries and parks).</p> <p>Provision of other essential community services<sup>17</sup> (e.g., temporary shelters/housing, food services) for low- to moderate-income or other underserved populations.</p>







<sup>13</sup> Meets applicable definitions within the jurisdiction in which it is built, including through programs such as the Investment in Affordable Housing (“IAH”) initiative of the Canadian Mortgage and Housing Corporation (“CMHC”), provincial equivalents and the Community Reinvestment Act in the U.S.

<sup>14</sup> Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs or have gross annual revenues of \$1 million or less.

<sup>15</sup> Including but not limited to community development, revitalization and stabilization activities eligible under the U.S. Community Reinvestment Act.

<sup>16</sup> Rural communities to be defined by relevant jurisdictions; examples include low- or moderate-income census tracts or Statistics Canada’s definition of rural communities as all areas outside of Population Centres.

<sup>17</sup> Including but not limited to community service and community development service activities eligible under the U.S. Community Reinvestment Act.

Category	Eligible Activities
<p><b>Socioeconomic advancement and empowerment: Indigenous Peoples</b></p>  	<p>Activities that support First Nations, Inuit, Métis (“Indigenous”) and/or Native American individuals, governments, organizations and/or business entities where:</p> <ul style="list-style-type: none"> <li>• The individual identifies as Indigenous or Native American,</li> <li>• The business is owned by an Indigenous or Native American government,</li> <li>• The organization is funded by the Government of Canada,</li> <li>• The organization is a Not-for-Profit, or</li> <li>• The business is a micro-, small- and medium-sized enterprises (“MSME”) where 51% of the owners identify as Indigenous or Native American.</li> </ul>
<p><b>Socioeconomic advancement and empowerment: Women-Owned Businesses</b></p>  	<p>Lending, financing, or business grants related to:</p> <ul style="list-style-type: none"> <li>• MSME<sup>18</sup> where at least 51% of the owners identify as women, or</li> <li>• Non-MSME where at least 51% of the owners identify as women.</li> </ul>
<p><b>Socioeconomic advancement and empowerment: Diverse Businesses</b></p>  	<p>Lending and financing related to:</p> <ul style="list-style-type: none"> <li>• MSME<sup>19</sup> where at least 51% of the owners identify as a member of historically underrepresented population groups<sup>20</sup></li> <li>• Non-MSME where at least 51% of the owners identify as a member of these population groups.</li> </ul>

### 5. Exclusionsary Criteria

BMO will not knowingly consider transactions with proceeds allocated to business primarily involved in the following activities, as eligible for sustainable or climate finance under this Framework:<sup>21</sup>

- Weapons
- Tobacco
- Gambling
- Adult entertainment
- Predatory lending

### 6. Reporting & Framework Updates

BMO publicly reports sustainable and/or climate finance activity annually in our annual sustainability and climate reporting and/or through other communication channels.

This Framework will be reviewed and updated, when necessary, as business practices mature, regulations develop, and reporting evolves. Updates will be effective from the Framework’s publication date and will not be applied retroactively to prior years’ sustainable finance reporting.

<sup>18</sup> Meets BMO’s internal definitions for micro-, small- and medium-sized enterprises.

<sup>19</sup> Meets BMO’s internal definitions for micro-, small- and medium-sized enterprises.

<sup>20</sup> Including but not limited to Asian, Black, South Asian/East Indian, Southeast Asian, Non-White North African or Arab and Non-White West Asian, Non-White Latin-American, and Persons of Mixed Origin.

<sup>21</sup> This is not a restriction on what BMO finances but indicates what may be tracked and reported as Sustainable and/or Climate Finance for internal and external reporting purposes.

BMO



This Sustainable & Climate Finance Framework (the “Framework”) is provided for informational purposes only and is subject to change without notice. BMO Financial Group does not assume any responsibility or obligation to revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever, is or will be accepted by the Bank for any loss or damage arising out of, or in connection with, the use of, or reliance upon, the information contained in this document.

Nothing in this document shall constitute, or form part of, an offer to sell or solicitation of an offer to buy or subscribe for, any security or other instrument of the Bank or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this document shall form the basis of, or be relied upon in connection with any contract, commitment, or investment decision whatsoever. Offers to sell, sales, solicitation of offers to buy, or purchases of securities issued by the Bank, or any affiliate thereof, may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in which such offers, solicitations or sales may be made. Professional advice should be sought prior to any decision to invest in securities.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to law or regulation. This document may contain forward-looking statements within the meaning of certain securities laws, including the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements contained in this document may include, but are not limited to, statements with respect to the Bank’s economic, environmental, social and governance-related objectives, priorities, vision, ambitions, strategies, future actions, commitments, goals, metrics and targets, as well as statements relating to the Bank’s investments in sustainable and climate finance, what the Bank considers as sustainable and climate finance under this Framework, sustainable and climate finance industry standards, the objectives and implementation of this Framework, the sustainable and climate finance market, the risks and estimated impacts associated with sustainable climate and finance transactions, products and services, and the Bank’s approach to reporting of progress against its sustainable and climate finance commitments. Forward-looking statements are typically identified by words such as “will”, “would”, “should”, “believe”, “expect”, “anticipate”, “project”, “intend”, “estimate”, “plan”, “goal”, “commit”, “target”, “may” and “could” or negative or grammatical variations thereof.

By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Certain statements made in this Framework use a greater number and level of assumptions and estimates and are over longer time frames than many of our required disclosures. These assumptions and estimates are highly likely to change over time and while believed to be reasonable at the time of preparation, should not be considered guarantees. There is significant risk that the Bank’s predictions, forecasts, conclusions or projections will not prove to be accurate, that the Bank’s assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. In addition, the Bank’s sustainability and climate strategy remains under development, and the data underlying such strategy remain subject to evolution over time. The Bank cautions the readers of this document, not to place undue reliance on these forward-looking statements as a number of risk factors, many of which are beyond the Bank’s control and effects of which can be difficult to predict, could cause actual future results, conditions, actions or events to differ materially from the commitments, targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors including but not limited to: challenges in identifying transactions, products and services that meet the sustainable finance criteria in this Framework, the risk that eligible transactions or related initiatives will not be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Bank, the evolution of our lending portfolios over time, the need for active and continued participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the Bank’s ability to gather, analyze and verify data regarding social, climate and environmental impacts, the Bank’s ability to track transactions and report on performance against its commitments, the Bank’s ability to successfully implement various initiatives under expected time frames, general economic and market conditions in the countries in which we operate, global capital markets activities, credit and counterparty, market, insurance, liquidity and funding, operational non-financial, legal and regulatory, strategic, environmental and social, reputation risk and our ability to anticipate and effectively manage risks arising from all of the foregoing factors. The foregoing list of risk factors is not exhaustive and other factors may cause the Bank’s actual performance to differ materially from the expectations contemplated by forward looking statements and could adversely affect the Bank’s results. For more information, please see the Enterprise-Wide Risk Management section of Bank’s most recent Annual Report, as updated by subsequent quarterly reports, all of which outline certain key factors and risks that may affect our future results. Investors and readers should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law.