



2025 SUSTAINABILITY AND CLIMATE REPORT

INCLUDING PUBLIC ACCOUNTABILITY STATEMENTS

Our sustainability and climate reporting provides disclosures on sustainability topics consistent with regulatory requirements and applicable sustainability and climate disclosure frameworks. We focus on what matters most to our stakeholders and aim to provide transparent updates on our progress and priorities.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

<p>3 Message from the Executive Committee Sponsor for Sustainability</p> <p>4 About this report</p> <p>6 Our strategy</p>	<p>7 Sustainability Governance</p> <p>8 Sustainability and climate governance</p> <p>12 Environmental and social risk management</p> <p>14 Business conduct</p> <p>18 Client experience</p> <p>20 Client privacy</p> <p>21 Cyber security</p> <p>23 Responsible artificial intelligence</p> <p>25 Environmental Sustainability</p> <p>26 Climate strategy</p> <p>39 Climate-related risks and opportunities</p> <p>43 Climate risk management</p> <p>48 Climate Scenario Analysis</p> <p>50 Engaging with clients on climate transition opportunity</p> <p>51 Metrics and targets</p> <p>64 Nature and biodiversity</p>	<p>65 Social Sustainability</p> <p>66 Community impact</p> <p>68 Indigenous partnerships</p> <p>70 Financial inclusion and capacity building</p> <p>76 Our Employee Value Proposition</p> <p>80 Inclusion</p> <p>82 Sustainability Solutions</p> <p>83 Sustainable and climate finance</p> <p>88 Responsible investing</p>	<p>90 Public Accountability Statements</p> <p>101 Appendix</p> <p>102 OSFI B-15 Index</p> <p>105 SASB Disclosures</p> <p>111 Principles for Responsible Banking (PRB) Index</p> <p>113 Glossary</p>
--	---	--	---

<p>3 Message from the Executive Committee Sponsor for Sustainability</p> <p>4 About this report</p> <p>6 Our strategy</p> <p>7 Sustainable Governance</p> <p>8 Sustainability and climate governance</p> <p>12 Environmental and social risk management</p> <p>14 Business conduct</p> <p>18 Client experience</p> <p>20 Client privacy</p> <p>21 Cyber security</p> <p>23 Responsible artificial intelligence</p> <p>25 Environmental Sustainability</p> <p>26 Climate strategy</p> <p>39 Climate-related risks and opportunities</p> <p>43 Climate risk management</p> <p>48 Climate Scenario Analysis</p> <p>50 Engaging with clients on climate transition opportunity</p> <p>51 Metrics and targets</p> <p>64 Nature and biodiversity</p> <p>65 Social Sustainability</p> <p>66 Community impact</p> <p>68 Indigenous partnerships</p> <p>70 Financial inclusion and capacity building</p> <p>76 Our Employee Value Proposition</p> <p>80 Inclusion</p> <p>82 Sustainability Solutions</p> <p>83 Sustainable and climate finance</p> <p>88 Responsible investing</p> <p>90 Public Accountability Statements</p> <p>101 Appendix</p> <p>102 OSFI B-15 Index</p> <p>105 SASB Disclosures</p> <p>111 Principles for Responsible Banking (PRB) Index</p> <p>113 Glossary</p>
--

> On the cover: a wall showing BMO's Purpose: **Boldly Grow the Good in business and life.**

Message from the Executive Committee Sponsor for Sustainability



In this year’s Sustainability and Climate Report, we are pleased to share progress on our enterprise-wide sustainability and climate-related governance, strategy and risk management efforts. Through this report, we aim to provide clear, reliable and decision-useful disclosures, aligned with leading global standards, to help our shareholders and stakeholders understand how we are capturing opportunities and building long-term resilience.

At BMO, our strategy is anchored in what sets us apart: world-class client experiences, our Winning Culture, digital-first and AI-enabled capabilities, and a long-standing commitment to superior risk management. Our Purpose, to **Boldly Grow the Good in business and life** powers our work and our commitment to creating opportunities for a thriving economy, a sustainable future and stronger communities. Our sustainability priorities represent opportunities for growth and are also an essential part of managing our risk. We are mobilizing expertise, platforms and capital across the bank to navigate change and create long-term progress across our value chain.

As the regulatory landscape continues to evolve, we are adapting our climate strategy to meet the changing needs and expectations of our stakeholders. Our Climate Ambition is to be our clients’ lead partner in their pursuit of energy and climate resilience. We offer market-leading financial solutions and thought leadership – such as our award-winning *Sustainability Leaders* podcast – that help us unlock opportunities for our clients and for BMO. We continue to employ sound environmental and social risk management practices, improve operational efficiency, and support sustainable outcomes in our supply chain to stay ahead of emerging risks.

In 2025, the BMO Climate Institute deepened its impact through BMO’s inaugural Climate Solutions Conference: Powering Resilience, where industry leaders convened to discuss corporate sustainability and investable themes including energy storage, carbon capture and more. The Climate Institute’s third Business Leaders Survey was unveiled at the conference, offering insight into the forces shaping the climate landscape.

We are proud of our long history of partnering with Indigenous communities across Canada and we are committed to advancing the Truth and Reconciliation Commission’s Call to Action 92. This year we established a dedicated Office of Reconciliation to foster positive respectful relationships and drive meaningful, consultative change in Canada. We released *Ár'áᑭáᑭ wícihitowin*, our fifth annual Indigenous Partnerships and Progress Report, and became the first North American bank to issue a labelled Indigenous Bond in support of Indigenous-owned businesses and communities.

We are also focused on creating vibrant, inclusive workplaces where people feel engaged and supported, and enhancing accessibility across the bank. Through education and implementation of a clear accessibility strategy we aim to provide a seamless experience for our employees and our clients.

As we look ahead, our commitment to a sustainable future remains important to how we lead, manage risk and create value. Should you require further information, please contact our Sustainability Office at sustainability@bmo.com.

Sharon Howard-Laird
Group Head, Canadian Commercial Banking & North American Integrated Solutions
Co-Head Canadian Personal & Commercial Banking
Executive Committee Sponsor for Sustainability
BMO Financial Group



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

About this report

In this report

We, us, our, bank and BMO mean Bank of Montreal and its subsidiaries. Certain terms used in this report are defined in the Glossary (see pages 113-115).

Reporting period

Covers the fiscal year ended October 31, 2025, unless otherwise noted.

Data, unless otherwise noted:

- is as of October 31, 2025.
- is enterprise-wide.
- may be rounded.

Currency and measurement

All dollar amounts in this report are in Canadian dollars, unless otherwise noted.

Assurance

We have obtained independent third-party assurance or verification on a selection of performance indicators. These are indicated as follows throughout the report:

- ◆ KPMG has provided limited assurance of select performance figures. KPMG's Independent Limited Assurance Report can be found on our [website](#).
- Stantec has provided limited verification of select environmental metrics. The verification statement can be found on our [website](#).
- ▲ SiMPACT Strategy Group (SiMPACT) has provided independent verification of select community impact data using the London Benchmarking Group (LBG) Model. SiMPACT's verification statement can be found on our [website](#).

Sustainability reporting suite

[Learn more here](#)

- Annual Report to Shareholders
- Management Proxy Circular

Determining report content¹

Determination of the scope and contents of our annual sustainability and climate disclosures is based on regulatory reporting requirements, relevant reporting standards, our annual sustainability materiality assessment (see page 5) and feedback from our stakeholders.

Regulatory reporting requirements

Our reporting is made pursuant to the following regulations and sustainability reporting frameworks, as applicable:

- Office of the Superintendent of Financial Institutions' Guideline B-15: Climate Risk Management, Chapter 2, Climate-related financial disclosures (OSFI B-15)
- *Bank Act (Canada)*, s. 627.996, and the Financial Consumer Protection Framework Regulations

Reporting standards

BMO has also referenced the following standards to inform this report, as applicable:

- Sustainability Accounting Standards Board (SASB) Standards, including the standards for asset management and custody activities, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance. The SASB Standards are recognized as foundational to standards from the International Sustainability Standards Board (ISSB) and the Canadian Sustainability Standards Board (CSSB).
- Canadian Sustainability Disclosure Standards (CSDS)
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Partnership for Carbon Accounting Financials' Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition) (PCAF Standard)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

¹ This report includes voluntary disclosures on sustainability and climate-related opportunities and risks, governance, strategy, risk management, and metrics and targets that may not be, and are not required to be, incorporated into our mandatory disclosures, for which we use a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.

Sustainability materiality assessment

Our sustainability efforts focus on the topics that matter most to our business and to the people and communities we serve.

Our approach to identifying the topics that are most important (“material”) is evolving to align with emerging sustainability regulatory and accounting standards. To meet future regulatory requirements, we developed a roadmap for conducting a double materiality assessment that leverages the principles of the European Sustainability Report Standards (ESRS), considering i) the financial impacts of sustainability opportunities and risks on our business, and ii) the impact of our business on people and the environment.

The assessment process described below reflects our first year of progress against our roadmap. The topics and disclosures in this report are based on the results of this year’s assessment. As expectations and regulations change, we will continue to update our approach and what we report may evolve.

Not included in this report are disclosures related to accessibility, which can be found in BMO’s *Accessible Canada Act Progress Report*, and human rights, which can be found in our *Statement Against Modern Slavery and Human Trafficking* and *Statement on Human Rights*, available on our [website](#).

2025 materiality assessment process



Identify relevant topics

We developed a comprehensive list of sustainability topics – over 80 in total – by reviewing our own reports (including sustainability and financial), peer disclosures, our business strategy, applicable frameworks (like the Corporate Sustainability Reporting Directive and SASB), as well as current regulations.



Assess stakeholder relevance and impacts

We used Datamaran, an artificial intelligence and big data platform, to assess the relative importance of relevant topics to our stakeholders. This assessment leverages financial sector companies in our operating regions, mandatory and voluntary sustainability-related regulations, and sector-specific media coverage. The relevance of each topic to BMO was informed by our disclosures, our strategy and input from our Sustainability Office. We are developing a methodology to align our current approach with guidance provided by emerging standards on impact materiality.



Assess the financial impact of sustainability risks and opportunities

We have developed a methodology to assess sustainability-related financial risks and opportunities relevant to our business. This work is guided by the CSDS 1 – General requirements for disclosure of sustainability-related financial information, and the ESRS. We have conducted an initial assessment of the financial risks and opportunities related to the relevant topics for our business and are engaging others to validate the results.

Stakeholder engagement

Our stakeholders include entities or individuals that could be affected by BMO’s activities or whose actions could influence BMO’s ability to execute strategies and achieve objectives (e.g., employees, clients, shareholders, suppliers, communities, government, civil society organizations, regulators). We strive to maintain regular, open and meaningful communication with these stakeholders to understand the ways in which BMO’s activities, products and services affect them, and the issues that are important to them. We engage with our stakeholders through one-on-one conversations; newsletters; events and conferences; technical committees, working groups and advisory boards; research surveys and workshops; town halls, forums, listening sessions and employee resource groups; and media such as webinars and podcasts.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Our strategy

At BMO, we continue to build a digital-first, future-ready bank, with engaged employees and a high-performing, winning culture. We are focused on helping our clients make real financial progress, and on financing their growth and innovation, while also investing in our workforce.

Anchored by our Purpose: Boldly Grow the Good *in business and life*

BMO has a deep sense of purpose. We leverage our position as a leading financial services provider in order to drive progress for our clients and communities.



Thriving Economy



Sustainable Future



Stronger Communities

Our strategic priorities

Our priorities support our enterprise-wide strategy and are the differentiators that allow us to achieve our financial objectives¹ and deliver competitive performance through consistent execution.

World-class client experience, grounded in One Client advice and guidance

High-performing, winning culture driven by alignment, accountability and recognition

Digital-first, AI-powered business for value and future readiness

Superior risk management

Our approach to sustainability

Sustainability is embedded in our Purpose. We take steps to manage our business in a manner that is consistent with our long-term risk management and financial goals, while considering our impact on communities, society and other stakeholders.

Our values

Integrity Inclusion Responsibility Empathy



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

¹ Please refer to our [2025 Annual Report](#) for more information on our enterprise strategy and financial objectives.

SUSTAINABILITY GOVERNANCE



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

**3 Message from the Executive Committee
Sponsor for Sustainability**

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance
12 Environmental and social risk management
14 Business conduct
18 Client experience
20 Client privacy
21 Cyber security
23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy
39 Climate-related risks and opportunities
43 Climate risk management
48 Climate Scenario Analysis
50 Engaging with clients on climate transition
opportunity
51 Metrics and targets
64 Nature and biodiversity

65 Social Sustainability

66 Community impact
68 Indigenous partnerships
70 Financial inclusion and capacity building
76 Our Employee Value Proposition
80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance
88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index
105 SASB Disclosures
111 Principles for Responsible Banking (PRB) Index
113 Glossary

Sustainability and climate governance

Strong corporate governance is the foundation of trust at BMO. That’s why we’ve built sustainability and climate considerations directly into how we lead and make decisions.

Board oversight of sustainability and climate topics

Responsibility for the oversight of sustainability is incorporated within the mandates of our Board of Directors, with each standing committee accountable for the sustainability and climate-related risks and opportunities that fall within its purview.

Governance body	Role in sustainability and climate governance	Committee charter
Board of Directors	<ul style="list-style-type: none"> Oversees BMO’s sustainability and climate-related reporting and climate-related matters. Approves the Risk Appetite Framework, which includes the Environmental and Social Risk (E&S Risk) Qualitative Statement. 	Board mandate
Audit and Conduct Review Committee (ACRC)	<ul style="list-style-type: none"> Approves our annual sustainability and climate reporting. Assesses the effectiveness of the bank’s governance of sustainability issues and oversees internal controls on sustainability reporting. Reviews climate-related targets and BMO’s Climate Transition Action Plan jointly with the Risk Review Committee. 	Committee charter
Risk Review Committee (RRC)	<ul style="list-style-type: none"> Assists the Board of Directors in meeting its oversight responsibilities for the identification, assessment and management of environmental and social risk (that includes risks arising from climate change), and our adherence to risk management corporate policies, and for complying with risk-related regulatory requirements. Approves the E&S Risk Corporate Policy. Reviews climate-related targets and BMO’s Climate Transition Action Plan jointly with the ACRC. 	Committee charter
Human Resources Committee (HRC)	<ul style="list-style-type: none"> Oversees and monitors compensation principles and policies, and their alignment with risk management and sustainability, including climate. Reviews material compensation plans to ensure design structure and application meets the bank’s compensation principles and policies and align to risk management and sustainability. Oversees human resources strategies management relating to inclusion and health and well-being. 	Committee charter
Governance and Nominating Committee (GNC)	<ul style="list-style-type: none"> Regularly reviews the charters of our Board of Directors and its committees to assess the coverage and alignment of their responsibilities, including sustainability issues within their respective mandates. 	Committee charter

When recruiting and evaluating directors, recognizing the business opportunities and risks arising from sustainability practices, the Board of Directors considers sustainability-related skills and experience alongside other criteria. Ten of our thirteen current independent directors have environmental, social or governance experience, and they are represented on each committee of the board. Board members receive ongoing training including substantive educational materials on sustainability-related matters and updates on climate-related topics. More information about our directors’ skills and experience and their ongoing education can be found in our current [Management Proxy Circular](#).

Our [Management Proxy Circular](#) provides information about our board and corporate governance practices. Please refer to page 48 of that document for information on how sustainability is integrated into BMO’s executive compensation design.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
 - 8 Sustainability and climate governance
 - 12 Environmental and social risk management
 - 14 Business conduct
 - 18 Client experience
 - 20 Client privacy
 - 21 Cyber security
 - 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
 - 26 Climate strategy
 - 39 Climate-related risks and opportunities
 - 43 Climate risk management
 - 48 Climate Scenario Analysis
 - 50 Engaging with clients on climate transition opportunity
 - 51 Metrics and targets
 - 64 Nature and biodiversity
- 65 Social Sustainability**
 - 66 Community impact
 - 68 Indigenous partnerships
 - 70 Financial inclusion and capacity building
 - 76 Our Employee Value Proposition
 - 80 Inclusion
- 82 Sustainability Solutions**
 - 83 Sustainable and climate finance
 - 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
 - 102 OSFI B-15 Index
 - 105 SASB Disclosures
 - 111 Principles for Responsible Banking (PRB) Index
 - 113 Glossary

Management oversight of sustainability and climate topics

BMO’s Executive Committee, led by the CEO, integrates sustainability and climate risks and opportunities across our lines of business, corporate functions and geographic segments.

The Chief Sustainability Officer, reporting to the Group Head CCB & NAIS, leads the BMO Sustainability Office, which includes the BMO Climate Institute, the Office of Accessibility and the Office of Reconciliation. The table below outlines the climate governance responsibilities of Executive Committee members and their teams.

Management oversight of sustainability and climate risks and opportunities

Function	Executive Committee member and team	Role in sustainability and climate governance
Enterprise	Chief Executive Officer	<ul style="list-style-type: none"> Chairs the bank’s Executive Committee, and is a director of Bank of Montreal and Chair of the Board of BMO Financial Corp., our U.S. subsidiary. The CEO is responsible for approving climate-related targets and transition planning with advice from the ESG Executive Committee.
Sustainability	Group Head, Canadian Commercial Banking and North American Integrated Solutions, and Executive Committee Sponsor for Sustainability (Group Head CCB & NAIS)	<ul style="list-style-type: none"> Reports directly to the CEO and is responsible for strategic growth of Canadian Commercial Banking and North American Integrated Solutions – including Treasury & Payments Solutions, Virtual Connect, Retail Payments, Digital Currency and Sustainability. As Executive Committee Sponsor for Sustainability, oversees the bank’s sustainability strategy, including enterprise initiatives to pursue commercial opportunities, operational efficiency programming, annual sustainability disclosures, accessibility and Indigenous reconciliation. Chairs the ESG Executive Committee and BMO Climate Institute.
	Chief Sustainability Officer	<ul style="list-style-type: none"> Reports to the Group Head CCB & NAIS and leads the Sustainability Office, which includes the BMO Climate Institute, the Office of Accessibility and the Office of Reconciliation. Leads the development of sustainability and climate disclosures, and sustainability strategies including related to operational efficiency, accessibility and Indigenous reconciliation. Chairs the Sustainability Council. Leads enterprise-wide initiatives related to E&S risk and provides advisory and subject matter expertise to Operating Segments and Corporate Services, including supporting the General Counsel on their responsibilities as the second line of defence on the transverse impact of E&S risk on legal and regulatory risk and reputation risk. Supports Finance with investor relations activities related to sustainability, and guides our Treasury and Operating Segments in their approach to sustainable finance.

(continued on next page)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Management oversight of sustainability and climate risks and opportunities, continued

Function	Executive Committee member and team	Role in sustainability and climate governance
Risk	Chief Risk Officer (CRO)	<ul style="list-style-type: none"> • Reports directly to the CEO and provides leadership, independent review and oversight of enterprise-wide risks, develops and maintains the Enterprise Risk Management Framework (ERMF), and fosters a strong risk culture. • Chairs the Risk Management Committee, is a member of the ESG Executive Committee and the E&S Risk Committee, and reports to the Board of Directors' Risk Review Committee on E&S risk matters, including climate change. • Acts as the second line of defence on the transverse impact of E&S risk, including climate risk, on credit and counterparty risk, market risk, liquidity and funding risk, insurance risk and non-financial risk, and oversees the bank's risk appetite in the context of these risk types. • Co-sponsors the E&S Risk Corporate Policy, with the General Counsel.
	Head of Environmental and Social Risk Management	<ul style="list-style-type: none"> • Reports to the Chief Risk Officer and guides the first and second lines of defence regarding the E&S Risk Management Framework, including the Climate Risk Management Framework, in order to support sound management of climate risk and compliance with legal and regulatory requirements. • Works with stakeholders across the bank to incorporate E&S risk, including climate risk, into the ERMF and integrate this risk into the Risk Management Life Cycle.
Finance	Chief Financial Officer (CFO)	<ul style="list-style-type: none"> • Reports directly to the CEO and is responsible for the enterprise's disclosure controls and procedures, including those that apply to sustainability and climate disclosures. Provides the Board of Directors' Audit and Conduct Review Committee with fiscal year-end evaluation of the disclosure controls and procedures for financial reporting. • Chairs the Disclosure Committee, which reviews the Sustainability and Climate Report. • Is a member of the ESG Executive Committee.
	Sustainability Controllership	<ul style="list-style-type: none"> • Advises on the design and implementation of the governance and internal control framework for sustainability and climate disclosures, in partnership with the Sustainability Office and others.
Legal and Regulatory Compliance	General Counsel	<ul style="list-style-type: none"> • Reports directly to the CEO and acts as the second line of defence on the transverse impact of E&S risk, including climate risk, on legal and regulatory risk and reputation risk. • Is a member of the ESG Executive Committee. • Co-sponsors the E&S Risk Corporate Policy, with the CRO.
People, Culture and Brand	Chief Administrative Officer, Chief Human Resources Officer and Head of People, Culture and Brand	<ul style="list-style-type: none"> • Reports directly to the CEO and leads enterprise transformation and drives strategic direction, including climate strategy. • Incorporates management, legal and regulatory requirements related to E&S risk regarding executive compensation. • Responsible for E&S risk in the context of our Corporate Real Estate portfolio.
Business	Heads of Operating Segments and Lines of Business	<ul style="list-style-type: none"> • Group Heads of Capital Markets, Wealth Management, Canadian Commercial Banking & North American Integrated Solutions, Canadian Personal & Business Banking, and the President of BMO U.S. lead strategies to capture business growth opportunities, including sustainable and climate finance, for their respective Operating Segments.¹

¹ Climate Finance is a subset of sustainable finance and refers to outcomes linked to GHG emissions reductions or climate-related resilience outcomes for clients. For more details on how we define climate finance, see our [Sustainable & Climate Finance Framework](#).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Management committees and forums

The **Environmental, Social and Governance Executive Committee (ESG EC)** brings together select members of the Executive Committee to provide enterprise coordination and oversight of sustainability and climate strategy, goals and risk evaluations. The ESG EC is chaired by the Executive Committee Sponsor for Sustainability and the Chief Sustainability Officer serves as the Secretary.

In addition to the ESG EC, a network of management committees and forums helps to coordinate our approach to sustainability and climate. These include:

Sustainability Council

A senior management forum for dialogue on sustainability efforts.

Disclosure Committee

Annually reviews sustainability and climate disclosures.

Risk Management Committee

Reviews the Enterprise Risk Appetite Statement on E&S risks, climate risk metrics (see Environmental Sustainability – Metrics and Targets – Climate Risk Metrics), and receives updates on E&S risk.

Reputation Risk Management Committee

Reviews reputation risk, including as a result of the transverse impacts of environmental and social risk, including climate.

Environmental & Social (E&S) Risk Committee

Provides oversight of the integration of E&S risk considerations within the Enterprise Risk Management Framework and subsidiary risk frameworks.

Enterprise Regulatory Committee

Supports regulatory management and keeps senior leaders informed of key regulatory matters, including those related to sustainability and climate.

Climate Commercialization Forum

Coordinates climate finance and commercialization strategies.

North American Commercial Banking Climate Steering Committee

Mobilizes climate workstreams across Canadian and U.S. commercial banking in response to market demand.

Climate and Sustainability Thought Leadership Forum

Coordinates communications and external thought leadership on sustainability and climate matters with internal stakeholders.

Indigenous Advisory Council

Provides the Office of Reconciliation with guidance and feedback on BMO policies and practices consistent with Truth and Reconciliation Committee Call to Action #92.

Accessibility Forum

Provides guidance and support on strategy and initiatives focused on advancing accessibility for clients and employees.

BMO Global Asset Management (GAM) Investment Committee’s Responsible Investment Working Group

Supports, approves and oversees the adoption and application of BMO GAM’s responsible investment activities.

Additional committees, forums and working groups are established as needed to improve our management of sustainability- and climate-related risks and opportunities and to align our approach across the enterprise, in accordance with our strategic priorities and in compliance with applicable legal and regulatory obligations.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Environmental and social risk management

To protect long-term value and maintain stakeholder trust, we work to better understand and manage our exposure to environmental and social risks and their potential impact on our business operations and value chain.

SASB: FN-CB-410a.2, FN-MF-270b.3

Who has responsibility

- Chief Risk Officer, General Counsel, Group Head CCB & NAIS, Chief Sustainability Officer, and Head, Environmental and Social Risk Management
- Overseen by the Audit and Conduct Review Committee and Risk Review Committee of our Board of Directors

Why this matters

Environmental & social risk (E&S risk) management helps us safeguard long-term value, maintain regulatory compliance and uphold our commitments to responsible business practices while complying with applicable regulations.

Overseen by the Chief Risk Officer, the ERMF guides our risk-taking activities so that we may align them with our clients’ needs, our shareholders’ expectations and our regulators’ requirements. As it defines our approach to risk management, the ERMF encompasses both risk governance and the risk management life cycle. The framework takes effect through our people, processes and technology, and leverages tools such as modelling and analytics, scenario analysis and stress testing, as well as our Risk Taxonomy, which catalogues the definitions of our material risks. For more information about our ERMF, see the 2025 Annual Report.

E&S risk is the potential for loss or harm to BMO, directly or indirectly stemming from environmental and social factors. The business operations and activities of BMO and our stakeholders may expose BMO to E&S risk that manifests through financial risks and non-financial risk, including legal and regulatory compliance risk. Such risk may emerge over a range of time frames, from short- to long-term. Our approach to managing E&S risk is part of BMO’s ERMF.

The following are some of the environmental and social factors that may give rise to E&S risk:

- Climate change
- Pollution and waste
- The use of energy, water and other resources
- Biodiversity and land use
- Human rights
- Talent and inclusion
- Labour standards
- Community health, safety and security
- Land acquisition and involuntary resettlement
- Indigenous Peoples’ rights
- Cultural heritage



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Policy framework

BMO’s Environmental and Social Risk Corporate Policy (E&S Risk CP) underscores the Board of Directors’ commitment to managing E&S risk at a level consistent with the management of other risks, positioning BMO to make informed strategic decisions while complying with applicable regulations in jurisdictions where BMO operates. The E&S Risk CP defines E&S risk and guides us in embedding E&S risk considerations into our ERMF, in part by defining the roles and responsibilities of senior leadership – improving our ability to identify, assess, manage, monitor and report on E&S risk. As part of our two-year review cycle, we update enterprise corporate policies and standards to align with the E&S Risk CP and applicable regulatory expectations. Policies and standards covering areas such as credit, market and reputation risk are updated to incorporate E&S risk’s transverse impacts with an emphasis on climate risk.

To support the E&S Risk CP, we introduced a Climate Risk Corporate Standard, and a second-line E&S Risk Management Framework Directive in early fiscal 2025. The standard helps drive the integration of climate risk considerations across the ERMF, effectively manage climate risk, and define roles and responsibilities. The directive provides guidance for implementing the policy and standard.

In 2025, we updated our qualitative Risk Appetite Statement for E&S risk and climate risk appetite metrics, and introduced an E&S risk aggregate report and climate risk dashboard. The Sustainability Office partners with the lines of business and Corporate Services to manage E&S risk in their areas. The E&S Risk Management team enables the effective governance of E&S risk by the different risk areas, with participation and effective challenge from the second line of defence. These teams deliver regular updates on sustainability and climate risk. To deepen integration across the first and second lines of defence, these teams facilitated a series of workshops in 2025 with line of business representatives to assess identified E&S risks and identify policies, processes and controls requiring integration of material E&S risks, with participation and effective challenge from second-line partners.

Corporate Audit independently assesses BMO’s internal control, risk management and governance systems and processes. Each quarter, the Chief Auditor reports results, key trends and critical risks to the Audit and Conduct Review Committee of the Board of Directors.

Our [2025 Annual Report to Shareholders](#) provides information about environmental and social risk governance practices.

Responsible lending

BMO’s credit risk management framework is guided by principles in our corporate policies and standards that govern operating procedures. These are reviewed regularly and updated as needed to stay aligned with our risk appetite. The structure, limits (both notional and capital-based), collateral requirements, monitoring, reporting and ongoing management of our credit exposures are governed by these credit risk management principles.

Lending officers in the operating segments recommend credit decisions after completing due diligence procedures and assume accountability for the related risks. Credit officers in Enterprise Risk and Portfolio Management approve larger or higher-risk transactions and provide an independent assessment of lending recommendations and risks assumed by the lending officers. Credit officers in the first and second lines of defence are subject to a rigorous lending qualification process and operate with clear delegation of decision-making authority, including annually reviewed lending limits.

BMO makes decisions about the terms of its products and services, and their provision to individual clients, based on an assessment of the specific risks and opportunities an individual client or transaction presents to BMO, in compliance with the laws and regulations of the jurisdictions where BMO operates. Our approach to responsible lending is risk-based and client-specific. BMO conducts E&S risk-related diligence that is tailored to the types of risks that individual clients may present. This due diligence informs BMO’s analysis of the unique financial risks and non-financial risks, including legal and regulatory compliance risk, a particular client or transaction may present to BMO. BMO does not deny, restrict or modify the terms of its products and services based on the E&S risk posed by a client’s lawful business activities and does not consider political or ideological factors in providing products and services.

Our Enterprise and Credit Risk Management Frameworks outline our relevant governance structures, including due diligence policies and processes. E&S risk is addressed in our lending processes through our E&S Risk General Financing Guideline, which outlines the bank’s Risk Appetite for E&S and climate-related risk, and supports identification, assessment and management of these risks in wholesale lending.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Business conduct

What we achieve as a business is important, but how we get there matters just as much. Responsible business conduct mitigates legal and regulatory risk, and safeguards our reputation and the interests of our clients and the communities that we serve.

SASB: FN-AC-510a.2, FN-CB-510a.2, FN-IB-510a.2, FN-IB-510b.4, FN-MF-270b.3

Who has responsibility

- Shared by everyone at BMO – directors, leadership and employees.
- BMO’s General Counsel leads BMO’s legal and regulatory compliance, including accountability for BMO’s ethical practices, customer complaint appeals and investigations.
- BMO’s Chief Ethics Officer communicates our standards of ethical conduct to BMO employees, and oversees BMO’s global Whistleblower Process.
- The Audit and Conduct Review Committee assists BMO’s Board of Directors in fulfilling its oversight responsibilities for compliance with legal and regulatory requirements and standards of business conduct and ethics, and reviews and recommends BMO’s Code of Conduct to the Board of Directors for approval.

Why this matters

Our business decisions can have far-reaching impacts. Non-compliance with regulations or failures in whistleblower protections and ethical standards can have legal, financial and reputational consequences, affecting strategic decisions, employee engagement and stakeholder trust. Strong governance and a culture of integrity support sustainable growth, resilience and confidence in BMO.

Leadership, accountability, and a strong foundation of policies, programs, training and performance management all work together to foster a culture of ethical conduct. At BMO, we have a range of programs designed to support our ethical culture and address specific risks or business practices, including our Code of Conduct and our approaches to anti-bribery and anti-corruption; anti-money laundering, anti-terrorist financing and sanctions measures; and political contributions and lobbying.

BMO’s Code of Conduct and Speak Up! culture

BMO’s Code of Conduct (the Code) is key to all BMO policies and procedures, and is centred around our commitments to Make a Positive Impact, Do What’s Right, Protect Our Brand, Avoid Conflicts and Speak Up!. The Code applies to everyone at BMO. Employees participate in annual training, and officers, employees and directors must confirm that they have read, understood, complied with, and will continue to comply with, the Code. Employees who contravene the Code of Conduct may be subject to disciplinary action, up to and including termination, and may also be subject to civil or criminal action.

99.9% of employees completed Code of Conduct training course.¹

Our Legal and Regulatory Compliance team provides guidance and resources to help our business groups comply with relevant legal and regulatory requirements, while also taking into consideration industry practices. BMO participated in the development of, and is committed to, additional [Voluntary Commitments and Codes of Conduct](#) that protect consumers, which are available on our website.

BMO’s Supplier Code of Conduct sets out our standards for integrity, fair dealing and sustainability. A breach of the Supplier Code of Conduct may lead to a termination of BMO’s relationship with the supplier.

[BMO’s Code of Conduct](#) and [Supplier Code of Conduct](#) are available on our website.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

¹ Completion rates above 95% are considered acceptable from a risk management perspective.

Fostering a Speak Up! culture

One of the five commitments in BMO’s Code of Conduct is Speak Up!. We offer a number of channels through which our employees can ask questions, provide feedback and report concerns without fear of retaliation – Employee Relations, Global Investigations, the Ethics Office and our [Speak Up! Whistleblower reporting service](#), among others.

BMO’s Ethics Office oversees our Whistleblower channel, which is open to anyone, whether or not they are BMO employees, to report suspicion of misconduct involving BMO or one of our service providers. Concerns can be communicated directly to our Ethics Office by email or submitted through our Speak Up! Whistleblower reporting service. The service is operated by an independent company to facilitate secure, confidential and anonymous reporting, 24/7, in multiple languages.

We regularly determine the effectiveness of our practices through:

- Assessments, peer benchmarking and comparisons with current industry practices;
- An annual external audit focused on BMO’s Sarbanes-Oxley (SOX) controls related to our Code of Conduct and Whistleblower channel; and
- Regular internal audits and employee surveys.

We make adjustments and improvements to our practices as necessary, based on these assessments.

You can find information about our Whistleblower channel at [BMO Whistleblower Hotline](#).

Taking action on concerns

Strong ethics and conduct scores in our employee engagement survey highlight employees’ confidence that concerns can be safely reported and that BMO will take action as required. This is also demonstrated by the steady number of reports we receive through our Whistleblower channel. These reports are in the form of opinions, questions and feedback related to BMO’s product and service offerings, as well as BMO’s policies and positions on current issues. As well, reports we receive that allege misconduct are duly investigated.

Each allegation is reviewed, and if it is confirmed, we take appropriate action, ranging from mandatory coaching sessions to termination. If an allegation is not confirmed, we look for opportunities to reiterate our expectations for ethical conduct or improve our policies and processes.

BMO does not tolerate retaliation against anyone who reports a concern, supports an employee to report a concern, or participates in an investigation. We take a number of steps to protect employees from retaliation, including ongoing training and communications to help managers and employees recognize, avoid and report suspected retaliation.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Anti-bribery and anti-corruption

BMO is committed to maintaining public trust by complying with anti-bribery and anti-corruption legislation in the jurisdictions where we operate. We take a zero tolerance approach to unethical business practices.

BMO's Anti-Corruption program involves establishing, executing and monitoring controls, procedures and systems across the enterprise to ensure compliance with anti-bribery and anti-corruption laws and to mitigate bribery and corruption risks.

We take preventative and detective measures across our operations to safeguard against bribery and corruption, including mandatory training and comprehension assessments for all BMO employees.

All employees are required to identify, avoid and report suspected bribery and corruption and comply with BMO's Anti-Bribery and Anti-Corruption Operating Directive, and BMO's Code of Conduct. These documents outline expectations for accurate record-keeping and provide guidance on acceptable behaviour and practices. BMO prohibits all forms of corruption, including bribery, kickbacks, facilitation payments, and offering, accepting or requesting improper gifts or benefits intended to influence business decisions or gain unfair advantage, including to or from public officials. As well, sponsorships and charitable donations must not be used to improperly benefit BMO or secure business.

BMO expects its suppliers to comply with our standards for integrity and fair dealing, as well as applicable anti-bribery and anti-corruption laws, and conducts Anti-Bribery and Anti-Corruption due diligence for our suppliers and third-party intermediaries. BMO's Supplier Code of Conduct communicates our expectations to third parties, aims to prevent corrupt practices within our supply chain and encourages reporting of misconduct to the Anti-Corruption team.

99.9% of employees completed Anti-Bribery and Anti-Corruption training course.¹

¹ Completion rates above 95% are considered acceptable from a risk management perspective.

Anti-money laundering, anti-terrorist financing and sanctions measures

An effective Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Measures (AML) program helps to safeguard our company, clients and communities.

BMO's AML program establishes guidelines and minimum standards for each BMO business across our footprint to prevent our products and services from misuse in money laundering, terrorist financing or sanctioned activities. BMO's Chief Anti-Money Laundering Officer (CAMLO) has overall accountability for governance, oversight and assessment of the program, and reports regularly to senior management and the board.

The program incorporates policies, procedures and controls, risk assessments, client due diligence, mandatory reporting, employee training, monitoring and testing of controls, and independent effectiveness testing. The AML program is supported by specialists who use analytics, technology and expertise to detect and report suspicious activity, while also assisting front-line employees who play a key role in identifying unusual activity as the first line of defence.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Political contributions and lobbying

Engaging responsibly in public policy discussions can benefit our clients, shareholders, stakeholders and the communities where the bank operates.

Corporate political contributions

BMO does not use corporate funds to make political contributions to political parties or candidates in Canada. Prior to November 1, 2018, all political contributions made in Canada on BMO’s behalf complied with applicable laws, and were reported as required.

In the United States, BMO does not contribute corporate funds or resources to federal, state, or local candidates or party committees, as required by U.S. law.

Governance and management oversight

BMO’s Code of Conduct governs our political participation, including the use of corporate funds. Certain employees may also be subject to additional limitations on personal political contributions. BMO’s policies and procedures provide guidelines for interactions with public officials, including those relating to gifts and entertainment, political contributions, bribery and required public disclosures.

BMO’s Government Relations teams manage BMO’s lobbyist registrations and track and report communications between BMO employees and government officials.

Lobbying

BMO participates in public policy discussions on issues that affect our business and stakeholders.

BMO is registered for its lobbying activities in the jurisdictions where required by law. These encompass federal, provincial, state and municipal laws, which require us to disclose topics that may be discussed with public officials, and in certain instances to disclose when meetings occur.

In Canada, BMO files monthly federal lobbying reports with the [Office of the Commissioner of Lobbying of Canada \(OCL\)](#). In the United States, BMO files quarterly federal lobbying disclosure reports as required by law. These reports include quarterly expenditures for lobbying activities, the issues on which BMO lobbies and the names of individuals registered to lobby on BMO’s behalf. These disclosures can be found at <https://lda.gov/system/public/>.

As part of our broader engagement strategy with elected officials and government stakeholders in both Canada and the United States, the bank may engage on climate policy and sustainable finance topics in a manner that is consistent with our legal obligations.

Political Action Committees in the United States

BMO Financial Corp. (BFC, our U.S. bank holding company) sponsors two Political Action Committees (PACs) that are registered with the U.S. Federal Election Commission: (1) BFC Good Governance Fund: Federal; and (2) BFC Good Governance Fund: General. These PACs are funded by voluntary contributions from eligible employees. BFC PACs are bipartisan – their contributions support candidates or political committees that align with BFC priorities, not the political preferences or priorities of BMO senior management. BFC is not affiliated with and does not operate or contribute to any Super PACs.

As required by law, PAC contributions are reported to the Federal Election Commission and applicable state or local authorities. Records of PAC contributions are publicly available through the relevant government entities.

Trade associations and sponsorships

BMO is a member of industry trade associations that represent financial services organizations and the broader business community, and these associations may interact with government officials on public policy matters. Membership in or financial support for these associations does not necessarily signify that BMO supports their positions on certain issues. Where the bank differs, we voice our concerns as appropriate through our representatives who participate in these groups, or publicly as necessary.

We disclose our membership in associations engaging in advocacy with annual membership dues of \$50,000 or more, paid by BMO Financial Group or BMO U.S.:

- American Bankers Association
- Arizona Bankers Association
- Bank Policy Institute
- Business Council of Canada
- California Bankers Association
- Canadian Bankers Association
- Canadian Chamber of Commerce
- Canadian Coalition for Good Governance
- Canadian Cyber Threat Exchange
- Colorado Bankers Association
- Consumer Bankers Association
- Finance Montreal
- Illinois Bankers Association
- Indiana Bankers Association
- Institute of International Bankers
- Institute of International Finance
- International Swaps and Derivatives Association
- Nebraska Bankers Association
- The Canadian Association of Financial Institutions in Insurance
- The Clearing House
- Toronto Region Board of Trade
- Wisconsin Bankers Association



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Client experience

We work to provide solutions for our clients in real time and to deepen our relationships with them to further generate world-class loyalty and business growth.

SASB: FN-AC-270a.3

Who has responsibility

- Employees – We expect our employees to put the needs of our clients at the centre of everything we do at BMO.
- Business Heads and Chief Marketing Data & Analytics Officer
- Chief Marketing and Communications Officer
- Consumer protection and transparency are overseen by the Risk Review Committee and Audit and Conduct Review Committee of our Board of Directors. The Human Resources Committee of our Board of Directors reviews Net Promoter Score (NPS) targets as part of their annual approval of non-financial goals.

Why this matters

Delivering a strong client experience can strengthen loyalty, foster engagement and differentiate BMO by promoting fairness, clarity and proactive protection of client interests. Failing to deliver a positive experience could give rise to reputational harm and regulatory scrutiny.

Client engagement

We communicate with clients through the following channels:

- **Digital** – BMO website, newsletters, email, SMS, press releases, brochures, podcasts, reporting, thought leadership and webinars.
- **Non-Digital** – Mail, contact centre, branch, consultations, working groups, partnerships, conferences and events.

We aim to make it easy for clients to share their thoughts with us in real time. We have set up a feedback loop so our lines of business can consult with clients and the public about our products and services and the development of new products and services in real time. Our goal is to be proactive in addressing concerns and recognizing trends, as well as identifying potential problems before they emerge.

Client experience

Net Promoter Score (NPS) is our primary metric for tracking and assessing client experience. NPS programs are in place across our operating segments and lines of business, and in our branches and contact centres, and we report NPS results regularly to our executive leadership team and our Board of Directors. At the enterprise level, we use industry studies to assess our performance against our peers and competitors.

Complaint handling processes

In Canada, clients who have concerns about their experience with our banking, investment or insurance products or services are encouraged to follow our three-step Canadian Complaint Handling Process. If the complaint is unresolved after following Steps 1 and 2, clients may escalate to BMO’s Customer Complaint Appeal Office (CCAO). The CCAO conducts impartial reviews of unresolved client complaints and attempts to facilitate a resolution, with every complaint considered carefully and assessed in a fair and respectful manner. As part of the review, the CCAO looks for opportunities to improve internal processes, and makes recommendations on providing a better client experience or improving operations, products or services. In 2026, BMO will be moving to a two-step Complaint Resolution Process to provide more efficient resolution for clients. For more information on the Canadian Customer Complaint Handling Process, including updates as our process evolves, see our [Complaint Handling Process](#). For more information on client complaints and the CCAO, see the [Customer Complaint Appeal Office 2024 Annual Report](#).

Our U.S. Complaint Management Program enables us to identify and resolve concerns and address potential risks, while generating insights that can help improve client satisfaction. We regularly evaluate and enhance our complaint escalation procedures to meet the expectations of our clients and regulatory requirements. As part of our ongoing governance program, our U.S. Personal and Business banking groups carefully analyze complaint-related information to identify and mitigate new, emerging or recurring concerns. Emerging trends and risks related to client complaints, as well as action plans to limit the number of complaints, are reviewed monthly in a forum that includes the lines of business and corporate support areas.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Consumer protection and transparency

The fair design and sale of financial products and services is addressed in [BMO's Code of Conduct](#) and related policies. With respect to Canadian banking products and services, BMO participated in the development of, and is committed to, [Voluntary Commitments and Codes of Conduct](#) intended to protect clients, which are listed on our [website](#).

BMO is committed to complying with regulations intended to protect the interests of clients. Regulators that exercise oversight of our retail banking business include OSFI and the Financial Consumer Agency of Canada (FCAC) for our Canadian operations, and the Consumer Financial Protection Bureau (CFPB) and Office of the Comptroller of the Currency (OCC) for our U.S. operations. Regulators that exercise oversight of our wealth management business include the Canadian Investment Regulatory Organization, the Canadian Securities Administrators, the FCAC, OSFI and Canadian Council of Insurance Regulators for our Canadian operations, and the Financial Industry Regulatory Authority, the Securities and Exchange Commission, the OCC, the Federal Reserve Board, the Department of Labor and the State of Delaware for our U.S. operations.

Our compensation programs and incentive plans for BMO's sales force are designed to encourage and reward performance aligned with appropriate behaviours. Compensation for some BMO employees is based entirely, or in part, on recognized sales. Sales are generally recognized when a client accepts a service or uses a product, or when account fees and any related fees are billed to a client, and may be reversed if a client cancels a service or does not use a product, or if compensation is paid to a client in relation to their account. Clients can raise and escalate concerns through defined processes described on the previous page. We regularly monitor BMO's sales force and perform audits and reviews of BMO policies and procedures related to the integrity of our sales practices and processes.

Since 2022, the Better at BMO program for our Canadian retail banking business has supported compliance with evolving regulatory requirements that focus on consumer protection under the *Bank Act*. This program has enhanced the systems and processes that prioritize client protections at BMO, with a particular focus on:

- Appropriateness of our products and services given a client's needs and personal circumstances.
- Transparency and client awareness.
- Client satisfaction and issue resolution.
- Integrity in our sales and service practices.

A mandatory learning program for our Canadian retail banking sales force related to the Better at BMO program is included in our annual training course on client protections, and its content is reviewed and updated annually. We actively monitor our client retention rates, address clients' complaints and evaluate the results of our client experience surveys to gauge the effectiveness of our practices.

Metrics – Client experience

	2025	2024
Net Promoter Score (NPS) – enterprise-wide (#)	61	59



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Client privacy

Protecting personal information is critical to sustaining the trust of our clients as we advance our Digital First strategy, which recognizes that data and technology are foundational to our business operations, strategy and future.

SASB: FN-CB-230a.1, FN-CF-230a.1, FN-CF-220a.1

Who has responsibility

- BMO’s General Counsel
- BMO’s Global Chief Privacy Officer oversees privacy governance, including policies, education and communications activities, as well as the reporting provided to our Board of Directors on privacy matters.
- Overseen by the Audit and Conduct Review Committee and Risk Review Committee of our Board of Directors

Why this matters

The risk of data breaches, data misuse or non-compliance with regulations can trigger regulatory penalties, and lead to reputational harm, as well as loss of client confidence. Strong privacy practices mitigate these risks and create opportunities to innovate and drive our Digital First strategy, build trust and strengthen client loyalty.

Our Global Privacy Principles

We have robust legal and regulatory compliance controls that govern the collection, use and retention of data. Our Global Privacy Principles, and our Privacy Codes for every jurisdiction in which BMO does business (found at bmo.com/privacy), clarify our approach to informing our clients about the nature of the personal information the bank may collect, use and disclose. These Codes also outline our provisions for retaining that information and the safeguards in place to protect any related data, as well as our clients’ choices and rights regarding the data.

◆ KPMG has provided limited assurance of this figure.

We require meaningful consent for any use of personal information for a secondary purpose, including marketing. Clients can manage their direct marketing preferences to opt out of some or all of our direct marketing communications. BMO does not sell personal information.

Any incidents involving suspected or actual breaches of privacy must be promptly reported to the Privacy Office, which manages our response and monitors key privacy risk metrics, including the number of privacy-related incidents and the volume of complaints referred to our regulator. These metrics are reported at least quarterly to senior management, and annually to our board’s Audit and Conduct Review Committee. Incidents with potential significant risk or impact are escalated to senior management and the Board of Directors or its committees as appropriate.

Our mandatory Ethics, Legal and Compliance Training (ELCT) program covers information security and privacy.

Alignment with regulations, external standards and frameworks

There is a growing focus on regulation related to privacy and personal information, and BMO is advancing its privacy program to comply with new and amended legislation in the jurisdictions where we do business. The Privacy Office proactively monitors new regulatory requirements related to privacy that may affect our business and privacy practices. Our Global Privacy Principles guide our management of risk and our compliance with legal and regulatory expectations across the enterprise.

We maintain relationships with the federal, state and provincial regulators that oversee our privacy-related performance, and our Privacy Office employees are members of the International Association of Privacy Professionals.

In 2025, the bank updated its Digital Privacy Policy to outline client choices in managing their privacy preferences when visiting BMO.com websites, using our mobile applications, or interacting with our digital communications or campaigns.

Our Corporate Audit team conducts regular audits of our Privacy program to provide reasonable assurance that the program continues to comply with applicable regulations and that it functions effectively.

Metrics – Privacy

	2025	2024
Substantiated complaints regarding breaches of client privacy and losses of client data (#)	◆ 0	0



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Cyber security

Our clients, employees and stakeholders trust BMO to safeguard their data. We focus on fraud, cyber security, physical security, privacy, and the resilience of our information technology (IT) systems, infrastructure and people.

SASB: FN-CB-230a.2, FN-CF-230a.1, FN-CF-230a.3

Who has responsibility

- Head, Financial Crimes Unit (reporting to the Chief Technology and Operations Officer)
- Chief Information Security Officer
- Overseen by the Audit and Conduct Review Committee and Risk Review Committee of our Board of Directors

Why this matters

Increasing threat sophistication and regulatory expectations require ongoing investment in secure and resilient infrastructure, threat intelligence and governance to avoid financial and reputational risks. Strong cyber security capabilities also enable digital innovation, deter adversaries, protect data, enhance client trust and support strategic decision-making, positioning BMO to compete effectively in a rapidly evolving financial landscape.

While it is widely known that the cyber security threats are substantial and no organization is immune to attack, we take action to protect and defend our business operations and our clients from malicious actors by implementing cyber security strategies.

The BMO Financial Crimes Unit is responsible for the oversight and management of all aspects of cyber security, internal and external fraud, crisis and continuity management, and physical security. The Financial Crimes Unit integrates capabilities within a central function, operating like a fusion centre that supports both intelligence gathering and responsive recovery.

Identifying and addressing cyber security risks and vulnerabilities

The Financial Crimes Unit proactively monitors and mitigates exposure to security risks that could affect our employees, processes, technology and clients, including emerging threats resulting from advancements in generative AI and quantum computing. Our approach to addressing these risks includes:

- Policies and standards for information security and privacy.
- Secure processes for classifying, handling and storing data.
- Data loss prevention technologies for detecting, monitoring and blocking potential data leakage.
- Responses to internal or external cyber threats through our Cyber Security Operations Centre.
- End-point protection and network security.
- An annual mandatory security awareness learning program for all staff.
- Mandatory security learning programs for targeted staff.
- Frequent reporting to our executives, external regulators, and internal and external auditors.
- Self-assessment against recognized frameworks and process benchmarking.
- Managing, assessing and responding to third-party security risks.
- Provide clients educational materials and resources to help them recognize cyber threats and reduce risk of cyber-related fraud.

Through our Fusion Intelligence team, we gather and analyze threat-related information from a variety of commercial, industry, government and internal sources, both open and proprietary. We also conduct periodic external and internal vulnerability scans deploying an industry-leading software solution in order to identify potentially malicious activity. Finally, an independent partner conducts external penetration testing at least once a year. Identified vulnerabilities are verified, risk-rated, tracked, monitored and reported on, supporting timely remediation within established targets.

In order to prevent, detect, respond to and recover from cyber security threats, we are making further investments in defensive technology, internal processes and talent. In addition, we work with a number of security services and software suppliers to augment our internal resources and technology capabilities.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

We aim to instill an enterprise-wide culture of security awareness comprising:

- A three-lines-of-defence model that supports effective risk management and compliance monitoring.
- Appropriate segregation of duties, organizational structures, reporting lines, authorizations and security responsibilities.
- A dedicated security risk governance function that monitors key risk metrics in order to assess the current state of our business operations and risk profile.

We regularly evaluate our cyber security controls in response to threat intelligence reports and forecasts, and develop new controls as needed – all of which inform our ongoing investments in technology and human resources.

Our processes are independently audited for compliance and operational effectiveness on an annual basis.

Applicable disclosure obligations

Depending on the nature of the breach, incidents involving suspected or actual breaches of data or information systems must be reported to the Privacy Office or Cyber Security team, which manages our response to the incident. Our response also involves notifying BMO’s regulators and affected clients in accordance with applicable regulatory requirements and business agreements.

See page 20 for the number of substantiated complaints regarding breaches of client privacy and losses of client data.

Alignment with regulations, external standards and frameworks

BMO is a highly regulated enterprise and is subject to independent reviews on a periodic basis. BMO’s cyber security capabilities are developed within the framework of the U.S. National Institute of Standards and Technology (NIST) and meet the requirements for ISO 27001:2022 certification in information security. We have achieved the target maturity level for all identified controls. We have also been certified (Tier IV) by the Uptime Institute for the high fault tolerance of our data centres. BMO is a member of the Financial Services Information Sharing and Analysis Centre (FS-ISAC), where we participate in intelligence-sharing efforts, best practice exchanges and sector-wide exercises that strengthen security, integrity and resilience of financial institutions.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Responsible artificial intelligence

Responsible artificial intelligence (AI) is foundational to our Digital First, AI-powered strategic priority. We are committed to developing, operating, using and scaling AI technologies ethically and transparently, while shaping responsible AI in financial services.

Who has responsibility

- Responsible AI is a shared responsibility across BMO. Everyone at BMO, regardless of their role or seniority, has a part to play in Responsible AI.
- Chief AI & Data Officer
- Chief Data & Analytics Officers
- Risk Management
- Overseen by the Audit and Conduct Review Committee and Risk Review Committee of our Board of Directors

Why this matters

AI can drive innovation, enhance efficiency, and support clients and employees. Strong governance to ensure the responsible deployment and scaling of AI products and services is required.

At BMO, we define AI as a computer or machine-based technology that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.¹ This definition encompasses traditional AI, as well as developments in generative AI, agents and agentic AI.

AI risk management and governance

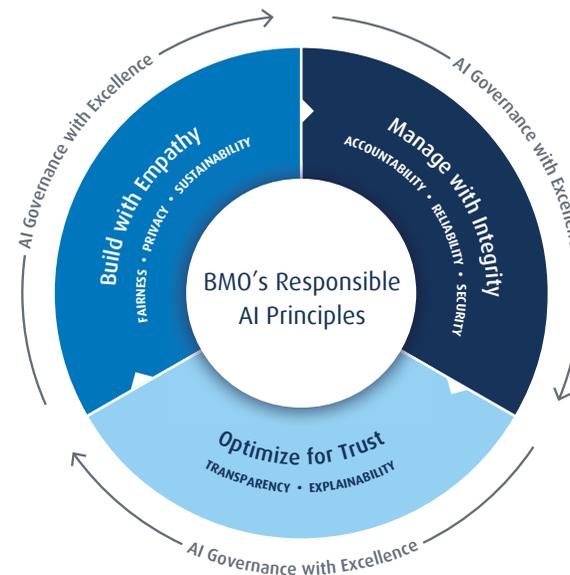
Our approach to managing AI risk follows BMO’s enterprise-wide risk management framework, applying the three-lines-of-defence model, and is guided by our Responsible AI Principles (RAI Principles). All AI solutions undergo review by cross-functional risk and governance teams at each stage of the lifecycle. This review considers potential risks and impacts, such as biased or unreliable outputs and identifies mitigating measures.

All AI tools deployed adhere to BMO’s risk and governance policies, including our [Global Privacy Principles](#), cyber security protocols, Risk Management Framework, AI Risk Directive, Responsible AI Principles and more, to safeguard client and employee data.

Vendor-provided AI solutions are required to meet BMO’s Supplier Code of Conduct and applicable governance expectations, including reporting on how AI risks are identified and managed.

BMO’s Responsible AI Principles

BMO’s Responsible AI Principles of Accountability, Reliability, Security, Explainability, Transparency, Fairness, Privacy and Sustainability guide our approach to building, operating and using AI responsibly.



¹ Informed by definitions from the Organization of Economic Cooperation and Development (OECD), the National Institute of Standards and Technology (NIST), and OSFI.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

These principles were developed with input from Legal, Sustainability, Risk, Data Science, Responsible AI, Security and Privacy teams. They are informed by recognized ethical AI standards and frameworks, including those of the European Commission’s High-Level Expert Group on AI, the National Institute of Standards and Technology (NIST), the IEEE Standards Association, Canada’s Office of the Superintendent of Financial Institutions (OSFI), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Organization for Standardization (ISO), and the Organisation for Economic Co-operation and Development (OECD).

BMO has established a Responsible AI team to support and oversee AI implementation, and a Responsible AI forum coordinates governance and shares expertise across the bank. Our approach to the responsible use of AI, including generative AI, is responsive to ongoing regulatory developments in the jurisdictions in which we operate, and is expected to continue to evolve.

AI in our own operations

AI is used, with human-in-the-loop oversight, to support operational efficiency, enhance employee productivity and support decision-making.

We provide training to support safe and effective AI use. This includes our “AI for All” enterprise-wide learning program, as well as additional courses for leaders and employees seeking more technical or subject matter specific training.

Innovation in our products and services

AI-enabled features are being introduced for select clients to enhance client experiences through features such as personalized insights, faster service, and enhanced protection from fraud and scams. We introduce client-facing innovations in stages (e.g., proof-of-concept, pilot, scaled deployment), maintaining performance thresholds, risk criteria and safeguards at each stage.

We are exploring opportunities to leverage the benefits of AI in sustainability-related products and services, while proactively managing the environmental and social risks related to the use of AI. This commitment informs how we govern AI adoption.

AI partnerships and ecosystem engagement

BMO engages with partners across the AI ecosystem – including academic institutions, industry leaders and civil society organizations – to support AI development and enhance our capabilities.

We participate in public policy discussions through industry associations and working groups, such as those of the Canadian Bankers Association (CBA), American Bankers Association (ABA), the Bank Policy Institute (BPI), and Fintech Open Source Foundation’s (FINOS) AI Readiness Working Group.

BMO also supports university-led AI programs to advance research and talent development in Canada. In partnership with Vector Institute, BMO co-developed SegMate, an open-source computer vision toolkit, to monitor climate-related changes such as deforestation and disaster zones, supporting responsible innovation in Sustainability.

We participate in global benchmarking initiatives, such as the Evident AI Banking Index, which assesses AI maturity in banks. Insights from these initiatives help inform our approach to AI governance, innovation and capability building.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

ENVIRONMENTAL SUSTAINABILITY



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate strategy

BMO's climate strategy		
We are mobilizing across our value chain to advance our climate strategy and execute our Climate Ambition to be our clients' lead partner in their pursuit of energy and climate resilience. ¹		
Climate governance (see pages 8-11)		
Partnering with clients	Managing our own operations	Investing in enablers
<p>Leverage current offerings and develop new products and services that help clients seeking to reduce their GHG emissions. See Sustainable and climate finance.</p> <p>Support clients in high-emitting sectors with custom solutions to achieve their climate objectives. See Client partnership and commercialization.</p>	<p>Reduce our operational emissions in a cost-effective way and implement a credible carbon offsetting approach. See Managing GHG emissions in our own operations.</p> <p>Work with suppliers to manage emissions associated with our purchasing. See Managing GHG emissions in our supply chain.</p> <p>Manage climate risks across our value chain. See Climate risk management.</p>	<p>Deploy customized training, support models and centres of expertise, including the BMO Climate Institute, to mobilize our workforce. See Strategic enablers.</p> <p>Evolve decision-useful data to inform our business strategy. See Tools and capabilities.</p>
Transparent reporting		

¹ Energy and climate resilience is the ability of businesses, communities and individuals to thrive in the face of opportunities and risks posed by climate change.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Transition Action Plan

Consistent with regulatory guidance from OSFI, BMO’s Transition Action Plan outlines the steps we are taking to manage physical and transition climate risks and capture opportunities, as well as the metrics and targets we use to track our progress. Action takes place across our entire value chain including our upstream supply chain, our own operations and our downstream financing activity, as shown on page 28.

Our Transition Action Plan is informed by regulatory and voluntary frameworks and standards on transition planning and disclosures, such as OSFI Guideline B-15 and relevant industry guidance, as well as scientific modelling where relevant.

Our Transition Action Plan is developed by the Sustainability Office under direction of the Group Head, CCB & NAIS in partnership with key stakeholders across Operating Segments and Corporate Areas. It is approved by the CEO, based on recommendation from the ESG Executive Committee, and is jointly reviewed by the Board of Directors’ ACRC and RRC.

In 2025, we applied scenario analysis capabilities to assess the feasibility of key actions in our Transition Action Plan across a variety of policy, market and warming scenarios and are incorporating findings into our climate strategy and climate coordination forums. We expect to update the strategies, tactics, metrics and targets within our Transition Action Plan as we achieve current objectives and as data quality improves, and in response to new market developments and local laws and regulations.

In 2025, we advanced workstreams to:

- Update our operational efficiency strategy (page 29).
- Implement new software to calculate our Scope 1, 2 and operational Scope 3 emissions (pages 52-54).
- Improve systems and processes for calculating our Scope 3 financed emissions (pages 55-60).
- Improve systems and processes for tracking of financing activity aligned with our [Sustainable & Climate Finance Framework](#) (page 83).
- Mature our commercial program to support clients (pages 30-36).
- Deliver bespoke climate finance training to front-line staff (page 38).
- Mature our climate risk management program and integrate climate, and other E&S risks defined in our Risk Taxonomy, into our ERMF (pages 43-47).
- Develop climate risk and opportunity scorecards to track and report key metrics internally (page 51).



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Implementation strategy

We are actively managing our business through the energy transition across our value chain by taking enterprise-wide and sector-specific actions.

Our value chain approach to advancing our climate strategy

Upstream

Achieve cost reductions and build supply chain resilience while also supporting positive environmental and social outcomes in our supply chain by advancing our Sustainable Procurement program.

Our operations

Reduce GHG emissions in our own operations over time in a cost-effective way and implement a credible carbon offsetting methodology.

Downstream

Mobilize across the bank to be our clients' lead partner in their pursuit of energy and climate resilience, offering products and services, with support from the BMO Climate Institute.

While the impacts of climate-related risks and opportunities have been assessed to have no material financial impact across our value chain in the reporting period, we recognize that, as a financial institution, most of our climate-related risks and opportunities are expected to be in our downstream value chain. This section outlines our actions to identify, prioritize and manage risks, and pursue opportunities across our value chain in alignment with OSFI regulatory requirements and our risk appetite.

Managing GHG emissions in our supply chain

We assess our suppliers' governance and risk management processes when selecting the companies we purchase from, including their practices related to management of environmental and social risk. Our Procurement team works with our Sustainability Office to identify and monitor supply chain exposures to environmental and social risk, to mitigate these risks to BMO and to reduce costs. This includes requesting suppliers to disclose and report their Scope 1 and Scope 2 GHG emissions in accordance with applicable regulations and industry best practices informed by international frameworks. BMO does not discriminate based on protected characteristics when choosing suppliers.

BMO's Procurement team and Sustainability Office also collaborate to advance enterprise-wide sustainability initiatives that promote environmentally responsible

practices across travel, shipping, office supplies and print services. These include integrating low-emission travel options into booking systems, consolidating shipments to reduce carbon footprint, sourcing office supplies with verified environmental benefits, and transitioning to digital-first print strategies to minimize paper use and waste. In 2025, we estimate we realized a 7% reduction in emissions across these categories relative to the prior year.

Internal price on carbon

Internal carbon pricing is a tool that can help companies identify and address risks and opportunities associated with a low-carbon transition by assigning a monetary value to their GHG emissions. We are currently assessing internal carbon pricing mechanisms and have created a shadow pricing framework where we assign a hypothetical cost per tonne of GHG emissions. We are piloting this approach with emissions from our commercial air travel.

Our aim is to raise awareness across our operating segments and corporate functions and to influence behaviour and decision-making without levying an internal carbon fee. We track number of flights, distance travelled, associated GHG emissions and hypothetical cost of carbon and report to leaders on a quarterly basis. Feedback from this pilot will be used to inform how we may use internal carbon pricing on a broader scale to reduce our overall GHG emissions.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Managing GHG emissions from our own operations

We are taking action to reduce GHG emissions in our own operations and stimulate the market for renewable energy and clean technologies. Our Corporate Real Estate team implements an operational efficiency program that seeks to reduce GHG emissions while lowering operational costs over time. Our operational efficiency program is driven by the following strategies:

1. Reduce operational GHG emissions

BMO’s Sustainability Office and Corporate Real Estate teams seek opportunities to improve energy efficiency and reduce energy consumption and related GHG emissions – enhancing resilience, reducing costs and advancing our Climate Transition Action Plan.

Our Corporate Real Estate team implements its Global Energy Management Playbook with the aim to reduce energy use and GHG emissions through operational efficiency improvements and capital building upgrades. We have taken action across our real estate portfolio to reduce GHG emissions at our offices, data centres and across our retail branch network based on an analysis of site performance, with over \$34 million invested since 2023 in lighting upgrades, smart retail controls and HVAC upgrades, as shown in the table below. Annual investments fluctuate based on available opportunities and emissions reduction potential relative to cost, and we plan to further invest in projects and initiatives that improve efficiency and reduce costs over time.

In 2025, we conducted GHG emissions reduction modelling to identify levers across our offices, branch network and critical facilities that would reduce our Scope 1 and Scope 2 emissions. This analysis

informed a refreshed multi-year operational GHG emissions reduction roadmap in which we intend to further invest in projects and initiatives that improve efficiency by upgrading equipment that is due for replacement and special projects that enhance the bank’s operational resilience and reduce costs over time.

Our modelling shows that BMO’s progress depends heavily on external factors, such as modernization and emissions reductions in U.S. and Canadian electricity grids. We also used Climate Scenario Analysis to assess whether these factors, combined with BMO’s own investments, would be sufficient to realize our operational GHG emissions reduction roadmap. In scenarios that limit global warming to 2°C or lower, we found that electricity grid GHG emissions reductions are likely to be sufficient. Under scenarios where current public policies remain unchanged until 2030 or beyond, this outcome is less likely.¹

Because our emissions are highly influenced by external factors, and considering the anticipated impact of return to office and business growth, we will continue evaluating how best to establish a meaningful operational emissions reduction target.

2. Address residual GHG emissions

In 2025, we purchased unbundled Renewable Energy Certificates or local equivalents from the regions in which we operate in volumes matching 100% of our global electricity consumption for the reporting period August 1, 2024, to July 31, 2025. This addresses Scope 2 GHG emissions from electricity and supports the market for technologies that reduce emissions.

We also purchased and retired carbon credits to offset our Scope 1, Scope 2 (market-based) and Scope 3 GHG emissions from our employees’ activities (category 6 – business travel) for the same reporting period. Our diversified offset portfolio includes carbon removal projects such as carbon mineralization and nature-based removals from improved forest management. We disclose the projects from which we purchase voluntary carbon offsets pursuant to the *California Voluntary Carbon Market Disclosures Act*, Section 44475.1, on our [website](#).

	2025	2024	2023
Capital expenditure on energy efficiency initiatives (\$ millions)	\$16.1	\$7.1	\$11.6

¹ Scenarios used in the analysis were long-term Network for Greening the Financial System (NGFS) Phase 5 scenarios generated using three Integrated Assessment Models: REMIND-MagPIE, MESSAGE-GLOBIOM and GCAM.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Client partnership and commercialization

We offer a range of products and services that help our clients achieve their GHG emissions reduction and risk management objectives.

Across BMO’s operating segments, our climate commercialization strategy is overseen by the ESG Executive Committee, implemented through the Climate Commercialization Forum and supported by the BMO Climate Institute, which coordinates climate action both across the bank and externally. Our lines of business and operating segments partner with clients to achieve their climate-related

objectives by meeting our clients where they are and responding to market demand for financing solutions that help them adopt economically viable technologies and processes to reduce GHG emissions and/or enhance climate resilience. See pages 82-89 for a discussion of our operating segments’ approach to sustainable and climate finance.

Key activities to be our clients’ lead partner in their pursuit of energy and climate resilience

Products and services

Leverage current offerings and develop new products and services that help clients seeking to reduce their GHG emissions.

Knowledge and capabilities

Develop GHG emissions reduction and energy transition-related expertise and capabilities to advise clients in high-emitting sectors such as energy, real estate, food and agriculture, transportation, and manufacturing.

Advisory capabilities

Leverage BMO Radicle’s capabilities to provide clients with strategic advice on developing and monetizing carbon credits, and facilitating carbon credit trading to help them achieve their GHG emissions reduction goals.

Mobilizing our workforce

Deploying customized training, support models and centres of climate expertise to mobilize teams in pursuing climate-related commercial opportunities.

We prioritize action in the high-emitting sectors in our lending portfolio, consistent with our work on quantifying financed emissions based on relevant industry standards and guidelines, and OSFI’s view of transition-sensitive sectors. Our sector-specific strategies and actions advanced in 2025 are described below.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary



The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance business resilience in the energy sector.

Offering products and services to support clients	Our Sustainable Finance team provides financing to support companies in pursuing sustainable outcomes and meeting their transition planning goals, including investments in energy efficiency, GHG emissions reductions and renewable energy. Our Energy Transition & Sustainable Services team provide advice on energy transition, and expertise regarding a broad range of investment banking and capital markets products to facilitate emissions reductions (see page 84).
Deploying BMO Radicle’s carbon credit generation and trading capabilities¹	Originating carbon credits with clients through projects that help them generate revenue from their GHG emissions reduction activities. Carbon pricing can be integrated into client data profiles to identify carbon-related opportunities and risks.
Understanding clients’ transition plan activities	Refined our tools for collecting climate-related client information, enabling the bank to better identify opportunities to support our clients’ transition strategies. ²
Tracking sustainable and climate financing	Tracking of advisory services, capital raised through equity and debt financing, and lending activity for clients pursuing sustainable outcomes. Tracking energy-related financing activities informs internal data-driven decisions related to GHG emissions reduction efforts and commercial strategy.
Calculating financed emissions	Set targets to reduce our financed emissions from our global upstream oil and gas portfolio. See page 58 (Environmental Sustainability – Metrics and targets – Financed emissions – Oil & gas) for details on targets and progress. Having surpassed our target for reductions in Scope 3 GHG emissions in 2021, we are focusing on our Scope 1 and 2 intensity target.
Engaging industry	The Pathways Alliance comprises Canada’s largest oil sands companies, and we support their carbon capture and storage (CCS) project, regularly engaging with the alliance and its member companies on GHG emissions reduction strategies and incentives.
Publishing thought leadership	We profiled sector-relevant GHG emissions reducing technology solutions in our recent publications: <ul style="list-style-type: none"> • Why Novilla RNG is Bullish on the Renewable Natural Gas Market • Convening Experts to Discuss Low-Carbon Solutions for the Sector

¹ Carbon credit generation services and carbon advisory are provided through BMO Radicle Inc. Carbon credit sales and trading are provided through Bank of Montreal.

² Includes upstream (oil and natural gas extraction), midstream (gathering and pipeline), downstream (refining and processing) and related service companies.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

 **Power generation**

The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance business resilience in the power sector.

Offering products and services to support clients	<p>Our Sustainable Finance team and Energy Transition & Sustainability Services (ETSS) team advise on products and services to facilitate emissions reductions through underwriting and capital market activity to support companies in pursuing sustainable outcomes, including investments in energy efficiency, GHG emissions reductions and renewable energy. In addition, several of our Capital Markets and Commercial Banking teams, when opportunities arise, provide our clients in power, utilities and infrastructure with banking and advisory products that support their transition journeys.</p> <p>Our Wealth group offers investors exposure to companies involved in clean energy-related businesses, such as through the BMO Clean Energy ETF Fund.</p>
Deploying BMO Radicle’s carbon credit generation and trading capabilities¹	<p>Originating carbon credits with clients through projects that help them generate revenue from their GHG emissions reduction activities. Carbon pricing can be integrated into client data profiles to identify carbon-related opportunities and risks.</p>
Understanding clients’ transition plan activities	<p>Refined our tools for collecting climate-related client information, enabling the bank to better identify opportunities to support our clients’ transition strategies.</p>
Tracking energy transition financing	<p>Tracking of advisory services, capital raised through equity and debt financing, and lending activity for clients pursuing sustainable outcomes. Tracking energy-related financing activities informs internal data-driven decisions related to GHG emissions reduction efforts.</p>
Calculating financed emissions	<p>Set a target to reduce the financed emissions intensity of our Canadian power generation portfolio. See page 59 (Environmental Sustainability – Metrics and targets – Financed emissions – Power) for details on our target and progress. We have not set a target for our U.S. portfolio due to evolving legal requirements in the United States.</p>
Establishing partnerships to better serve our clients	<p>Support communities in the Western U.S. by providing low-to-no-cost solar energy through partnership with GRID Alternatives.</p>
Publishing thought leadership	<p>Providing clients across the value chain with insights on GHG emissions reductions within the power sector. Our recent publications include:</p> <ul style="list-style-type: none"> • Innovations in Long-Duration Energy Storage • The Path to Commercializing Fusion Energy • Improving Grid Resilience with Long-Duration Energy Storage • Expanding Access to Solar Power: Lessons from GRID Alternatives

¹ Carbon credit generation services and carbon advisory are provided through BMO Radicle Inc. Carbon credit sales and trading are provided through Bank of Montreal.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

 **Transportation**

The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance business resilience in the transportation sector.

Offering products and services to support clients	Our ETSS team provides bespoke investment banking advisory and financing solutions for renewable fuel producers, fuel cells and hydrogen technologies required to reduce GHG emissions from downstream transportation sectors.
Deploying BMO Radicle’s carbon credit generation and trading capabilities¹	Supporting clients in efforts to generate, purchase and trade carbon offsets as part of their emissions reduction strategies. BMO Radicle is working with maritime and on-road transportation clients transitioning their fleets to electric vehicles, offering program eligibility assessments, and estimating potential credit volumes and value to submitting reports and monetizing credits.
Building workforce capacity	We have provided bespoke training on climate finance, regulations and market trends related to the transportation sector to equip Relationship Managers with expertise to engage clients on their GHG emissions reduction goals.
Publishing thought leadership	We profiled sector-relevant GHG emissions reducing technology solutions in recent publications such as Sustainable Travel – Are We There Yet? and A Conversation with Booking Holdings .

¹ Carbon credit generation services and carbon advisory are provided through BMO Radicle Inc. Carbon credit sales and trading are provided through Bank of Montreal.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

 **Commercial real estate**

The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance business resilience in the commercial real estate sector.

<p>Offering products and services to support clients</p>	<p>We offer a first-of-its-kind financing, in collaboration with the Canada Infrastructure Bank (CIB), that helps owners of all types of commercial real estate secure funding to finance GHG emissions reductions and energy efficiency retrofits. We have deployed a combined ~\$85 million of BMO and CIB retrofit financing under this program to date.</p> <p>For Canadian clients whose projects do not meet the eligibility criteria for the BMO-CIB offering, we are piloting a “Better Buildings” product that offers enhanced mortgage terms to clients who complete commercial retrofits involving building electrification, envelope improvements and installation of renewable energy or smart grid technology in line with BMO’s Sustainable and Climate Finance Directive.</p> <p>We are also piloting a “Sustainable Spaces” product designed to support Canadian clients who choose more sustainable construction practices. The product offers enhanced construction and mortgage financing terms for real estate developers whose projects align with criteria established in BMO’s Sustainable and Climate Finance Framework.</p>
<p>Engaging industry</p>	<p>BMO is further engaging with industry on real estate GHG emissions reductions and energy efficiency. Our “Banking on Buildings” initiative seeks to connect sustainable real estate practices and improved financial performance, with research findings used to inform product innovation and engagement with regulators. In 2025, we hosted a Banking on Buildings forum at our Toronto head office, where we engaged banks, real estate leaders and non-profit organizations to accelerate the development and financing of energy-efficient and lower-carbon real estate.</p>
<p>Publishing thought leadership</p>	<p>Real estate sector GHG emissions reduction strategies are regularly highlighted in our thought leadership through the Climate Institute and in the Sustainability Leaders Podcast. The bank has also formed strategic partnerships to conduct innovative analyses on the impacts of climate change in the commercial real estate sector, including the economics of green construction. Recent publications for the sector include:</p> <ul style="list-style-type: none"> • How Developers and Builders Are Paving the Way for a Greener Future • Property Resilience to Climate Risk: In Search of Standards • Opportunities to Accelerate Building Decarbonization



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

 Residential real estate

The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance resilience in the residential real estate sector.

Offering products and services to support clients	Clients have access to financing solutions to achieve their energy efficiency and emissions reduction goals in their home, including rate discounts for borrowers in Canada offered on personal loans used for sustainability-related purposes (e.g., installing solar panels).
Building workforce capacity	We offer a program designed to equip BMO’s Home Finance lenders with knowledge and tools needed to educate clients on how to improve the energy efficiency of their home. The Home Financing Team also developed a playbook on policy, market and technology trends to equip the workforce with information on GHG emissions reduction solutions for retail clients.
Educating clients on home retrofits	Resources such as bmo.com/ecofriendlyhome and the Sustainable Living: Understanding Home Retrofits Podcast help inform Canadian clients regarding actions they can take to reduce GHG emissions in their homes, and connect them with financing solutions to achieve their goals. We profiled sector-relevant solutions in our Supporting Home Insurability and Investing in Building Resilience publication.
Establishing partnerships to better serve our clients	Through partnerships with insurers of our current Canadian mortgage products, clients receive help to achieve their GHG emissions reduction goals. Partnerships include: <ul style="list-style-type: none"> • Eco Plus and Eco Improvement insurance rebate program, with Canada Mortgage and Housing Corporation (CMHC), focused on reducing the impact of housing on climate change. • Energy-Efficient Advantage Program, with Canada Guaranty, supporting initiatives that raise awareness of the environment and the need for its ongoing protection. • Energy Efficient Housing Program, with Sagen, to reward homebuyers purchasing energy-efficient homes or making renovations that deliver significant energy savings.
Supporting communities	Our strategic philanthropic activity supports the equitable deployment of low-carbon solutions, such as our \$3 million partnership with GRID Alternatives to provide low-to-no-cost solar energy systems and storage, clean mobility, and job training programs to underserved families in California and Colorado, and Native communities in the Western United States.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
 - 8 Sustainability and climate governance
 - 12 Environmental and social risk management
 - 14 Business conduct
 - 18 Client experience
 - 20 Client privacy
 - 21 Cyber security
 - 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
 - 26 Climate strategy
 - 39 Climate-related risks and opportunities
 - 43 Climate risk management
 - 48 Climate Scenario Analysis
 - 50 Engaging with clients on climate transition opportunity
 - 51 Metrics and targets
 - 64 Nature and biodiversity
- 65 Social Sustainability**
 - 66 Community impact
 - 68 Indigenous partnerships
 - 70 Financial inclusion and capacity building
 - 76 Our Employee Value Proposition
 - 80 Inclusion
- 82 Sustainability Solutions**
 - 83 Sustainable and climate finance
 - 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
 - 102 OSFI B-15 Index
 - 105 SASB Disclosures
 - 111 Principles for Responsible Banking (PRB) Index
 - 113 Glossary

 **Agriculture**

The table below summarizes the actions that we are taking to support clients’ emissions reduction objectives and enhance business resilience in the agriculture sector.

<p>Offering products and services to support clients</p>	<p>Financing for projects and technologies that help clients across the agriculture and agri-business value chain reduce emissions and build business resilience through improved soil health, crop rotation, erosion control, reduced water and chemical use, and energy independence. We offer clients financing for initiatives such as purchasing biodigesters and precision agriculture equipment, greenhouses and lighting upgrades, on-site energy production, and energy-efficient manufacturing.</p> <p>Our Greener Future Financing program incentivizes Business Banking agriculture clients to invest in technologies and practices including renewable energy use, energy efficiency upgrades, sustainable resource use, flood-proofing, and more.</p>
<p>Establishing partnerships to better serve our clients</p>	<p>We have formed partnerships with universities in the United States and Canada to advance research on agriculture sector climate risks and GHG emissions reductions.</p> <p>We are committed to advancing food security and sustainable agriculture. This includes supporting community-based initiatives that address food insecurity through collaboration, innovation and empowerment, as well as supporting underserved farmers in their transition to organic agriculture practices.</p>
<p>Engaging industry</p>	<p>We are working with commodity groups and industry organizations such as Farmers for Sustainable Food, Dairy Sustainability Alliance and Dairy Sustainability Finance Workshops on sustainability solutions.</p> <p>We are working with the World Economic Forum’s First Movers Coalition for Food to set up a financing program for the transition from conventional to regenerative crops. The working group includes food manufacturers, farmers and banks.</p>
<p>Publishing thought leadership</p>	<p>Sector GHG emissions reduction strategies are regularly highlighted in BMO’s thought leadership through the Climate Institute, Sustainability Leaders Podcast, and the bank’s annual Farm to Market/Chemicals Conference. Recent publications for the sector include:</p> <ul style="list-style-type: none"> • Exploring U.S. Organic Food Opportunities • Addressing the Challenge of Financing Regenerative Agriculture • Agrivoltaics: A Water Conservation Solution? • From Farm to Future: How Funding Solutions are Shaping Agricultural Emissions



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Strategic enablers

Managing risks and pursuing climate-related opportunities across our value chain require investment and capacity building to meet the expectations of our clients, regulators and other stakeholders.

We make strategic resourcing decisions – such as our investments in the BMO Climate Institute, BMO Radicle, our Sustainable Finance teams in the Capital Markets and Commercial Banking groups, and our Energy Transition and Sustainable Services group (see pages 82-87) – in response to market conditions and emerging opportunities, and to advance our risk management objectives.

Inaugural Climate Solutions Conference

In April 2025, in partnership with our Commercial Bank, Capital Markets, and BMO Radicle groups, the Climate Institute hosted BMO’s inaugural Climate Solutions Conference in San Francisco, California. This event brought together companies, investors and industry experts, offering practical tools, guidance and networking opportunities to help attendees advance their corporate sustainability and investment strategies.

BMO Climate Institute

The BMO Climate Institute is a centre of expertise that convenes climate knowledge, data and resources to advance BMO’s capabilities and deliver thought leadership and expert insights to the market. It bridges science, policy, finance and economics, serving as a resource on GHG emissions reductions, resilience, social impact and biodiversity.

The Climate Institute prioritizes client engagement through thought leadership and strategic partnerships designed to equip lending teams and clients with insights to integrate climate considerations into business strategy. It also accelerates workforce capability building on climate topics and refines the bank’s operational efficiency program to meet regulatory expectations and inform strategic decisions.

Thought leadership and engagement

Drive industry insights on climate risks and opportunities.

Tools and capabilities

Scale climate solutions, support front-line colleagues with sector and technology expertise, and inform our GHG reduction strategy.

Capacity building

Build enterprise-wide climate awareness and provide education that enables colleagues to pursue commercial opportunities and support clients.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Employee engagement on climate

We continue to invest in training to build workforce capabilities on climate-related issues, helping manage risk and serve clients in their pursuit of a sustainable future. Key 2025 initiatives are described below.

Training and capacity building

Climate resources

Over 1,000 climate and sustainability education resources are available on our learning platform.

Climate talks

The Climate Institute hosted three internal events to build awareness on the results of BMO's survey of business leaders' perspectives on climate action, the intersection of water and climate, and climate-related business events.

Personal and Business Banking

Introduced a training module on energy efficiency in home financing to enhance client conversations in Canada.

Commercial Banking Climate Finance Training Program

Continued to offer training on topics such as climate risks and opportunities in priority sectors and BMO's sustainable finance products, such as sustainability-linked loans. This training aims to help Relationship Managers and other front-line bankers communicate climate- and energy-related opportunities to clients and prospects, and introduce our suite of climate and sustainable finance products.

Climate Essentials for Private Wealth

Launched tailored training for BMO's North American Private Wealth professionals on responsible investment strategies and pre- and post-investment considerations.

Climate Institute Fellowship Program

Provided select employees the opportunity to complete six-month assignments on a part-time basis focused on projects related to climate risks and opportunities. The program draws on interdisciplinary enterprise-wide expertise to advance the bank's Climate Ambition, and encourages employees to consider climate-related risks and resilience in business activities.

Tools and capabilities

In 2025, the Climate Institute developed tools to support BMO colleagues and clients.

Government incentives dashboard

An interactive database that helps client-facing teams provide advice on state, provincial and federal government incentives that may be available to them to help finance climate-oriented projects.

Natural hazard risk dashboard

A natural hazard risk dashboard that overlays internal and external datasets to visualize geographical hazard risks, expected annual losses, and community vulnerability and resiliency in the United States. This dashboard is intended to facilitate decision-making around risk mitigation, community engagement, planning and strategy.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate-related risks and opportunities

Physical climate risks are those associated with a changing climate, which could have both acute and chronic physical effects, while transition climate risks are those associated with the shift to a lower GHG economy. These risks can impact our clients and the bank through financial risks and non-financial risks, including legal and regulatory compliance risk.

Climate-related opportunity refers to the potential for the bank to unlock new markets and generate incremental revenue by supporting clients to achieve their own climate-related goals. Climate opportunities can also include working with our suppliers and implementing operational improvements such as enhancing energy efficiency or adopting innovative technologies that lower Scope 1 and 2 emissions and improve operational resilience.

Following sound risk management practices, and consistent with regulatory expectations, we consider the current and anticipated effects of climate-related risks and opportunities on our business model and value chain.

We evaluate how these factors may impact the business environment, our clients, our portfolio and our operations over the short-, medium- and long-term time horizons and over different future scenarios. A summary of this evaluation is in the table below. It indicates relative potential risks and opportunities based on our analysis of our operations and portfolio, including loans, market risk exposures, and products and services. The assessments are based on judgment derived from climate scenario analyses performed to date, identification of potential transverse impacts of physical and transition risks in our Risk Taxonomy, regulatory guidance,

and industry practices. They are based on potential outcomes consistent with scenario narratives, with a cone of uncertainty that widens over time. They are not forecasts or guarantees of what will happen. In 2025, we enhanced this process through a series of risk assessment workshops to evaluate the impact of E&S risks.

As in 2024, our assessments have not identified any significant impacts of climate risks or opportunities on our financial position during the reporting period. Possible impacts over the short, medium and long term will depend on the unknown evolution of climate, policy, technology and consumer preferences, coupled with the dynamics of the banking sector’s response to the changing world. We have positioned the bank to take advantage of emerging opportunities and mitigate risks. We will continue to assess the effect of climate risks and opportunities on our business model and financial performance. Our strategy and resourcing will continue to evolve to manage risks and realize opportunities within our risk appetite and aligned to legal requirements and regulatory expectations in the jurisdictions where we operate.

Our governance committees and coordination forums meet regularly to discuss an enterprise-wide view of climate risk and opportunity identification and prioritization. Activities across the bank that support the identification, prioritization and management of climate-related opportunities include: employee training; evaluating and responding to market demand for climate finance; regularly updating our enterprise climate commercialization strategy in response to shifting market conditions; and advancing client-focused engagement and commercial opportunities.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate-related risks and opportunities

	Physical or transition risk	Potential impact to operations and/or portfolio	Qualitative assessment		Time horizon ¹			Action/Response
			1.5°C warming in 2050	3.0°C warming in 2050	S	M	L	
Opportunity								
Resource efficiency and energy source	Transition	<ul style="list-style-type: none"> Reduced operating costs Reduced exposure to emission pricing Supports management of climate-related non-financial risks, including legal and regulatory risk 	Higher potential impact	Moderate potential impact	✓	✓	✓	<ul style="list-style-type: none"> Managing GHG emissions from our own operations (page 29) Working with our suppliers to manage GHG emissions in our supply chain (page 28)
Products and services	Both	<ul style="list-style-type: none"> Increased revenue streams from demand for climate finance and climate adaptation solutions Supports management of climate-related strategic, credit and market risks 	Higher potential impact	Moderate potential impact	✓	✓	✓	<ul style="list-style-type: none"> Advancing our Transition Action Plan (page 27), climate finance and client engagement strategies (pages 30-36 and pages 83-87) Investing in bank-wide enablers that support implementation of our climate strategy (pages 37-38) Integrating unique capabilities and offerings from BMO Radicle to support clients (page 85) Raising awareness of climate solutions, strategies and technologies through evidence-based research and thought leadership to convey the business case for GHG emissions reductions (pages 30-36) Improving tracking of sustainable and climate finance to inform strategy and program evolution (page 83)
Markets	Transition	<ul style="list-style-type: none"> Increased diversification opportunity Opportunity for innovative public-private partnerships Supports management of climate-related market risks 	Higher potential impact	Moderate potential impact	✓	✓	✓	<ul style="list-style-type: none"> Building expertise, products and services in Sustainable Finance, Energy Transition and Sustainable Services and BMO Radicle teams in Capital Markets (pages 83-85) Established a Sustainable Banking and Clean Energy team in BMO Commercial Bank (page 86)
Resilience	Both	<ul style="list-style-type: none"> Increased revenue through new products and services related to resilience solutions Increased supply chain reliability and operational resilience Supports management of climate-related non-financial, strategic, and counterparty and credit risks 	Moderate potential impact	Higher potential impact	✓	✓	✓	<ul style="list-style-type: none"> Supporting businesses with climate resilience financing and thought leadership (pages 30-36 and pages 83-87) Modelling GHG emissions reduction pathways for our operations to understand emissions reduction opportunities and costs (page 29) Working with our suppliers to understand their climate strategies (page 28)

(continued on next page)

Assessment ● Higher potential impact ● Moderate potential impact ● Lower potential impact

¹ Short-term (S) covers the first five years, medium-term (M) the following ten years and the long-term (L) runs for the remainder of the scenario horizon (about ten years).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary



Risk	Physical or transition risk	Potential impact to operations and/or portfolio	Qualitative assessment		Time horizon ¹			Action/Response
			1.5°C warming in 2050	3.0°C warming in 2050	S	M	L	
All Tier 1 risks	Both	<ul style="list-style-type: none"> Potential impacts to collateral, markets and consumer demand as noted below 			✓	✓	✓	<ul style="list-style-type: none"> Performing scenario analysis (pages 48-49) and integrating the results into our current assessments of all material Tier 1 risks² Assessing the impact of transition risk on our Internal Capital Adequacy Assessment Process (pages 43-47) Procuring insurance to protect from financial loss associated with physical climate risk that may affect our real estate assets (page 63)
Counterparty and Credit Risk	Both	<ul style="list-style-type: none"> Shifting consumer demand or regulations resulting in changing revenue mix and/or asset valuation of clients' collateral Collateral damage, counterparty losses, cash flow volatility, increased operating expenses, increased insurance premiums 			✓	✓	✓	<ul style="list-style-type: none"> Monitoring climate transition risk metrics on stranded assets as well as climate physical risk concentration and exposure metrics (pages 61-63) Engaging in dialogue with stakeholders including investors and community groups (page 5 and pages 30-36) Conducting tailored diligence of transactions with clients, while complying with applicable regulation in the jurisdictions where BMO operates (pages 12-13)
Non-Financial Risk (including Legal and Regulatory Risk)	Both	<ul style="list-style-type: none"> Costs to adopt and deploy new practices or processes and/or higher operating costs (e.g., compliance costs, carbon pricing) Navigating higher complexity in policy, legal and regulatory expectations New technologies that give rise to shifting market demand for goods and services Disruptions to physical property, business continuity, technology, third parties, increased operating expenses, increased insurance premiums 			✓	✓	✓	<ul style="list-style-type: none"> Updating existing, and establishing new, internal policies, directives and standards and governance processes to meet regulatory requirements and to manage risks (pages 12-13) Regularly evaluating and refreshing our climate strategy in light of shifting market preferences, regulations and policies (pages 26-27) Business continuity planning related to the impact of physical climate risks (page 63) Embedding clean technology expertise throughout the bank (pages 37-38) Investing in tools and capabilities (page 38) Assessing our suppliers' governance and risk management processes, including their practices related to management of environmental and social risk (pages 12-13 and page 28)

(continued on next page)

Assessment ● Higher potential impact ● Moderate potential impact ● Lower potential impact

¹ Short-term (S) covers the first five years, medium-term (M) the following ten years and the long-term (L) runs for the remainder of the scenario horizon (about ten years).

² Tier 1 risks include credit and counterparty risk, market risk, liquidity and funding risk, reputation and non-financial risk.

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

	Physical or transition risk	Potential impact to operations and/or portfolio	Qualitative assessment		Time horizon ¹			Action/Response
			1.5°C warming in 2050	3.0°C warming in 2050	S	M	L	
Risk, continued								
Market, Liquidity and Funding Risk	Transition	• Shifting consumer demand or regulations that lead to changing revenue mix and/or asset valuation of clients' collateral	Higher potential impact	Moderate potential impact	✓			<ul style="list-style-type: none"> • Responding to market changes, climate-sensitive products, and hedging opportunities (pages 30-36 and pages 83-87) • Using Climate Scenario Analysis to assess transition risk and integrate the results into our assessment of market and liquidity risks (pages 48-49) • Assessing the impact of transition risk on our Internal Capital Adequacy Assessment Process (pages 43-47)
Reputation Risk	Transition	• Perceived misalignment of our activities with stated policy objectives of the jurisdictions where we operate	Higher potential impact	Moderate potential impact	✓	✓	✓	<ul style="list-style-type: none"> • Conducting tailored diligence of transactions with clients, while complying with applicable regulation in the jurisdictions where BMO operates (pages 12-13) • Monitoring of, and change management to align with, evolving legal, regulatory and policy environments in the jurisdictions where we operate (pages 12-13)

Assessment ● Higher potential impact ● Moderate potential impact ● Lower potential impact

¹ Short-term (S) covers the first five years, medium-term (M) the following ten years and the long-term (L) runs for the remainder of the scenario horizon (about ten years).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Climate risk management

The Environmental and Social Risk Management (E&S Risk Management) team and the Sustainability Office monitor and respond to evolving international standards and regulations for climate risk management. We have embedded climate risk considerations into our ERMF to align with the expectations of regulators, including OSFI. We leverage existing risk governance mechanisms, enablers and tools, and build new teams and capabilities to identify, assess, manage, monitor and report on the potential impacts of climate risk on our clients, portfolios and operations.

Climate risk governance

Board and senior management oversight, as well as the key roles and responsibilities across the three lines of defence, are discussed in the Governance section of this report. Committees, forums and working groups are formed, as needed, to improve our management of climate-related risks and opportunities and to align our approach across the enterprise.

BMO's E&S Risk Management function encompasses the Climate Risk Analytics team, which is responsible for quantifying climate-related risks, the Climate Risk Governance team, which is responsible for policy and controls around regulatory compliance, and an E&S Risk Integration team, whose mandate includes climate risk integration across the three lines of defence. E&S Risk Management and the Sustainability Office work closely with our operating segments and Corporate Services to enhance climate risk management capabilities across the enterprise.

Risk Appetite

The Board of Directors' Risk Review Committee (RRC) approves the E&S Risk Appetite Statement. We also track an enterprise-level, climate-related Risk Appetite Metric on our board-reported Risk Appetite Dashboard. In fiscal 2025, this metric tracked our credit risk exposure to energy and utilities sector carbon-related assets as a percentage of our total credit risk exposure. It is used as an indicator of potential stranded asset risk – the possibility that assets may lose economic value as the transition to a lower GHG economy advances. This enterprise-level metric is subject to internal thresholds set on an annual basis. Starting in fiscal 2026, these thresholds will take into account Canadian banks' average exposure to carbon-related assets, the policy environment of the jurisdictions in which BMO operates and BMO's own Transition Action Plan.

In fiscal 2025, we enhanced our metric for physical flood risk exposure in the consumer real estate secured lending portfolio, and developed a new wildfire metric for California to be introduced in fiscal 2026.

See pages 61-63 (Climate risk metrics) for more information.



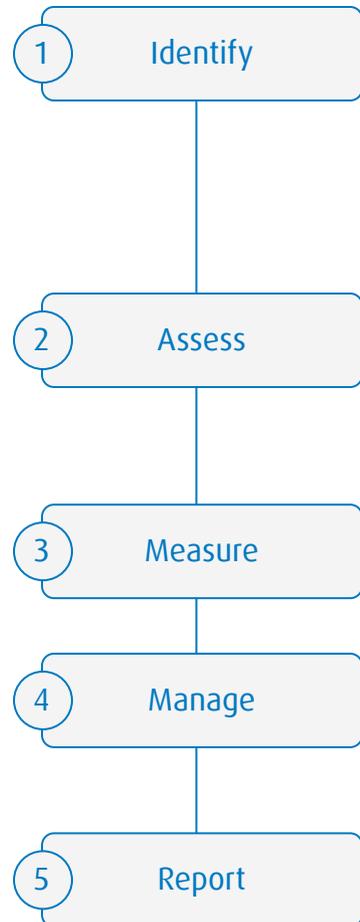
BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Risk management life cycle

We manage climate risk throughout the five phases of the risk management life cycle:



We maintain a detailed awareness of the channels through which climate risk drivers may interact with the material risk types in our Risk Taxonomy, both financial and non-financial, including legal and regulatory compliance risk, and have outlined the potential transverse impacts of both physical and transition risk on each risk type and their lower-tier risks. In fiscal 2025, we conducted E&S risk workshops with the lines of business to establish an initial baseline of E&S risk in order to identify the most significant risk events to include in our Risk Inventory. One such risk event was the California wildfires, for which we conducted a scenario analysis as part of a stress test. We are also using scenario analysis to help us identify risk and understand the short- and long-term risks to our business model.

Our approach to risk assessment leverages tools such as Climate Scenario Analysis and climate heatmaps to help us consider climate risk across the various material risks in our Risk Taxonomy. See the Climate-related scenario analysis section on pages 48-49 (Climate-related scenario analysis). In fiscal 2025, we continued to conduct risk identification, assessment and scenario analysis to perform an integrated climate risk loss assessment across the bank’s portfolio, incorporating the results into our Internal Capital Adequacy Assessment Process (ICAAP).

We continue to track risk metrics that measure potential geographic and sectoral concentrations across the bank’s portfolio. Risk Appetite metrics for stranded asset risk are measured by considering carbon-related assets at the Enterprise and operating segment level (Metrics and targets – Climate risk metrics), and we also monitor physical risk metrics by hazard and geography.

In fiscal 2025, our approach to further integrating E&S risk into policies, procedures and/or controls was agreed upon by the lines of business and second line risk groups. In addition, emerging weather events and forward-looking climate risk analyses were conveyed to stakeholders to document management responses. Metrics, heatmaps and scenario analyses continue to inform concentrations and provide insights that help us develop and manage our business strategy.

We continue to enhance our climate risk reporting capabilities in order to aggregate climate risk drivers, identify concentrations and report on a timely basis through bank-specific heatmaps, inputs into portfolio reviews, and external disclosures and regulatory filings. We plan to further refine and automate our process for producing and reporting climate risk indicators, including through dashboards. In fiscal 2025, we enhanced our senior management reporting by developing an E&S risk aggregate report with inputs from the first and second lines of defence, and a climate risk dashboard that incorporates transition and physical risk metrics (flood, wildfire and hurricane with a focus on residential real estate) across Canada and the United States.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate risk management across our Risk Taxonomy

We consider climate risk, including physical risk and transition risk, to be transverse risk drivers that could have an impact on the material financial and non-financial risk¹ exposures to BMO, identified in our Risk Taxonomy over the short, medium and long term. In relation to the bank’s Risk Taxonomy, the transverse impacts of climate risk have been mapped to all Tier 1 material risks, outlined below. Integrating climate risk into the ERMF requires close coordination with second-line partners who manage the Tier 1 risks impacted by climate risk.

Credit and counterparty risk

Climate-related risks could affect our exposure to credit and counterparty risk by impacting our clients’ (including changing client preferences), issuers’ or counterparties’ revenues, operating costs, or access to capital, to the extent that they may become unable to meet their financial commitments. Borrowers may experience losses or operating cost increases caused by acute or chronic changes in climate conditions and/or climate-related policies, such as carbon GHG emissions pricing, sector-based targets or GHG emissions caps. New and emerging technologies impacting revenues could also disrupt the current economic landscape and dampen demand for certain commodities, products and services.

Our E&S Risk policy documents are regularly refreshed and updated to reflect the evolving regulatory landscape, industry practices and internal stakeholder feedback.

We continue to refine our heatmap, which identifies physical and transition risk exposures across our lending portfolio. The heatmap provides qualitative assessments of high, medium and low risk over short-, medium- and long-term horizons, based on internal climate scenario analyses, as well as external sensitivities to climate risk sourced from case studies, industry reports and regulatory exercises. In 2025, we began to calibrate the qualitative assessments using scenarios and time frames in order to incorporate recent developments in climate policy and trends in extreme weather events. The transition risk assessment now blends the potential impacts of both Network for Greening the Financial System (NGFS) Net Zero 2050 and NGFS Delayed Transition scenarios relative to the NGFS Current Policy scenario, while the physical risk assessment brings forward to the short-term horizon some of the long-term impacts of a high warming scenario. We expect our ongoing Climate Scenario Analysis and sectoral deep dives to enhance the heatmap over time.

¹ Non-financial risk types include legal and regulatory compliance risk.

The heatmap helps us prioritize our risk assessment efforts, such as scenario analysis exercises. Sensitivity to climate-related risks can vary among clients within each industry sector and sub-sector, and the degree of impact will depend on factors such as the location of physical assets, business activities and actions taken by clients to mitigate risks.

Sensitivity to climate risk of BMO lending exposures in TCFD-aligned sectors, as at October 31, 2025

Enterprise climate risk heatmap			Potential climate risk impacts					
			Transition risk			Physical risk		
BMO Net Loans and Acceptances (Fourth Quarter, 2025)	Mix	CAD\$ (millions)	Time horizon			Time horizon		
			S	M	L	S	M	L
Commercial real estate	11.3%	\$76,919	Low	Moderate	High	Low	Moderate	High
Manufacturing	5.8%	\$39,047	Low	Moderate	High	Low	Moderate	High
Agriculture	2.7%	\$18,331	Low	Moderate	High	Low	Moderate	High
Transportation	1.9%	\$12,915	Low	Moderate	High	Low	Moderate	High
Utilities	1.1%	\$7,346	Low	Moderate	High	Low	Moderate	High
Oil and Gas	0.5%	\$3,547	Low	Moderate	High	Low	Moderate	High
Mining	0.5%	\$3,453	Low	Moderate	High	Low	Moderate	High

Relative Sensitivities ● Low ● Moderate ● High

The sectoral sensitivities indicate relative potential risks and opportunities stemming from climate risk, depending on whether the sector is potentially more or less sensitive, and are based on internal assessments. The **assessments are based on potential outcomes** consistent with scenario narratives, forming a cone of uncertainty that widens over time. Note, however, that the assessments are not forecasts or guarantees of what will happen.

Transition risk impact is assessed in the NGFS Net Zero 2050 scenario, and the NGFS Delayed Transition scenario relative to the NGFS Current Policies scenario.

Physical risk impact is assessed in a high-warming scenario (NGFS Current Policies/IPCC SSP5-8.5) relative to the hypothetical baseline with no additional global warming from today (IPCC SSP1-2.6).

Time horizons: Short-term (S) covers the first five years, medium-term (M) the following ten years and the long-term (L) runs for the remainder of the scenario horizon (about ten years).

The assessed loan segments include industries that TCFD identified as having the highest likelihood of climate-related financial impact.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Market risk

Trading, underwriting and banking book positions may be exposed to adverse movements in equity, interest rate, foreign exchange, commodity and credit markets caused by physical climate events, or by changes in market sentiment with respect to climate-related policy, technological breakthroughs and/or shifts in consumer preferences. We update our market risk policies periodically to incorporate references to climate risk based on evolving risks and regulations. We have also conducted Climate Scenario Analysis on the trading book (see pages 48-49).

Liquidity and funding risk

Our ability to meet expected or unexpected current and future cash flow and collateral needs without detriment to our daily operations or financial condition could be impacted by climate-related risks, specifically acute or chronic physical climate events. Transition risk can also factor into liquidity risk as transition risk may govern client liquidity needs in response to climate-related regulatory changes, technological breakthroughs or limitations, and/or shifts in consumer preferences. Climate risk has therefore been incorporated into our Internal Capital Adequacy Assessment Process (ICAAP) Corporate Standard.

Non-financial risk

Our exposure to operational risks could be heightened by climate-related physical and transition risks. Exposure to physical risks from environmental events, such as droughts, floods, wildfires, earthquakes, hurricanes and other storms, could also lead to disruptions in our operations and may give rise to financial loss and reputational harm. Our Property Risk Management Framework incorporates Physical Climate Risk through elements such as the Emergency Response and Preparedness Program, Facility Threat Risk Assessment (FTRA) for critical facilities, and energy-saving projects. These assessments enable identification and implementation of effective prevention and mitigation controls, including business continuity planning, which minimizes potential impacts to individuals and our critical business operations from the adverse effects of climate change. In addition, we procure insurance to protect from financial loss due to physical climate risk that may affect our real estate assets. Our corporate real estate insurance coverage thus includes general liability and property insurance policies. In fiscal 2024, the Operational Resilience Corporate Standard was updated to incorporate climate risk.

We also recognize the potential for increased operational risks linked to our resource usage due to physical and transitional climate risks. For example, changes in climate patterns and related policies could raise the operating and capital costs of our energy usage and equipment, such as heating, cooling and power systems. We proactively manage our energy consumption by launching projects designed to enhance lighting, HVAC systems and controls. Adjustments to our capital forecasting are made when the lifespans of assets such as HVAC equipment are expected to be adversely affected. Our continuous monitoring of regulatory developments related to fuel or energy taxes and carbon pricing is critical to managing these risks, supported by feedback from third-party facilities management services and our active participation in industry associations.

Fluctuating climate patterns and evolving climate-related policies may also affect the operating and capital costs of our suppliers, who may choose to pass these costs on to their clients, which could lead to higher purchasing costs for us. Consistent with our Supplier Code of Conduct, our Sustainable Procurement program takes into account current and future suppliers’ sustainability performance. We conduct a rigorous supplier selection process. All requests for proposals include sustainability questions that help us determine respondents’ practices related to environmental and social responsibility.

Legal and regulatory compliance risk

We may face greater exposure to legal and regulatory compliance risk, as well as potential litigation and liability costs. Globally, financial services regulators and supervisors are evolving their approaches to the management of climate-related financial risk and disclosure of climate-related financial information. We meet current, and expect to meet upcoming, relevant regulatory expectations in every jurisdiction in which we operate, including those set out by OSFI in Guideline B-15: Climate Risk Management. Differences in the policies of the jurisdictions where BMO operates may pose legal and compliance risks.

Legal and regulatory risks could also arise from our actual or perceived actions, or inactions, or those of our clients, related to climate change and other E&S risk issues, or our climate-related disclosures. Trends in litigation and regulatory investigation involving disclosure practices or financing activities related to climate matters, as well as allegations of “greenwashing”, continue to evolve. We are monitoring these trends and their potential impact on our climate-related finance and responsible investment activities, E&S risk management, and disclosure practices related to climate matters.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Strategic risk

Understanding the climate-related risks and opportunities facing us over the short, medium and long term will help us develop climate-resilient business strategies, and take measures to reduce those risks and enhance opportunities for sustainable growth. There is a risk that our strategic planning process may not account for the physical and transition risks arising from climate change, which may give rise to financial loss and reputational harm.

Government policies that support the transition to a lower GHG economy, potential regulatory or supervisory steps, and the escalating severity of physical climate events may make consumers more aware of climate change and lead to changes in consumer behaviour. Retail and wholesale consumers may begin to favour more climate-friendly consumption options, request financial services and products that help them reduce GHG emissions, or choose to change service providers. Investors are also shifting their expectations related to climate change, with a growing number incorporating climate-related risk considerations into their investment decisions.

This heightened awareness of, and demand for, climate-friendly services and products, as well as more detailed reporting on banks' climate-related risk profiles, may require us to make adjustments to our business and investment strategies.

Reputation risk

BMO could be exposed to financial loss or reputational harm from perceived misalignment of our activities with stated policy objectives of the jurisdictions where we operate. Such risks may also arise from shifting client preferences or from community perceptions of our influence on the environment or communities in which we do business. Our approach to managing and reporting on climate-related risks and opportunities could yield new or heightened exposures to reputation risk that either amplify or derive from other financial and non-financial risk types, such as legal and regulatory compliance risk.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate Scenario Analysis

We have a Climate Scenario Analysis framework and program that is aligned with and supports our Climate Risk Corporate Standard, and our E&S Risk Management Framework Directive.

The Climate Scenario Analysis (CSA) program enables the bank to measure transition and physical risk impacts across major risk types in a variety of industry-standard scenarios, and over appropriate time horizons. The program helps us assess climate-related risks and opportunities, prioritize potential management measures, and monitor and report on climate-related risks and opportunities, consistent with our E&S Risk Appetite. In 2025, we expanded physical climate risk assessments into broader environmental risk by beginning to conduct earthquake analysis.

We conduct CSA to identify relevant climate-related risk factors and to estimate exposures and potential losses. Our risk assessment primarily focuses on the following impact channels:

- **Credit and counterparty risk** – The potential for credit loss due to the failure of an obligor to repay a loan or honour another predetermined financial obligation.
- **Market risk** – The risk of financial losses in on- and off-balance sheet positions arising from adverse changes in market variables such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices.
- **Non-financial risk** – Potential financial losses related to damage and disruptions to physical security and property, business continuity, technology and third parties.

When conducting CSA, we identify data, methodology and assumption limitations, which informs our assessment of the adequacy of our risk management framework. CSA exercises involve a range of plausible climate scenarios, which extend over short-, medium- and long-term time horizons, and employ a variety of models and tools. CSA relies on three primary scenario sources:

- Network for Greening the Financial System (NGFS) – Current Policies, Net Zero 2050, Delayed Transition
- Intergovernmental Panel on Climate Change (IPCC) – SSP5-8.5
- Bespoke, using external information and internal risk factor expansion frameworks.

The objectives of climate scenario analyses conducted by BMO are to assess the impact of climate-related risks on the risk profile, business strategy and business model of the bank, and are aligned with prudential regulatory requirements.

In 2025, we completed the OSFI Standardized Climate Scenario Exercise (SCSE), integrated climate risk assessment into the Enterprise-Wide Stress Test, expanded the stress test into the U.S. mid-cycle stress test, refreshed our analysis across exposures focusing on physical risk and completed a transition resilience evaluation of our clients as part of our Client Transition Opportunity Assessment (see page 50). We also performed a first assessment of exposure of traded Commercial Mortgage-backed Securities (CMBS) products to climate physical risk perils. The climate scenario analyses undertaken in 2025 are outlined on the following page.

In 2026, we plan to continue refining the integrated climate risk assessment, with a focus on flood. We are also working to implement a Market Risk Physical Risk scenario focusing on U.S. Northeast hurricanes to complement our Market Risk of Disorderly Transition scenario.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate scenario analyses undertaken in 2025

Assessment and coverage (what's new)	Risk type	Transition risks	Physical/Environmental risks	Climate scenarios	Time horizon
Analyses completed that began in 2024					
OSFI SCSE (global commercial exposures; Canadian real estate)	<ul style="list-style-type: none"> • Credit and Counterparty Risk • Market Risk 	Yes	<ul style="list-style-type: none"> • Fluvial and Coastal Flood • Wildfire 	<ul style="list-style-type: none"> • Current Policies • Below 2° immediate • Below 2° delayed • Net-zero 2050 	2030–50
Enhanced assessment updates					
Integrated Climate-Related Loss Assessment (Enterprise and U.S.)	<ul style="list-style-type: none"> • Credit and Counterparty Risk (RESL and CRE) • Non-Financial Risk • Market Risk (CMBS) 	No	<ul style="list-style-type: none"> • Wildfire 	<ul style="list-style-type: none"> • SSP5-8.5 	2025–28
NA Traditional-CRE, RESL	<ul style="list-style-type: none"> • Credit and Counterparty Risk 	No	<ul style="list-style-type: none"> • Flood • Wildfire • Extreme Wind 	<ul style="list-style-type: none"> • SSP5-8.5 	2025–50
BMO London	<ul style="list-style-type: none"> • Credit and Counterparty Risk • Market Risk • Non-Financial Risk 	Yes	<ul style="list-style-type: none"> • Flood • Wildfire • Wind • Water Stress • Heat • Precipitation 	<ul style="list-style-type: none"> • NGFS Current Policies • NGFS Net Zero 2050 • SSP5-8.5 	2025–50
Non-Financial Risk Global	<ul style="list-style-type: none"> • Non-Financial Risk 	No	<ul style="list-style-type: none"> • Flood 	<ul style="list-style-type: none"> • SSP5-8.5 	2020–50
New assessments in 2025					
Traded CMBS products	<ul style="list-style-type: none"> • Market Risk 	No	<ul style="list-style-type: none"> • Flood • Wildfire • Wind • Drought • Precipitation • Hail 	<ul style="list-style-type: none"> • SSP5-8.5 	2025–50
Client Transition Opportunity Analysis (Oil and Gas and Power Generation) (see page 50)	<ul style="list-style-type: none"> • Credit and Counterparty Risk 	Yes	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • NGFS Current Policies • NGFS Net Zero 2050 	2025–50



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Engaging with clients on climate transition opportunity

As part of BMO’s Transition Action Plan, we are deepening our understanding of clients’ climate transition plans to better support their goals.

Our Client Transition Opportunity Analysis (the Opportunity Analysis) reviews our clients’ transition profiles to identify potential opportunities and challenges they may face in achieving their climate-related objectives. This approach helps us respond to market demand and uncover business opportunities. The Opportunity Analysis informs and complements BMO’s broader client engagement strategy, which includes thought leadership and collaboration with experts to help clients advance their transition efforts.

Scope

The Opportunity Analysis covers BMO Capital Markets clients in the petroleum and power generation sectors, selected as the sectors most likely to benefit from BMO’s support. The output of the analysis is used specifically to understand our client’s transition planning efforts so that we can tailor support to their unique needs. Outputs of the analysis do not affect BMO’s provision of banking products and services.

Client Transition Opportunity Assessment Analysis

The analysis reviews our clients’ transition readiness and transition resilience using both qualitative and quantitative inputs to identify potential opportunities and challenges they may face.

Factor	Transition readiness	Transition resilience
Scope of analysis	The strategies, processes and business models clients may have in place to manage their climate transition risks and opportunities.	The client’s relative financial capacity to respond to pressures from climate policies, technology, and consumer preferences related to the energy transition over the long term.
Assessment type	<ul style="list-style-type: none"> Qualitative and quantitative Sector agnostic 	<ul style="list-style-type: none"> Quantitative Sector specific

Outcomes of the Opportunity Analysis inform how we may engage with our clients on transition planning by providing a snapshot of where they are and how the current market is impacting their transition journey. Clients with less advanced transition readiness, coupled with lower transition resilience, present a greater opportunity for engagement on their transition planning to help mitigate potential transition-related risk exposures. Clients with more advanced transition readiness and higher resilience suggest they are better-positioned to manage transition challenges and demonstrate opportunities for BMO to support their transition-related investments and initiatives.

We anticipate future assessments will reflect the evolving regulatory landscape, changing market conditions and higher data availability.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Metrics and targets

We track and report key climate-related metrics relevant to our business that meet regulatory requirements.

To support internal coordination and oversight of our climate-related impacts, opportunities and risks, we have developed a Climate Scorecard that tracks and reports climate-related metrics including our GHG emissions, climate-related opportunity metrics and climate-related risk metrics. The Climate Scorecard is reviewed regularly by relevant internal governance bodies, and incorporates a selection of the metrics and targets presented in this section of the report.

A note about data challenges

As we advance our measurement of climate-related metrics, several data challenges persist:

- **Data availability** – The availability of complete, accurate and comparable data presents an industry-wide challenge. Estimating the bank’s financed emissions is challenged by inconsistent company disclosures and delays in emissions reporting.
- **Data quality and reliability** – To enhance the reliability of estimates, we aim to match clients’ production, emissions and/or financial data with their outstanding loan balance from the same year. Misaligned time frames and evolving client disclosures can limit our confidence in emissions estimates. To address timing gaps, we report financed emissions on a one-year lag in order to incorporate reported client emissions, when possible.
- **Data sourcing** – Our financed emissions estimates rely on client and third-party data from various sources. While these sources are considered to be fit for purpose, they are not independently verified and underlying assumptions can vary.¹ We are working to automate our data sourcing and calculation processes so we may expand to more assets and improve data quality and reliability. We recognize the inherent risk associated with manually sourced data and are designing processes and controls to help mitigate those risks. In addition, evolving standards and methodologies can impact third-party data (e.g., emission factors), potentially influencing our footprint estimates and related targets.

- **Footprint inventory fluctuations** – Financed emissions estimates can vary year-over-year due to several factors, such as changes in the bank’s portfolio, changes in clients’ production and/or emissions, and data availability. Fluctuations may also result from:
 - 1) Market volatility – Attribution factors for business loans are based on company values, which can be sensitive to market conditions.² This variability can affect attributed emissions, even if client emissions or our lending exposure remain unchanged, limiting the comparability of year-over-year trends.³
 - 2) Exposure value – In line with PCAF Standard, we use year-end outstanding balances to calculate financed emissions. However, clients drawing on previously extended authorized credit year over year can cause fluctuations unrelated to actual client emissions activity or BMO’s lending decisions.

These data challenges can affect our ability to set targets since the data we need for tracking performance against target pathways may not be available, reliable or consistent (see pages 57-60 for more detail on targets).

Given these challenges, our estimates are based on assumptions and extrapolations that we believe are reasonable but may later prove to be inaccurate. As regulations, standards, methodologies and data sources evolve, we may need to recalculate and restate historical GHG emissions and revise reduction targets. We follow internal procedures to determine when and how to restate emissions metrics.

¹ We cannot therefore guarantee the accuracy of such third-party data or the reliability of such assumptions. Further, our use of this third-party data should not be taken as an endorsement of the third party or the data, nor is it to be construed as granting any form of intellectual property.

² Per PCAF Standard, enterprise value for private companies is based on total equity and debt (or total equity and total liabilities); for public companies it is based on enterprise value including cash (EVIC).

³ This is a limitation of the PCAF methodology that is recognized by other market participants and is not unique to BMO. PCAF established a working group that released a discussion paper in 2025 to identify methodological changes that could address this limitation, and added reporting suggestions in its latest version of the PCAF Standard released in December 2025.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary



Greenhouse gas emissions

We quantify and disclose our Scope 1, Scope 2 and relevant Scope 3 GHG emissions categories using the GHG Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Standard (collectively the GHG Protocol) and the PCAF Standard.

Scope 1 GHG emissions are those generated from fuel combustion in sources that we own or control, and Scope 2 GHG emissions are those generated through purchased energy in sources that we own or control. Scope 3 GHG emissions are those that occur in our value chain, but which we do not directly control, including those related to our financing activity, often referred to as financed emissions. We disclose Scope 1 and Scope 2 emissions as required by OSFI and other emerging climate disclosure laws, and in order to inform and monitor the actions we are taking to manage GHG emissions across our value chain. We may also set targets for reducing GHG emissions.

Operational GHG emissions

We have developed an operational GHG emissions quantification methodology based on the GHG Protocol guidance, using an operational control approach.

We have also developed an operational Scope 3 screening tool to evaluate the relevance across our entire value chain of Scope 3 GHG emissions, which include all 14 operational categories of Scope 3 GHG emissions defined by the GHG Protocol (excludes financed emissions). In 2025, we updated our evaluation of Scope 3 – category 3, Fuel- and Energy-Related Activities to *Not relevant* based on the category’s relative size, the risk it presents to our business and operations, our ability to influence emissions from this source, as well as other factors. We have calculated all relevant Scope 1, Scope 2 and operational Scope 3 emissions.¹

Details of our operational emissions methodology, including measurement approach, inputs and assumptions, as well as our Scope 3 assessment methodology and its conclusions, can be found in our [GHG Reporting Methodology – Operational Emissions](#).

Reducing Scope 1 and 2 GHG emissions

In each year during the period from 2020 to 2023, BMO’s Scope 1 and 2 GHG emissions reductions relative to our 2019 base year either met or came close to our target to reduce Scope 1 and 2 GHG emissions by 30% by 2030 due to capital upgrades to our buildings and other factors. In 2024, we retired that target and established 2023 as a new base year for GHG emissions measurement to reflect our expanded footprint due to the Bank of the West acquisition in that year.

In 2025, we refreshed our multi-year operational GHG emissions reduction roadmap through which we expect to further reduce Scope 1 and Scope 2 emissions, with additional investments in energy efficiency and expected GHG emissions reductions of the electricity grids where we operate. We will continue to evaluate how to best establish a meaningful operational emissions reduction target.

Refer to page 29 for information on our approach to managing emissions from our own operations.

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

¹ We have developed a methodology to calculate Scope 3 category 7 emissions from Employee Commuting. Clarity on future regulatory reporting expectations for this category will inform our decision to disclose emissions from this source in subsequent reports.

The table below summarizes the metrics we use to track performance against our operational GHG emissions reduction strategy and the actions we are taking to reduce GHG emissions across our value chain. In the period from 2024 to 2025, our total Scope 1 and 2 (location-based) GHG emissions decreased by 8% due primarily to a reduction of emission factors and portfolio contraction in our U.S. footprint. Our Scope 1 and 2 GHG intensities, measured per square footage and per employee, also

decreased. In the period from 2024 to 2025, our Scope 3 supply chain GHG emissions (categories 1 and 2 combined) decreased by 2% following a more significant decrease the year prior as we realized efficiencies following our acquisition of Bank of the West that decreased our spending; our Scope 3 category 6 GHG emissions from business travel increased by 5% due to business needs; and our Scope 3 category 13 emissions from downstream leased assets remained relatively flat.

BMO's operational GHG emissions^{1,2}

		2025	2024	2023
Scope 1 and 2 GHG emissions	Scope 1 emissions (tonnes CO ₂ e)	■ 30,545	31,457	38,084
	Scope 2 emissions (location-based) (tonnes CO ₂ e)	■ 59,124	65,992	66,665
	Scope 2 emissions (market-based) (tonnes CO ₂ e)	■ 323	349	236
	Total Scope 1 and 2 (location-based) (tonnes CO ₂ e)	■ 89,669	97,449	104,749
	Total Scope 1 and 2 (market-based) (tonnes CO ₂ e)	■ 30,868	31,806	38,320
	Carbon credits retired for Scope 1 and 2 (tonnes CO ₂ e)	■ 30,868	31,806	38,320
	GHG reductions from renewable energy certificates (RECs) purchased (tonnes CO ₂ e)	■ 58,801	65,643	66,429
Scope 3 GHG Emissions	Scope 3 – category 1 emissions from purchased goods and services (tonnes CO ₂ e) ³	■ 557,547	658,151	804,903
	Scope 3 – category 2 emissions from capital goods (tonnes CO ₂ e) ^{3,4}	■ 85,105	—	—
	Scope 3 – category 6 emissions from business travel (tonnes CO ₂ e) ⁵	■ 20,853	19,906	13,980
	Scope 3 – category 13 emissions from downstream leased assets (tonnes CO ₂ e) ⁶	■ 2,239	2,214	—
	Carbon credits retired for Scope 3 category 6 (tonnes CO ₂ e)	■ 20,853	19,906	13,980
Scope 1 and 2 GHG intensity	Scope 1 and 2 GHG intensity (location-based) (tonnes CO ₂ e/FTE)	■ 1.68	1.82	1.88
	Scope 1 and 2 GHG intensity (location-based) (kgCO ₂ e/m ²)	■ 50.9	54.0	55.7
	Scope 1 and 2 GHG intensity (market-based) (tonnes CO ₂ e/FTE)	■ 0.58	0.59	0.69
	Scope 1 and 2 GHG intensity (market-based) (kgCO ₂ e/m ²)	■ 17.5	17.6	20.4
Energy Consumption	Energy consumption – Fuels (MWh)	■ 155,295	160,070	196,238
	Energy consumption – Electricity (MWh)	■ 300,400	327,629	331,614
	Energy consumption – Steam and chilled water (MWh)	■ 1,359	1,395	1,042
	Energy consumption – RECs purchased (MWh)	■ 300,400	327,629	331,614
	Global electricity use procured from renewable sources	■ 100%	100%	100%

■ Stantec has provided limited verification of these figures.

¹ Unless otherwise noted, metrics reflect August 1 through July 31. We define our organizational boundary for GHG emissions quantification using the GHG Protocol's operational control approach.

² Results for 2023 and 2024 Scope 1 and 2 GHG emissions, Scope 3 category 6 GHG emissions from business travel and energy consumption have been restated to reflect updated methodologies resulting from implementation of a new GHG emissions accounting platform, correction of errors, and inclusion of previously unavailable data. All results and related metrics have been recalculated for consistency and accuracy.

³ Scope 3 category 1 purchased goods and services and Scope 3 category 2 capital goods are calculated based on spend data for the period November 1 to October 31, excluding purchasing activity outside of North America. Results for 2023 exclude Bank of the West.

⁴ In 2023 and 2024, Scope 3 category 2 emissions from capital goods are reported within Scope 3 category 1 – purchased goods and services.

⁵ Includes travel from North American operations only.

⁶ In 2023, emissions from downstream leased assets were included in Scope 1 and 2. Beginning in 2024, these emissions are reported under Scope 3 category 13 in line with the GHG Protocol's operational control approach. As a result, 2023 energy consumption data includes downstream leased assets, while 2024-2025 energy consumption reflects only facilities and transportation activities within BMO's operational control.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Scope 1 and 2 emissions by country^{1,2}

		2025	2024	2023
Canada	Scope 1 emissions (tonnes CO ₂ e)	17,664	18,362	19,987
	Scope 2 emissions (location-based) (tonnes CO ₂ e)	13,893	13,158	14,743
	Total Canada (tonnes CO ₂ e)	31,557	31,520	34,730
U.S.	Scope 1 emissions (tonnes CO ₂ e)	12,835	13,053	17,897
	Scope 2 emissions (location-based) (tonnes CO ₂ e)	44,325	51,963	51,047
	Total U.S. (tonnes CO ₂ e)	57,160	65,016	68,944
International	Scope 1 emissions (tonnes CO ₂ e)	46	42	200
	Scope 2 emissions (location-based) (tonnes CO ₂ e)	906	871	875
	Total International (tonnes CO ₂ e)	952	913	1,075

Energy consumption by country^{1,2}

		2025	2024	2023
Canada	Fuels (MWh)	87,163	92,539	101,389
	Electricity, steam and chilled water (MWh)	184,248	192,688	200,897
	Total Canada (MWh)	271,411	285,227	302,286
U.S.	Fuels (MWh)	67,879	67,299	93,743
	Electricity, steam and chilled water (MWh)	115,466	134,304	128,852
	Total U.S. (MWh)	183,345	201,603	222,595
International	Fuels (MWh)	253	232	1,107
	Electricity, steam and chilled water (MWh)	2,045	2,032	2,906
	Total International (MWh)	2,298	2,264	4,013
Total energy consumption (MWh)		457,054	489,094	528,894

¹ Results for 2023 and 2024 Scope 1 and 2 GHG emissions and energy consumption have been restated to reflect updated methodologies resulting from implementation of a new GHG emissions accounting platform, correction of errors, and inclusion of previously unavailable data. All results and related metrics have been recalculated for consistency and accuracy.

² In 2023, emissions from downstream leased assets were included in Scope 1 and 2. Beginning in 2024, these emissions are reported under Scope 3 category 13 in line with the GHG Protocol's operational control approach. As a result, 2023 energy consumption data includes downstream leased assets, while 2024-2025 energy consumption reflects only facilities and transportation activities within BMO's operational control.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

Financed emissions

Financed emissions are GHG emissions that, under applicable international standards, are attributable to financial institutions as a result of their lending and investment activities.

We use the PCAF Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Second Edition) (PCAF Standard) to inform our calculation methodology according to specific asset classes. We quantify and disclose financed emissions from high-emitting sectors represented in our lending portfolio, using the PCAF Standard asset class methodologies for Business Loans, Project Finance, Commercial Real Estate, and Mortgages.¹ Details of our financed emissions methodology, including measurement approach, inputs and assumptions, can be found in our [GHG Reporting Methodology – Financed Emissions](#).

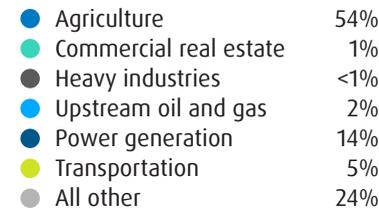
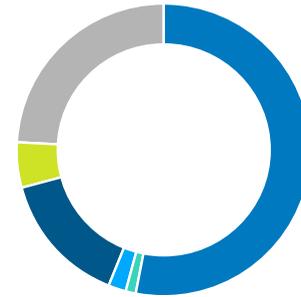
Our financed emissions footprint on the following page represents on-balance sheet lending as of fiscal year-end 2024, with 2023 as a comparison year. We report financed emissions at a one-year lag due to the delay in availability of borrower emissions disclosures (see page 51 for more information on data challenges).

We quantify Scope 1 and 2 financed emissions associated with our business and government lending portfolio using PCAF’s methodology for business loans, at a data quality score of 5. The analysis is intended to provide an indication of concentrations of financed emissions by sector (see pie charts).²

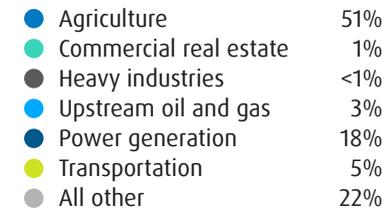
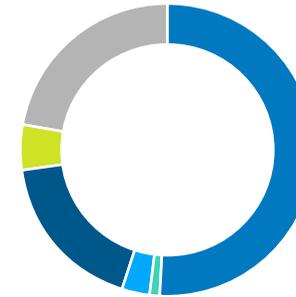
We continue to explore methodologies for emissions related to off-balance sheet Capital Markets activities (known as facilitated emissions) and may integrate as appropriate in future years, including to meet regulatory expectations in the jurisdictions in which we operate.

Business and government lending portfolio – Sectoral concentrations (Scope 1 and 2)

2024 full portfolio ♦



2023 full portfolio



♦ KPMG has provided limited assurance of this figure.

¹ In 2024, we discontinued disclosure related to our personal automobile lending, which used PCAF’s Motor Vehicle asset class methodology, due to a strategic decision in 2023 to wind down our indirect retail auto finance business.

² This analysis uses PCAF’s methodology for business loans for all sectors and asset classes, based on borrower industry codes and a PCAF Data Quality 5 calculation methodology. We source Exiobase economic-based emission factors from PCAF’s emission factor database and apply sectoral and regional averages across the portfolio. This can result in a single emission factor being applied to many sub-sectors. The sectoral analyses provided in the emissions footprint table on page 56 are based on more granular data, higher data quality levels, and/or asset class methodologies (e.g., sectoral commercial real estate calculations do not rely on industry codes for sector identification); therefore, financed emissions estimated through sectoral analyses will differ.

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Financed emissions footprint

We conduct a more detailed sectoral analysis of high-emitting sectors in our business and government lending portfolio, and our on-balance sheet residential mortgages in Canada within our consumer lending portfolio.¹ For these sectors, we disclose our lending exposure in outstanding amounts (in Canadian dollars), absolute emissions estimates, portfolio data quality scores, economic emissions and physical emissions intensity figures, where relevant. We may consider expanding disclosures of financed emissions in future reports, subject to clarity on future regulatory reporting expectations.

Portfolio data quality scores are based on the data hierarchies specified in the PCAF Standard and range from 1 to 5, with a score of 1 for most certain and 5 for least certain estimates. We strive to identify the best available data with which to estimate financed emissions. As we expand and evolve the quantification of financed emissions across our portfolio, we customarily begin at a low data quality level and work to improve the data quality scores over time.

Financed emissions footprint by carbon-intensive sectors^{1,2}

	Emission Scope	Geography	Outstanding Amount		Absolute Financed Emissions ⁴		PCAF Data Quality Score		Economic Emissions Intensity ⁴		Physical Emissions Intensity ^{4,6}		
			2024	2023	2024	2023	2024	2023	2024	2023	Metric	2024	2023
			\$ millions		ktCO ₂ e		Score 1-5		tCO ₂ e/loans outstanding (\$ millions)				
Upstream Oil and Gas³	Scope 1 and 2	Canada	◆ \$1,555	\$1,926	◆ 278	359	◆ 3.5	3.0	◆ 179	186	tCO ₂ e/TJ	◆ 3.6	5.2
	Scope 1 and 2	Rest of the world	◆ \$24	\$141	◆ 6	24	◆ 3.7	3.1	◆ 250	169	tCO ₂ e/TJ	◆ 2.6	2.9
	Scope 3 ⁵	All	◆ \$1,579	\$2,067	◆ 5,014	5,140	◆ 3.0	3.1	◆ 3,177	2,488	tCO ₂ e/TJ	◆ 64.0	66.5
Power Generation³	Scope 1 ⁸	Canada	◆ \$1,020	\$1,214	◆ 151	321	◆ 2.8	2.8	◆ 148	264	tCO ₂ e/MWh	◆ 0.11	0.18
	Scope 1 ⁸	U.S.	◆ \$1,775	\$1,881	◆ 219	975	◆ 3.1	3.4	◆ 123	518	tCO ₂ e/MWh	◆ 0.08	0.02
Agriculture⁷	Scope 1 and 2	All	◆ \$18,361	\$18,413	◆ 13,811	14,112	◆ 4.4	4.4	◆ 752	766			
Commercial Real Estate⁹	Scope 1 and 2	Canada	◆ \$43,640	◆ \$40,184	◆ 639	◆ 585	◆ 4.3	◆ 4.3	◆ 15	◆ 15	kgCO ₂ e/m ²	◆ 33.8	◆ 33.1
Residential Real Estate¹⁰	Scope 1 and 2	Canada	◆ \$132,473	\$123,424	◆ 949	897	◆ 4.1	4.1	◆ 7	7	kgCO ₂ e/m ²	◆ 25.0	24.7

◆ KPMG has provided limited assurance of this figure.

¹ General consumer finance (e.g., credit cards, personal loans) that is not linked to a specific use of proceeds is currently not covered by the PCAF Standard.

² Sectoral classifications and outstanding loan amounts may not match those presented in BMO's 2024 Management's Discussion and Analysis and Supplementary Financial Information package because we define high-emitting sectors differently for financed emissions quantification than for financial reporting and because financial reporting reports Net Loans and Acceptances whereas financed emissions quantification uses Gross Loans and Acceptances.

³ Previously disclosed data for 2023 Upstream Oil & Gas and 2023 Power Generation have been restated due to corrected errors, methodology adjustments and improved data processing.

⁴ Emissions are calculated in carbon dioxide equivalent (CO₂e) with the exception of Oil & Gas Upstream Scope 3 downstream combustion emissions which are calculated for carbon dioxide (CO₂) only.

⁵ Scope 3 for Upstream Oil & Gas refers to the emissions produced from downstream combustion of the extracted oil and gas products, estimated using emission factors sourced from the IPCC Guidelines for National GHG Inventories (2006).

⁶ The physical emissions intensity metrics are calculated for borrowers that have attributable physical data available for the denominator.

⁷ Due to unavailability of production data across borrowers (e.g., tonnes of grown or produced matter), we have not calculated a physical emissions intensity for agriculture.

⁸ Scope 2 financed emissions associated with electricity used in power generation facility operations are immaterial and are not calculated.

⁹ Per PCAF Standard, our commercial real estate scope is defined as borrowers that use financing to purchase or refinance properties that are used or leased to generate income. It includes balances from our consumer portfolio for residential properties that are owned by investors. It excludes financing for land, construction and renovation of properties due to methodological difficulties in estimating financed emissions from these activities - this is a limitation acknowledged by PCAF. It also excludes financing provided to real estate investment trusts, which is largely used for general corporate purposes.

¹⁰ This includes loans for the purchasing or refinancing of Canadian residential properties including BMO-held mortgages and mortgages purchased by BMO from third parties. Residential investor-owned properties are included within Commercial Real Estate.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance

12 Environmental and social risk management

14 Business conduct

18 Client experience

20 Client privacy

21 Cyber security

23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy

39 Climate-related risks and opportunities

43 Climate risk management

48 Climate Scenario Analysis

50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

66 Community impact

68 Indigenous partnerships

70 Financial inclusion and capacity building

76 Our Employee Value Proposition

80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance

88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index

105 SASB Disclosures

111 Principles for Responsible Banking (PRB) Index

113 Glossary

Financed emissions and targets in select sectors

When setting targets, we follow a sector-based approach that is informed by the UNEP FI Guidelines for Climate Target Setting for Banks (the UNEP FI Guidelines) and considers local laws and regulations. Our approach includes:

- **Metric selection** – We emphasize physical carbon intensity metrics for target-setting to align with industry-accepted methodologies and to allow for easier comparison of clients of different sizes in a sector. Where applicable, we use metrics that reflect actions that result in sectoral carbon intensity reductions.
- **GHG emissions reduction pathways** – Our targets are informed by industry and public policy initiatives as well as GHG emission reduction pathways from the following climate transition scenarios:¹
 - International Energy Agency’s 2021 Net Zero by 2050 (IEA NZE) scenario
 - Intergovernmental Panel on Climate Change (IPCC) net-zero-aligned scenarios
 - Global Change Analysis Model Net Zero 2050 (GCAM NZE) scenario developed by the Network for Greening the Financial System (NGFS)

We consider setting intermediate aspirational targets (targets) where we believe we have sufficiently reliable data and methodologies, subject to our assessment of potential risks inherent in setting such targets. We have set targets at the sector

and geographic level where the sector is a significant contributor to our financing and where we have sufficient data quality (see table below). Sector-based targets are adjusted to reflect local laws and regulations, as appropriate.

We seek to make progress against our financed emissions targets by supporting the decarbonization efforts of our clients, rather than by divestment, which may not facilitate decarbonization of the real economy. Progress against our financed emissions targets is monitored in connection with our annual public reporting and communicated to relevant governance forums.

We have also analyzed GHG emissions reduction pathways relevant to our global agriculture and Canadian commercial and residential real estate portfolios. We have not set targets for these sectors due to data availability limitations (see page 58). We continue to partner with clients in these sectors to support GHG emissions reductions (see pages 34-35).

In 2025, we applied scenario analysis to evaluate our Transition Action Plan, including our ability to meet our existing financed emissions targets. The analysis underscored that further progress towards our targets is contingent on economy-wide efforts to reduce GHG emissions in key sectors, which are increasingly uncertain given shifts in the external policy, regulatory and market landscape that are beyond our control (see pages 58-59).

Summary of sectoral financed emissions targets

Sector	Geographic Focus	Financed Emissions Scope	Target Metric Type	Target Metric	2030 Target	2024	2023	2019 (Base year)	Reference Scenario
Upstream Oil and Gas ²	Canada	Scope 1 and 2	Physical Intensity	tCO ₂ e/TJ	Reduce 33% from base year	◆ 3.6	5.2	5.4	IEA NZE IPCC net-zero-aligned scenarios
	Rest of the world	Scope 1 and 2	Physical Intensity	tCO ₂ e/TJ	Reduce 33% from base year	◆ 2.6	2.9	3.2	
	All	Scope 3	Absolute	ktCO ₂	Reduce 24% from base year	◆ 5,014	5,140	40,373	GCAM NZE IPCC
Power Generation ²	Canada	Scope 1	Physical Intensity	tCO ₂ e/MWh	Reduce to 0.06	◆ 0.11	0.18	0.16	GCAM NZE for Canada
			Generation share	% of outstanding loans to low-carbon generation	Increase to 88%	90%	83%	76%	GCAM NZE for Canada

◆ KPMG has provided limited assurance of this figure.

¹ We do not necessarily adopt all of the assumptions used in the models, regarding macroeconomic or sectoral variables or projections. Models offer insights into possible sectoral GHG emissions reduction pathways and are, inherently, not targets, ambitions, blueprints, compliance frameworks or predictions.

² Previously disclosed data for 2019 and 2023 Upstream Oil and Gas and Power Generation have been restated due to corrected errors, methodology adjustments, and improved data processing.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary



Upstream oil and gas target

Our financed emissions targets for the oil and gas sector focus on the Scope 1 and 2 financed emissions of our global upstream oil and gas borrowers. We evaluated the global GHG emissions reduction pathways from the IEA NZE and net-zero-aligned IPCC scenarios for target setting and determined that these global trajectories may not be appropriate for our portfolio which is concentrated in Canada.

After conferring with clients, we established a target to reduce portfolio physical emissions intensity (tCO₂e/TJ) by 33% by 2030 relative to a 2019 base year, which we are pursuing in partnership with our clients. This target is consistent with industry-led initiatives that involve electrification, fuel substitution, energy efficiency, a key carbon capture and storage project, and regulated methane emission reductions.

We track progress toward this target for our Canadian portfolio and Rest of the World portfolios separately. As of 2024, the Scope 1 and 2 physical emissions intensity (tCO₂e/TJ) of our Canadian upstream oil and gas portfolio has declined (-33%) since base year, and that of our Rest of the World (i.e., non-Canadian) portfolio has decreased (-19%) from the 2019 base year. The portfolio intensity can fluctuate year-over-year, and is expected to continue to do so due to portfolio composition, actual borrower operational changes, and data availability. The strategies listed on page 31 support GHG emissions reductions within this portfolio.

In 2025, we used climate-related scenario analysis capabilities to assess the likelihood of realizing the targeted physical intensity reduction in Canada across a range of future scenarios provided by the Canada Energy Regulator.¹ Our preliminary findings indicate that the target is attainable in a scenario where Canada achieves net-zero emissions by 2050 and sufficient progress is made globally to limit global warming to 1.5°C. In scenarios where Canada achieves net-zero but the rest of the world proceeds more gradually, and especially in scenarios with limited action in Canada or globally to reduce GHG emissions beyond measures currently in place, the physical emissions intensity reductions become more challenging.

We also quantify downstream Scope 3 financed emissions caused by the combustion of products produced by our global upstream oil and gas borrowers. As of 2024, the absolute downstream Scope 3 financed emissions of our upstream oil and gas portfolio have declined by 88% since 2019, which mirrors a decrease in our loan exposure (-82%) over that period due to a commercially driven shift in business focus of our energy business. Having surpassed our target for reductions in Scope 3 GHG emissions in 2021,² we are focusing on our Scope 1 and 2 physical emissions intensity target.

¹ We referenced the Canada Energy Regulator's Energy Futures 2023 scenarios.

² BMO's target to reduce Scope 3 GHG emissions associated with our upstream oil and gas portfolio by 24% by 2030 relative to a 2019 base year was based on the GCAM NZE scenario's emissions pathways for primary energy combustion for Canada and globally.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary



Power generation target

Our financed emissions targets for the power generation sector focus on the Scope 1 emissions of power generation borrowers, and the power generation share of diversified businesses operating in power distribution or natural gas distribution sectors in Canada.¹ We referenced the GCAM NZE scenario for emissions from the Canadian power sector to inform our target to reach a Canadian portfolio physical emissions intensity (tCO₂e/MWh) of 0.06 by 2030, which will be demonstrated by reaching an 88% share of low-carbon power generation.² We have not set a target for our U.S. portfolio due to evolving legal requirements in the U.S. We estimate that in 2024, more than 90% of our lending to power generators in the U.S. is directed toward low-carbon generation sources, up from 77% the year prior.

As of 2024, the Scope 1 physical emissions intensity of the Canadian power generation portfolio has contracted by 31% since the 2019 base year. The portfolio intensity has fluctuated year-over-year, and is expected to continue to do so due to portfolio composition, actual borrower operational changes and data availability. In 2024, 89% of our outstanding loans to power generators in Canada was directed toward low-carbon generation, exceeding our target of 88%. The strategies listed on page 32 support GHG emissions reductions within this portfolio.

In 2025, we used climate-related scenario analysis capabilities to assess the likelihood of realizing the targeted physical intensity reduction and share of low-carbon generation across a range of future scenarios provided by the NGFS.³ Our preliminary findings indicate that there is high potential to achieve the targeted physical emissions intensity in a scenario that limits global warming to 1.5°C by 2100, moderate potential in a scenario where warming is limited to below 2°C, and low potential in scenarios where climate policies stay the same to 2030 (Delayed Transition) or do not change at all. The Delayed Transition scenario is considered to be the most likely in the short to medium term. The potential to realize the targeted low-carbon power generation share in Canada is high in all scenarios.

¹ Scope 2 emissions associated with electricity used in power generation facility operations are immaterial and not calculated.

² Low-carbon includes renewable power generation (hydro, wind, solar, biomass and other) and nuclear power generation.

³ We referenced long-term NGFS Phase 5 scenarios generated using three Integrated Assessment Models: REMIND-MAGPIE, MESSAGE-GLOBIOM, and GCAM.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

 **Commercial real estate**

We have assessed GHG emissions reduction pathways for the commercial real estate sector from the IEA NZE scenario, IEA Energy Technology Perspectives – Sustainable Development Scenarios, and Carbon Risk Real Estate Monitor. We have not set a target for this portfolio due to a low PCAF data quality score. Availability of actual energy use and/or emissions data for real estate properties in this portfolio is limited. Without this type of data we have not been able to derive a physical emissions intensity that we believe is representative of the portfolio, limiting our ability to set targets.

In 2025, we engaged with third-party data providers that could enhance data quality for financed emissions calculations associated with our commercial real estate lending. Following evaluation through vendor trials, we opted to prioritize processes that enhance internal data sourcing as third-party datasets relied on estimated energy use, which would not meaningfully improve our data quality.

 **Residential real estate**

We have assessed GHG emissions reduction pathways for the residential real estate sector from the IEA NZE scenario. We have not set a target for this portfolio due to similar data availability challenges as noted for our commercial real estate portfolio above.

 **Agriculture**

We have assessed GHG emissions reduction pathways for the agriculture sector from NGFS REMIND MAGPIE 2.1-4.2 – Net Zero 2050 and One Earth Climate Model 1.5 Pathway (OECM 1.5) scenarios. We have not set a financed emissions target for this portfolio due to a low PCAF data quality score. Availability of farm-level emissions or production data by commodity is extremely limited. Without this type of data we have not been able to derive a physical emissions intensity that we believe is representative of the portfolio, limiting our ability to set targets.

 **Other sectors**

We have quantified and previously disclosed financed emissions related to industrial activities (iron and steel, aluminum, and cement), and personal automobile lending. In 2023, we discontinued disclosure related to industrial activities, as our lending exposure and the related financed emissions were found to be immaterial. In 2024, we also discontinued disclosure related to our personal automobile lending due to a strategic decision in 2023 to wind down our indirect retail auto finance business.

We do not disclose financed emissions for mining sectors separately as metal mining and non-metal mining do not meet our lending exposure threshold (i.e., over 1%), and other criteria as described in our GHG Reporting Methodology – Financed emissions.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Climate risk metrics

We have incorporated climate-related risk metrics into our Risk Appetite to help us understand, monitor and proactively manage our exposure to climate-related transition risks and physical risks, consistent with regulatory obligations from OSFI.

Climate transition risk metrics

Carbon-related assets – Metric 1

In line with the TCFD Recommendations’ 2017 guidance, we calculate carbon-related assets as our credit risk exposure connected to the Energy and Utilities sectors, defined under the Global Industry Classification Standard as relying on fossil fuels – primarily oil and gas activities (upstream, midstream and some downstream) and fossil fuel-based power generation – expressed as a percentage of our total credit risk exposure.

Activities are considered in scope based on their direct connection to fossil fuel processing and storage, while activities involving downstream use or retail of oil and gas inputs are generally excluded unless clearly tied to fuel distribution with limited alternatives. These inclusion criteria are reviewed periodically so that they align with evolving business practices and regulatory expectations.

This metric is included in our board-reported Risk Appetite Dashboard as a Risk Appetite Metric. It is used as an indicator of potential stranded asset risk – the possibility that assets may lose economic value as the transition to a lower GHG economy advances.

In 2021, we set risk tolerance thresholds for this metric. The thresholds are set and reviewed annually, taking into account stranded asset risk, average exposure to carbon-related assets among Canadian banks, the policy environment of the jurisdictions in which BMO operates, and the bank’s own Transition Action Plan.

This evolution in methodology is intended to enhance the relevance and transparency of our climate transition risk metrics and reflect evolving market dynamics, such as anticipated growth in carbon-related lending in line with Canada’s national energy infrastructure investment priorities.

The Risk Appetite Metric will continue to be reported at the enterprise and for the most affected operating segments, allowing the bank to monitor the operating segments’ contributions to the enterprise metric and enabling segment-level thresholds and notification triggers.

Our credit risk exposure to carbon-related assets (Metric 1) in fiscal 2025 was approximately \$14.8 billion, and represented 1.3% ♦ of our total credit risk exposure. Our exposure has declined since 2019 because of strategic decisions made regarding capital allocation and the prioritization of opportunities. Based on current business trends and the impact of new energy initiatives in Canada, we anticipate that this metric will increase relative to prior years.

Credit risk exposure to carbon-related assets (Metric 1)

	2025	2024
Credit risk exposure to carbon-related assets – Metric 1 (non-renewable energy and power generation) (%) ¹	♦ 1.3%	1.6%
Credit risk exposure to carbon-related assets – Metric 1 (\$ billions) ²	\$14.8	\$18.4

♦ KPMG has provided limited assurance of this figure.

¹ This metric is aligned with the TCFD Recommendations’ 2017 guidance and is defined as credit risk exposure connected to the energy and utilities sectors as a percentage of our total credit risk exposure. It does not include water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers and waste management companies.

² This metric is aligned with the TCFD Recommendations’ 2021 guidance and includes sectors covered in Metric 1 as well as transportation, materials and buildings, and agriculture, food and forest products. This metric is not used directly in risk management due to broad sectoral coverage, limiting its usefulness as a measure of climate transition risk.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Carbon-related assets – Metric 2

In 2021, the TCFD updated its guidance to include a revised definition of carbon-related assets (Metric 2), which incorporates all four non-financial groups identified by the TCFD: energy (consistent with Metric 1); transportation; materials and buildings; and agriculture, food and forest products. This 2021 definition is not used directly in our risk management due to the broad sectoral coverage, which limits its usefulness as a measure of climate transition risk. For example, climate sensitivity varies widely within the agriculture sector due to factors such as crop types and geography. We disclose this metric to align with industry practice. Our credit risk exposure to carbon-related assets, determined using this 2021 TCFD definition, was approximately \$188.9 billion, and represented 16.5% ◆ of our credit risk exposure.

Credit risk exposure to carbon-related assets (Metric 2)

	2025	2024
Credit risk exposure to carbon-related assets – Metric 2 (includes Metric 1 plus transportation, materials and buildings, and agriculture, food and forest products) (%) ¹	◆ 16.5%	17.0%
Credit risk exposure to carbon-related assets – Metric 2 (\$ billions)	\$188.9	\$189.6

Credit risk exposure to carbon-related assets by TCFD category²

	2025	2024
Energy	1.3%	1.6%
Transportation	2.3%	2.4%
Materials and buildings	9.5%	9.4%
Agriculture, food and forest products	3.4%	3.6%

◆ KPMG has provided limited assurance of this figure.

¹ This metric is aligned with the TCFD Recommendations’ 2017 guidance and is defined as credit risk exposure connected to the energy and utilities sectors as a percentage of our total credit risk exposure. It does not include water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers and waste management companies.

² This metric is aligned with the TCFD Recommendations’ 2021 guidance and includes sectors covered in Metric 1 as well as transportation, materials and buildings, and agriculture, food and forest products. This metric is not used directly in risk management due to broad sectoral coverage, limiting its usefulness as a measure of climate transition risk.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Climate physical risk metrics

Physical risk metrics are calculated quarterly and reported internally to senior management. The indicators may be considered as part of the Risk Appetite framework, and are subject to the annual refresh cycle. Through this process, the indicators' measurements, along with any revisions, are reviewed by the enterprise Risk Management Committee and the U.S. Risk Management Committee.

These indicators may be further refined to reflect, for example, evolving industry and regulatory standards.

Flood Metric

In fiscal year 2025, we developed a monitor-only climate physical risk metric to measure flooding exposure (coastal, pluvial and fluvial) for our real estate secured lending (residential mortgage and home equity) portfolios. This metric aligns with CSDS 2, Climate-related Disclosures recommendations, and is also consistent with OSFI's cross-industry metric on the amount and percentage of assets and business activities vulnerable to climate-related physical risks.

The flood metric measures the proportion of mortgage and home equity exposure located in 1-in-100-year flood zones with flood depth above 0.5 metres. We enhanced the methodology in 2025 to align Canadian and U.S. portfolios and to add complementary measures of borrower risk, hazard insurance coverage, and estimates of exposures for a range of flood depths.

Wildfire Metric

In fiscal year 2026, we will introduce a wildfire metric to measure the percentage of balances in wildfire high-risk areas in California as determined by the U.S. Federal Emergency Management Agency (FEMA). Our metric will use FEMA's wildfire index, which assesses wildfire risk by census tracts.

Other climate metrics

Energy Supply Financing Ratio

At BMO's 2025 Annual General Meeting, 32.4% of shareholders supported the disclosure of an Energy Supply Financing Ratio.

BMO is actively assessing the various considerations involved in developing an Energy Supply Financing Ratio methodology. BMO remains committed to track and report on our climate financing which reached \$35.7 billion in 2025 (see page 83 – Sustainable and climate finance). Within this context, BMO intends to continue to track and evaluate sector practices with respect to the Energy Supply Financing Ratio and will consider disclosing such a metric in our Sustainability and Climate Reporting as disclosure standards evolve.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Nature and biodiversity

We recognize that our business and our clients depend on healthy natural ecosystems, and that preservation and degradation of these systems offer opportunities and pose risks across our value chain.

Who has responsibility

- Chief Sustainability Officer, Head, E&S Risk Management

Why this matters

Financing nature-based solutions – such as sustainable agriculture, conservation, and ecosystem restoration – can unlock new markets and support long-term value creation, as well as align with stakeholder expectations for environmental stewardship. The declining health of global biodiversity, unsustainable land use, and pollution are transverse risks that can manifest through other risk channels.

Governance

Since nature and biodiversity are identified as E&S risks in our risk management framework, they are subject to the same governance processes as other E&S Risks (see pages 12-13). We formed a Nature & Biodiversity Working Group comprised of members of the Sustainability and E&S Risk teams in order to advance our assessment of nature impacts and dependencies.

Strategy

We are piloting recommendations of the Task Force on Nature-related Disclosures (TNFD), and are improving our capability to integrate nature considerations into our practices and processes through these key initiatives:

Supporting nature-based solutions

- BMO Radicle provides expertise in nature-based solutions and carbon removals through capital projects.
- We provide financing for organizations pursuing nature-based carbon removal projects.
- We incorporate carbon offsets generated from nature-based solutions in our operational carbon offset strategy to enhance capital flows to companies as well as activities that support biodiversity conservation and climate change mitigation.
- Our [Sustainable & Climate Finance Framework](#) incorporates nature-related topics such as pollution prevention, sustainable use of water, sustainable management of natural resources, and sustainable food and agriculture.

Capacity building

- We participate in nature and biodiversity working groups to develop and operationalize emerging industry practices.
- Nature and biodiversity topics have been integrated into the BMO Climate Institute Fellowship Program.

Thought leadership

- Nature is one of the BMO Climate Institute’s priority areas to drive industry insights. Thought leadership publications can be found on our [website](#).
- BMO’s Community Giving Program focuses on environmental resilience, including biodiversity restoration, and partners with organizations to protect and restore outdoor spaces.

Risk management

Nature considerations are integrated into the bank’s policies, decision-making processes and risk management framework:

- Our definition of E&S risk includes topics related to biodiversity and land use, pollution and waste, and energy, water, and other resource usage.
- We conducted a preliminary analysis of BMO’s lending portfolio using the ENCORE tool to help us identify potential nature-related risks, dependencies and impacts. We are also piloting the LEAP (Locate, Evaluate, Assess, Prepare) framework recommended by the TNFD to enhance our understanding of the biodiversity footprint of our financing activities and to inform the future integration of biodiversity into our risk management process.
- We have conducted a preliminary assessment of the impact that pollution events have on our financing activities.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

SOCIAL SUSTAINABILITY



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

**3 Message from the Executive Committee
Sponsor for Sustainability**

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Community impact

We aim to build stronger communities by supporting economic growth, local prosperity and meaningful stakeholder engagement.

Who has responsibility

- Chief Marketing and Communications Officer
- Overseen by the Chief Administrative Officer, Chief Human Resources Officer and Head People, Culture and Brand

Why this matters

Community giving and volunteering strengthen BMO’s social impact, enhance stakeholder trust, and support economic growth. These efforts contribute to long-term business resilience by deepening community relationships and reinforcing our social license to operate.

Employee giving and volunteering

Our annual BMO Employee Giving Campaign is a key differentiator of our culture. We encourage our employees to donate to causes that are important to them and that champion the work of our strategic partner, the United Way. Our employees volunteer their time and knowledge outside the workplace in a variety of ways, including local skills-based projects and non-profit board service, in order to build stronger communities.

Metrics – Employee giving and volunteering

	2025	2024
Employee volunteer hours ¹	▲ 65,000+	54,000+
Amount pledged through employee-driven giving in our annual campaigns (\$ millions)	▲ \$40.3	\$39.0

▲ SIMPACT has provided independent verification of this figure using the LBG model.
¹ Hours contributed in the United States (except U.S. pro bono) represent the calendar year.

Community giving

Whether we’re giving to community organizations or investing in partnerships to address societal needs, we pride ourselves on our 200-year-plus legacy of growing the good in the communities where our colleagues and clients work and live. Our funding supports programs and initiatives in the following areas:

- Community and economic resilience – support for financial literacy, skills development, social services, education, health equity, and accessible arts and cultural programming.
- Environmental resilience – support for conservation efforts, alternative energy projects in low-income neighbourhoods, public awareness and education campaigns, and research projects.

Our community investment reporting is independently verified by SiMPACT using the globally recognized LBG Model which upholds the highest Canadian Standard in Community Investment reporting as established by the LBG Canada Valuation Principles. With this model, we can benchmark our performance and use the insights to inform our approach going forward.

BMO was certified an Imagine Canada PRISM organization for 2025-2026. We are also a member of Chief Executives for Corporate Purpose (CECP), a network dedicated to driving measurable returns on purpose.

BMO’s commitment to humanitarian emergencies

With a focus on building resilience and preparedness and facilitating a year-round approach to disaster relief, we support the American Red Cross Emergency Response Fund and the Canadian Red Cross Disaster Relief Alliance. Since 2011, BMO has given the American Red Cross more than \$1.95 million and has contributed \$2.76 million to the Canadian Red Cross.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

BMO Los Angeles (LA) Wildfire Recovery Fund

In January 2025, we pledged \$3 million to launch the BMO LA Wildfire Recovery Fund, following the devastation caused by the Los Angeles wildfires. The fund focused on:

- Individuals and family rebuilding: Navigation and support programs that aid in recovery for individuals and families, with an emphasis on small business and home ownership.
- Community rebuilding: Fostering resilience through programs that aid the recovery of communities, with an emphasis on cleanup, safety and essential needs.
- In October 2025, we awarded grants to 32 non-profit organizations across Southern California.

Metrics – Community giving

	2025	2024
Number of employees volunteered	1,821	1,577
Donations – Canada and U.S. (\$ millions) ¹	▲ \$115.7	\$101.0
Value of BMO volunteer hours taken as release time (\$ millions) ¹	▲ \$0.5	\$0.6
Program management costs (\$ millions) ^{1,2}	▲ \$7.8	\$7.7
Total community impact (\$ millions) ²	▲ \$124.0	\$109.3
Community giving by focus area (%)		
Health and social services (includes hospitals and federated appeals)	34%	31%
Arts and culture	13%	14%
Education	22%	19%
Civic/community services and economic development	23%	20%
Sustainability	7%	7%
Other	1%	9%

▲ SIMPACT has provided independent verification of this figure using the LBG model.

¹ This figure is included in the Total Community Impact metric.

² F24 data is restated to include additional spend on community and employee giving.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Indigenous partnerships

We are deepening our long-standing partnerships with Indigenous communities by supporting economic empowerment through tailored financial services, employment and education.

Who has responsibility

- BMO’s Indigenous Banking Unit and our Office of Reconciliation, with the support of the Indigenous Advisory Council (IAC), comprised of respected Indigenous leaders from across Canada
- BMO executives, including the Chief Sustainability Officer

Why this matters

Building trust and fostering long-term partnerships with Indigenous communities is fundamental to our shared growth. Indigenous banking is a rapidly expanding market, offering BMO an opportunity to deepen engagement with Indigenous governments, organizations and individuals through tailored financial solutions. Our programs in commercial lending, housing, procurement and entrepreneurship support reconciliation while advancing our business priorities.

Our approach

We work alongside First Nation, Inuit and Métis communities to eliminate barriers and create opportunities through three core pillars: education, employment and economic empowerment. In 2025, we established our Office of Reconciliation, guided by the Indigenous Advisory Council, to foster positive respectful relationships and drive meaningful, consultative change. These efforts align with the Truth and Reconciliation Commission’s Call to Action 92.

Education

Education is the foundation of empowerment. Through initiatives like Nisitohamowin ᓂᓯᓂᓴᓴᓴ eLearning, cultural awareness education and financial literacy programs, we are fostering understanding and building skills for the future. Since 2021, BMO has contributed \$1.6 million to Indigenous education initiatives, including seven new multi-year commitments launched in 2025 through partnerships with Lakehead University, University of Ottawa, and University of Alberta. We also launched BMO SmartProgress, which offers more than 20 interactive modules tailored to Indigenous communities.

In 2025, we opened our first Downie Wenjack Legacy Space at BMO Academy in Toronto. Created in partnership with Indigenous communities, this space offers a place for reflection and learning, supporting our ongoing journey toward truth and reconciliation.

Employment

Indigenous employees are represented across all business lines and across leadership levels.

Our Miikana Career Pathways Program aims to foster an inclusive workplace and provide career development opportunities tailored to the needs of Indigenous individuals. The program has a 92.6% retention rate among participants.

Our Indigenous employees are supported by initiatives such as the Indigenous Inclusion Speakers Series and our employee resource group, the BMO Sharing Circle. These programs foster a sense of belonging and allow Indigenous voices and perspectives to be integrated into our workplace culture. We commemorate key events such as National Indigenous History Month and the National Day for Truth and Reconciliation in order to deepen awareness across the bank.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Economic empowerment

Economic self-determination is central to reconciliation and sustainable prosperity. We support Indigenous economic empowerment through the following programs:

- BMO’s Indigenous Banking Unit supports Indigenous communities across Canada, providing trust services, investment solutions and long-term financing options for on-reserve infrastructure projects and economic development.
- BMO’s On-Reserve Housing Loan Program finances eligible individuals seeking to build, buy or renovate homes on-reserve.
- The BMO for Indigenous Entrepreneurs lending program provides access to capital for Indigenous businesses on- or off-reserve.
- BMO has 14 in-community Indigenous Branches across the country and one Commercial Banking location that serve Indigenous Peoples, businesses and organizations.
- We exceeded our procurement goal, spending \$161.0 million with Indigenous-owned businesses since 2021, including \$45.5 million in 2025. We offer ongoing support to entrepreneurs through programs such as BMO Elevate, which provides mentorship, networking and growth opportunities.
- As of October 31, 2025, BMO provides over \$18.0 billion in banking services to more than 300 Indigenous communities nationwide.

◆ KPMG has provided limited assurance of this figure.

Free and prior informed consent (FPIC)

BMO recognizes the importance of Free, Prior and Informed Consent (FPIC), along with the rights of Indigenous Peoples to participate in decision-making. Recognizing the risks associated with a failure to adequately address Indigenous rights, we have integrated FPIC into our risk management policies and processes, including expressly referencing Indigenous rights in our Environmental & Social Risk Corporate Policy, requiring due diligence under the Environmental & Social Risk General Financing Guideline for heightened risk sectors where significant Indigenous rights impacts are identified, and establishing escalation processes for reputation risk associated with Indigenous rights issues. We also offer internal Indigenous cultural competency and shared history training, including on FPIC, for BMO employees.

For a detailed view of our progress and stories of impact, please refer to our [Indigenous Partnerships and Progress Report 2025](#).

Metrics – Indigenous partnerships

	2025	2024
Indigenous banking business – Canada (\$ billions)	\$18.0	\$17.0
First Nations participating in BMO’s On-Reserve Housing Loan Program – Canada (#)	◆ 112	108



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Financial inclusion and capacity building

BMO’s success is linked to the long-term prosperity of our clients, communities and society. Banks and other financial institutions can – and in some cases are required to – play a role in expanding access to financial services and fostering economic growth. We offer specialized products, services and educational resources to meet the needs of our clients.

SASB: FN-CB-240a.1, FN-CB-240a.3, FN-CB-240a.4

Who has responsibility

- Canada – Head of Canadian P&BB and Co-Head Canadian Personal & Commercial Banking and Group Head CCB & NAIS, with the various product groups
- U.S. – Head of U.S. P&BB, Head of U.S. Commercial Bank, and Vice-Chair & CRA Officer, with the various groups, including Zero Barriers to Business, EMpower 2.0, and the *Community Reinvestment Act* (CRA). Oversight of these community programs is provided by the CRA Oversight Committee.
- U.S. Regulatory Committee and BMO Financial Corp.’s Board of Directors

Why this matters

Advancing financial inclusion mitigates systemic risks, strengthens community resilience, and opens new markets. By offering tailored products, services and education, we create pathways for underserved clients to achieve financial security while supporting sustainable economic growth.

Supporting clients in making Real Financial Progress

BMO has a dedicated team that works to identify the needs of the community and address barriers to banking by expanding inclusion and providing access to products that help everyone make Real Financial Progress. The team’s objectives are to:

- Support current clients by meeting them where they are with personalized banking solutions
- Expand access and awareness of products and services that offer long-term solutions to help improve clients’ financial health and habits
- Help households deal with financial challenges, focusing on:
 - Building and repairing credit
 - Establishing savings habits
 - Providing insights into cash flow volatility
 - Managing unexpected events
 - Planning for the future
- Open accounts for unbanked and underbanked households

Supporting employee ownership

BMO provides financing and advisory services to employee-owned businesses, such as those offering Employee Stock Ownership Plans (ESOPs) in the U.S. and the emerging Employee Ownership Trust (EOT) model in Canada. In the U.S., BMO Commercial Bank supports more than 500 ESOP-owned businesses with \$6.9 billion of authorized commitments as of fiscal year-end 2025. Employee ownership models offer benefits, including protecting jobs and enabling employees to build personal wealth. BMO advocated for Canada’s new EOT legislation, passed in 2024, which creates a simpler and more compelling pathway for businesses to adopt employee ownership models.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Financial inclusion – Canada

We strive to serve the needs of our client base and provide banking services to help individuals and small businesses achieve financial independence and stability. BMO is a signatory to Canada’s commitment to provide low-cost and no-cost bank accounts for eligible groups, as indicated below. Please refer to page 97 (Public Accountability Statements – Voluntary Codes of Conduct and Public Commitments) for more information.

Client segment	Products and services	Outreach and engagement
Women business owners	<ul style="list-style-type: none"> BMO seeks to provide tailored support for women business owners – a key business demographic that plays an important role in economic growth. The BMO for Women program provides women in business with financial services and other resources to support their growth. The program is delivered by our BMO for Women Advocates – experienced business relationship managers and wealth advisors who are dedicated to empowering women throughout their financial journey. 	<ul style="list-style-type: none"> The BMO Celebrating Women Grant Program provides grants to small businesses whose owners demonstrate their commitment to the advancement of women and can show how their business will use the grant to grow. Our Celebrating Women Grant Program has supported 60 women in business in Canada, with more than \$570,000 in funding provided since inception.
People facing disability, accessibility, linguistic or literacy challenges	<ul style="list-style-type: none"> BMO works to comply with applicable accessibility regulations in the jurisdictions where we operate, including regulations in the <i>Accessible Canada Act</i>, <i>Accessibility for Ontarians with Disabilities Act</i> and the <i>Americans with Disabilities Act</i>. We offer: <ul style="list-style-type: none"> – Mobile and online banking services that are compatible with assistive technologies, such as screen readers and magnifiers. – Materials in accessible formats such as accessible PDFs, Braille, large print, audio and e-text. – Telecommunications Relay resources and American Sign Language and langue des signes québécoise interpretive services. – Accessibility features at branches such as wheelchair access, accessible ATMs with audio and Braille features, and support for service animals. Please see our 2025 Accessible Canada Act Progress Report for more information. 	<ul style="list-style-type: none"> The Enterprise Accessibility Office manages accessibility governance and reporting, supporting stakeholders who lead accessibility initiatives for both clients and employees, and engages with stakeholders internally and externally to help inform our accessibility initiatives. Please refer to our annual accessibility reporting for more information.
Clients in crisis	<ul style="list-style-type: none"> We support our clients in Canada during natural disasters as they faced financial stress, including loss of personal and business property. We provide relief options to clients who suffered loss or damage to personal and/or business property. Among these options are Everyday Banking right-sizing, loan and/or home mortgage payment options/payment protection, and skip payment options on mortgages, instalment loans and credit cards. 	
Small businesses	<ul style="list-style-type: none"> Our Small Business Instalment Loan program supports business growth. Our Online Banking for Business “Lite” digital experience enables business owners to seamlessly manage their banking anytime, anywhere. 	<ul style="list-style-type: none"> Our Zero Barriers to Business program in Canada was created to help entrepreneurs access working capital, tools, resources, and meaningful networking opportunities to help grow their businesses. It provides Black and Indigenous entrepreneurs with access to working capital, educational resources, and professional partnerships to start, scale and grow underserved small businesses.

(continued on next page)



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

Client segment

Products and services

Outreach and engagement

Newcomers to Canada

- The BMO NewStart program provides dedicated and personalized products and services for newcomers to Canada, including relevant partner offers, applications for a credit card with no Canadian credit history, fee waivers for global money transfers, special mortgage offers, and seamless digital international money transfer solutions.
- Digital instant account capabilities streamline and simplify newcomers' experience through pre-arrival program for newcomers from 13 countries, so they can open a chequing account in minutes and apply for Guaranteed Investment Certificates (GICs) before they arrive in Canada.
- We offer two years of no-fee banking for newcomers, with a comprehensive newcomer package valued at up to \$2,300 and unveiled a personalized BMO Wealth offer to support financial integration and long-term goals.

- We have established partnerships with newcomer agencies and organizations across Canada, India and China and rolled out comprehensive financial literacy programs to equip newcomers with the knowledge essential for financial success in their new environment.

Members of the Canadian defence community

- In partnership with the Canadian Forces Morale and Welfare Services, we offer personal and business banking solutions designed for the unique needs of military families, including no fee banking options and mortgage flexibility for individuals posted through the Canadian Armed Forces Relocation Directive.

- BMO is designated as the Official Bank of the Canadian Defence Community by the Chief of Defence Staff.
- BMO participates in and supports the Canadian Defence Community by sponsoring community initiatives such as the Canada Army Run.

Students in Canada

- BMO supports post-secondary students across Canada by providing no-fee banking during their studies and for up to 12 months following graduation, and tailored credit solutions such as student-specific credit cards, and lending options with competitive cash incentives.
- We offer comprehensive and personalized digital experiences through a suite of digital tools – such as BMO Smart Progress, CreditView and a budget calculator – designed to enhance financial literacy and empower students to make informed financial decisions.
- Launched a student-focused multi-product offer valued at up to \$950, combining cash incentives with exclusive partnerships. A key highlight was our Domino's collaboration, providing up to 12 months of free pizza to eligible students. Recognized by MoneySense as Canada's Best Student Banking Offer in 2025, this initiative reinforced our commitment to delivering meaningful value and everyday affordability.

- We have exclusive partnerships with universities including Toronto Metropolitan University, Western University, University of Calgary, and Northern Alberta Institute of Technology. Our expanded campus presence provides year-round access to tailored banking solutions and financial guidance, empowering students to build strong financial futures.

Senior citizens¹

- The seniors' section of our website has links to accessible in-branch services for seniors, including alternative statement formats. This section also provides information on issues of concern for seniors, such as information about suspected cases of financial abuse or fraud targeting seniors.
- We offer tailored banking solutions for seniors, including no-fee banking and complimentary financial planning.

- We maintain our Commitment to the Delivery of Banking Services to Seniors, available on our [website](#).
- In 2025, we updated employee training to better serve our clients who are seniors.

¹ Individuals in Canada who are 60 years of age or older (also referred to as seniors) and who conduct banking transactions for non-business purposes.

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Metrics – Financial inclusion (Canada)

Number of customers receiving complimentary or discounted services – Canada

	2025	2024
Senior citizens	1,378,014	1,343,811
University and high school students	353,766	345,073
Local and non-profit organizations	34,521	35,679

Equitable and accessible banking services – Canada

	2025	2024
Businesses with at least one woman owner supported – Canada (#) ¹	173,872	159,807
Small business lending – Canada (\$ billions)	\$7.2	\$7.1
Canadian defence community customers (#)	121,394	112,874

¹ This metric does not currently align with our recently updated definition of women-owned business (see Glossary) and is not included in our tracking of sustainable finance activity. We are working on improving our ability to identify such clients.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Financial Inclusion – U.S.

Community reinvestment

In the U.S., banks like BMO provide support that meets the credit needs of the communities they serve, including communities with lower income levels, as required by the *Community Reinvestment Act* (CRA). BMO has earned an “Outstanding” rating in recent CRA evaluations – a rating that also recognized some components of our BMO EMpower 2.0 program. We partner with organizations like the Illinois Housing Development Authority and Restore LA-CDC to deliver programs in states within our U.S. footprint that offer affordable mortgages. As part of our Zero Barriers to Business program, we also offer various special purpose credit programs to support small business owners in our footprint states. These programs may provide benefits such as broader credit criteria and interest rate discounts to eligible small businesses. We also offer financial literacy programs that can help our clients make real financial progress and learn how to build savings for unexpected expenses (see page 75 – Financial literacy).

Community Benefits Plan – Total capital deployed as of October 31, 2025

	Total capital deployed as of October 31, 2025 ¹	5-year capital commitment by 2028
Residential mortgage lending to low-to-moderate income borrowers (US\$ billions)	\$7.0	\$7.5
Community development lending and investing (US\$ billions)	\$9.4	\$15.5
Vital community assets and resources for women and minority-owned businesses (US\$ billions)	\$0.04 ²	\$0.2
CRA-eligible small business lending (US\$ billions)	\$4.9	\$16.5
Philanthropic giving (US\$ millions)	\$86.8	\$135.0

Metrics – Financial inclusion (U.S.)

Number of customers receiving complimentary or discounted services – U.S.

	2025	2024
Under 25 (including college students)	73,290	70,988
Non-profit organizations	19,837	19,811

¹ Data reflects cumulative total since BMO EMpower 2.0 began on April 1, 2023.

² The cumulative total has been revised to correct a calculation error in the previously reported FY2024 figures.

³ F24 figure has been restated to reflect a transfer of clients from Commercial Banking to Business Banking in FY25.

BMO EMpower 2.0

In the U.S., we are responding to the demands of a rapidly changing economic and social landscape with the BMO EMpower 2.0 program.

We launched BMO EMpower 2.0 under a Community Benefits Plan in April 2023 when we acquired Bank of the West. BMO EMpower 2.0 is a five-year, US\$40 billion commitment, with US\$16 billion targeted for communities in California. As well as this financial commitment, the plan involves building strategic partnerships and community engagement in markets across our U.S. footprint. Reinforcing BMO’s focus on advancing home ownership and fostering small businesses in low-to-moderate income neighbourhoods, the plan offers lending and investment products that support affordable housing and economic development, consistent with regulatory expectations and meeting our business goals. The plan also incorporates philanthropic giving to build capacity and capabilities within underserved and vulnerable populations. By partnering with organizations to provide access to capital and community-driven investment, BMO supports financial inclusion at the local level.

The table below provides details of our commitments across the BMO EMpower 2.0 program.

Small business lending – U.S.

	2025	2024
Small business lending – U.S. (US\$ billions) ³	\$2.9	\$3.3



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Financial literacy – Canada and U.S.

BMO provides educational resources and practical information about banking to help individuals and businesses build their financial confidence and make more informed financial decisions, while also building stronger client relationships. We support financial literacy through the following initiatives:

- We publish a free online Business Focus newsletter every quarter, with business resources, tips and advice delivered directly to each participating client’s email inbox.
- We feature specialty landing pages on our website, with resource hubs that offer articles, digital tools and templates, and educational webinars, videos and podcasts.
- Through the exclusive and tailored curriculum of Strictly Money, BMO for Women and Wealth Management collaborate to provide women investors with resources and tools to support their financial present and future.
- In Canada, we offer a [BMO SmartProgress](#) platform – a free, publicly accessible, bilingual, online financial education tool offering personalized, interactive learning on budgeting, credit management, home ownership and investing. The platform includes customized pathways and curated content designed to meet the needs of Indigenous Peoples, Newcomers to Canada, and beginning in 2025, the Defence Community.
- In 2025, the Zero Barriers to Business – Canada program delivered financial education through more than 100 in-person and virtual events and more than 2,500 hours of webinars held across the country. These sessions are often hosted in collaboration with community partners and organizations, helping to broaden reach and impact, while supporting participants in building financial confidence and capabilities.
- We partner with universities and colleges across Canada to equip students with knowledge essential for financial success.

- In the U.S. and Canada, our employees volunteer with Junior Achievement (JA) to support their work helping students develop financial skills and literacy. In Canada, we also provided \$1.5M in funding for JA’s financial literacy program for children and youth at primary and secondary schools, reaching more than 230,000 students each year.
- In the U.S., we offer a BMO SmartProgress platform – a free online financial education tool in English and Spanish, available to all Americans on our website’s [Real Financial Progress Hub](#). The tool features content about financial goals and financial health, as well as courses that provide advice and guidance to help consumers navigate uncertain times, consolidate debt, and build emergency savings.
- We host Meetings in a Box, a networking initiative at our U.S. branches that offers financial literacy sessions for business owners and their employees, with presentations on topics that can help them make better financial decisions.
- Through our Coach in Your Corner initiative, we offer personalized one-on-one financial coaching sessions, virtual or in-person, with a BMO banker to any U.S. client or prospect.
- The Zero Barriers to Business – U.S. program has provided more than 3,800 hours of educational webinars and business literacy workshops, supporting more than 36,000 business owners across the U.S.

Metrics – Financial literacy

	2025	2024
Participants in financial literacy sessions offered by BMO U.S. (#) ¹	15,466	12,363

¹ U.S. branches boosted participation in F2025 by focusing on financial education for small businesses through the Meeting in a Box program.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Our Employee Value Proposition

We empower our people through meaningful careers, competitive rewards, and a high-performing, inclusive culture.

SASB: FN-AC-330a.1, FN-IB-330a.1

Who has responsibility

- Chief Human Resources Officer and Group Head, People, Culture and Brand, working with the Chief Learning Officer & Head, Talent & Culture Enablement, Chief Total Rewards Officer, Head, Talent Acquisition & Enablement, Head, Culture, Leadership & Enterprise Development and the Chief Inclusion Officer

Why this matters

Attracting, developing and retaining talented and high-performing employees is core to delivering on our strategy and sustaining long-term performance. By investing in our people, we are building the capabilities needed to meet the many needs of our clients, while fostering an innovative, competitive, and future-ready workforce.

Talent attraction, retention and engagement

We strive to attract top talent by offering an employee experience built on personalized career development opportunities, a performance-driven winning culture, competitive rewards and benefits, and a deep commitment to the health and well-being of our people.

More information is available on our [Career Site](#).

Attraction

Our recruiting team collaborates with business leaders seeking new talent to:

- Understand their needs,
- Attract a talented slate of candidates with a range of perspectives and experiences, and
- Match candidates to roles and team needs.

Our multi-channel approach to recruitment employs career fairs, hiring events and technology solutions to connect with potential candidates, improve acceptance rates and reduce the time needed to fill key positions. We aim to attract talent with a broad range of skills and experiences and we engage with organizations and associations that help us broaden our pool of qualified candidates.

Retention

Our talent retention strategy focuses on:

- Empowering career development – We employ many types of learning programs and offer inclusive networking and mentorship opportunities, as well as experiences that enable employees to apply skills through jobs and assignments.
- Building inspiring workplaces that foster new ways of working – We strive to create contemporary work environments that integrate sustainable design principles, encourage collaboration, and promote inclusivity. For example, BMO Academy, our new flagship learning centre at BMO Place in downtown Toronto, is equipped to host learning sessions, large town halls, private receptions, client events, and more.
- Recognizing and celebrating achievement – Our recognition programs include year-end incentive pay awards, annual top performer awards, quarterly Grand Ovation awards, and always-on peer-to-peer recognition.
- Supporting employee well-being – We support our employees’ mental, physical, social and financial well-being. Please refer to page 79 (Health, safety and well-being).



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Employee engagement

We have programs in place to connect with our employees at every stage of their careers at BMO. We actively listen to employees to better understand their experiences so that we can offer meaningful skills development and career opportunities and resolve any concerns. Our enterprise-wide strategic listening strategy assesses employee engagement, workplace experiences, confidence in our strategic priorities, and the BMO Code of Conduct. We benchmark against global companies and financial institutions, striving for top-tier performance.

87%

proud to work for BMO

89%

believe BMO values diversity of thought and inclusion of all people, backgrounds and experiences

91%

feel their experience working at BMO meets their expectations

84%

would recommend BMO's products and services to people they know

82%

would recommend BMO to people they know as a great place to work

Metrics – Talent attraction, retention and engagement

Hiring	2025	2024
Total number of new hires (#)	7,319	7,614
Open positions filled by internal candidates (%)	49.0%	48.4%
Turnover (%)¹		
Total turnover rate		
Enterprise-wide	◆ 14.4%	16.6%
Canada	◆ 13.2%	13.3%
U.S.	◆ 16.6%	22.5%
Voluntary turnover rate		
Enterprise-wide	◆ 11.1%	10.6%
Canada	◆ 10.4%	9.8%
U.S.	◆ 12.6%	12.2%
Involuntary turnover rate		
Enterprise-wide	3.2%	6.0%
Canada	2.7%	3.5%
U.S.	4.0%	10.3%
Employee Engagement		
Employee engagement index (%)	◆ 84.0%	82.0%

◆ KPMG has provided limited assurance of this figure.

¹ Involuntary and overall turnover declined in F2025 following an increase in F2024 due to the integration of Bank of the West.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Total Rewards

BMO employees have access to a full suite of Total Rewards that support their financial progress, unique priorities, well-being and growth. This package of benefits and incentives is reviewed annually and includes:

- Market-based competitive salaries and performance-linked incentive programs – with greater rewards for better performance.
- Matched contributions to savings and retirement plans, including share ownership plans that allow employees to benefit from the value they help create.
- Comprehensive benefits and family-building supports that offer choice.
- Recognition programs that celebrate BMO employees’ success and career milestones.

Our approach to compensation is based on a framework incorporating a job evaluation system that objectively measures and compares jobs; salary ranges and incentive targets for employees determined by third-party compensation data; and workplace policies and procedures that delineate clear guidelines for the equal treatment of employees. We communicate regularly with our leaders and managers regarding the importance of making compensation decisions that are consistent and fair. Annually, we review our benefits claims, competitive market practices, government funding, inflation forecasts and legislation changes to adapt our benefits package to employee needs.

Learning and skills development

BMO’s learning and skills development strategy is essential to the overall talent strategy of the bank. Our objective is to build future-focused capabilities, both technical and human, that equip our employees to meet emerging demands, develop the skills they need for success in a digital world, prepare them for their future career plans, and expand their personal interests. Our Digital First approach encompasses personalized learning, real-world work experiences, and opportunities to connect that empower our employees to succeed at every stage of their careers:

- **Learning programs:** Our digital learning platforms provide educational resources on hundreds of topics in a variety of formats (courses, e-books, videos, articles, podcasts) and incorporate personalized experiences based on employees’ interests, career goals and proficiencies. In 2025, we rolled out several enterprise programs to help employees build their skills in using artificial intelligence. We also offer leadership programs and tools aimed at enhancing our managers’ leadership skills and equipping them to support their employees’ career and skills development.
- **Meaningful experiences:** Our Career Hub assists employees who are seeking personalized recommendations for internal job opportunities that align with their skills and interests. Managers are encouraged to highlight and share career development opportunities such as secondments, job rotations and stretch assignments that allow employees to demonstrate and enhance their skills.
- **Connecting with others:** Our digital networking platforms offer opportunities to gain insights from peers and mentors across the enterprise in both structured and unstructured formats. Internal programs focus on BMO employees with knowledge and expertise in key areas, which helps employees expand their understanding and make progress in their careers.

Through BMO Academy, our flagship learning centre, we deliver cohort-based learning programs and immersive experiences, including strategy sessions and hackathons. Our Line of Business learning teams provide training in the tools, techniques and skills that support the business objectives of each operating segment.

Metrics – Learning and skills development^{1,2}

	2025	2024
Hours of learning (#)	1,578,400	1,692,829
Average learning hours per full-time employee (FTE) (#)	29.5	31.3

¹ Hours of learning and the average learning hours per FTE fluctuate year-over-year, due to corresponding fluctuations in the number and length of enterprise learning programs required for all employees, learning program enhancements that may result in shorter, more efficient content, and a continued shift from formal classroom training toward employee self-directed learning.

² 2024 results disclosed in the 2024 Supplementary Sustainability Information document have been restated due to inclusion of learning hours by some contractors and suppliers; this metric includes only full-time employees (see Glossary).



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Health, safety and well-being

BMO is committed to providing a healthy, safe and supportive workplace where its employees can thrive in a productive and collaborative environment. In support of this commitment, we maintain zero tolerance for harassment and discrimination, including sexual and psychological harassment.

Workplace health and safety

Our workplace health and safety policies are designed to comply with the occupational health and safety (OHS) requirements of the jurisdictions in which we operate. The policies outline BMO’s commitment to the health, safety and well-being of our employees, and our zero tolerance for harassment (psychological and sexual), discrimination and violence. We focus on prevention and training, and provide all employees with health and safety instruction.

We take reasonable and necessary precautions to promote a safe environment in our offices, branches and contact centres – for employees and clients alike. Our Health and Safety Representatives help design, implement and monitor our health and safety procedures, while regular training and workplace inspections help us identify, control and eliminate risks, create action plans for improvements and follow up on effective implementation.

Well-being

We support four key areas of well-being: mental, physical, social and financial, and we deliver wellness through policies and programs, focused initiatives and events in partnership with our Employee Resource Groups (ERGs). TELUS Health is BMO’s primary wellness delivery provider, offering employees Employee Assistance Program services, such as confidential short-term counselling and other wellness programming.

Mental

BMO’s health programming and medical benefits provide a number of mental health supports, including mental health coverage and the option to access virtual healthcare. BMO strives to create an environment where employees feel personally cared for and empowered to balance their responsibilities to work, family and community and remain proactive about their wellness – including paid time away from work. To reduce stigma and heighten awareness of the importance of mental health, we offer mental health e-training for both employees and managers, and conduct three annual awareness campaigns.

Physical

BMO supports the physical wellness of our employees through our Benefits and Wellness programs and workplace policies. Our Workplace Accommodations and Ergonomics programs support physical wellness while at work. Through benefits plans and leave of absence programs, we provide coverage for preventative care, disease management, illness and injury. We also provide employees with resources for exercise, nutrition and substance abuse. In addition, many BMO office spaces incorporate Wellness Centres where employees can take an intentional break from their busy day.

Social

We support social wellness through our recognition platform and collaboration tools. BMO’s Wellness Champions promote our wellness programs and encourage employees to use these resources. We also foster social wellness through our ERGs, networking and mentorship programs, employee giving and volunteering opportunities, and career development programs.

Financial

BMO offers matched contributions to employee savings and retirement plans, including share ownership plans that incentivize saving so that employees can benefit from the value they help create. Our Best of BMO employee banking services provide preferred rates and pricing on banking products and services, including mortgage rate discounts. We also offer financial education resources such as self-guided learning and tool kits and provide employees with access to a third-party network of discounts.

Metrics and data – Health, safety and well-being

	2025	2024
Sick days (#) ¹	154,864	143,379
Fatalities (#)	0	0

¹ Due to data limitations, the previously reported sick days for 2024 covered 8 months of the reporting period and have been restated using estimation to reflect a full year.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Inclusion

BMO seeks qualified candidates with a range of skills, perspectives and experiences to serve our clients and further our business objectives in the communities where we operate.

SASB: FN-AC-330a.1, FN-IB-330a.1

Who has responsibility

- Chief Human Resources Officer and Group Head, People, Culture and Brand, working with the Chief Talent Officer, Chief Inclusion Officer, U.S. Chief Human Resources Officer and the Executive Committee
- The Human Resources Committee of our Board of Directors

Why this matters

Inclusive workplaces drive stronger business outcomes by reducing risks related to talent retention, engagement and reputation, while enabling innovation, adaptability and long-term performance. Embedding inclusion in our employee experience helps us attract top talent, strengthen our culture, and build trust across the communities we serve.

Employment decisions at BMO are based on skills, knowledge, experience and merit, and are made in compliance with anti-discrimination laws. In seeking candidates with a variety of skills, perspectives and experiences, we expand our pool of qualified employees to better serve our clients and advance our business objectives in the communities where we operate.

We offer our hiring and people managers, along with our recruitment partners, learning experiences designed to deepen their understanding and expand our approaches to sourcing, interviewing, hiring and onboarding candidates from a wide range of qualified talent. Our recruitment partners play a key role in supporting BMO managers by actively identifying and engaging qualified candidates with a range of experiences and perspectives best positioned to serve our clients and advance our business objectives.

Learning, education and engagement

BMO offers a range of learning programs to help our employees achieve a greater awareness of the experiences and perspectives of peers and clients, and to share strategies that can help them build a more inclusive environment – for their colleagues, clients and communities.

BMO’s Employee Resource Group (ERG) program fosters an inclusive and welcoming workplace culture by strengthening connections across BMO. Comprised of 11 employee-led groups, the program encourages a sense of belonging among members. Participation is open to all employees, reflecting BMO’s commitment to community-building within the workforce, contributing to an engaged workforce as well as a more innovative business environment.

Fair pay

We regularly assess our compensation programs and we communicate regularly with our leaders and managers about the importance of making compensation decisions that are consistent and fair. We complete gender, race and ethnicity-based pay filings for compliance in Canada, both federal and provincial, and in other jurisdictions, as required. We comply with pay transparency and pay reporting requirements, and in Canada, in accordance with the federal *Employment Equity Act*, we provide unadjusted or “raw wage gap” metrics for our federal workforce, measuring demographic representation, comparing overall mean or median enterprise compensation between demographic groups across roles and levels.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Metrics – Workforce composition¹

	2025	2024
People of Colour in executive and senior leadership roles – North America	◆ 27.4%	26.5%
Persons with disabilities across our workforce – North America	◆ 6.0%	6.3%
2SLGBTQ+ representation across our workforce – North America	◆ 6.2%	6.0%
Indigenous Peoples across our workforce – Canada	◆ 1.2%	1.4%

Gender (enterprise-wide) ¹	2025	2024
Across our workforce		
Women	53.0%	53.7%
Men	47.0%	46.3%
By seniority		
Women by seniority		
Executive and senior leadership	◆ 40.4%	41.3%
Senior management	37.1%	36.2%
Mid-career	47.6%	47.6%
Early career	64.4%	65.4%
Men by seniority		
Executive and senior leadership	◆ 59.6%	58.7%
Senior management	62.9%	63.8%
Mid-career	52.4%	52.4%
Early career	35.6%	34.6%

◆ KPMG has provided limited assurance of this figure.

¹ BMO provides opportunities to all employees, regardless of gender, race, ethnicity, disability, sexual orientation, gender identity, religion, marital status and/or age. All employment decisions at BMO are based on skills, knowledge, experience and merit and are made in compliance with anti-discrimination laws.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

SUSTAINABILITY SOLUTIONS



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Sustainable and climate finance

We offer a range of products and services that support our clients in achieving their sustainability and risk management objectives.

SASB: FN-IB-410a.2, FN-IB-410a.3

Who has responsibility

- BMO operating segments, and the Sustainability Office

Why this matters

Supporting clients to meet their sustainability objectives reinforces portfolio resilience and strengthens relationships with our clients, investors and other stakeholders. Developing products and services and strategically integrating sustainability and climate considerations into our commercial objectives helps open new market opportunities to create value for our shareholders.

Sustainable finance refers to financing provided to, or facilitated for, clients pursuing sustainable outcomes that meet eligibility criteria defined in [BMO's Sustainable & Climate Finance Framework](#) (Framework). Climate finance is a sub-set of sustainable finance and refers to financing linked to GHG emissions reductions, climate-resilience outcomes, and/or other environmental impacts not necessarily tied to GHG emissions reduction. Our Framework defines the scope, classification, and eligibility requirements for labelling and reporting products and services as sustainable finance or climate finance. It is developed with reference to international standards and market practices, such as those of the International Capital Markets Association.¹ The table to the right should be read together with that framework for clarity.

A Sustainable and Climate Finance Working Group has been established to enhance our ability to track and report on sustainable and climate finance activity with a focus on data quality, completeness, and consistency. This work is ongoing and we expect that as internal systems evolve and data integrity improves, additional categories and volumes of sustainable and climate finance activity may be identified.

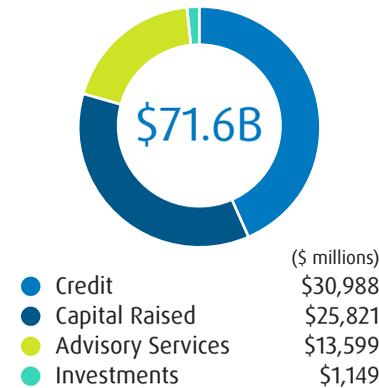
Metrics – Sustainable and climate finance by category^{2,3,4,5}

Sustainable and climate finance by category

For the year ending October 31, 2025 (\$ millions)

Climate	\$35,652
Energy Efficiency	\$2,397
Green Buildings and Infrastructure	\$1,295
Renewable Energy	\$19,622
Sustainable Food and Agriculture	\$6,487
Other Climate ⁶	\$3,458
Climate Transition ⁷	\$2,393
Social	\$17,890
Access to Essential Services ⁸	\$3,485
Affordable Housing	\$14,405
Sustainable Multi-Outcome	\$16,043
Sustainable-Linked Products	\$1,972
Total Sustainable Finance Activity	\$71,557

Sustainable and climate finance by activity



¹ In 2025, the Framework was updated to include climate transition and green enabling categories, reflecting evolving industry practice and guidelines such as ICMA's Green Enabling Projects Guidance. The update revises our measurement approach for certain product types and expands the technologies and activities that are eligible to be tracked and reported as sustainable and/or climate finance. Refer to the Framework for our definitions and measurement approach for sustainable and climate finance activity.

² BMO's sustainable or climate finance activity is distinct from our Climate Ambition and related objectives as described in this report. Sustainable or climate finance may relate to social or environmental impacts that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance and reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

³ Prior sustainable and climate finance disclosures were limited to BMO Capital Markets activity. In 2025, we began including lending activity from our commercial banking lines of business, where known. There are known gaps in our ability to track sustainable and climate finance activity, which result in underreporting. We are continuously improving our tracking and results may be restated in future years.

⁴ All credit transactions are measured as the authorized loan amount as at the end of the reporting period. In prior years we disclosed the value of only new authorizations as we were tracking towards a target to mobilize sustainable finance.

⁵ We have in place procedures and controls over the sustainability and climate finance data presented. Because of inherent limitations, these controls can only offer a reasonable level of confidence.

⁶ "Other Climate" includes clean transportation, nuclear energy, pollution prevention and waste management, sustainable management of natural resources, and climate financing provided for more than one eligible climate outcome as defined in BMO's Sustainable & Climate Finance Framework.

⁷ "Climate Transition" includes electricity transmission and distribution in grids with an average emission factor above 100 grams CO₂e/KWh, and low-carbon intensity fuels as defined in BMO's Sustainable & Climate Finance Framework.

⁸ "Access to essential services" includes healthcare, infrastructure & services, and economic development as defined in BMO's Sustainable & Climate Finance Framework.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Capital Markets

Capital Markets has established specialized teams with expertise in sustainable and climate advisory and financial strategies that support our clients in pursuing their business objectives.

Capital Markets Sustainable Finance team

The Capital Markets Sustainable Finance team works with clients seeking to integrate sustainability into their strategic planning and financing activity. Leveraging our lending, underwriting, advisory and global markets capabilities, the team raises capital and provides financing solutions for clients pursuing sustainable outcomes with green, social, transition, sustainability and sustainability-linked bonds; sustainability-linked and green loans; and sustainability-linked deposit products. Our team supports clients with a full suite of products and services, including:

Sustainable finance products and services	
<p>Debt Capital Markets</p> <p>Provides end-to-end support, including structuring sustainable financing frameworks to align with market principles and practices, navigating the Second Party Opinion process, and providing post-execution support, such as guidance on asset allocation and impact reporting.</p>	<p>Loans</p> <p>Supports clients in structuring use-of-proceeds or sustainability-linked financings.</p>
<p>Global Markets</p> <p>Provides derivative instruments that, upon achieving sustainability KPIs, trigger an adjustment of the derivative price, either via the credit charges or mandatory donations.</p>	<p>Sustainability Advisory</p> <p>Advises on sustainability positioning and strategy, disclosure frameworks and ratings, and climate financing strategies, and provides support with accessing government funding programs and tax credits.</p>

BMO's Energy Transition and Sustainable Services group

BMO's Energy Transition and Sustainable Services (ETSS) group is a full-service investment banking coverage team supporting clients involved in emissions reduction technologies and adjacent sectors. The ETSS group offers a comprehensive suite of investment banking products and services encompassing mergers and acquisitions advisory, equity and debt capital market financing in both public and private markets, and subject matter expertise.

Our ETSS group provides comprehensive coverage across the following key sectors:

Products and services

Energy Transition

- **Low-carbon and renewable fuels** – Producers of renewable natural gas, sustainable aviation fuel, renewable diesel, and other low carbon-intensity fuels.
- **Fuel cells and hydrogen** – Hydrogen and fuel cell technology developers, producers and project developers.
- **Carbon capture, utilization and storage** – Carbon capture and storage project operators and developers across the entire value chain.
- **Environmental credits** – Environmental credit royalty and streaming platforms funding nature-based climate solutions.
- **Geothermal and energy storage** – Developers of grid-scale geothermal assets and energy storage technology.

Sustainable services

- **Environmental** – Providers of waste management, recycling, wastewater management and environmental consulting services.
- **Infrastructure and industrial** – Providers of construction, operations, maintenance, repair and overhaul services for various types of built infrastructure.
- **Commercial** – Commercial, facility and rental services.

Sustainable materials

Providers of sustainable infrastructure, materials and critical minerals that support the development of public systems, and services that support civil society.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

BMO Radicle

The BMO Radicle team brings deep technical expertise in carbon markets and environmental commodity trading so that we may provide customized solutions for our clients across Canada, the U.S. and Australia. BMO Radicle’s key service areas include:

Products and services		
<p>Carbon advisory</p> <p>Provide advisory services to clients in connection with their GHG emissions reduction initiatives to assess and optimize carbon markets opportunities and compliance, provide carbon policy engagement, and support credit generation feasibility assessments.</p>	<p>Credit development services</p> <p>Identifies opportunities and supports clients in the development of carbon credits in order to help their business manage compliance risk and generate revenue from emission reduction activities.</p>	<p>Carbon credit sales and trading</p> <p>Provide companies of all types and sizes with access to the carbon market so they can optimize value and meet their regulatory or voluntary emission reduction obligations.</p>

Commercial banking

BMO’s Sustainable Banking and Clean Energy team works across our Commercial Banking lines of business in Canada and the U.S. This team supports diverse clients by providing sector-specific financing solutions for economically viable technologies, processes and projects that help them achieve their sustainability and risk management goals. We are focused on advancing strategies in the areas described below.

Supporting clients with financing solutions		
<p>Construction</p> <p>Real estate construction financing that offers enhanced terms for green-certified buildings (Canada).</p>	<p>Building Retrofits</p> <p>Retrofit financing that incentivizes progress toward achieving emission reduction targets (Canada).</p>	<p>Tax Credit Brokerage</p> <p>Advisory service enabling clients to invest in energy projects by leveraging their federal tax capacity (U.S.).</p>
<p>Food and Agribusiness</p> <p>Supporting resilient farms and food systems by providing creative financing for green projects such as regenerative agriculture, operational efficiency, energy independence, and sustainable supply chains (Canada and U.S.).</p>	<p>Project Finance</p> <p>Providing project financing for Commercial Banking clients investing in clean energy projects (Canada and U.S.).</p>	<p>Equipment Finance</p> <p>Delivering energy independence and green equipment financing for commercial and industrial clients investing in solar, battery storage, electrification technologies, energy efficiency and waste reduction projects (Canada and U.S.).</p>
<p>Transportation Finance</p> <p>Financing lower-emitting transportation assets and exploring partnerships with automotive manufacturers (U.S.).</p>	<p>Deposits</p> <p>Deposits that provide pricing incentives for achieving sustainability targets, or that are dedicated to activities aligned with our sustainable financing framework (Canada and U.S.).</p>	<p>Clean Energy Vertical</p> <p>Financing solutions for climate technology, clean technology, or manufacturing companies (Canada and U.S.).</p>



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Offering tools, advice and insights

- We provide clients with solutions and support to enhance their understanding of their carbon footprint, measure their Scope 1, 2 and 3 emissions, and identify opportunities to reduce costs.
- The Sustainable Banking and Clean Energy team and the Climate Institute regularly publish insights on the economics of climate solutions, and business strategies to help clients across a range of industries manage risks and opportunities.

Building workforce capacity

The Sustainable Banking and Clean Energy team delivers training to equip our frontline banking staff with the knowledge and tools necessary to engage with clients on sustainability and climate topics, and to meet market demand with new and existing products. The team also collects and synthesizes sustainable finance data to support risk management and identify commercial opportunities.

Wealth Management

<p>InvestorLine</p> <p>Through BMO InvestorLine, investors receive ESG insights to help them stay informed about industry-specific business issues that may create risks and opportunities, including climate change risk, and help investors gauge the performance of companies against international standards and principles.</p>	<p>GAM</p> <p>Please see pages 89-90 (Sustainability Solutions – Responsible investing).</p>	<p>Private Wealth – U.S.</p> <p>Please see pages 89-90 (Sustainability Solutions – Responsible investing).</p>	<p>Private Wealth – Canada</p> <p>Please see pages 89-90 (Sustainability Solutions – Responsible investing).</p>
---	---	---	---



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
 - 8 Sustainability and climate governance
 - 12 Environmental and social risk management
 - 14 Business conduct
 - 18 Client experience
 - 20 Client privacy
 - 21 Cyber security
 - 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
 - 26 Climate strategy
 - 39 Climate-related risks and opportunities
 - 43 Climate risk management
 - 48 Climate Scenario Analysis
 - 50 Engaging with clients on climate transition opportunity
 - 51 Metrics and targets
 - 64 Nature and biodiversity
- 65 Social Sustainability**
 - 66 Community impact
 - 68 Indigenous partnerships
 - 70 Financial inclusion and capacity building
 - 76 Our Employee Value Proposition
 - 80 Inclusion
- 82 Sustainability Solutions**
 - 83 Sustainable and climate finance
 - 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
 - 102 OSFI B-15 Index
 - 105 SASB Disclosures
 - 111 Principles for Responsible Banking (PRB) Index
 - 113 Glossary

Personal and Business Banking

Our Personal and Business Banking business in Canada provides retail and small business clients with solutions to help them achieve their climate resilience and GHG emissions reduction goals.

<p>Resources for energy-efficient homes</p> <p>We educate our clients about home retrofitting options through thought leadership and educational aids, such as our eco-friendly web guide. We have developed an internal playbook and training module on eco-home retrofits and home renovation programs to equip our sales teams with the knowledge needed to speak with clients about how our products can help them achieve their home energy goals.</p>	<p>Partnerships with insurers of our current Canadian mortgage products</p> <p>Help clients to make their homes more resilient to climate impacts by supporting the purchase of energy-efficient homes through the following programs:</p> <ul style="list-style-type: none"> • Eco Plus and Eco Improvement insurance rebate programs, with Canada Mortgage and Housing Corporation (CMHC) • Energy-Efficient Advantage Program, with Canada Guaranty • Energy Efficient Housing Program, with Sagen 	<p>Helping clients achieve their sustainability goals</p> <ul style="list-style-type: none"> • We offer personal lending solutions that support clients on their journey to build climate resilience and achieve their GHG emissions reduction goals, including for home retrofits. • Our Business Banking Greener Future Financing program, which is available in both Canada and the U.S., supports businesses reducing GHG emissions, mitigating the impacts of climate change or promoting sustainability in their operations. 	<p>Building workforce capacity</p> <p>We have expanded workforce and client awareness of the value of GHG emissions reductions through our website product landing pages and specialized salesforce training.</p>
--	---	---	--

Sustainable Bond Program

In 2019, BMO launched the Sustainable Bond Program to support our Climate Ambition, sustainable finance program, and engagement with investors. This program invites sustainability-focused investors to engage with BMO to gain deeper insight into our approach to financing sustainable outcomes – an approach that may align with their own sustainability goals.

As the program evolves, we further deepen our understanding of sustainability-related impacts and opportunities across the organization, and strengthen the relationships that reinforce BMO’s enterprise-wide commitment to sustainability.

To learn more about the program and current issuances, please refer to the [BMO Sustainable Bond Framework](#) and our [Sustainable Bonds Impact Report](#).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Responsible investing

BMO Global Asset Management and Private Wealth act in the best interests of the funds and accounts we manage. We may consider sustainability factors, along with other relevant factors, to limit exposure to environmental, social and governance risks in our investments over the long term.

SASB: FN-AC-410a.2, FN-AC-410a.3

Who has responsibility

- Investment Committee at GAM, chaired by its Chief Investment Officer
- Investment Management Committee at BMO Private Investment Counsel Inc. and Managed Assets Investment Committee at BMO Nesbitt Burns Inc., each chaired by its Head of Investment Manager Research
- Personal Asset Management Committee at BMO Bank N.A., chaired by its Head of Investments, Wealth
- Investment Committee at BMO Family Office, LCC, chaired by its Head of Investments, Investment Advisory Services
- Investment Committee at Stoker Ostler Wealth Advisors, Inc., chaired by its Chief Investment Officer

Why this matters

Our responsible investing approach is designed to generate long-term financial value while mitigating risk for relevant mandates. By aligning investment outcomes with long-term value creation, we aim to strengthen portfolio resilience and deliver differentiated investment solutions.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Global Asset Management

We offer a range of responsible investment products and solutions to meet our clients’ investment needs. To build financial value and mitigate financial risk, GAM integrates environmental, social and governance (ESG) considerations, alongside other relevant factors, into its investment decision-making process for relevant mandates. We also vote proxies and actively engage with management and directors of companies in which GAM’s funds invest with the aim to enhance the risk-adjusted, long-term performance of our funds.

<p>ESG integration</p> <p>Investment teams at GAM may consider ESG-related factors, along with other relevant factors, when making investment decisions, in order to limit exposure to ESG investment risks over the long term. We analyze ESG-related factors separately for each investment strategy and asset class. Our investment teams use qualitative and/or quantitative ESG evaluation metrics and research from third-party service providers and our Responsible Investment team (“Sustainable Investment team”, effective January 1st, 2026) to inform their analyses.</p>	<p>Responsible investment products and solutions</p> <p>To meet our clients’ investment needs, GAM offers 11 ETFs, 14 mutual funds and 1 private pooled fund in Canada with investment objectives that reference ESG factors, as of October 31, 2025. These funds must adhere to responsible investing guidelines, and ESG factors are a significant component of the investment decision-making process.</p> <p>In addition, certain of our mutual funds may employ one or more responsible investment strategies such as ESG integration, engagement and proxy voting. While ESG factors may be considered by these funds, they play a limited role in the investment decision-making process.</p>	<p>Engagement</p> <p>We may engage with management and directors of the companies in which GAM invests to better understand how they address ESG risks and opportunities. Through these dialogues, we share our investor perspective to address ESG Risks and opportunities in order to mitigate financial risk and unlock potential future value. For more information on our investee engagement policies and procedures refer to the GAM Sustainable Investment Policies and Approaches.</p>	<p>Proxy voting</p> <p>As an institutional investor, we see proxy voting as an important responsibility. Our proxy voting and engagement policy, corporate governance guidelines, along with our in-house expertise, inform our voting decisions. We may engage with companies, before and after voting, to clarify our expectations and explain our voting decisions. For more information on our proxy voting and engagement policy, refer to GAM’s regulatory documents, and for more information on our corporate governance guidelines, refer to the GAM Sustainable Investment Policies and Approaches.</p>
---	---	--	--

Private Wealth Canada

Private Wealth Canada offers a range of investment products and services for clients who seek responsible investing. Across our managed assets programs, we consider ESG criteria alongside other relevant factors in our selection and oversight of approved and recommended investment products. We also partner with global investment managers to offer Private Wealth clients ESG-thematic strategies that provide exposure to energy transition efforts.

Certain managed assets programs use guidelines that promote good governance and responsible management of ESG matters in relation to proxy voting of investee companies held in participating accounts.

Private Wealth U.S.

Private Wealth U.S. provides discretionary investment management for individuals and families across the wealth spectrum. Through our open architecture platform, we offer investment management strategies for clients who seek responsible investing.

For those Private Wealth U.S. entities that vote proxies on behalf of their clients, proxy voting is in accordance with guidelines that promote good governance.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
 - 8 Sustainability and climate governance
 - 12 Environmental and social risk management
 - 14 Business conduct
 - 18 Client experience
 - 20 Client privacy
 - 21 Cyber security
 - 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
 - 26 Climate strategy
 - 39 Climate-related risks and opportunities
 - 43 Climate risk management
 - 48 Climate Scenario Analysis
 - 50 Engaging with clients on climate transition opportunity
 - 51 Metrics and targets
 - 64 Nature and biodiversity
- 65 Social Sustainability**
 - 66 Community impact
 - 68 Indigenous partnerships
 - 70 Financial inclusion and capacity building
 - 76 Our Employee Value Proposition
 - 80 Inclusion
- 82 Sustainability Solutions**
 - 83 Sustainable and climate finance
 - 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
 - 102 OSFI B-15 Index
 - 105 SASB Disclosures
 - 111 Principles for Responsible Banking (PRB) Index
 - 113 Glossary

PUBLIC ACCOUNTABILITY STATEMENTS



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Bank of Montreal 2025 Public Accountability Statement

BMO’s Public Accountability Statement fulfills the Government of Canada’s public accountability statement requirements for banks (*Bank Act*, s. 627.996 and the Financial Consumer Protection Framework Regulations).

This document describes the activities of BMO and our prescribed affiliates with operations in Canada.

Our prescribed affiliates include the following BMO subsidiaries. All of them (except for BMO Private Equity (Canada) Inc., BMO Capital Partners Inc., and our securities brokers, BMO Nesbitt Burns Inc. and BMO Capital Markets Corp.) have less than \$1 billion in equity:

- BMO Asset Management Inc.
- BMO Capital Markets Corp.
- BMO Capital Partners Inc.
- BMO Investments Inc.
- BMO InvestorLine Inc.
- BMO Mortgage Corp.
- BMO Nesbitt Burns Inc.
- BMO Private Equity (Canada) Inc.
- BMO Private Equity Investments LP
- BMO Private Investment Counsel Inc.
- BMO Trust Company

Contributions to the community

Access to banking services – see [pages 70-73](#)

Measures taken to provide products and services to low-income persons, senior persons, persons with accessibility, linguistic or literacy challenges – see [pages 70-73](#)

Consultations undertaken with customers and the public in relation to existing products and services, the development of new products and services, identification of trends and emerging issues that may have an impact on customers or the public and matters in respect of complaints received – see [pages 18-19](#)

Small business financing – see [pages 70-73](#)

Community development and philanthropic activities – see [pages 66-67](#)

Charitable donations – see [pages 66-67](#)

Employee giving and volunteering – see [pages 66-67](#)

Voluntary Codes of Conduct and Public Commitments – see [page 97](#)

Business debt financing – see [page 92](#)

Employees and locations

Number of employees – see [page 93](#)

Branches opened, closed and relocated – see [pages 93-94](#)

ATMs opened and closed – see [pages 94-95](#)

Taxes

Taxes paid and payable in Canada – see [page 96](#)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Contributions to the community

Business debt financing

As at October 31, 2025

Authorized amount in \$ millions

Province and Territory		\$0-\$24,999	\$25,000-\$99,999	\$100,000-\$249,000	\$250,000-\$499,000	\$500,000-\$999,999	\$1,000,000-\$4,999,999	\$5,000,000 and greater	Total
Alberta	Authorized Amount	176	393	327	541	730	2,837	41,415	46,419
	Number of firms	14,918	9,963	2,088	1,564	1,049	1,290	845	31,717
British Columbia	Authorized Amount	219	474	372	684	1,215	5,423	45,719	54,106
	Number of firms	18,988	12,215	2,431	1,947	1,731	2,477	1,570	41,359
Manitoba	Authorized Amount	21	58	53	82	129	536	5,511	6,390
	Number of firms	1,887	1,420	333	237	183	247	187	4,494
New Brunswick	Authorized Amount	18	51	57	85	158	641	2,858	3,868
	Number of firms	1,556	1,266	362	242	229	278	126	4,059
Newfoundland and Labrador	Authorized Amount	12	44	51	83	136	540	1,600	2,466
	Number of firms	1,093	1,039	327	240	193	247	76	3,215
Northwest Territories/Nunavut	Authorized Amount	1	2	3	6	10	15	113	150
	Number of firms	106	55	16	17	16	9	4	223
Nova Scotia	Authorized Amount	27	65	62	131	266	1,093	7,594	9,238
	Number of firms	2,359	1,634	397	366	377	507	243	5,883
Ontario	Authorized Amount	703	1,316	1,154	1,984	3,278	11,486	93,999	113,920
	Number of firms	64,615	34,253	7,328	5,591	4,683	5,238	2,697	124,405
Prince Edward Island	Authorized Amount	6	14	17	34	81	336	516	1,004
	Number of firms	508	346	101	96	116	152	50	1,369
Quebec	Authorized Amount	270	522	425	731	1,277	4,484	37,100	44,809
	Number of firms	24,129	13,524	2,682	2,068	1,830	2,119	1,062	47,414
Saskatchewan	Authorized Amount	30	108	82	143	230	887	5,954	7,434
	Number of firms	2,439	2,510	515	407	334	407	207	6,819
Yukon	Authorized Amount	3	6	4	6	12	37	40	108
	Number of firms	204	144	26	19	16	20	5	434
Total	Authorized Amount	1,486	3,053	2,607	4,510	7,522	28,315	242,419	289,912
	Number of firms	132,802	78,369	16,606	12,794	10,757	12,991	7,072	271,391



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance

12 Environmental and social risk management

14 Business conduct

18 Client experience

20 Client privacy

21 Cyber security

23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy

39 Climate-related risks and opportunities

43 Climate risk management

48 Climate Scenario Analysis

50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

66 Community impact

68 Indigenous partnerships

70 Financial inclusion and capacity building

76 Our Employee Value Proposition

80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance

88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index

105 SASB Disclosures

111 Principles for Responsible Banking (PRB) Index

113 Glossary

Employees and locations

Number of employees¹

Active, paid and unpaid leave employees (permanent, temporary and intern).

As of October 31, 2025	Full-time	Part-time	Total
Canada			
Alberta	2,041	301	2,342
British Columbia	2,544	432	2,976
Manitoba	308	70	378
New Brunswick	239	43	282
Newfoundland and Labrador	173	48	221
Northwest Territories	8	1	9
Nova Scotia	511	65	576
Ontario	22,862	1,306	24,168
Prince Edward Island	53	14	67
Quebec	4,460	585	5,045
Saskatchewan	282	72	354
Yukon	10	4	14
Total	33,491	2,941	36,432
U.S.	17,805	1,373	19,178
International	745	6	751
Total Employees	52,041	4,320	56,361

Branches opened, closed and relocated

We opened, closed and relocated the following Bank of Montreal branches in fiscal 2025 (Canada).

Branches opened

Branch	Address	City/Province
Major Mackenzie & Barons – Vaughan	6510 Major Mackenzie Drive W, Unit 1	Kleinburg, ON
Winona Crossing	1332 South Service Road	Stoney Creek, ON
Birchmount & Enterprise	292 Verdale Crossing, Unit 104	Unionville, ON

Branches closed

Branch	Address	City/Province
Port au Choix	55 Fisher Street	Port au Choix, NL
St. Alban's	93 Main Street	St. Alban's, NL
Canso	28 Main Street	Canso, NS
Port Hawkesbury	634 Reeves Street, Unit 11	Port Hawkesbury, NS
Cookshire	110, rue Principale E	Cookshire-Eaton, QC
Dolbeau	1275, boulevard Wallberg	Dolbeau-Mistassini, QC
Napierville	342, rue Saint-Jacques	Napierville, QC
Valois	33, avenue Donegani	Pointe-Claire, QC
Hôpital des Vétérans	305, boulevard des Anciens-Combattants	Sainte-Anne-de-Bellevue, QC
Île des Soeurs – Pointe-Nord	109, chemin de la Pointe-Nord	Verdun, QC
Fort Erie	61 Jarvis Street	Fort Erie, ON
Ingleside	Ingleside Shopping Centre	Ingleside, ON
Kingsville	2 Main Street E	Kingsville, ON
Mitchell	104 Ontario Road	Mitchell, ON
Schreiber	320 Scotia Street	Schreiber, ON
Teeswater	8 Clinton Street	Teeswater, ON
West Lorne	226 Graham Street	West Lorne, ON
Winchester	510 Main Street	Winchester, ON
Carberry	10 Main Street	Carberry, MB
Drayton Valley	5109 50th Street	Drayton Valley, MB
Ness Avenue & Century	1596 Ness Avenue, Unit A	Winnipeg, MB
Davidson	700 Railway Street	Davidson, SK
Nipawin	101 1st Avenue E	Nipawin, SK
Unity	122 Main Street	Unity, SK
Claresholm	4901 1st Street	Claresholm, AB
Whyte Avenue & 104 Street	8211 104 Street NW	Edmonton, AB
Falher	15 Main Street	Falher, AB
Rimbey	4948 50th Avenue	Rimbey, AB
Trochu	222 Main Street	Trochu, AB
Lower Sumas Mountain	1920 North Parallel Road	Abbotsford, BC
100 Mile House	575 B Alder Avenue, Unit 5	100 Mile House, BC
Kitimat	374 City Centre	Kitimat, BC



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance

12 Environmental and social risk management

14 Business conduct

18 Client experience

20 Client privacy

21 Cyber security

23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy

39 Climate-related risks and opportunities

43 Climate risk management

48 Climate Scenario Analysis

50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

66 Community impact

68 Indigenous partnerships

70 Financial inclusion and capacity building

76 Our Employee Value Proposition

80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance

88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index

105 SASB Disclosures

111 Principles for Responsible Banking (PRB) Index

113 Glossary

¹ The employee figures presented in this report are based on headcount, which differs from the methodology used for financial reporting.

Branches opened, closed and relocated, continued

Branches relocated

Branch	From	To	City/Province
Dartmouth Crossing	111 Ilsley Avenue	25 McClure Close	Dartmouth, NS
Two Nations Crossing	48 Main Street	210 Two Nations Crossing	Fredericton, NB
Brossard Main	2140, boulevard Lapinière	2340, boulevard Lapinière, Unit 100	Brossard, QC
Taschereau & des Prairies	8245, boulevard Taschereau, bureau B-20	9155, boulevard Taschereau	Brossard, QC
Dorval	274, avenue Dorval	882, avenue Carson	Dorval, QC
René-Lévesque & de Bullion	61, boulevard René-Lévesque O	160, boulevard René-Lévesque E	Montreal, QC
Dundas & Pacific	2859 Dundas Street W	2946 Dundas Street W	Toronto, ON
Dupont & Galleria	1502 Dupont Street	1291 Dupont Street	Toronto, ON
Aspen Landing	288 Aspen Glen Landing SW, Unit 112	288 Aspen Glen Landing SW, Unit 110	Calgary, AB
Marlborough	3800 Memorial Drive, Unit 118	350 36 Street NE	Calgary, AB
Willowbrook	6233 200th Street, Unit 9	20045 Langley Bypass	Langley, BC
King George Hub	10155 King George Boulevard	13745 George Junction, Unit 101	Surrey, BC
East Hastings & Slokan	2515 East Hastings Street	2725 East Hastings Street	Vancouver, BC

ATMs opened and closed

We opened and closed the following automated teller machines (ATMs) in fiscal 2025 (Canada).

ATMs opened

Site	Address	City	Province
Colemans	10 Fisher Street	Port au Choix	NL
Clover Farms	13 Cormier Avenue	St. Alban's	NL
Canso Co-Op	111 Water Street	Canso	NS
Dartmouth Crossing	25 McClure Close	Dartmouth	NS
Two Nations Crossing	210 Two Nations Crossing	Fredericton	NB
Brossard Main	2340, boulevard Lapinière, Unit 100	Brossard	QC
Taschereau & Des Prairies	9155, boulevard Taschereau	Brossard	QC
Dorval	882, avenue Carson	Dorval	QC
René-Lévesque & de Bullion	160, boulevard René-Lévesque E	Montreal	QC
IGA	3451, montée Gagnon	Terrebonne	QC
Shell	455 Dundas Street West	Belleville	ON
Metro	20 Church Avenue	North York	ON
Shell	705 Don Mills Road	North York	ON
Lambton College	1457 London Road	Sarnia	ON
Costa's Supermarket	223 Columbia Street	Schreiber	ON
Winona Crossing	1332 South Service Road	Stoney Creek	ON
Dupont & Galleria	1291 Dupont Street	Toronto	ON
Dundas & Pacific	2946 Dundas Street W	Toronto	ON
Birchmount & Enterprise	8119 Birchmount Road	Unionville	ON
Major Mackenzie & Barons	6510 Major Mackenzie Drive W	Kleinburg	ON
Weyburn Sky Co-Op	215 2 Street NE	Weyburn	SK
Aspen Landing	288 Aspen Glen Landing SW	Calgary	AB
Marlborough	350 36 Street NE	Calgary	AB
Shell	4555 27 Street E	Edmonton	AB
Shell	665 Wye Road	Sherwood Park	AB
University of Fraser Valley – Student Union Building	33844 King Road	Abbotsford	BC
Willowbrook	20045 Langley Bypass	Langley	BC
Shell	1675 Fairview Road	Penticton	BC
Shell	5511 Garden City Road	Richmond	BC
King George Hub	13745 George Junction	Surrey	BC
East Hastings & Slokan	2725 East Hastings Street	Vancouver	BC



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance

12 Environmental and social risk management

14 Business conduct

18 Client experience

20 Client privacy

21 Cyber security

23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy

39 Climate-related risks and opportunities

43 Climate risk management

48 Climate Scenario Analysis

50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

66 Community impact

68 Indigenous partnerships

70 Financial inclusion and capacity building

76 Our Employee Value Proposition

80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance

88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index

105 SASB Disclosures

111 Principles for Responsible Banking (PRB) Index

113 Glossary

ATMs opened and closed, continued

ATMs closed

Site	Address	City	Province	Site	Address	City	Province
Port au Choix	55 Fisher Street	Port au Choix	NL	Schreiber	320 Scotia Street	Schreiber	ON
Irving	1 High Street	Port aux Basques	NL	Teeswater	8 Clinton Street S	Teeswater	ON
St. Alban's	93 Main Street	St. Alban's	NL	Canada Post	119 Spadina Avenue	Toronto	ON
Canso Branch	28 Main Street	Canso	NS	Sobeys Urban Fresh	145 Marlee Avenue	Toronto	ON
Burnside Industrial Park	111 Ilsley Avenue	Dartmouth	NS	Queen & Yonge	2 Queen Street East	Toronto	ON
Port Hawkesbury	634 Reeves Street	Port Hawkesbury	NS	Dundas & Keele	2859 Dundas Street W	Toronto	ON
Sobeys Head Office Stellarton	115 King Street	Stellarton	NS	York University – Founders College	4700 Keele Street	Toronto	ON
Irving	1528 Champlain Street	Dieppe	NB	BMO 60 Yonge	60 Yonge Street	Toronto	ON
Nashwaaksis	148 Main Street	Fredericton	NB	West Lorne	226 Graham Street	West Lorne	ON
Brossard Branch	2140, boulevard Lapinière	Brossard	QC	Winchester	510 Main Street	Winchester	ON
Taschereau & Napoléon	8245, boulevard Taschereau	Brossard	QC	Carberry	10 Main Street	Carberry	MB
Spectral Sports	376, rue Racine Est	Chicoutimi	QC	Great-West Life	100 Osborne Street	Winnipeg	MB
Cookshire	110, rue Principale	Cookshire	QC	Ness & Century	1596 Ness Avenue	Winnipeg	MB
Dolbeau	1275, boulevard Wall	Dolbeau-Mistassini	QC	Davidson	700 Railway Street	Davidson	SK
Dorval	274, avenue Dorval	Dorval	QC	Nipawin	101 First Avenue E	Nipawin	SK
Place du Canada	1010, rue de la Gauchetière O	Montreal	QC	Unity	122 Main Street	Unity	SK
Saputo Stadium	4750, rue Sherbrooke E	Montreal	QC	Aspen Glen Landing	350 Aspen Glen Landing	Calgary	AB
Hydro-Québec	61, boulevard René-Lévesque O	Montreal	QC	Marlborough Mall	433 Marlborough Way NE	Calgary	AB
Tour de la Bourse	800, rue du Square-Victoria	Montreal	QC	Claresholm	4901 1 Street	Claresholm	AB
Napierville	342, rue Saint-Jacques	Napierville	QC	Drayton Valley	5109 50 Street	Drayton Valley	AB
Valois	33, avenue Donegani	Pointe-Claire	QC	Whyte Avenue & 104 Street	8211 104 Street NW	Edmonton	AB
Hôpital des Vétérans	305, boulevard des Anciens-Combattants	Sainte-Anne-de-Bellevue	QC	Falher	15 Main Street SW	Falher	AB
Place la Mauricie	225, rue des Forges	Trois-Rivières	QC	Rimbey	4948 50 Avenue	Rimbey	AB
Pointe-Nord	109, chemin de la Pointe-Nord	Verdun	QC	Safeway	985 Fir Street	Sherwood Park	AB
Metro	25 Peel Centre Drive	Brampton	ON	Trochu	222 Main Street	Trochu	AB
Fort Erie	61 Jarvis Street	Fort Erie	ON	Lower Sumas Mountain	1920 North Parallel Road	Abbotsford	BC
Shell	7975 Trafalgar Road	Hornby	ON	Shell	Highway 97 & Sneena Road	Kelowna	BC
Ingleside Shopping Centre	1 Plaza Drive	Ingleside	ON	Kitimat	374 City Centre	Kitimat	BC
Kingsville	2 Main Street E	Kingsville	ON	Langley Branch	6233 200 Street	Langley	BC
Nature Fresh Farms	525 Essex Road	Leamington	ON	Thrifty Foods	845 Marine Drive	North Vancouver	BC
Mitchell	104 Ontario Road	Mitchell	ON	Shell	311 10 Street SW	Salmon Arm	BC
Pioneer	800 Taunton Road W	Oshawa	ON	East Hastings	2515 East Hastings Street	Vancouver	BC
				Vancouver Aquarium	845 Avison Way	Vancouver	BC



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Taxes

Taxes paid and payable in Canada

\$ millions, for the year ended October 31, 2025	Income taxes	Capital taxes	Other taxes
Federal	835.1	—	185.3
Province or territory			
Alberta	37.1	—	0.9
British Columbia	64.1	—	10.4
Manitoba	7.1	9.0	1.4
New Brunswick	6.2	3.3	1.1
Newfoundland and Labrador	4.9	5.4	3.9
Northwest Territories	0.4	—	—
Nova Scotia	8.7	9.1	2.6
Nunavut	—	—	—
Ontario	358.9	—	451.9
Prince Edward Island	1.0	1.1	0.2
Quebec	77.0	16.3	66.4
Saskatchewan	8.3	13.8	0.1
Yukon	0.3	—	—
Total provincial and territorial taxes	574.0	58.0	538.9
Total	1,409.1	58.0	724.2
Total income and capital taxes	1,467.1		
Total taxes		2,191.3	

Note: PAS Tax table is disclosed to one decimal point.

Bank of Montreal, along with its Canadian subsidiaries, is a major Canadian taxpayer. In fiscal 2025, our overall tax contribution was \$2,191.3 million.

This amount included \$1,409.1 million in income taxes, \$58 million in provincial capital taxes and \$724.2 million in other taxes. Included in the other taxes is \$416 million in goods and services tax/harmonized sales tax and other sales taxes, \$297 million in payroll taxes (employer portion), \$8 million in property taxes and \$3 million in business taxes and other sundry taxes.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Voluntary Codes of Conduct and Public Commitments

Voluntary Codes of Conduct and Public Commitments are commitments, voluntarily made by companies, associations, and other organizations. BMO Financial Group is committed to the following Voluntary Codes of Conduct and Public Commitments that are designed to protect the interests of our customers. For more information or to obtain a copy of the codes of conduct and public commitments, please visit our [website](#) or visit a BMO branch.

Code of Conduct for the Delivery of Banking Services to Seniors

The Code of Conduct sets out principles that apply to banks to guide them when they deliver banking products and services to Canada's seniors. The principles cover topics such as policies and procedures, effective communication, training, and resources for employees and representatives.

BMO's Adherence to the Code of Conduct for the Delivery of Banking Services to Seniors

BMO's actions which comply with the code of conduct principles to deliver enhanced banking products and services to our senior customers.

Code of Conduct for Federally Regulated Financial Institutions – Mortgage Prepayment Information

The bank ensures enhanced information to assist borrowers in making decisions about mortgage prepayment.

Canadian Code of Practice for Consumer Debit Card Services

This code of conduct is designed to protect Canadian consumers who use debit card services. It outlines industry practices and consumer/industry responsibilities in relation to debit card transactions and liability.

CBA Code of Conduct for Authorized Insurance Activities

Outlines the bank's standards for branch employees offering credit, travel and personal accident insurance with respect to training, disclosure, promotion practices, customer privacy protection and customer redress.

Code of Conduct for the Payment Card Industry of Canada (enhanced October 30, 2024)

This code of conduct applies to debit and credit card networks and their participants. It outlines payment card networks operators' responsibilities for providing information, flexibility, and choice to merchants.

Model Code of Conduct for Bank Relations with Small- and Medium-Sized Businesses

Model code of conduct for bank dealings with small- and medium-sized businesses. The key elements of the model code are incorporated into individual bank codes.

Principles of Consumer Protection for Electronic Commerce: A Canadian Framework

These principles are intended to guide the actions of businesses, consumers and governments in Canada in developing a consumer protection framework for electronic commerce over open networks, including the internet. The framework also clarifies the responsibilities associated with the service.

Commitment to Provide Information on Mortgage Security

The bank is committed to set out the nature of the information about mortgage security that banks will provide to consumers shopping for a mortgage to obtain funds for the purchase of a residential property, and when they will provide that information, so that, before finalizing their choice of product, consumers have enough information to understand the implications of their choice.

Commitment on Powers of Attorney and Joint Deposit Accounts

This public commitment sets out the information about Powers of Attorney that banks will make available to clients who want to give someone else the authority to do banking for them. The commitment also sets out information that the banks will make available to their clients about joint deposit accounts.

Commitment on Low-Cost and No-Cost Bank Accounts

Several Canadian banks committed to enhance their low-cost bank accounts and offer no-cost accounts with the same features as low-cost accounts to a wider range of eligible consumers. No-cost accounts will be available to seniors qualifying for the Guaranteed Income Supplement, Registered Disability Savings Plan (RDSP) beneficiaries, Indigenous Peoples, youth (Canadians aged 18 and under), students, newcomers to Canada. This will ensure that Canadians have access to affordable banking services.

Commitment on Modification or Replacement of Existing Products & Services

The bank is committed to set out procedures when modifying or replacing existing products and services.

Guidelines for Transfers of Registered Plans

A commitment outlining the maximum amount of time that banks may require when transferring a registered savings plan (RSP) containing deposit type instruments, mutual funds or securities between financial institutions.

Online Payments

This public commitment outlines consumer and industry responsibilities related to the use of online payments systems in Canada. A process for dealing with disputes is included in the commitment.

Plain Language Mortgage Documents – CBA Commitment

The bank is committed to improve the understandability of residential mortgage documents.

Mastercard – Zero Liability

Information regarding consumer's liability in the event of the unauthorized use of your Canadian-issued Mastercard card.

Visa – Zero Liability

Information regarding consumer's liability in the event of the unauthorized use of your Canadian-issued Visa card.

Undertaking – Principal Protected Notes

Describes the rescission rights available to clients who purchase any principal protected note by electronic means and/or by telephone.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Bank of Montreal Mortgage Corporation Public Accountability Statement¹

Due to the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the following information in response to the requirements set out in section 444.2(1) of the *Trust and Loan Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMMC, a wholly owned, fully integrated subsidiary of Bank of Montreal, raises funds for mortgage financing by issuing deposit-type instruments (such as GICs) through Bank of Montreal's retail branch network and other proprietary channels, where Bank of Montreal acts for BMMC, as well as through third-party channels. BMMC does not operate branches that are open to the public or other facilities at which deposits are accepted or cash is distributed to customers. BMMC has no employees of its own. All of its activities are conducted by employees of Bank of Montreal.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 96 of this report. BMMC shares BMO's commitment to community development and philanthropic activity, as described in this report. The community development activities of BMMC are integrated with BMO Financial Group and its employees, as described on pages 66-67 of this report.

As detailed in this report, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMMC has no other affiliates in respect of which this Public Accountability Statement is published.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

¹ As stipulated by the *Trust and Loan Companies Act*, BMMC, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Assurance Company Public Accountability Statement¹

Due to the specific nature of its activities, BMO Life Assurance Company (BMOLA) provides the following information in response to the requirements set out in section 489.1(1) of the *Insurance Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMOLA is a wholly owned indirect subsidiary of BMO Life Insurance Company, which in turn is a wholly owned subsidiary of Bank of Montreal. BMOLA is a federally regulated life and health insurance company and is licensed to underwrite life, accident and sickness insurance in all provinces and territories of Canada. BMOLA offers individual life, accident and sickness insurance and individual and group annuities through independent insurance agents and directly to consumers. BMOLA has no employees of its own. All of its activities are conducted by employees of Bank of Montreal and BMO Nesbitt Burns Inc.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMOLA is a member, are listed on page 96 of this report.

BMOLA shares BMO's commitment to community development and philanthropic activity, as described in this report. The community development activities of BMOLA are integrated with those of BMO Financial Group and its employees, as described on pages 66-67 of this report.

As detailed in this report, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMOLA has no other affiliates in respect of which this Public Accountability Statement is published.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

¹ As stipulated by the *Insurance Companies Act*, BMOLA, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

BMO Life Insurance Company Public Accountability Statement¹

Due to the specific nature of its activities, BMO Life Insurance Company (BMOLI) provides the following information in response to the requirements set out in section 489.1(1) of the *Insurance Companies Act* and in the *Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations*.

BMOLI is a wholly owned subsidiary of Bank of Montreal. BMOLI is a federally regulated life and health insurance company and is licensed to underwrite life, accident and sickness insurance in all provinces and territories of Canada. BMOLI has no employees of its own. All of its activities are conducted by employees of Bank of Montreal and BMO Nesbitt Burns Inc.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMOLI is a member, are listed on page 96 of this report.

BMOLI shares BMO's commitment to community development and philanthropic activity, as described in this report. The community development activities of BMOLI are integrated with those of BMO Financial Group and its employees, as described on pages 66-67 of this report.

As detailed in this report, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMOLI has no other affiliates in respect of which this Public Accountability Statement is published.



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

¹ As stipulated by the *Insurance Companies Act*, BMOLI, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

APPENDIX



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

OSFI B-15 Index

Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index

The index summarizes our disclosures required for the 2025 fiscal reporting period based on OSFI's B-15 Guideline for Climate Risk Management.

OSFI Category	Disclosure expectation	Page reference
Governance	a) Describe the governance body(ies) (e.g., Board of Directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed, oversight of strategy, major transactions, risk management processes, target-setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into remuneration.	See pages 7-11 (Sustainability Governance). See page 24 (About the Board of Directors) and pages 45-47 (Compensation Governance and Oversight) of BMO's Management Proxy Circular .
	b) Describe management's role in monitoring, managing and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls and procedures, and how oversight is exercised over that position or committee.	See pages 7-11 (Sustainability Governance). See pages 43-47 (Environmental Sustainability – Climate risk management).
Strategy	a) Describe the climate-related risks and opportunities the Federally Regulated Financial Institution (FRFI) has identified as those that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including: <ul style="list-style-type: none"> • The classification of each climate-related risk as either physical or transition risk; • The expected time frame for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of short term, medium term and long term in relation to strategic decision-making planning horizons. 	See pages 26-38 (Environmental Sustainability – Climate strategy). See pages 39-42 (Environmental Sustainability – Climate-related risks and opportunities). See page 68 and pages 105-107 of BMO's 2025 Annual Report (Environmental and social risk).
	b) i) Business model and value chain. Describe: the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; and where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. Strategy and decision-making. Disclose information about current and anticipated: changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; direct mitigation and adaptation efforts; and indirect mitigation and adaptation efforts. Financial position, financial performance and cash flows. Describe: how climate-related risks and opportunities have affected the FRFI's financial position, financial performance and cash flows for the reporting period; how the FRFI expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, and mitigation and adaptation efforts; and indirect mitigation.	See page 26 (Environmental Sustainability – Climate strategy). See page 29 (Environmental Sustainability – Climate strategy – Managing GHG from our own operations). See pages 30-36 (Environmental Sustainability – Climate strategy – Client partnership and commercialization). See pages 37-38 (Environmental Sustainability – Climate strategy – Strategic enablers). See pages 39-42 (Environmental Sustainability – Climate-related risks and opportunities). See pages 43-47 (Environmental Sustainability – Climate risk management). See pages 82-87 (Sustainability Solutions).

(continued on next page)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index, continued

OSFI Category	Disclosure expectation	Page reference
Risk Management	a) Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing and monitoring climate-related risks (in accordance with the FRFI's Risk Appetite Framework).	See pages 43-47 (Environmental Sustainability – Climate risk management).
	b) Disclose information about the FRFI's processes for identifying, assessing, prioritizing and monitoring climate-related opportunities, including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	See pages 39-42 (Environmental Sustainability – Climate-related risks and opportunities). See pages 48-49 (Environmental Sustainability – Climate Scenario Analysis). See page 50 (Environmental Sustainability – Engaging with clients on climate transition opportunity).
	c) Disclose information about the extent to which, and how, the FRFI's processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	See pages 43-47 (Environmental Sustainability – Climate risk management). See pages 48-49 (Environmental Sustainability – Climate Scenario Analysis). See page 50 (Environmental Sustainability – Engaging with clients on climate transition opportunity).
Metrics and Targets	a) Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	See pages 51-63 (Environmental Sustainability – Metrics and targets).
	b) i) Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	See pages 52-54 (Environmental Sustainability – Metrics and targets – Operational GHG emissions). GHG Reporting Methodology – Operational emissions
	b) ii) Disclose the FRFI's Scope 3 absolute gross GHG emissions for the period. In preparing its Scope 3 GHG emissions disclosure, the FRFI should consider its entire value chain and all 15 categories of Scope 3 GHG emissions, disclose which of these categories are included in the Scope 3 GHG emissions disclosure, and ensure inclusion of Category 15: Investments emissions. Disclose the measurement approach, inputs and assumptions the FRFI uses to measure its Scope 3 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. ¹	See pages 52-54 (Environmental Sustainability – Metrics and targets – Operational GHG emissions). GHG Reporting Methodology – Operational emissions See pages 55-60 (Environmental Sustainability – Metrics and targets – Financed emissions). GHG Reporting Methodology – Financed emissions

(continued on next page)

¹ OSFI B-15 disclosure expectations for Metrics and Target b) ii) are required beginning in 2028. We have included in this index only the elements of this disclosure expectation included in our current climate reporting.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Guideline B-15 Climate Risk Management, Chapter 2 Climate-related financial disclosures index, continued

OSFI Category	Disclosure expectation	Page reference
Metrics and Targets	<p>c) Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including:</p> <ul style="list-style-type: none"> • The objective of the target; • The period over which the target applies; • The base period from which progress is measured; • Any revisions to the target and an explanation of those revisions; <p>Disclose information about the FRFI’s approach to setting and reviewing each target and how it monitors progress against each target;</p> <p>Disclose information about the FRFI’s performance against each climate-related target and an analysis of trends or changes in the FRFI’s performance.</p> <p>For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).</p>	<p>See page 29 (Environmental Sustainability – Climate strategy – Managing GHG from our own operations).</p> <p>See pages 51-63 (Environmental Sustainability – Metrics and targets).</p>
	<p>d) Disclose the following cross-industry metrics:</p> <ol style="list-style-type: none"> 1. Climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks; 2. Climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks; 3. Climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities; 4. Capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; 5. Internal carbon price: <ol style="list-style-type: none"> a. an explanation of whether and how the FRFI is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and 6. Remuneration: <ol style="list-style-type: none"> a. the percentage of Senior Management and other material risk-takers’ remuneration recognized in the current period that is linked to climate-related considerations (expected for D-SIBs and IAIGs, only). 	<p>See pages 61-63 (Environmental Sustainability – Metrics and targets – Climate risk metrics).</p> <p>See page 29 (Environmental Sustainability – Climate strategy – Managing GHG from our own operations).</p> <p>See pages 37-38 (Environmental Sustainability – Climate strategy – Strategic enablers).</p> <p>See page 83 (Sustainability Solutions – Sustainable and climate finance).</p> <p>See page 28 (Environmental Sustainability – Climate strategy – Internal price on carbon).</p> <p>See page 48 in Proxy Circular (BMO’s Approach to Executive Compensation).</p>



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

SASB Disclosures

The Sustainability Accounting Standards Board (SASB) developed a set of industry-specific standards (SASB Standards) to help businesses identify, manage and disclose information related to sustainability that could have material financial significance for investors and other stakeholders. Now part of the IFRS Foundation, the SASB Standards are maintained by the International Sustainability Standards Board (ISSB) and have been updated to support the Standards' international applicability in the implementation of *IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 – Climate-related Disclosures*.

BMO's 2025 SASB Disclosures are based on the SASB Standards that are relevant to our operating segments and lending activities, including the standards for asset management and custody activities, consumer finance, commercial banks, investment banking and brokerage, and mortgage finance. Our reporting includes references to other published materials where information aligned to a specific SASB accounting metric can be found, and covers the year ended October 31, 2025. Where we do not disclose a SASB accounting metric this is for competitive reasons and/or aligns with industry practice.

Legend

AR – [BMO Financial Group 2025 Annual Report to Shareholders](#)

PC – [Notice of Annual Meeting of Shareholders and Management Proxy Circular](#)

Supplementary Financial Information – [Supplementary Financial Information for the Quarter Ended October 31, 2025](#)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

SASB code	SASB accounting metric	2025 disclosure
Activity Metrics		
FN-AC-000.A	Total assets under management (AUM)	BMO reports assets under administration and assets under management (AUM). See page 43 of the AR (Wealth Management – Key Performance Metrics). BMO does not disclose a breakdown of registered and unregistered AUM.
FN-AC-000.B	Total assets under custody and supervision (AUC)	OSFI requires that BMO, as a domestic systemically important bank (D-SIB), disclose on an annual basis information related to the 13 indicators utilized in the global systemically important bank (G-SIB) assessment methodology, including assets under custody. See the Disclosure for Global Systemically Important Banks section in our 2025 Q3 Report to Shareholders .
FN-CB-000.A	(1) Number and (2) value of chequing and savings accounts by segment: (a) personal and (b) small business	BMO reports the average value of Personal Banking and Commercial Banking deposits. See page 35 of the AR (Canadian Personal and Commercial Banking), page 39 of the AR (U.S. Banking), and page 169 of the AR (Note 12: Deposits). BMO does not disclose the number of accounts or a breakdown of chequing and savings accounts.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	BMO reports the value of loans by product within Personal Banking and by industry within Commercial Banking. See page 118 of the AR (Table 64: Net Loans and Acceptances). BMO also reports, by province, the amount of money authorized to be made available as debt financing to firms in Canada and the number of firms to which debt financing was made available. See page 92 (Public Accountability Statement – Business debt financing).
FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	As at the end of fiscal 2025, BMO had 4.28 million unique customers with an open credit card account across personal, single-serve and wealth customers.
FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	As at the end of fiscal 2025, BMO had 4.17 million open credit card accounts across personal, single-serve and wealth customers.
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	We report underwriting and advisory fees from securities offerings in which we act as an underwriter or agent, fees earned from structuring and administering loan syndications, and fees earned from providing merger-and-acquisition services and structuring advice. The fees are largely earned in Capital Markets. See page 30 of the AR (Table 11: Non-Interest Revenue). BMO does not report the number and value of transactions.
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	BMO reports the value of residential mortgages and non-residential mortgages within the total value of business and government mortgages. See page 19 of the Supplementary Financial Information (Balance Sheet). In addition, BMO reports the following information related to residential mortgages. See page 81 of the AR: <ul style="list-style-type: none"> • Value of residential mortgages insured and uninsured, and average loan-to-value (LTV) ratio of uninsured mortgages • Value of home equity lines of credit • Residential mortgages by remaining term of amortization BMO does not report the number and value of mortgages originated.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

SASB code	SASB accounting metric	2025 disclosure
Business ethics		
FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities, and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.
FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	See pages 14-15 (Sustainability Governance – Business conduct). Bank of Montreal – Code of Conduct (External). BMO Whistleblower Hotline .
Data security and customer privacy		
FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	See page 20 (Sustainability Governance – Client privacy).
FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	See pages 21-22 (Sustainability Governance – Cyber security).
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	BMO does not disclose the number of account holders whose information is used for secondary purposes. See page 20 (Sustainability Governance – Client privacy) for a description of related policies and procedures.
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities and legal proceedings. BMO does not disclose by category any amounts in respect of legal proceedings or its related losses, if any.
Talent and inclusion		
FN-AC-330a.1 FN-IB-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	See pages 80-81 (Social Sustainability – Inclusion).

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

SASB code	SASB accounting metric	2025 disclosure
Systemic risk management		
FN-CB-550a.1 FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	BMO is not currently listed as a global systemically important bank (G-SIB) by the Financial Stability Board (FSB). We have been identified as a domestic systemically important bank (D-SIB) in Canada by OSFI. We report the Canadian-dollar-denominated values of the 13 indicators utilized in the G-SIB assessment methodology, as required. See the Disclosure for Global Systemically Important Banks section in our 2025 Q3 Report to Shareholders .
FN-CB-550a.2 FN-IB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Stress testing is a key element of our risk and capital management frameworks. See page 75 of the AR (Stress Testing).
Customer experience		
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-AC-270a.3	Description of approach to informing customers about products and services	See pages 18-19 (Sustainability Governance – Client experience).
Financial inclusion and capacity building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	See pages 70-75 (Social Sustainability – Financial inclusion and capacity building).
FN-CB-240a.3	Number of no-cost retail chequing accounts provided to previously unbanked or underbanked customers	See pages 70-75 (Social Sustainability – Financial inclusion and capacity building).
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers and description of financial literacy initiatives	See page 75 (Social Sustainability – Financial inclusion and capacity building – Financial literacy).
Environmental and social risk		
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	See pages 12-13 (Sustainability Governance – Environmental and social risk management). Further information: pages 76-83 of the AR (Credit and Counterparty Risk) and pages 105-107 of the AR (Environmental and Social Risk).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

SASB code	SASB accounting metric	2025 disclosure
Sustainable finance		
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	We track and report on the value of sustainable finance and climate finance activity. See page 83 (Sustainability Solutions – Sustainable and climate finance).
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	See page 84 (Sustainability Solutions – Sustainable and climate finance – Capital Markets).
Responsible investing		
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	See pages 88-89 (Sustainability Solutions – Responsible investing).
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	See pages 88-89 (Sustainability Solutions – Responsible investing).
Professional integrity		
FN-IB-510b.1 FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigation, or other regulatory proceedings	<p>Because of the highly regulated nature of our business and our size and historical presence in the marketplace, the U.S. and Canadian capital markets businesses of Bank of Montreal, which include BMO Nesbitt Burns Inc. and BMO Capital Markets Corp., are involved in disciplinary actions and regulatory investigations in the ordinary course of business. In some instances, notices of hearings are issued. These affiliates are also subject to legal proceedings and enter into settlement agreements in the ordinary course of business.</p> <p>For more information about regulatory disclosures by BMO Nesbitt Burns Inc., please visit the National Registration Search, available on the Canadian Securities Administrators website at info.securities-administrators.ca/nrsmobile/nrssearch.aspx.</p> <p>For more information about regulatory disclosures by BMO Capital Markets Corp., please visit its Broker Check report, available on the FINRA website at https://brokercheck.finra.org/.</p> <p>Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities and legal proceedings.</p>
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	See FN-IB-510b.1 (above).
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO’s provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	See pages 14-15 (Sustainability Governance – Business conduct).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

- 3 Message from the Executive Committee Sponsor for Sustainability**
- 4 About this report**
- 6 Our strategy**
- 7 Sustainable Governance**
- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence
- 25 Environmental Sustainability**
- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity
- 65 Social Sustainability**
- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion
- 82 Sustainability Solutions**
- 83 Sustainable and climate finance
- 88 Responsible investing
- 90 Public Accountability Statements**
- 101 Appendix**
- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

SASB code	SASB accounting metric	2025 disclosure
Employee incentives and risk taking		
FN-IB-550b.1	Percentage of total remuneration that is variable for material risk takers (MRTs)	See pages 87-88 of the PC (Material risk-takers).
Lending practices and discriminatory lending		
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average loan-to-value (LTV) ratio of mortgages issued to (a) minority and (b) all borrowers	BMO reports the value of mortgages and home equity lines of credit (HELOCs), and the weighted average LTV ratio for residential mortgages and HELOCs. See page 81 of the AR. BMO does not report the value of mortgages issued to minority borrowers, only the entire portfolio.
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Page 195 of the AR (Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities) provides information regarding BMO's provisions, contingent liabilities and legal proceedings. BMO does not disclose any amounts in respect of legal proceedings or its related losses, if any.
FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	See pages 12-13 (Sustainability Governance – Environmental and social risk) and pages 14-15 (Sustainability Governance – Business conduct). Further information: page 76 of the AR (Credit and Counterparty Risk).
Climate change		
FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	See pages 55-60 (Environmental Sustainability – Metrics and targets – Financed emissions).
FN-CB-410b.2	Gross exposure for each industry by asset class	See pages 55-60 (Environmental Sustainability – Metrics and targets – Financed emissions).
FN-CB-410b.4	Description of the methodology used to calculate financed emissions	See GHG Reporting Methodology – Financed Emissions
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	See pages 61-63 (Environmental Sustainability – Metrics and targets – Climate risk metrics).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

- 8 Sustainability and climate governance
- 12 Environmental and social risk management
- 14 Business conduct
- 18 Client experience
- 20 Client privacy
- 21 Cyber security
- 23 Responsible artificial intelligence

25 Environmental Sustainability

- 26 Climate strategy
- 39 Climate-related risks and opportunities
- 43 Climate risk management
- 48 Climate Scenario Analysis
- 50 Engaging with clients on climate transition opportunity
- 51 Metrics and targets
- 64 Nature and biodiversity

65 Social Sustainability

- 66 Community impact
- 68 Indigenous partnerships
- 70 Financial inclusion and capacity building
- 76 Our Employee Value Proposition
- 80 Inclusion

82 Sustainability Solutions

- 83 Sustainable and climate finance
- 88 Responsible investing

90 Public Accountability Statements

101 Appendix

- 102 OSFI B-15 Index
- 105 SASB Disclosures
- 111 Principles for Responsible Banking (PRB) Index
- 113 Glossary

Principles for Responsible Banking (PRB) Index

In February 2021, BMO joined the United Nations (UN) Principles for Responsible Banking (PRB). This is our fifth PRB disclosure and it was prepared using the PRB Responsible Banking Progress Statement Summary Template.

Principle 1: Alignment

Sustainability is embedded in our Purpose. We take steps to manage our business in a manner that is consistent with our long-term risk management and financial goals, while considering our impact on communities, society and other stakeholders.

Our 2025 sustainability strategy and reporting strategy are informed by relevant regional, national and international reporting frameworks.

Links and references

[Page 4](#) (About this report – Determining report content)

[Page 5](#) (About this report – Sustainability materiality assessment)

[Page 6](#) (Our strategy)

[Pages 26-38](#) (Environmental Sustainability – Climate strategy)

Principle 2: Impact and Target Setting

We conduct an annual materiality assessment to understand our priority sustainability topics (see page 5). Based on the results of this assessment, we have concluded that climate and financial inclusion (which includes housing) continue to be our significant impact areas.

The sections noted below provide more details on targets, actions and progress for our most significant impact areas.

Links and references

[Pages 70-75](#) (Social Sustainability – Financial inclusion)

[Pages 82-87](#) (Sustainability Solutions)

[Pages 51-63](#) (Environmental Sustainability – Metrics and targets)

Principle 3: Clients and Customers

BMO’s success is linked to the long-term prosperity of our clients, communities and society. To this end, we offer specialized products, services and educational resources to meet the needs of our clients.

We offer products and services that help our clients achieve their own sustainability and risk management objectives. Developing products and services and strategically integrating sustainability and climate considerations into our decision-making and commercial objectives helps open new market opportunities to create value for our shareholders.

Links and references

[Pages 18-19](#) (Sustainability Governance – Client experience)

[Pages 26-38](#) (Environmental Sustainability – Climate strategy)

[Pages 70-75](#) (Social Sustainability – Financial inclusion)

[Pages 82-89](#) (Sustainability Solutions)



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Principle 4: Stakeholders

We consider the views of stakeholders, both within and outside of our organization, in our assessment of the potential impacts that various sustainability topics may have on people or the environment, as well as the risks and opportunities that these topics present to our business. We strive to maintain regular, open and meaningful communication with stakeholders to better understand the issues that are important to them.

Links and references

[Page 5](#) (About this report – Sustainability materiality assessment)

[Page 5](#) (About this report – Stakeholder engagement)

Principle 5: Governance and Culture

Our current sustainability governance structure includes governance of the implementation of the PRB.

Links and references

[Pages 7-11](#) (Sustainability Governance)

Principle 6: Transparency and Accountability

We have obtained independent third-party assurance or verification on a selection of performance indicators throughout our report.

Links and references

[Page 4](#) (About this report)

2025 [KPMG Limited Assurance Report](#)

2025 [Stantec Verification Statement](#)

2025 [SiMPACT Verification Statement](#)



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

3 Message from the Executive Committee Sponsor for Sustainability

4 About this report

6 Our strategy

7 Sustainable Governance

8 Sustainability and climate governance

12 Environmental and social risk management

14 Business conduct

18 Client experience

20 Client privacy

21 Cyber security

23 Responsible artificial intelligence

25 Environmental Sustainability

26 Climate strategy

39 Climate-related risks and opportunities

43 Climate risk management

48 Climate Scenario Analysis

50 Engaging with clients on climate transition opportunity

51 Metrics and targets

64 Nature and biodiversity

65 Social Sustainability

66 Community impact

68 Indigenous partnerships

70 Financial inclusion and capacity building

76 Our Employee Value Proposition

80 Inclusion

82 Sustainability Solutions

83 Sustainable and climate finance

88 Responsible investing

90 Public Accountability Statements

101 Appendix

102 OSFI B-15 Index

105 SASB Disclosures

111 Principles for Responsible Banking (PRB) Index

113 Glossary

Glossary

2SLGBTQ+

2SLGBTQ+ refers to individuals who identify as two-spirit, lesbian, gay, bisexual, trans man, trans woman, queer, genderqueer, pansexual, X, asexual, non-conforming, non-binary and other.

Acute physical risk

Physical risks that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes or floods (Source: Task force on Climate-related Financial Disclosure).

Amount pledged through employee-driven giving in our annual campaigns

The total amount of money pledged by employees for local United Way organizations and other charities across our footprint during the BMO Employee Giving Campaign.

Average learning hours per full-time equivalent employee

Total hours of learning (refer to Hours of learning definition) across the enterprise, divided by the average number of full-time equivalent BMO employees (refer to Full-time equivalent employees definition) during the reporting period.

Canadian defence community customers

BMO customers (and their families) who are members of Canada's defence community, and who have received exclusive offers through the Canadian Defence Community Banking program. This includes BMO customers who are employed in the Canadian defence and security sectors, including Canadian Armed Forces veterans and members of the National Police Federation and Canadian Coast Guard. The number is reported as at the specified date, and for Canada only.

Carbon credits retired

A carbon credit is a tradeable certificate representing one tonne of CO₂e avoided, reduced or removed from the atmosphere. By retiring the carbon credits in a public registry, we are able to offset a portion of our operational emissions. Retiring carbon credits ensures they cannot be used again or further traded.

Chronic physical risks

Chronic physical risks are associated with long-term shifts in climate patterns, and include risks associated with long-term increases in temperature, changes in average precipitation patterns, rising sea levels, and ocean acidification. (Source: the Network for Greening the Financial System)

Clients in crisis

Clients who are facing financial hardship because of an emergency situation.

Climate commercialization

Business strategies and offerings – products, services, and advice – that support our clients to achieve their objectives related to reducing GHG emissions and/or building resilience in their business to the physical impacts of climate change.

Climate finance

A subset of sustainable finance (see definition). Financing provided to, or facilitated for, clients pursuing one or more environmental or climate transition outcomes that meet eligibility criteria defined in [BMO's Sustainable and Climate Finance Framework](#). Financing may be linked to GHG emissions reductions, climate-resilience outcomes, and/or other environmental outcomes that are not tied to GHG emissions reduction. We do not measure the environmental outcomes resulting from our climate finance; reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

Credit risk exposure to carbon-related assets (Metric 1)

BMO's credit risk exposure connected to the energy and utilities sectors, excluding, water utilities, independent power producers, electricity transmission and distribution companies, renewable electricity producers, nuclear electricity producers, and waste management companies. The amount is expressed as a percentage of total credit risk exposure, and is reported as at the specified date.

Credit risk exposure to carbon-related assets (Metric 2)

BMO's credit risk exposure connected to sectors covered in Exposure to carbon-related assets (Metric 1) as well as transportation, materials and buildings, and agriculture, food and forest products. The amount is expressed as a percentage of total credit risk exposure, and is reported as at the specified date.

Donations

Cash-based donations to registered charities and not-for-profit organizations in Canada and the United States. Excludes in-kind donations, commercial sponsorships and BMO Employee Giving donations. The amount is reported for the specified period.

Employee engagement index (EEI)

The degree of employee engagement, as indicated in the annual BMO employee survey. EEI results are an average of the agreement scores on three survey questions that measure: employees' overall feelings about BMO; the level of their pride and satisfaction with BMO; and their advocacy for the organization. The EEI score is an aggregate of the survey results for all active BMO employees who responded.

Employee volunteer hours

The total amount of time recorded (in hours) that BMO employees have dedicated to volunteering, including time volunteered both during and outside working hours.

Energy transition

Energy transition refers to the global energy sector's shift from fossil-based systems of energy production and consumption – including oil, natural gas and coal – to renewable energy sources like wind and solar, as well as lithium-ion batteries (Source: S&P Global).

Executive and senior leadership roles

The total number of BMO employees in executive and senior leadership roles, which includes Managing Director, Vice-President, Senior Vice-President, Executive Vice-President, Group Head and CEO.

Facilitated emissions

GHG emissions of clients that are attributable to financial institutions in their role as providers of facilitation services to support the issuance of capital market instruments (Source: PCAF Global GHG Accounting and Reporting Standard Part B: Facilitated Emissions).

Fatality

Deaths due to a workplace injury or accident.

Financed emissions

Absolute greenhouse gas (GHG) emissions of clients that banks and investors finance through their loans and investments. Currently covers financial products that are on the balance sheet of the financial institution at the fiscal year-end. (Source: PCAF Global GHG Accounting and Reporting Standard Part A). Financed emissions are defined as Scope 3, Category 15 in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

First Nations participating in BMO's On-Reserve Housing Loan Program

The number of First Nations in Canada that have been approved for the BMO On-Reserve Housing Loan Program, which provides financing for eligible individuals wishing to build or purchase a personal residence located on a reserve.

Full-time equivalent (FTE) employees

The total number of full-time and part-time employees across the organization, expressed as a "full-time equivalent" based on the hours in a standard work week and adjusted for overtime hours. This metric is used to calculate the composition and headcount of the BMO workforce by group and region.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Hours of learning

The total amount of time (in hours) spent by BMO employees to build skills through formal, informal and on-the-job learning, which includes both required and optional/self-directed learning.

Indigenous banking business

The total balances of all loans, deposits, term investments and the On-Reserve Housing Loan Program originated or administered by BMO Financial Group (Canada) for Indigenous Communities, organizations and businesses in Canada.

Indigenous Peoples across our workforce

The total number of BMO employees who identify as First Nations, Inuit or Métis. Employees who are Indigenous may or may not live on a reserve, and may or may not have status under Canadian legislation. The number is reported for Canada only.

Involuntary turnover rate

The number of permanent BMO employees who were involuntarily terminated during the reporting period, as a percentage of the average total number of permanent BMO employees at the start and end of the reporting period. Involuntary terminations include employee departures initiated by BMO, such as layoffs, dismissals, or terminations for cause.

Lower greenhouse gas economy

An economy that minimizes GHG emissions while supporting economic growth.

Miikana Career Pathways Program retention rate

Self-identified Indigenous employees who have opted into the Miikana Career Pathways program.

Net Promoter Score (NPS)

Determined by aggregating individual client responses to the question “How likely are you to recommend BMO to a friend, colleague, or family member?” on an 11-point scale (0 = very unlikely; 10 = very likely). “Detractors” are defined as those who provide a rating between zero and 6; “passives” are defined as those who provide a rating of 7 or 8; and “promoters” are defined as those who provide a rating of 9 or 10. The score is calculated by subtracting the percentage of respondents who are “detractors” from the percentage of respondents who are “promoters”.

Net zero

A state in which anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period (Source: Intergovernmental Panel on Climate Change). Terms such as net-zero economy, net-zero world, net-zero scenario, net-zero target, etc. refer to those that align with net-zero outcomes.

New hires

The number of external hires to fill permanent full-time or part-time roles at BMO.

Newcomers to Canada

Immigrants less than 5 years in Canada: permanent residents, foreign workers, and international students, as well as displaced Ukrainian citizens.

Open positions filled by internal candidates

The number of open positions at BMO filled by current BMO employees, as a percentage of the total number of open positions at BMO, adjusted for entry-level roles and campus internship positions, which by definition are filled by external candidates. Data is gathered for Canada and the United States and covers permanent and temporary positions, including full-time and part-time positions.

People facing disability, accessibility, linguistic or literacy challenges

We define disability as any physical, mental, intellectual, cognitive, learning, communication, functional and/or sensory impairment or limitation, visible or invisible that, in interaction with a barrier, hinders a person’s full and equal participation in society.

People of Colour in executive and senior leadership roles

The total number of BMO employees in executive and senior leadership roles who in Canada identify as non-white or ethnically non-Caucasian, other than Indigenous Peoples or in the U.S. who identify as a member of one of the following groups: American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races. Being a person of colour is unrelated to citizenship, place of birth or religion.

Persons with disabilities across our workforce

The total number of BMO employees who have a long-term or recurring physical, mental, sensory, psychiatric or learning disability and who:

- due to their disability have been accommodated in their current job or workplace; or
- consider themselves to be disadvantaged in employment by reason of their disability due to workplace barriers; or
- believe that an employer or a potential employer is likely to consider them to be disadvantaged in employment by reason of their disability. Disabilities may be visible or not visible. The number is reported for North America.

Physical climate risk

A risk that arises from the increasing severity and frequency of climate-related extremes and events (acute), longer-term gradual shifts of the climate (chronic), and indirect effects of climate change such as public health implications (Source: OSFI). See definitions of acute and chronic physical risks.

Program management costs

Aggregated costs that support the delivery of BMO’s Employee and Community work. This includes salaries, technology, professional development, memberships, transaction & management fees associated with employee giving and volunteering programming, and promotion of community initiatives.

Race

Some employee-related data is categorized by race, based on employees’ self-identification as People of Colour in Canada or in the United States. The regulatory category in Canada under the Employment Equity Act is defined by the term “members of visible minorities”. At BMO, we recognize this term is outdated, and we respectfully refer to this community as “People of Colour” in all other contexts.

Renewable energy

Energy derived from natural sources that are replenished at a higher rate than they are consumed (Source: United Nations Environment Programme). Renewable power generation sources include wind, solar, hydro, and biomass/waste.

Renewable energy certificates (RECs)

Category of contractual instruments used in the energy sector to convey information about energy generation to other entities involved in the sale, distribution, consumption, or regulation of electricity. This category includes contractual instruments relevant to the local jurisdiction, as appropriate, that may go by several different names, including certificates, tags, credits, etc. (Source: GHG Protocol – Corporate Accounting and Reporting Standard – Revised Edition).

Scope 1 emissions

A reporting organization’s direct GHG emissions that occur from sources that are owned or controlled by the company (e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles) (Source: GHG Protocol – Corporate Accounting and Reporting Standard – Revised Edition).

Scope 2 emissions

A reporting organization’s emissions associated with the generation of electricity, heating and cooling, or steam, purchased for the company’s own consumption. There are two methods for Scope 2 accounting: a location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data); a market-based method reflects emissions from electricity that companies have purposefully chosen (using emission factors derived from contractual instruments such as renewable energy certificates or local equivalents). (Source: GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Corporate Accounting and Reporting Standard – Revised Edition).

Scope 3 emissions

A reporting organization’s indirect emissions other than those covered in Scope 2. A company’s Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. (Source: GHG Protocol – Corporate Accounting and Reporting Standard – Revised Edition).



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Seniority

Some employee-related data is categorized by level of seniority based on four compensation grade bands:

- Executive and senior leadership (refer to Executive and senior leadership roles definition)
- Senior management
- Mid-career
- Early career

Sick days

Paid time (in days) away from work for illness, injury or medical care of employees and, in the U.S., covered family members (any individual related by blood of affinity whose close association is the equivalent of a familial relationship).

Small business lending – Canada

The total monetary value of outstanding loans to BMO business customers across Canada with annual revenues of \$10 million or less and/or lending needs up to \$1.5 million. The number is reported as at the specified date and for Canada only.

Small business lending – U.S.

The total monetary value of outstanding loans to BMO business customers across U.S. with annual revenues of \$10 million or less and/or lending needs under \$1 million. The number is reported as at the specified date and for U.S. only.

Students in Canada

Post Secondary Students (18+) in Canada who are attending a college or university, including international students and students attending medical or dental school.

Substantiated complaints regarding breaches of client privacy and losses of client data

All complaints escalated to a privacy regulator and determined to be well-founded, involving a substantiated breach of customer privacy or loss of customer data at BMO.

Sustainable bonds

Bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects (International Capital Market Association). Green projects are those activities with positive environmental or climate benefits.

Sustainable finance

Financing provided to, or facilitated for, clients pursuing one or more sustainable outcome that meets eligibility criteria defined in BMO’s [Sustainable & Climate Finance Framework](#). Sustainable finance may relate to social or environmental outcomes that are not tied to GHG emissions reduction. We do not measure the social or environmental outcomes resulting from our sustainable or climate finance; reporting of such finance does not represent a claim of GHG emissions reduction and should not be taken as such.

Sustainable finance – Advisory Services

Advisory services (e.g. mergers and acquisition (M&A) advisory, investment and production tax credit advisory) provided by BMO that meet eligibility criteria defined in BMO’s [Sustainable & Climate Finance Framework](#). For M&A advisory, BMO measures the league table value allocated in full to both buy and sell side advisors upon full closing; and for investment and production tax credits, we measure the full deal value to the buy side advisor.

Sustainable finance – Capital raised

Capital raised through debt or equity markets, including bond underwriting, private placements, securitization, project finance (e.g. capital raised through special purpose vehicles) that meet eligibility criteria defined in BMO’s [Sustainable & Climate Finance Framework](#). BMO measures its share of the league table value allocated proportionately per bookrunner share for public transactions, and allocated equally per bookrunner for private transactions.

Sustainable finance – Credit

Loans or other credit facilities authorized through BMO’s personal and business, commercial and corporate banking businesses that meet eligibility criteria defined in BMO’s [Sustainable & Climate Finance Framework](#). BMO measures the authorized loan amount as at the end of the reporting period.

Sustainable finance – Investments

Equity or equity equivalent investments of BMO’s own capital that meet eligibility criteria defined in BMO’s [Sustainable & Climate Finance Framework](#). BMO measures the investment amount deployed at investment close.

Sustainable-linked products

Products that are structured so that the pricing is determined on the client achieving pre-determined sustainability performance targets or key performance indicators in accordance with industry principles or guidelines.

Total community impact

All BMO community giving inclusive of Donations – Canada and U.S. Starting in 2024, this includes the value of BMO Volunteer hours taken as release time and Program Management Costs.

Total turnover rate

The number of permanent BMO employees who voluntarily or involuntarily left the bank during the reporting period, as a percentage of the average total number of permanent BMO employees at the start and end of the reporting period.

Transition risk

The financial risks related to the process of adjustment towards a low-GHG economy. These risks can emerge from current or future government policies, legislation, and regulation to limit GHG emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-GHG economy (Source: Office of the Superintendent of Financial Institutions).

Underserved communities, people with low or moderate household income

Communities or people who are facing financial challenges because of low wages, rising prices, economic uncertainty, and those who have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.

Value of BMO volunteer hours taken as release time

The value of volunteering reflects the cost to BMO of the paid working hours contributed by employees in the act of volunteering. The value is calculated using an hourly rate that reflects the average hourly wage of a BMO volunteer. Executive level compensation is not included in the calculation of this average. Certain activities, such as pro bono work, may use different valuation rates.

Voluntary turnover rate

The number of permanent BMO employees who resigned voluntarily (including retirement) during the reporting period, as a percentage of the average total number of permanent BMO employees at the start and end of the reporting period.

Women-owned businesses

Businesses where at least 51% of the owners identify as women.



BMO Financial Group

2025 Sustainability and Climate Report including Public Accountability Statements

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Forward-looking statements and disclaimers



BMO Financial Group

2025 Sustainability and Climate Report
including Public Accountability Statements

Cautionary statement regarding forward-looking information

Certain statements in this report are forward-looking statements under the United States Private Securities Litigation Reform Act of 1995 (and are made pursuant to the 'safe harbour' provisions of such Act) and applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements with respect to customer growth and support, sustainable finance and underwriting targets, sustainable investment targets, BMO's Climate Ambition, financed emissions targets, reducing operational GHG emissions, inclusivity, diversity and development. Forward-looking statements are typically identified by words such as "strive", "targeting", "committed", "commitment", "ambition", "goal", "expect", "plan", "will", "may", "aim to", "would", "should", "believe", "anticipate", "project", "intend", "estimate", "forecast", "seek" and "could" and other similar expressions.

By their nature, forward-looking statements are based on various assumptions and are subject to inherent risks and uncertainties. Certain statements made in this report 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. Certain statements in this report are based on hypothetical or severely adverse scenarios and assumptions, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk. In addition, our climate risk analysis and emissions reductions strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. As a result, we expect that certain disclosures made in this report are likely to be amended, updated or restated in the future as the quality and completeness of our data and methodologies continue to improve.

We caution readers of this report not to place undue reliance on our forward-looking statements as there is significant risk that the assumptions underlying such statements may not turn out to be correct and a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, commitments, ambitions, plans or goals expressed in the forward-looking statements. Such factors include, but are not limited to: the availability of comprehensive and high-quality GHG emissions data and standardization of climate-related measurement methodologies, climate-related conditions and weather events, 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 development and deployment of new technologies and industry-specific solutions, the evolution of customer behaviour, international cooperation, the development of regulations internationally, the challenges of balancing emission reduction targets with an orderly and inclusive transition and geopolitical factors that impact global energy needs, our ability to gather and verify data, our ability to successfully implement various initiatives under expected time frames, the compliance of various third parties with our policies and procedures and legal requirements, general economic and market conditions in the countries in which we operate, exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters, global capital markets activities and those other factors set out in the Enterprise-Wide Risk Management section of BMO's 2025 Annual Report, as updated by quarterly reports, that may affect our future results and our ability to anticipate and effectively manage risks arising from all of the foregoing factors. We caution that the foregoing list is not exhaustive of all possible factors. These factors should be considered in addition to other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document include those set out in the Economic Developments and Outlook section, and the Allowance for Credit Losses section, of BMO's 2025 Annual Report, as updated by quarterly reports.

BMO 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.

Other disclaimers

This report includes voluntary disclosures on customer growth and support, sustainable finance and underwriting targets, sustainable investment targets, operational GHG emissions and targets, climate-related opportunities and risks, governance, strategy, risk management, metrics and targets, and future events that may not be, and are not required to be, incorporated into our mandatory disclosures, where we use a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.

Any third-party information contained in this report or otherwise used to derive information in this report is believed to be reasonable and reliable, but no representation or warranty is made by BMO as to the quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information. Specifically, the methodologies utilized to measure operational GHG emissions and financed emissions, set targets and track future progress against these targets use GHG emissions information and estimates that have been derived from third-party sources, which Bank of Montreal believes to be reasonable. Further, in the absence of counterparty specific GHG emissions data, some financed emissions will be estimated using the best information available, including that provided by third-party sources. In no event shall Bank of Montreal be liable (whether in contract, tort, equity or otherwise) for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such information contained herein. Certain third-party information, such as Scope 3 GHG emissions and GHG emissions factors, may change over time as methodologies evolve and are refined. These inherent weaknesses with current methodologies, and other factors, could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Bank of Montreal. While we are not aware of any misstatements regarding the industry, company or market data presented in this report, such data and estimates involve important uncertainties, risks, and assumptions and are subject to change based on various factors, including those discussed under the heading "Cautionary statement regarding forward-looking information" above.

Nothing in this report shall constitute, or form part of, an offer to sell or a 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. Offers to sell, sales, solicitations of offers to buy or purchases of securities issued by the bank or any of its affiliates 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. Third-party references and website references and/or links throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report. Such third-party references and website references and/or links do not imply an affiliation, sponsorship or endorsement.

Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts, ETF facts or simplified prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the simplified prospectus for the relevant mutual fund. BMO Mutual Funds are offered by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal.

3	Message from the Executive Committee Sponsor for Sustainability
4	About this report
6	Our strategy
7	Sustainable Governance
8	Sustainability and climate governance
12	Environmental and social risk management
14	Business conduct
18	Client experience
20	Client privacy
21	Cyber security
23	Responsible artificial intelligence
25	Environmental Sustainability
26	Climate strategy
39	Climate-related risks and opportunities
43	Climate risk management
48	Climate Scenario Analysis
50	Engaging with clients on climate transition opportunity
51	Metrics and targets
64	Nature and biodiversity
65	Social Sustainability
66	Community impact
68	Indigenous partnerships
70	Financial inclusion and capacity building
76	Our Employee Value Proposition
80	Inclusion
82	Sustainability Solutions
83	Sustainable and climate finance
88	Responsible investing
90	Public Accountability Statements
101	Appendix
102	OSFI B-15 Index
105	SASB Disclosures
111	Principles for Responsible Banking (PRB) Index
113	Glossary

Need help?

Email us at: sustainability@bmo.com

The following are trademarks owned by other parties:

Mastercard is a registered trademark of Mastercard International Incorporated.

Visa is a registered trademark of Visa International Service Association.

PCAF is a trademark of Partnership for Carbon Accounting Financials, Inc.

SASB is a trademark of International Financial Reporting Standards Foundation.

