

Greener Future Financing

Use of Funds Inventory List

BMO Greener Future Financing is a lending program that rewards environmentally responsible business practice. Business owners can take advantage of affordable loans with flexible repayment options to reduce greenhouse gas emissions across your operations, mitigate the impacts of climate change, or promote sustainability in your operations.

Eligible categories	Eligible uses of BMO loan funds under the Greener Future Financing lending program
1. Renewable energy	<p>Financing related to the acquisition, development, manufacturing, construction, operation, transmission, distribution, and maintenance of renewable energy assets including:</p> <ul style="list-style-type: none"> 1.1 Solar power 1.2 Biodigesters and renewable biofuels
2. Energy efficiency	<p>Financing related to activities that increase energy efficiency and/or reduce energy consumption including:</p> <ul style="list-style-type: none"> 2.1 Manufacture, purchase, or installation of energy efficient appliances and technologies including LED lighting, heat pumps, high efficiency equipment, smart meters, and peak demand management technology. 2.2 Activities that support energy management and storage infrastructure, equipment and systems including batteries, and green hydrogen fuel cells. 2.3 Acquisition, or installing energy efficient electric, geothermal, or renewable powered district heating and cooling systems¹ 2.4 Acquisition, or installing energy performance monitoring equipment
3. Pollution prevention and waste management	<p>Financing related to the construction, development, operation, acquisition and maintenance of land, systems, technologies, and equipment that support:</p> <ul style="list-style-type: none"> 3.1 Recycling processes and infrastructure; or 3.2 Improve measures and technologies to reduce air pollution and improve air quality.
4. Sustainable land use and management of natural resources	<ul style="list-style-type: none"> 4.1 Financing related to activities that increase afforestation, enhance reforestation and/or support certified sustainably managed forest holdings such as (i) the Forest Stewardship Council ("FSC"), (ii) the Programme for the Endorsement of Forest Certification ("PEFC") or (iii) the Sustainable Forest Initiative ("SFI"). 4.2 Financing related to sustainably managed agriculture, certified by a recognized third-party certification (e.g., Canada Organic, USDA Organic, UTZ, or Rainforest Alliance). 4.3 Financing related to environmentally sustainable fishery and aquaculture, certified by a recognized third-party certification (e.g., Marine Stewardship Council, Aquaculture Stewardship Council, Global G.A.P for Aquaculture, Best Aquaculture Practices (2 stars or more), etc.). 4.4 Financing related to technologies that improve resource use efficiency in agriculture, such as advanced irrigation technologies, precision farming, smart seeds, natural pesticides and herbicides, novel fertilizers, as well as regenerative agriculture activities including no-till farming and cover cropping. 4.5 Activities that advance sustainable production and consumption of alternative proteins.

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5. Clean transportation	Financing related to the acquisition and/or upgrade, development, manufacturing, construction, operation, and maintenance of dedicated low-carbon transport assets, such as: 5.1 Hydrogen or electric vehicles 5.2 Hydrogen fuel or electric charging stations 5.3 Hybrid vehicles with emissions <75 grams CO ₂ / passenger km.
6. Circular economy ² adapted products, production technologies, and processes	Financing related to projects or businesses that facilitate or carry-out circular economy activities, including: 6.1 Production of products that can be recycled or composted where the input feedstock is from recycled/reused waste 6.2 Development, manufacturing, and distribution of sustainable packaging certified by a recognized third-party certification such as the FSC, PEFC, SFI and Recycled Paperboard Alliance (“RPA 100”)
7. Green buildings and infrastructure	7.1 Financing related to the operation, or maintenance of energy efficient commercial, residential, or public buildings meeting green buildings standards such as, or equivalent to, LEED with a minimum of ‘Gold’ certification, BOMA Best with a minimum of Gold, BREEAM with a minimum of ‘excellent’, ENERGY STAR (85 or above)
8. Operation to capture emissions	8.1 Purchase, install, or repair carbon capture, utilization, and storage technology
9. Enhance infrastructure resilience	Financing for the purchase, install, or modification of infrastructure that reduces risk of business interruption from physical climate hazards such as: Flooding 9.1 Flood defense or stormwater management infrastructure 9.2 Grade landscape around buildings to redirect water 9.3 Repair foundation in aging buildings for flood defence Wildfires 9.4 Expand water infrastructure for emergency use in the event of fire Drought 9.5 Expand on-site water sources such as sloughs, wetlands, or irrigation infrastructure and portable stock water supplies for drought resistance Extreme heat 9.6 Expand or upgrade to high-efficiency cooling systems to address heat related risks Extreme weather 9.7 Install reserve power sources to reduce impact of power loss due to extreme weather
10. Implement systems that reduce climate risk	Financing related to activities, technologies, information support systems, and communications technology to increase resilience against physical impacts of climate change, such as: 10.1 Geospatial tools for assessment of climate risk exposure 10.2 Climate observation systems or early warning systems 10.3 On-site weather monitoring equipment
11. Sustainable water and wastewater management	Financing related to activities that improve quality, reliability, and conservation of water such as: 11.1 Infrastructure and technologies that help collect, treat, recycle, or reuse water 11.2 Water metering activities to support conservation initiatives 11.3 Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage and sewer systems



¹ District energy systems are characterized by one or more central plants producing hot water, steam, and/or chilled water, which then flows through a network of insulated pipes to provide hot water, space heating, and/or air conditioning for nearby buildings. U.S. Department of Energy.

² Circular Economy refers to a model of production, consumption, and re-use focused on reducing waste by 1) designing materials, products, and services to be less resource intensive; and/or 2) capturing “waste” and re-using as an input to manufacture new materials and products. This circular model is contrasted by the traditional linear model in which resources are extracted, made into products, and then become waste at the end of their useful life. U.S. Environmental Protection Agency.