Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of $537 billion and 45,600 employees as at October 31, 2013, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers. We serve more than seven million customers across Canada through our Canadian retail arm, BMO Bank of Montreal. We also serve customers through our wealth management businesses: BMO Nesbitt Burns, BMO InvestorLine, BMO Private Banking, BMO Global Asset Management and BMO Insurance. BMO Capital Markets, our investment and corporate banking division, provides a full suite of financial products and services to our North American and international clients. In the United States, BMO serves customers through BMO Harris Bank, an integrated financial services organization based in the U.S. Midwest with more than two million retail, small business and commercial customers. BMO Financial Group conducts business through three operating groups: Personal and Commercial Banking, Private Client Group and BMO Capital Markets.

For Cautionary Statement Regarding Forward-Looking Information, please see attachment entitled "CDP 2014 - FLI Statement.pdf".

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Thu 01 Nov 2012 - Thu 31 Oct 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Australia
Barbados
Brazil
Canada
China
France
India
Ireland
Luxembourg
Mexico
Singapore
Switzerland
United Arab Emirates
United Kingdom
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD ($)

CC0.6

Modules
As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Attachments

https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC0.Introduction/CDP 2014 - FLI Statement.pdf

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The BMO Sustainability Council (SC), comprised of senior leaders, provides guidance and insight on environmental, social and governance (ESG) matters. Members of the SC include executives representing each business (e.g. Retail Banking, Capital Markets, and corporate area (e.g. Real Estate, Human Resources). The Council meets every quarter.
The Chair of the SC is General Counsel for BMO, a direct report of the CEO and a member of BMO's Management Committee (MC). Our Board of Directors is responsible for enterprise-wide oversight and governance, and a number of our Board committee mandates include addressing ESG matters. For example, the Audit and Conduct Review Committee reviews reports on ESG issues. Any issues requiring escalation are brought to the MC. Further issues may be escalated to the Board, at the discretion of the CEO and depend on materiality.

The BMO Sustainability Working Group (WG) is comprised of leaders from each group represented on the SC. The WG was established to support the management/execution of enterprise-wide ESG issues and initiatives; identify ESG issues to bring forward to the BMO Sustainability Council for review; and act upon any requests made by the SC.

As a service provider the vast majority (91%) of our carbon footprint is driven by emissions from the buildings that we occupy. The remaining amount is a result of business travel by our employees. The direct and indirect aspects of climate change are managed internally by two different groups. The direct impacts are managed by the Environmental Sustainability (ES) group. Led by the Director of ES, this group is responsible for measuring, evaluating and providing guidance and direction to manage our operational foot print. The Director of ES reports to the Senior Vice-President responsible for Corporate Real Estate. Both of these individuals sit on the Sustainability Council. The indirect impact of climate change (the impact our business activities may have) is managed by the Environmental, Social and Governance (ESG) Group. This group is led by the Director of ESG, who sits on the SC and reports directly to the Senior Vice President, Deputy General Counsel, Corporate Affairs & Corporate Secretary.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Environment/Sustainability managers	Monetary reward	Annual incentive bonuses are partially dependent on the maintenance of enterprise-wide Carbon neutrality and ongoing participation/oversight for 5 year 10% absolute emissions target (focusing on utilities/energy consumption reduction initiatives). Collaborate with business areas to identify ways to achieve this goal.
Business unit managers	Monetary reward	Corporate real estate group has internalized the absolute emissions reduction target and how well this target (focusing on utilities/energy consumption reduction initiatives) is achieved is factored into their performance review and incentive payout.
Corporate executive team	Monetary reward	Reduction in expenses related to employee travel (commercial air) which also results in a reduction in GHG emissions.
Facility managers	Monetary reward	Contractual agreement with 3rd party facilities providers in Canada and the United States includes savings incentives.
Environment/Sustainability managers	Recognition (non-monetary)	Meeting targets relating to emissions reduction, paper reduction, employee engagement and promotion of low carbon solutions within BMO Financial Group's business strategy.
Corporate executive team	Recognition (non-monetary)	Meeting targets relating to emissions reduction and promotion of low carbon solutions within BMO Financial Group's Business strategy.
Facility managers	Recognition (non-monetary)	Meeting energy and emissions reduction targets.
All employees	Recognition (non-monetary)	Demonstrating increased awareness and actions relating to reducing BMO Financial Group's environmental impact.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Sporadically, not defined	Other committee	Australia Barbados Brazil Canada China France India Ireland Luxembourg Mexico Singapore Switzerland United Arab Emirates United Kingdom United States of America	Unknown	We do not disaggregate climate change risk from others applicable to our organization. At the point that climate change on its own becomes material, we would elevate to the relevant risk officers, then the Risk Management Committee chaired by the chief risk officer and it would be at their discretion whether this was escalated further.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

From a risk management perspective, we consider the indirect impact of climate change; specifically the extent to which our clients' exposure to climate change and associated regulation may affect us. At the company level, the Environmental, Social and Governance (ESG) group is responsible for identifying indirect risks related to the effects of climate change. These risks are monitored as part of the regular sustainability issues monitoring that takes place at a minimum annually, and more frequently if needed. This is done by monitoring regulatory developments and their likelihood of occurrence through the review of literature (policy, legal opinion, research); participating in industry groups &/or conferences discussing the impacts of climate change; engaging with stakeholders and benchmarking ourselves against best practice organizations.

At an asset level, risks associated with climate change fall within the category of credit and counterparty risk. BMO's credit risk management begins with our experienced professional lending and credit risk officers, who operate in a dual control structure to authorize lending transactions. When evaluating clients, we consider all risks in an integrated fashion as applicable; however, specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. We seek to understand the borrower's climate change adaptation and mitigation strategies. We assess: - Whether the borrower monitors and reports their greenhouse gas emissions, as well as the extent and quality of such monitoring and reporting; - The extent of the borrower's overall greenhouse gas emissions; - Whether the borrower has a carbon mitigation plan, how it is being implemented and whether their Board of Directors was involved in its development; and - The borrower's preparedness to deal with any potential regulatory requirements regarding greenhouse gas emissions.

CC2.1c

How do you prioritize the risks and opportunities identified?

At the company level, the information gathered is then distilled to determine the impact to our business and in collaboration with the potentially affected areas, a determination of materiality (against other issues and priorities) is made. With respect to climate change; if the risk is material, meaning that it would have a negative impact on a company's operating leverage such that they would be unable to meet their financial commitments to us, a mitigation plan is put in place. Regardless of level of materiality, reporting on climate change issues is provided to the bank's Sustainability Council at the regularly scheduled meetings (quarterly).

At the asset level, the output of our client evaluation/process (described above) is our credit risk profile which feeds into our overall risk reporting and quarterly disclosure directed at key stakeholders including the Board, Regulators, and the Investor Community.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

(i) While BMO Financial Group (Bank of Montreal) does not operate in an emissions intensive industry, we understand our direct impact on climate change and are actively managing it. Our Guiding Principle is: "We aim to deliver top-tier shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work."
Our strategic vision is “To be the bank that defines great customer experience” and our organization competes in a changing world. It’s changing because people are reassessing their idea of value. They want the freedom to do their banking everywhere and they expect a higher standard of social responsibility from companies than ever before. Our message in this regard is consistently communicated both internally and externally through a variety of medium. Internally, we use regular communication from our CEO via intranet and targeted email communications, and business groups are measured based on performance targets. Externally, we disclose information about our strategic direction and on-going results by way of regular press releases, on our website, and annually in Annual Reports and Environmental, Social and Governance Report.
(ii) Climate change aspects influencing our strategy include both the rising costs of fuels for our own use and those borne by participants in our supply chain which may be passed on to us in the form of higher prices for their goods and services. We also see the opportunity to differentiate our organization, potentially resulting in additional brand recognition/profitability, by offering new products/business services relating to climate change and providing financing solutions to assist our customers in reducing their environmental impact. BMO has been very active in supporting our institutional clients' development of renewable energy. In FY2013 BMO made $1.7b in lending commitments and advised on $1.8 b in equity and debt financing in the renewable energy sector. On the retail side, we provide opportunities for customers to do their banking from wherever they are (online, mobile) and with minimal impact on the environment (paperless statements). In addition to our sustainable mutual fund offerings, we have a mortgage product that rewards energy efficient characteristics of the home with a lower mortgage rate for the term of the mortgage.
(iii) The most important component of our short term strategy that has been influenced by climate change relates to our focus on carbon emissions reduction activities concerning our own operations. We believe it is important to “walk the talk” and as such have been extremely focused on reducing our operational footprint as a starting point. Emissions from the buildings that we occupy represent 91% of our footprint, with the majority of the balance attributed to business travel by employees. As one of the organization's priorities is controlling operating costs, energy consumption, the associated costs and reduced emissions are all key factors, particularly as we expect that energy costs will continue to increase and fossil fuel based resource availability comes under pressure.
Operationally we continue to focus on improving our practices. From a standards perspective, we have developed, documented and are now executing and governing retail and office build-outs to meet aggressive performance specifications. The revised office standards, which now include branding, functionality and sustainability elements have been communicated across the various business groups and are used to guide floor refresh activities.

In addition to work we do on building standards, our membership in industry groups supports the voices seeking clarity around the need for coordinated progress and incentives on managing climate change. This is done particularly through the United Nations’ Environment Program Finance Initiative.

(iv) The most important components of our long term strategy, influenced by climate change build on our short term goals. We intend to remain extremely focused on the rising energy costs resulting from the diminishing supply of fossil fuel based resources while at the same time continuing to look for opportunities, from both our own and our customers’ perspective, in the area of alternative/renewable energy sources. We will also be monitoring the changes to the regulatory environment which may provide additional opportunities to enter new markets from a trading perspective.

(v) In our primary markets a climate strategy does not necessarily provide a strategic advantage. However, BMO is well positioned with a clear strategy, and a brand promise common to every business. As we reach important milestones our aspirations remain ambitious. We take Corporate Governance seriously and are proud

that BMO ranks among the top companies in Canada for governance. Our internal focus on the reduction of operating costs relating to energy consumption has contributed to both the bottom line and to BMO's reputation as an organization that considers climate change important.

vi) BMO achieved enterprise-wide carbon neutrality in August 2010. Our most substantial business decision is ensure that we remain carbon neutral. Despite pressures allocate resources elsewhere and although we've grown our business substantially in the United States, we've maintained our carbon neutral status. We did this by reducing emissions related to business travel by employees and energy use in the buildings we occupy; purchasing electricity from renewable energy sources; and purchasing carbon credits to offset the remaining emissions.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

BMO personnel participates as an international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 - Environmental Management Systems.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

BMO's participation as an international negotiator for the harmonized Standards Council of Canada / CSA Mirror Committee on ISO/TC 207/SC 1 (Environmental Management Systems) is closely aligned with the Environmental Sustainability group's mandate and the organization's general focus on energy and cost reduction. As an organization that has publicly announced and achieved both Carbon Neutrality and absolute emissions reduction targets, the ISO 14001 framework is very much aligned with our internal focus on energy practices specifically and climate change implications in general. The establishment of and tracking against specific targets and adoption of ISO 14001 for Environmental Management System implementation are examples of processes for direct activities that align with policy, relative to the initiative identified.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2+3	100.0%	100.0%	2013	222773.24	2013	Successfully maintained enterprise-wide carbon neutrality goal which was originally achieved in fiscal 2010. Note that for the purposes of this target, fiscal 2013 is quoted as the "base year" and "base year emissions" reflect total Scope 1+2+3 emissions.
Abs2	Scope 1+2+3	100.0%	10.0%	2012	220426.59	2017	Using the FY2012 emissions as our new baseline – reduce carbon emissions (absolute) resulting from energy use and business transportation, over which BMO has direct control, by 10% - to be achieved by the end of Fiscal 2017. For the purposes of tracking against this target, BMO will normalize the impacts of weather and emissions factors changes vs. the base year emissions of FY2012 to arrive at the annual measure. This provides us with an indication of the progress against those factors over which we have direct control.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	100%	Achieved/maintained. In August 2010 BMO publically announced that it had achieved its Carbon Neutrality goal, through a combination of consumption reduction activities, the purchase of renewable electricity (Renewable Energy Certificates) and the purchase of high quality voluntary carbon offset credits. In fiscal 2013, we successfully maintained this ongoing goal.
Abs2	20%	0.04%	Absolute emissions, normalized to exclude the impacts of weather and emissions factors changes, decreased only marginally in FY2013 vs. our FY2012 baseline. While initiatives focusing on lighting, building envelope and HVAC systems yielded emissions reductions, these were largely offset by changes in output and other factors.
Int1	20%	0.00%	Emissions intensity per FTE remained flat at FY2012 levels. BMO uses emissions for Scopes 1, 2 & 3 for this target. While emissions, normalized for weather and changes to emissions factors (vs. FY2012 baseline) decreased in FY2013, total employees decreased at a lesser rate over the same period, hence the flat result.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

Green products - In order to promote energy efficiency and sustainable living, BMO introduced the BMO Eco Smart Mortgage. The mortgage is designed to encourage and reward Canadian homeowners looking to reduce their energy usage and save on household operating expenses. To qualify for the BMO Eco Smart Mortgage, a home must meet the requirements outlined in the BMO Eco Smart Mortgage checklist as confirmed by a third party appraiser (or energy auditor) arranged by BMO.

i. How the emissions are/were avoided;
BMO customers implement energy savings in their homes in order to qualify for the Eco Smart Mortgage. Examples include installation of Energy Star rated windows/doors, upgraded insulation, high efficiency heating/air conditioning systems etc., all aimed at reducing the consumption of energy by the homeowner.

ii. An estimate of the amount of emissions that are/were avoided over time;
Not available.

iii. The methodology, assumptions, emission factors and global warming potentials (if you have expressed your carbon saving figure in CO2e) used for your estimations;
Not applicable – estimates not available.

iv. Whether you are considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC);
Not considered.

Electronic Banking - BMO Financial Group also offers electronic banking services which allow customers to consume fewer resources and reduce their carbon footprints. These services allow customers to complete banking transactions online, transfer funds electronically, view/pay bills and opt out of receiving paper statements (e.g. view statement details electronically).Our online services provide customers with electronic alternatives, thereby avoiding travel to BMO branch locations, facilitating reductions in their carbon footprint.

i. How the emissions are/were avoided;
Our online services provide customers with electronic alternatives, thereby avoiding travel to BMO branch locations, facilitating reductions in their carbon footprint.

ii. An estimate of the amount of emissions that are/were avoided over time;
While quantifying customers' carbon emissions savings relative to travel avoided is difficult, we can estimate the impacts of paperless account statements. For those customers currently opting to view their account information electronically, we estimate the annual emissions reductions to be about 5 tonnes CO2e per year, versus

the baseline established as fiscal 2008.
iii. The methodology, assumptions, emission factors and global warming potentials (if you have expressed your carbon saving figure in CO2e) used for your estimations;
Calculations have been completed using the Environmental Paper Network's online Paper Calculator v3.0, using the weight and delivery frequency of those paper statements avoided. The calculator has built into it the relative emissions factors and global warming potentials.

iv. Whether you are considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC);
Not considered.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	82	
To be implemented*	72	2771.60
Implementation commenced*	32	1007.10
Implemented*	58	3054.05
Not to be implemented	0	

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	Continuation of implementation of building automation systems (BAS) technologies within retail branches in Canada. Implementations for FY2013 were aligned with renovation activities planned for select branches in the network. BAS systems controls include interior lighting, exterior signage and heating/air conditioning (HVAC) infrastructure. Business rules are created to align energy usage with functional usage of the space to ensure that non-essential interior lighting is extinguished during non-business hours and HVAC systems/temperatures are “set back” during non-occupied hours. Savings relate to reduced energy consumption and savings from reduced service calls to branches as many issues can now be solved remotely, thereby avoiding the costs of vendor site visits. For owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This activity is voluntary and the implementations are expected to have a useful life of approximately 10 - 15 years.	145.90	179304	627563	1-3 years	We estimate the useful life of infrastructure components added to be between 10 - 15 years.	This is an ongoing initiative with new installations scheduled yearly.
Energy efficiency: Building	Lighting retrofit program for facilities in Canada & United States. This ongoing program is focused on upgrading lighting infrastructure in facilities	62.87	62972	181852	1-3 years	We estimate the useful life of infrastructure	This is an ongoing program across our facilities as we

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
services	from existing T12 fluorescent and incandescent fixtures to a combination of T8/T5 and/or LED fixtures for performance and energy efficiency reasons. Savings result from lower energy costs and lower ongoing maintenance costs. For owned facilities, reductions impact Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This activity is voluntary and the implementations are expected to have a useful life of between 10 – 15 years.					components added to be between 10 - 15 years.	continue to upgrade to more efficient lighting infrastructure.
Energy efficiency: Building services	Programmatic review and updating of heating/cooling equipment infrastructure at retail branch/office facilities in Canada and the United States. Costs, savings (reduced energy consumption) and emissions savings relate to the marginal costs associated with the more efficient equipment. Owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This activity is voluntary and the implementations are expected to have a useful life of approximately 15 years.	965.78	184483	615582	4-10 years	We estimate the useful life of infrastructure components added to be approximately 15 years.	This is an ongoing program across our facilities.
Energy efficiency: Building fabric	Programmatic review of building envelope infrastructure across retail branch facilities in the Canada and the United States. Costs, savings (reduced energy consumption) and emissions savings relate to the marginal costs associated with the improvements undertaken. For this program, we focus on reducing air	27.98	10114	662120	>25 years	We estimate the useful life of infrastructure components added to be between 15 - 25 years.	This is new program initiated this year. Costs tend to be significant, with longer payback periods.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
	leakage/penetration in the building envelope, addressing and upgrading windows, roofing infrastructure and doors (weather-stripping, etc.). Owned facilities, reductions impact Scope 1 and Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This activity is voluntary and the implementations are expected to have a useful life of approximately 15 – 25 years.						
Energy efficiency: Building services	Ongoing program within our critical facilities environments focusing on the upgrades of things such as; fans and motors (to variable frequency drive units), compressors, cooling tower filtration systems, chiller infrastructure, etc. Savings result from the decreased use of electricity (and reduced emissions) to run the equipment as well as reduced maintenance costs as the cooling equipment is not subject to the same demand. For activities undertaken this fiscal year for owned facilities, reductions impact Scope 2 and for leased facilities (per Financial Control reporting boundary) the impacts are recorded under Scope 3. This activity is voluntary and the implementations are expected to have a useful life of approximately 20 – 30 years.	98.88	65878	305553	4-10 years	We estimate the useful life of infrastructure components added to be between 20 - 30 years.	This is an ongoing program across our critical facilities (e.g. data centres, call centres, etc.).
Other	Ongoing program to consolidate office facilities, introducing new standards relative to physical space per employee and taking advantage of alternate workplace arrangements across our office portfolio in Canada and the United States. In fiscal 2013, we consolidated a number of	1752.63	122650	479000	4-10 years	We estimate the useful life of this initiative to be between 10 - 20 years.	This is an ongoing focus primarily across our office portfolio in Canada and the United States.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
	office locations in Canada and the US, in combination with the introduction of mobile workplace arrangements. Savings (both financial and emissions) represent the net amounts associated with the results of these activities (e.g. combining occupancy of two physical locations into one new one – net of reduced old and occupied new physical space). Emissions are reduced as the physical space occupied has been reduced, with some recognized increases for more concentrated occupancy. For activities undertaken this fiscal year, reductions impact Scope 3 for leased facilities (per Financial Control reporting boundary). This activity is voluntary and the implementations are expected to have a useful life of approximately 10 - 20 years.						

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for	Annually, we set aside a specified capital amount which is used to fund energy efficiency activities across the enterprise.

Method	Comment
energy efficiency	
Dedicated budget for other emissions reduction activities	As an organization committed to carbon neutrality (achieved in 2010), we recognize that achieving this goal annually is dependent on funding other emission reduction activities such as the purchase of offsets. BMO specifically budgets for these expenditures on an annual basis.
Employee engagement	Employee engagement continues to be a key element in our overall strategy to reduce emissions across the organization. Our Environmental Ambassadors (employee volunteers) act as champions in the field to promote our sustainability efforts. Our employees participate in driving down emissions by promoting behavioural change and also feed back ideas to the Sustainability Office for deployment consideration on a broader basis. BMO invests annually in internal communication support media (e.g. intranet, newsletters, etc.) to support employee engagement efforts.
Financial optimization calculations	As an organization (financial institution) with access to capital, we have the opportunity to move beyond normal capital restrictions where there is a positive impact from a "cash flow" perspective on the annual expense line. We regularly assess initiatives using this cash flow basis or life-cycle approach which allows for extended ROI projects to be approved.
Internal price of carbon	Since 2008, BMO has been monetizing the value of carbon emissions savings (based on an internally established price of carbon) and including the benefits as part of every energy related business case.
Lower return on investment (ROI) specification	There are a variety of means by which we determine whether emissions reductions initiatives receive funding. While not the only reason, ROI specification is one of them. We do look at extended ROI for owned assets, particularly in the case of real estate assets where there is an expectation that we will occupy beyond the short term.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	MD&A, BMO Financial Group 196th Annual Report Fiscal Year 2013, p 99	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC4.1/bmo_ar2013[1].pdf
In voluntary communications (complete)	GRI Index pgs. 37-39, Fiscal Year 2013 Environmental, Social and Governance Report and Public Accountability Statement	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC4.1/BMO_ESG_PAS2013en[1].pdf
In voluntary communications (complete)	2013 Corporate Responsibility Report, p 29 - 33	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC4.1/BMO_CR2013en[1].pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Increases in fuel/energy taxes and regulations in North America, where we are primarily based. How this could affect BMO specifically: Such increases may result in additional operating costs for the use of electricity and/or natural gas as consumed in our real estate premises occupied.	Increased operational cost	1 to 3 years	Direct	Likely	Low	This could result in increases to our overall fuel costs and impact our overall operating costs. Our fiscal 2013 reported operating costs totalled approximately $10.2 billion, with less than $100 million relating to annual energy costs. In the event of increased taxes on energy due to regulation in the range of 5% to 10%, our on-going operating costs could be impacted by up to $10 million.	We continue to actively monitor the regulatory landscape for new fuel/energy taxes and regulations. As any increase in costs resulting from fuel/energy taxes and regulation would increase our operating costs, we continue to actively manage energy costs on a regular basis. We have undertaken some very specific measures to hedge against price escalations and/or measures to continually drive down consumption. For facilities, in specific areas of North America where opportunities exist, we have entered into bulk fuel/electricity purchase contracts at the wholesale level to insulate the organization against price increases. In addition, we continue to concentrate our efforts on consumption reduction efforts, focusing on retrofits to building	From a cost to manage perspective, there is zero additional cost/effort required to keep abreast of the potential regulatory changes as this is a function of our current risk management process. There is also zero additional cost associated with our efforts to drive down consumption, as this is an ongoing focus of our Corporate Real Estate group.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								envelope, HVAC systems and lighting, as a way of reducing our on-going operating costs, as well as emissions. We continue to act on the energy audit reports (commissioned for approximately 33% of our retail facilities in Canada and the United States) and forecast energy consumption/cost savings of between 15% - 20% annually when all recommended actions are completed.	
Carbon taxes	Introduction of / increased regulation around emissions reductions in the form of carbon taxes for our clients operating in emissions intensive industries. How this could affect BMO specifically: Regulation in the form of	Other: impact on credit risk profile	Unknown	Indirect (Client)	Unknown	Low	Although we do have some clients in jurisdictions that impose carbon taxes, we have not isolated the potential financial implications associated with this risk.	The credit risk arising from potential carbon taxes imposed on our clients is captured within our enterprise wide risk management framework. Specific guidelines related to climate change are applied to transactions with clients operating in emissions-intensive industry sectors. In addition to other factors mentioned earlier, we assess: (a) whether the borrower monitors and reports its greenhouse gas	There is zero additional cost to manage this risk as it is within the context of our existing risk management framework.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	carbon taxes may increase these clients' operational costs, which could put financial pressure on their ability to repay loans or meet other financial commitments they have with us.							emissions, as well as the extent and quality of such monitoring and reporting; (b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding greenhouse gas emissions.	
Product efficiency regulations and standards	Introduction of building regulations concerning energy efficiency. While not currently regulated in North America, there is clearly a move towards a variety of voluntary rating systems such	Increased capital cost	1 to 3 years	Direct	More likely than not	Low	As we occupy approximately 20.0 million square feet of real estate, the introduction of building regulations related to energy efficiency could result in additional capital costs for our	For owned assets, this risk is managed as part of our normal construction/renovation activities and we would incorporate any new standards into the process as and when they are introduced. For leaseholds, the risk is managed by our portfolio management group, responsible for negotiating new leases.	We would expect zero additional costs as any new regulation is likely to be forward looking with the current building stock to be addressed over time.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	as LEED, BOMABest, Energy Star, etc. How this could affect BMO specifically: As a financial institution occupying office space, future regulation related to energy efficiency in buildings could result in additional capital costs for our organization.						organization. We estimate these to be upwards of 3% more than our existing cost base. We view the move to making buildings more efficient as a positive step and while there may be upward pressures on capital costs to build there would also likely be downward pressures on our ongoing operating costs.		

CC5.1b

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Changes in mean (average) temperature (e.g., hotter summers, colder winters) have the potential to impact BMO's operations, which are primarily North American based. How this could affect BMO specifically: Hotter summers and colder winters would result in: • increased energy consumption such as electricity and natural gas in facilities occupied • shorter life-span of heating, ventilation and air conditioning (HVAC) equipment, which could be operating well beyond normal design parameters. This might result in us having to invest in upgrading or replacing the equipment before current projected end-of-life.	Increased operational cost	>6 years	Direct	Very likely	Low	Avg. temp changes would increase our ongoing consumption of energy. A 10% mean temp change could potentially translate into a $5 - $10 million increase in energy-related operating costs. Also, changes in mean temp could shorten the life-span of HVAC systems. With a current end of life cycle of 15 - 20 years for HVAC systems, a 10% mean temperature change could translate into a 1.5 – 2.0 year	Over the past couple of years, we have begun to track the heating degree days (HDD) and cooling degree days (CDD) for those large urban centres in North America where BMO Financial Group facilities are predominantly located. We source this data via our 3rd party facilities management service providers who utilize Environment Canada and Wolfram Research in the United States to plot the trends. In the event that the life-span of HVAC equipment is negatively impacted, we will modify our capital	The costs associated with tracking changes to average mean temperatures are zero as it is part of the service offered by our facilities management partners.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							reduction in the useful life of these assets. Resulting in an annual cost of 10% for HVAC equipment.	forecasting.	
Change in temperature extremes	Change in temperature extremes may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical real estate occupied is located	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based on geographic locations; cost of energy, as well as the state of our physical infrastructure,	To manage the risks, all units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	The costs associated with these actions are part of our ongoing business continuity planning and are not considered to be incremental.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	in North America.						including technology.		
Change in precipitation pattern	Change in precipitation may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical real estate occupied is located in North America.	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect them to be material to our financial condition. Financial implications could vary greatly based on geographic locations of facilities occupied.	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation patterns in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations)	
Change in precipitation extremes and droughts	Change in precipitation extremes and droughts may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to operations and workforce absenteeism. Approximately 99% of BMO's physical	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect it to be material to our financial condition. Modelling the financial implications would seem difficult and inaccurate since changes to precipitation extremes and droughts could vary greatly	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for precipitation extremes in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution network as well as alternate delivery channels (online banking, telephone banking) to provide service	Flood remediation costs could range from $50k-$100k per unit depending on the severity of the damage and could escalate if not addressed right away as mould or decay could be an issue in the future. As a financial institution, our operations are not heavily dependent on water. From a business continuity

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	real estate occupied is located in North America.						across the geographies in which our facilities are located.	to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Tropical cyclones (hurricanes and typhoons)	Tropical cyclones may result in interrupted supply of energy, water, telecommunications and transportation. How this could affect BMO specifically: Interruptions of this nature may result in increased costs to invoke alternate work arrangements (business continuity plans), lost productivity due to disruption to	Increased operational cost	>6 years	Direct	Likely	Low	We have not modelled the financial implications of this risk but based on current experience, we do not expect it to be material to our financial condition. We believe we have limited direct exposure to this risk as	Our Business Continuity Management (BCM) team manages this risk by monitoring the trends for extreme weather events in the potentially affected regions. In the event that our facilities are unable to operate, we rely on our wide distribution	Flood remediation costs could range from $50k-$100k and/or additional costs per unit depending on the severity/type of the damage and could escalate if not addressed right away as mould or

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	operations and workforce absenteeism. This risk would be most prominent for our facilities located in China, and those locations subject to hurricanes in the United States (e.g. Florida, Kansas).						facilities currently located in areas subject to these conditions are minimal.	network as well as alternate delivery channels (online banking, telephone banking) to provide service to our customers. In order to manage the risks at the local level, all business units develop business continuity plans appropriate to the time sensitivity of the activity being performed (e.g. employees working from home, split operations).	decay could be an issue in the future. From a business continuity oversight perspective, there are no additional costs foreseen as this is part of our existing cost structure.
Uncertainty of physical risks	Physical risks affecting our suppliers. How this could affect BMO specifically: Physical risks affecting our suppliers could ultimately impact not only our own	Reduction/disruption in production capacity	3 to 6 years	Indirect (Supply chain)	More likely than not	Low	We have not modelled the financial implications of this risk.	With a relatively diverse supply base we would anticipate the ability to move to an alternate provider with relative ease and at cost competitive	This is part of our ongoing supplier governance and business continuity planning and does not represent additional

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	operations but our provision of products or services to our customers as well, depending on the circumstances. We view the range of impacts as follows: (a) minor delay in service or delivery (e.g. if paper supplies are impacted, internal processes and perhaps paper based deliverables to customers could be delayed); (b) supply chain issues resulting in need to switch to alternate supplier which may result in delayed delivery, process workarounds, increased costs and differences in quality of materials (better or worse) and; (c) complete cessation of service or delivery in the short to medium term.							pricing. For more significant suppliers/partner relationships, where there is perhaps more risk associated with the failure to perform, we classify and manage these vendors as "high risk". We require the existence and regular testing of supplier's business contingency plans and also request confirmation of annual testing of the BCP plans as part of our annual attestation exercise. In addition, we also ensure that there are plans in place to deal with disruption of service in the event that the supplier or partner	cost to the organization.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								encounters issues.	

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Reputation	Reputational risk associated with climate change may impact us in two areas • Lending and investing • Own operations How this could affect BMO specifically: • Lending and investing: Our operations are predominantly in North America where comprehensive regulations related to climate change do not currently exist. As a financial institution, some of our clients are in	Other: customer impact, reduced market valuation	Unknown	Direct	Unlikely	Unknown	It is difficult to accurately quantify the financial impact of reputation risk however we do value our reputation and strive to protect it in all we do.	Lending and investing: To manage this risk, specific guidelines related to climate change are applied to transactions with clients operating in emissions intensive industry sectors. In addition to other integrated risk factors, we assess: (a) whether the borrower monitors and reports its greenhouse gas emissions, as well as the extent and quality of such monitoring and	Lending and investing: These activities have no cost as they are within existing infrastructure and work plans. Own operations: Costs associated with our ISO 14001 EMS certifications and 3rd party verification of our carbon emissions total less than $75K annually. In addition to the annual capital costs related to on-going conservation efforts, we spend

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	carbon intensive industries. As such, we face reputational risks as NGOs and other stakeholders may scrutinize our role in lending to and investing in industry sectors of this nature. • Own operations: BMO occupies just over 20 million square feet of real estate and therefore has a relatively large operational carbon footprint. We may face reputational risks if we do not proactively take steps towards reducing our emissions from own operation.							reporting; (b) the extent of the borrower's overall greenhouse gas emissions; (c) whether the borrower has a carbon mitigation plan, how it is being implemented and whether its Board of Directors was involved in its development; and (d) the borrower's preparedness to deal with forthcoming regulatory requirements regarding greenhouse gas emissions. Own operations: We are committed to reducing the impact we have on the environment, including the impact from own operations. The largest contributing factor to that impact – 91% – is the real estate space we occupy. Business transportation by	just under $3 million annually on the purchases of renewable energy credits (RECs) and high quality voluntary carbon offset credits.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
								our employees and the fleet of vehicles we own account for most of the balance. If we do not take action towards reducing our emissions from own operations, then we may face reputational risk. In order to manage this risk, we have developed a robust Environmental Management System (EMS) to mitigate the impact of our operations on the environment. Our goal is to achieve continual improvement in our overall environmental performance.	

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Voluntary agreements	Voluntary standards related to energy efficiency / environment. How this could affect BMO specifically: At BMO, we strive to be a leader in environmental sustainability and choose to lead by example in how we measure, manage and set reduction targets to reduce our environmental impact. It is for this reason that we voluntarily implement the independent, internationally recognized standard - ISO14001:2004 for Environmental Management Systems. Adoption of this standard for a number of our facilities provides evidence of our leadership in taking voluntary action with both employees and external stakeholders. Furthermore, voluntary	Other: Potential impact is two-fold: Increased employee engagement and positive reputational impact AND reduced operational costs	3 to 6 years	Direct	Very likely	Low-medium	Voluntary agreements support our EMS and derive value as reduction targets are met. Holding emissions factors constant a 10% emissions reduction would result in a 10% reduction in energy operating costs. Based on our current mix of utilities consumption/pricing, a 10% reduction in utilities consumption could translate into savings of between $3.5 million - $4.0 million CAD annually. LEED or BOMA certified facilities are also more energy efficient and result in lower ongoing operating costs.	BMO's Environmental Sustainability group oversees the strategic implementation of the ISO 14001:2004 certified EMS at our facilities. This group also coordinates the calculation of enterprise carbon emissions, annual verification and carbon neutrality strategy. Annual reporting related to these elements is aligned with our fiscal period in order to align	Costs for our ISO 14001certification and carbon emissions 3rd party verification are less than $75k annually. We also invest approximately $3MM annually on high quality carbon offsets and renewable energy certificates. There is zero additional annual cost associated with our procurement practices as the incorporation of standards based procurement for leased or owned facilities is now embedded in our operating practices.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	standards such as LEED (Leadership in Energy and Environmental Design) and BOMA (Building Owners and Managers Association) provide us with the opportunity to make more informed choices when selecting real estate facilities for occupancy. This in turn helps us in reducing energy consumption and the resultant GHG emissions. Our GHG emissions footprint is verified annually by an accredited 3rd party and our carbon neutral commitment/achievement is also voluntary.							with other external reporting at the enterprise level. BMO manages the procurement of additional building stock through a formal process which incorporates specific focus on quality standards such as LEED Gold (where appropriate). BMO also participates in a Commercial Building Energy Initiative in the greater Toronto area, which brings together landlords and tenants for the purposes of improving	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								energy efficiency and standards form a part of this ongoing initiative. We have also updated our internal design and construction standards to include performance specifications for the build out of office space in order to achieve additional energy reductions (e.g. 1 watt per square foot for lighting). These measures are expected to contribute to our 10% absolute emissions reduction goal.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	New emission trading markets How this could affect BMO specifically: BMO Financial Group is a North American based organization with a presence in the global capital markets. Introduction of legislation may present opportunities for participation in new emission trading markets. To date there have been limited opportunities in North America as legislation is unclear and existing markets are very thin.	New products/business services	Unknown	Direct	Unknown	Unknown	The introduction of legislation that could drive economic incentives or lead to the creation of robust new markets can be viewed as an opportunity by BMO Financial Group. This could result in additional revenues for BMO although to date there has been limited opportunities in North America as legislation is unclear and existing markets are very thin.	Our current position is to monitor the evolution of cap and trade legislation, primarily in North America, and assess the opportunities for participation in new emission trading markets when there is more certainty.	As a global trading organization, there would be costs associated with developing carbon trading capabilities (resources, systems, etc.) however the magnitude of these costs has not been defined at this point. The financial benefits associated have also not been defined at this point. Responsibility for managing this would lie with our Trading Products group.

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Changes in physical climate parameters. How this could affect BMO specifically: As an organization that occupies mainly office space or smaller scale retail space, we are constantly looking for ways to take advantage of changes in physical climate parameters for our buildings. As we construct and retrofit facilities across the enterprise portfolio we attempt to take advantage of opportunities related to changes in natural weather elements. A specific example would include retrofitting our buildings to take advantage of	Reduced operational costs	Up to 1 year	Direct	Likely	Low	We currently outsource facilities management activities in both Canada and the United States to third party professionals, the costs of which are not for public disclosure. Energy performance for these facilities has been benchmarked and 5 year capital improvement plans are in place to deal with specific actions and initiatives we can undertake to leverage on-going energy related operating cost reduction opportunities.	In our office towers and other critical facilities (operations centres) we continue to actively assess building infrastructure for opportunities to upgrade equipment, retrofit for improved efficiency and refine operating processes to reduce our costs and overall emissions impacts. “Free cooling” is a practice that we have implemented in a number of our facilities across the network. In certain geographic areas, we have also completed bulk energy purchases, at the wholesale level, to proactively manage our costs in the face of rising fuel costs. The costs	Costs associated with these energy upgrade opportunities can amount to significant dollars (e.g. $2 - $4 million annually), dependent on the scope and volume of projects. We typically observe energy savings in the range of 15% - 20%, again dependent on the scope of the specific initiative. As we are continually focused on reducing on-going operating costs, these activities form part of our existing infrastructure so no significant additional costs are required.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	"free cooling". Specifically we bring lower temperature outside air into the facility to relieve the electricity demand to cool indoor air (via base building chillers) and reduce operating costs. We also see more conventional building retrofits as ongoing opportunities to take advantage of changing conditions.							associated with these actions are part of our on-going energy management focus and are not considered to be incremental.	

CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other	Employee	Other:	Up to 1	Direct	Likely	Low-	BMO's actions	BMO has	The annual

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
drivers	engagement. How this could affect BMO specifically: BMO's action relative to climate change and its on-going commitment to absolute carbon footprint reductions and carbon neutrality has had a positive impact on employee engagement. Our on-going focus on energy efficiency initiatives (consumption reduction), investment in renewable energy and purchase of carbon offset credits is the underlying strategy supporting our carbon neutral achievement. We believe that our actions in this regard contribute to attracting new employees to the organization and retention of		year			medium	with respect to climate change help foster employee engagement. Our HR group has provided feedback that new recruits are increasingly looking at the sustainability values of organizations when investigating their employment options. While a direct correlation to retention is not quantifiable, our ability to retain employees provides benefits to the organization which may include intellectual capital retention and hiring/training cost avoidance.	introduced a number of programs to raise awareness amongst employees and engage them in climate change activities, including but not limited to: - Corporate intranet site specifically focused on BMO's environmental sustainability activities - Environmental ambassadors program where employees volunteer to assist the environmental sustainability group to roll out tactical initiatives and provide feedback from the field - Introduction of electronic pay advices for employees allowing them to opt out of paper statements - Public transit pass program in select cities which	operating budget for the Environmental Sustainability group includes the costs associated with activities to raise employee awareness and the management of our carbon neutrality commitment; these costs are approximately $150k annually inclusive of salary and benefits. The costs of purchasing renewable energy and carbon offsets annually range from $2 - $3 million. Environmental Ambassadors are volunteers and there are zero additional costs for their efforts.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	existing employees.							encourage the avoidance of transportation emissions - Climate change information contained within our Annual Report, Sustainability Report, Corporate Responsibility Report and external website Carbon Neutrality has been achieved through a primary focus on consumption reduction activities, investments in renewable energy and the purchase of high quality carbon offset credits to fill the remaining gap. The Environmental Sustainability group within BMO has oversight for this program.	
Reputation	Demonstrating leadership by	Increased stock	Up to 1 year	Direct	Likely	Low	It is difficult to quantify the	We transparently report our	There are costs associated with

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	example. How this could affect BMO specifically: BMO attempts to maximize shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work. We believe that our efforts to lead by example in measuring, managing, setting reductions to reduce our carbon impacts as well as being transparent about our climate change policies and practices, has positive impact on our reputation with customers and broader stakeholders.	price (market valuation)					financial impacts of our climate change and carbon management activities from a reputational perspective as there are clearly other factors that impact our share price. If our actions resonate with stakeholders and customers, this positive reputational impact could result in new customer attraction and contribute to increased revenues.	progress internally to personnel and externally to customers, shareholders and other stakeholders via medium such as CDP, our Annual Report, Sustainability Performance Report, Corporate Responsibility Report, external website and regular news releases as appropriate.	our climate change activities and carbon management strategy however the marginal costs of these activities are not considered significant and now form part of our annual operating budget.

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Tue 01 Nov 2011 - Wed 31 Oct 2012	20932.55	86853.06

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1
The Climate Registry: General Reporting Protocol

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	50.6124	Other: kg CO2e per GJ	GHG Protocol - Facilities - 2000
Distillate fuel oil No 1	70.7712	Other: kg CO2e per GJ	GHG Protocol - Facilities - 2000 (Diesel)
Distillate fuel oil No 2	73.9062	Other: kg CO2e per GJ	GHG Protocol - Facilities - 2000 (Heating Oil)
Steam	0.1493	Other: metric tonnes CO2e per metric tonne	CANMET Energy Diversification Laboratory
Motor gasoline	2382.2	Other: kg CO2 per m3	GHG Protocol - Mobile
Jet kerosene	2552	Other: kg CO2 per m3	GHG Protocol - Mobile
Other: R-410A	1725	Other: tonnes CO2e per tonne	IPCC - 2000
Other: R-407C	1300	Other: tonnes CO2e per tonne	IPCC - 2000

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: Purchased Electricity - Australia	233.59009	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Barbados	54.5956	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Brazil	24.1015	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - China	212.9071	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - France	21.9700	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - India	253.4421	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Ireland	127.2344	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Luxembourg	113.8455	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Mexico	126.3428	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Singapore	138.7363	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Switzerland	7.5854	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - United Arab Emirates	166.0609	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - United Kingdom	127.0466	Other: kg CO2 per GJ	International Energy Agency (2012) - 2010
Other: Purchased Electricity - Alberta	226.95556	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - British Columbia	2.27889	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Manitoba	0.92644	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - New Brunswick	114.66667	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity -	5.64342	Other: kg CO2e per GJ	Environment Canada (2014) -

Fuel/Material/Energy	Emission Factor	Unit	Reference
Newfoundland			2012
Other: Purchased Electricity - Northwest Territories	90.53333	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Nova Scotia	195.53889	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Ontario	26.67778	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Prince Edward Island	6.14847	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Quebec	0.81708	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Saskatchewan	210.28889	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - Yukon	11.70611	Other: kg CO2e per GJ	Environment Canada (2014) - 2012
Other: Purchased Electricity - eGrid-AZNM	149.04187	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-CAMX	77.27255	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-ERCT	154.08069	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-FRCC	151.42339	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-MROE	204.09702	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-MROW	194.68058	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-NEWE	91.67644	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-NWPP	106.71628	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-NYCW	78.59549	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-RFCE	126.88452	Other: kg CO2e per GJ	US EPA (2014) - 2010

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: Purchased Electricity - eGrid-RFCW	190.44890	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-RMPA	240.18595	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-SPNO	227.89975	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-SRMW	229.36972	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-SRSO	171.48931	Other: kg CO2e per GJ	US EPA (2014) - 2010
Other: Purchased Electricity - eGrid-SRVC	136.02376	Other: kg CO2e per GJ	US EPA (2014) - 2010

Further Information

Page: CC8. Emissions Data - (1 Nov 2012 - 31 Oct 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

24226.61

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

86320.59

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data gathering/management: 1) Completeness – we still estimate a percentage of our Scope 1 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for Scope 1 facilities/transportation equipment emissions is gathered internally by BMO personnel or via facilities managers (for facilities). 2) Accuracy - there is a degree of risk that data provided by 3rd party providers (facilities managers) is not completely accurate. We rely on the internal controls implemented by our facilities managers and periodically audit their processes to provide a reasonable level of assurance regarding their activities. Data handling: 1) Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation spreadsheets also introduces the risk of error. For internally gathered information, we task one individual to gather and consolidate the monthly data to a spreadsheet record with verification checks performed by separate individuals on a spot check basis. We focus the spot checks on those facilities with the largest consumption in order to mitigate any significant misstatements. We request the same processes be followed for information provided by our facilities managers (e.g. where they have responsibility for utility bill handling for our owned facilities). We attempt to mitigate	More than 2% but less than or equal to 5%	Data Gaps Metering/ Measurement Constraints Data Management	We consider the main sources of uncertainty with respect to our data as follows: Data gathering/management: 1) Completeness – we still estimate a percentage of our Scope 2 emissions due to the lack of available data (data gaps & metering/measurement constraints). Consumption data for Scope 2 facilities emissions is gathered internally by BMO personnel or via facilities managers. 2) Accuracy - there is a degree of risk that data provided by 3rd party providers (facilities managers) is not completely accurate. We rely on the internal controls implemented by our facilities managers and periodically audit their processes to provide a reasonable level of assurance regarding their activities. Data handling: 1) Collection and transposition of data from original utility invoices to energy recording systems and/or consolidation spreadsheets also introduces the risk of error. For internally gathered information, we task one individual to gather and consolidate the monthly data to a spreadsheet record with verification checks performed by separate individuals on a spot check basis. We focus the spot checks on those facilities with the largest consumption in order to mitigate any significant misstatements. We request the same processes be followed for information provided by our facilities managers (e.g. where they have responsibility for utility bill handling for our owned facilities). We attempt to mitigate transposition risk when uploading to the

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		transposition risk when uploading to the GHG:ID Tool by using automated methods to perform the data loading activities and use check totals, comparing before and after. Data collected from across the enterprise and from 3rd party providers is populated in a data collection template. Any gaps requiring estimation are identified during this process. The populated data collection template is then loaded into the GHG:ID Tool where data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. For internally developed spreadsheet driven calculations, we mitigate these risks by segregating the responsibilities for creation and verification between separate individuals.			GHG:ID Tool by using automated methods to perform the data loading activities and use check totals, comparing before and after. Data collected from across the enterprise and from 3rd party providers is populated in a data collection template. Any gaps requiring estimation are identified during this process. The populated data collection template is then loaded into the GHG:ID Tool where data integrity checks are completed (facility counts, record counts and consumption total checks) to ensure that the data has been loaded consistently from one program to another. For internally developed spreadsheet driven calculations, we mitigate these risks by segregating the responsibilities for creation and verification between separate individuals.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/BMO Emissions Verification Statement FY2013 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/BMO Emissions Verification Statement FY2013 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
No additional data verified	Absolute emissions as at year end for Scopes 1+2+3 only - no additional data points.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Nov 2012 - 31 Oct 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	12357.49
United States of America	11869.13

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility
By GHG type
By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
BMO Bank of Montreal	12357.49
BMO Harris Bank	11869.13

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Retail Facilities (Branches, ATMs)	14703.84	90	-180
Office Facilities	4615.93	90	-180
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	3165.74	90	-180
Transportation Equipment	1741.10	90	-180

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CH4	44.34
N2O	21.84
CO2	24068.85
HFCs	91.58

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Stationary combustion (facilities)	22393.93
Mobile combustion (transport)	1741.10
Fugitive emissions (HFCs - facilities)	91.58

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Nov 2012 - 31 Oct 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Canada	16215.63	143746.45	23797
United States of America	70104.96	107254.94	91400

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division
By facility

By activity

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
BMO Bank of Montreal	16215.63
BMO Harris Bank	70104.96

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
Retail Facilities (Branches, ATMs)	66950.17
Office Facilities	12111.38
Special Purpose Facilities (Operations Centres, Data Centres, Learning Centres)	7259.04

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
Stationary combustion (facilities)	86320.59

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh

Energy type	MWh
Fuel	126520.72
Electricity	240847.95
Heat	0.00
Steam	10153.45
Cooling	0.00

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	112000.17
Distillate fuel oil No 2	7715.50
Jet kerosene	3238.93
Motor gasoline	3566.12

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Tracking	91400.00	In the United States, BMO has purchased renewable energy certificates for the last 4 years. The 91,400 MWh amount

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
instruments, RECS (USA)		quoted is our annual purchase for FY2013. While we support renewable energy through the purchase of RECs, we do not account for electricity using a low carbon emissions factor as part of our stated emissions inventory, rather detail the amount for transparency purposes only.
Other	23797.00	Tracking instruments, RECS (Canada) - In Canada, BMO has purchased renewable energy certificates for the last 6 years. The 23,797 MWh amount quoted is our annual purchase for FY2013. While we support renewable energy through the purchase of RECs, we do not account for electricity using a low carbon emissions factor as part of our stated emissions inventory, rather detail the amount for transparency purposes only.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.91	Decrease	Real estate related emissions reduction initiatives focused primarily on various programmatic activities including; lighting/signage retrofits, building automation systems implementations, building envelope upgrades and HVAC equipment retrofits/upgrades. Changes in emission factors associated with the electricity grid mix

Reason	Emissions value (percentage)	Direction of change	Comment
			have also contributed to a decrease of emissions however these are recorded separately under “Change in Methodology”.
Divestment	0.00	No change	
Acquisitions	0.00	No change	
Mergers	0.00	No change	
Change in output	0.21	Increase	The increase reported reflects the impacts of additional owned transportation assets in the United States.
Change in methodology	1.82	Decrease	This change represents the net impact resulting from changes in subregional emissions factors for electricity in Canada and eGrid electricity factors in the United States. Emissions factors: CDP 2013 submission (fiscal 2012 data) referenced Environment Canada’s 2011 published subregional (Provincial) electricity emissions factors for Canada. This year’s submission (fiscal 2013 data) references Environment Canada’s 2012 published subregional (Provincial) electricity emissions factors for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in Scope 2 emissions. CDP 2013 submission (fiscal 2012 data) referenced US EPA eGRID 2012 electricity factors for the United States (based on electricity generation data from 2009). This year’s submission (fiscal 2013 data) references US EPA eGRID 2014 electricity factors for the United States (based on electricity generation data from 2010). We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in Scope 2 emissions.
Change in boundary	0.00	No change	
Change in physical operating conditions	0.00	No change	
Unidentified	1.95	Increase	Emissions impacts unidentified. As a large organization it is difficult to gain visibility to all emissions reductions impacts/causes/activities. This is therefore a balancing number and remains unidentified.
Other	3.14	Increase	There are two elements captured here which represent the total percentage change. The first relates to corrections identified to last year’s emissions which account for 1.65% of the change. The second is associated with changes to weather and the impact on emissions from FY2012 to the current FY2013 data period. This represented 1.49% of the recorded change. Methodology for weather normalization - using the changes in Heating Degree Days (HDD) and Cooling Degree Days (CDD) between FY2012 and the current year (FY2013) for the major urban centres in which BMO operates, we have isolated weather specific impacts on our facilities portfolio. While not absolutely precise, we believe this methodology provides some insight into the direction and magnitude of weather related impacts on our emissions.

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0000067975	metric tonnes CO2e	unit total revenue	1.72	Increase	Revenues increased 0.82% in FY2013 versus FY2012. Absolute emissions (tCO2e - Scope 1 & Scope 2) increased by 2.56% over the same period, largely due to unfavourable weather related impacts. For this metric, we have used actual revenues reported and actual emissions reported, year over year. While this information has been provided, as requested, we don't believe that this is the most relevant indicator. We consider the relativity measures of tCO2e per employee and tCO2e per m2 of premises occupied (see CC12.3 and CC12.4 below) as more meaningful.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
2.4226	metric tonnes CO2e	FTE employee	4.0	Increase	Number of employees decreased by 641 or 1.39% (FY2013 vs. FY2012), while absolute emissions (tCO2e - Scope 1 & Scope 2) increased by 2,761.59 or 2.56% over the same period. Unfavourable weather conditions (FY2013 vs. FY2012) have contributed to the overall increase in Scope 1 & Scope 2 emissions, and therefore this intensity metric.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.1204	metric tonnes CO2e	square meter	1.81	Increase	Intensity measure relates to Scope 1+2+3 real estate based emissions per square meter of real estate occupied. Scope 3 real estate based emissions relate to our occupancy of leasehold premises as defined by our "Financial Control" reporting boundary. Real estate m2 decreased marginally in FY2013 (13,718 m2) while total emissions increased by 1.06% (FY2013 vs. FY2012). Unfavourable weather conditions have contributed to the marginally higher absolute Scope 1, Scope 2 and Scope 3 (including leased facilities due to reporting boundary) emissions, and therefore this intensity metric.
0.4751		Other: FTE Employee	10.26	Increase	Intensity measure relates to tCO2e Scope 1 and Scope 3 transportation for business purposes (air/ground) emissions per FTE employee. Number of employees decreased by 641 or 1.39% (FY2013 vs. FY2012). Transportation for business purposes emissions (tCO2e) increased by 8.73% over the same period.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Toronto District School Board (TDSB)	Other: ISO14064-2	46872	46872	Yes	Voluntary Offsetting
Credit Purchase	Landfill gas	Greening Canada Fund - City of Guelph (COG)	Other: ISO14064-2	42098	42098	Yes	Voluntary Offsetting
Credit Purchase	Methane avoidance	Greening Canada Fund - St. Felicien (SF)	Other: ISO14064-2	54684	54684	Yes	Voluntary Offsetting
Credit Purchase	Landfill gas	Greening Canada Fund - North Bay (NB)	Other: ISO14064-2	30880	30880	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - University of Alberta (UOA)	Other: ISO14064-2	15440	15440	Yes	Voluntary Offsetting
Credit Purchase	Methane avoidance	Greening Canada Fund - City of Guelph (SSO)	Other: ISO14064-2	7720	7720	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Greening Canada Fund - Merom Farms Ltd. (MRM)	Other: ISO14064-2	4340	4340	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Commission Scolaire Pointe-de-l'Ile (CSPI)	Other: ISO14064-2	4147	4147	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Les Soeurs de l'Assomption de Sainte-Vierge (SASV)	Other: ISO14064-2	1330	1330	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: industry	Greening Canada Fund - Commission Scolaire Marguerite-Bourgeoys (CSMB)	Other: ISO14064-2	1229	1229	Yes	Voluntary Offsetting
Credit Purchase	Geothermal	Greening Canada Fund - Central de Chauffage de Chicoutimi, S.E.N.C. (CHI)	Other: ISO14064-2	2787	2787	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, not yet calculated				For this question, we have determined those scope 3 categories that are relevant to ensure that BMO's GHG inventory appropriately reflects the emissions of the company, and serves the decision-making needs of users, both internal and external to the company. We asses relevance based on the criteria in Table 6.1 of "The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard", developed by the World Resources Institute and the World Business Council for Sustainable Development. Criteria for determining the relevance of scope 3 emissions include: i) size of the emissions, ii) our ability to influence emissions reductions, iii) extent to which the emissions contribute to our company's risk exposure, iv) if the emissions are deemed critical by key stakeholders , and v) extent to which outsourced activities contribute to our emissions. BMO Financial Group's Scope 3 emissions resulting from our purchase of goods and services are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company’s total scope 3 emissions. Purchased goods and services include: - technology/telecommunications equipment (personal computers, servers, copiers, printers, routers, switches, etc.), - office supplies (e.g. pens, paper, etc.), - furniture and fixtures for premises (desks, chairs, lighting, building materials, etc.), - consulting

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					services as provided by third parties and, - marketing and advertising materials. The primary reason BMO Financial Group has not focused on the specific measurement of emissions related to its supply chain is due to the lack of available source data. Since early 2008 we have employed a Sustainable Procurement questionnaire as part our competitive bid process (supply chain focus) and have scored the results to these questions as part of overall decision process. While this process does not provide results that would allow us to quantitatively answer this question, it has proved beneficial in affecting supplier behaviour for a number of our key relationships.
Capital goods	Not relevant, explanation provided				This is not relevant to BMO as our ongoing strategy is to lease facilities space and transportation equipment for use in our operations whenever possible.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				This scope 3 emission source represents upstream emissions of purchased electricity and the associated transmission and distribution (T&D) losses. We do not consider this relevant for BMO as we have limited ability to influence.
Upstream transportation and distribution	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from upstream transportation and distribution are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company’s total scope 3 emissions. Emissions from the transportation and distribution of products purchased by BMO, between tier 1 suppliers and our own operations (in vehicles and facilities not owned or controlled by BMO) are relevant. We have not attempted to calculate the impact of these emissions to date. Emissions from the transportation and distribution services purchased by BMO related to outbound logistics of sold products (in vehicles and

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					facilities not owned or controlled by the reporting company) are relevant. BMO Financial Group distributes product information to customers and shareholder information to shareholders. Doing so may result in transportation emissions relating to the delivery of paper statements, Annual Reports, Corporate Responsibility Reports and other paper correspondence. The lack of readily available information is the prime reason we do not currently measure/report on emissions from this source.
Waste generated in operations	Relevant, calculated	766	BMO Financial Group is indirectly responsible for the emissions created by the solid waste generated from our operations. In FY2013, we measured and reporting the emissions resulting from solid waste generated from 12 of our owned office buildings. These buildings represent 4.1 million square feet of real estate. Where possible, we continue to expand the scope of our review annually. To gather the raw waste data, we contracted third party providers to conduct waste audits at selected owned facilities (as required by regulation in Ontario) and also secured prorated data from landlords for our tenancy in leased facilities. The content of the waste audit reports and landlord provided data allowed us to detail the break-down of waste to landfill/recycling. The waste to landfill data was annualized and input to the ICF International GHG:ID Tool to calculate the resulting emissions. The emission factor used by the GHG:ID Tool is specifically calibrated for corporate GHG inventories,	100.00%	BMO Financial Group's Scope 3 emissions resulting from waste generated in operations are deemed relevant from a size perspective, as they contribute to the company's total scope 3 emissions. The percentage noted relates to the data available for the 12 major facilities noted. A significant number of our facilities are smaller in size and geographically dispersed across North America. It is not economical to gather waste information from these locations and our focus is therefore on those larger facilities which are either owned or, if leased, where we are a major tenant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			based on the EPA published WaRM tool. The mixed Municipal Solid Waste factor incorporates all emissions associated with transporting the waste, dumping it in a landfill, degrading and releasing methane as it decomposes in anaerobic conditions, and finally the residual biogenic carbon "credit" for the biogenic carbon that gets stored in the landfill long term. The factor accounts for not only methane, but also CO2 as well (all converted and expressed as the CO2 equivalent factor).		
Business travel	Relevant, calculated	19937.8	As a financial institution, our most significant Scope 3 emissions relating to employee business travel include the following: commercial air, ground travel (incl. employees' occasional use of personal vehicles for business, rental vehicles, and rail). For the past seven years BMO has used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; "ISO 14064 Part 1: Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". For	100.00%	BMO Financial Group's Scope 3 emissions resulting from business travel are deemed relevant from a size perspective, as they contribute significantly to the company's total scope 3 emissions. We obtain primary data for the types of employee business travel noted (commercial air, rental cars, personal automobile and rail). Due to the lack of readily available data for ground transportation such as taxis, limousines and public transit, these emissions are not included in our inventory.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			transportation data, we utilize the following data collection methodology: Commercial Air Travel data for business purposes is provided by our preferred travel supplier on an annual basis. The data provided consists of one-way flight segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool for short haul, medium haul and long haul flights. Ground Travel 1) Employee travel for business purposes using personal vehicles – all data is captured via our internal expense reimbursement system as claims are submitted. Annually we extract this data and use kilometres travelled and a proxy for vehicle type (mid-sized automobile efficiency) within the ICF International GHG:ID Tool for calculation of emissions. 2) Rail travel data for business purposes is provided directly by our rail service suppliers on an annual basis. The data provided consists of one-way rail segment distances and the number of instances of each segment travelled. This information is used to calculate the relevant emissions within the ICF International GHG:ID Tool. 3) Rental vehicles – data is provided by our two preferred suppliers on an annual basis. The data consists of vehicle type and total distance travelled. The data combined with a proxy for vehicle type (mid-sized automobile efficiency) is used within the ICF International GHG:ID Tool for calculation of		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			the relevant emissions. Emissions are reported as tCO2e.		
Employee commuting	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from employee commuting are deemed relevant from a size perspective, as they would contribute to the company's total scope 3 emissions. Emissions from approximately 45,600 employees commuting between their homes and BMO Financial Group workplaces are relevant. The lack of readily available information about their commuting modes and travel distances is the prime reason we do not currently calculate/report on emissions from this source.
Upstream leased assets	Relevant, calculated	91522.45	Based on our reporting boundary (Financial Control) and contractual obligations per leased facilities (per GHG Protocol Standard), emissions from leased premises have been classified as Scope 3. The emissions relating to fuel combusted and purchased electricity used in our leased facilities (Scope 1 & Scope 2 emissions of the lessor), form a significant portion of our total Scope 3 emissions reported. For the past seven years BMO has used a customized version of ICF International's GHG:ID Tool for the calculation of greenhouse gas emissions. The ICF International GHG:ID Tool for BMO is fully compliant with both: "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol") and; ISO 14064 Part 1:	66.88%	BMO Financial Group's Scope 3 emissions resulting from upstream leased assets are deemed relevant from a size perspective, as they contribute significantly to the company's total scope 3 emissions. Actual consumption data obtained for 66.88% (based on percentage of emissions calculated). Consumption estimates are utilized for leasehold facilities where actual data is not available. Consumption estimates are calculated based on type of facility, and either a proxy for intensity per square foot where sufficient sample of similar facilities (with actual data) available, or based on published intensities for facility type by subregion (state/province) or region (country) as applicable.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			Greenhouse gases — Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. At our request, consumption data is provided annually by the landlord/facilities managers for the facilities occupied by BMO Financial Group. In those instances where check meters are installed, actual consumption information for fuels/electricity is used to reflect our actual consumption. In the absence of this specific level of information, we receive consumption information for the entire facility and based on the area occupied by BMO Financial Group, we determine our prorated portion for each of the fuels/electricity consumed. We also ask for confirmation from our landlords that the information provided accurately reflects the consumption figures provided and for a number of facilities, we receive the actual source utility data. We retain a detailed calculation worksheet for each of the leased properties where information has been gathered in this manner. The consumption data provided is routinely reviewed for intensity (consumption/square foot) to identify any obvious anomalies for further investigation. Finally, the consumption information is then input to the ICF International GHG:ID tool to calculate the relevant emissions.		
Downstream transportation	Not relevant, explanation				Not relevant as this Scope 3 activity source includes only emissions from transportation and distribution of

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
and distribution	provided				products after the point of sale – not applicable to BMO.
Processing of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Use of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
End of life treatment of sold products	Not relevant, explanation provided				As a financial institution, our products are financial services as opposed to tangible goods and therefore this Scope 3 source is not relevant.
Downstream leased assets	Not relevant, explanation provided				Any assets that BMO owns and leases to 3rd parties are included in our Scope 1 and Scope 2 reported numbers.
Franchises	Not relevant, explanation provided				BMO Financial Group does not engage in franchise activity and therefore this Scope 3 source is not relevant.
Investments	Relevant, not yet calculated				BMO Financial Group's Scope 3 emissions resulting from investments are deemed relevant from a size perspective, as they have the potential to contribute significantly to the company’s total scope 3 emissions. We are aware of the discussions related to financed emissions and are following the work being done by the GHG Protocol and the UNEP Finance Initiative re: disclosure guidance for financial institutions but at this stage, we have not evaluated the impact on our organization. There are many factors to be considered including availability, credibility, and consistency of information as well as the direction of the regulatory landscape in North America which is where the bulk of our activities take place.
Other					

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
(upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/17/1417/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/BMO Emissions Verification Statement FY2013 (Morrison Hershfield).pdf	Pages 1 & 2	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Upstream leased assets	Emissions reduction activities	1.84	Decrease	The decrease is attributed to fuel and energy related reductions in our leased real estate facilities (Scope 1 & Scope 2 emissions of the lessor). Reduction activities focused primarily on energy efficiency programs including; lighting/signage retrofits and building systems upgrades where BMO has the opportunity to positively effect change. Changes in emission factors associated with the electricity grid mix have also contributed to a decrease of emissions however these are recorded separately under “Change in Methodology”.
Upstream leased assets	Change in output	0.25	Increase	The net increase reported reflects the impacts of leasehold facilities occupied for the full year in FY2012 and vacated in FY2013, as well as those leasehold facilities that were not in our inventory in FY2012 and occupied in FY2013.
Upstream leased assets	Acquisitions	0.11	Increase	In 2013 BMO completed the acquisition of Aver Media, absorbing additional facilities in Canada and the United Kingdom and increasing our real estate footprint marginally. Facilities acquired are leased premises and are included in our Scope 3 emissions due to our reporting boundary of Financial Control. Also captured here are the full year impacts of FY2012 acquisitions (partial year impact for FY2012).
Upstream	Change in	0.59	Increase	This change represents the net impact resulting from changes in subregional emissions factors for

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
leased assets	methodology			electricity in Canada and eGrid electricity factors in the United States. Emissions factors: CDP 2013 submission (fiscal 2012 data) referenced Environment Canada's 2011 published subregional (Provincial) electricity emissions factors for Canada. This year's submission (fiscal 2013 data) references Environment Canada's 2012 published subregional (Provincial) electricity emissions factors for Canada. We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity emissions related to upstream leased assets. CDP 2013 submission (fiscal 2012 data) referenced US EPA eGRID 2012 electricity factors for the United States (based on electricity generation data from 2009). This year's submission (fiscal 2013 data) references US EPA eGRID 2014 electricity factors for the United States (based on electricity generation data from 2010). We have isolated the impacts of the change in emissions factors as a contributing factor for the overall change in electricity for upstream leased assets.
Upstream leased assets	Other: Weather related impacts	1.04	Increase	Using the changes in Heating Degree Days (HDD) and Cooling Degree Days (CDD) between FY2012 and the current year (FY2013) for the major urban centres in which BMO operates, we have isolated weather specific impacts on our leased facilities portfolio. While not absolutely precise, we believe this methodology provides some insight into the direction and magnitude of weather related impacts on our emissions for upstream leased assets.
Upstream leased assets	Unidentified	0.52	Decrease	Emissions impacts unidentified. As a large organization it is difficult to gain visibility to all emissions reductions impacts/causes/activities. This is therefore a balancing number and remains unidentified.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

BMO's engagement with suppliers to date, relative to climate change, has been focused largely on practical initiatives.

Example 1:

Renewable energy purchase (Renewable Electricity Certificates -RECs) for Canadian retail branches. As part of our Carbon Neutrality commitment, BMO has invested in renewable energy to reduce emissions. Over the past 5 years, we have developed a strong relationship with our preferred vendor and in addition to our corporate commitment, have worked with them to extended discount offers to BMO employees and customers for their purchase of renewable energy.

BMO's investment in renewable energy, in addition to assisting the organization meet its carbon neutral goal, provides the potential to positively impact its reputation. In addition to our commercial relationship, and as part of our partnership efforts, the vendor has engaged in education sessions in a number of markets where their offering is available and opened the forums to BMO customers and employees. These sessions attempt to educate attendees on the merits of renewable energy, including facts regarding the percentage composition of renewables at the provincial level and other pertinent information.

Quantitative benefits are difficult to determine as the correlation between increased customer loyalty/revenues, as a result of our partnership and investment in renewable energy, is challenging. Evidence is anecdotal at best, based on qualitative feedback and support from customers.

Example 2:

In partnership with our preferred supplier for office products, BMO keeps office ink and toner cartridges out of landfills by offering the THINK! recycling program. When a cartridge is depleted, office staff requests a pickup online. Old ink and toner cartridges are then either recycled or manufactured.

BMO employees respect the sustainability efforts of the company and the potential for employee retention and/or attraction, through simple measures such as these, may be increased.

As an enterprise-wide recycling program, THINK! raises employee awareness of the hazardous effects of e-waste and the importance of recycling cartridges. It also brings attention to the organizational challenge of waste reduction and opens the lines of communication on this topic.

The quantitative benefits of this program relate to cost avoidance relative to waste management. Whether the ink and toner were recycled or sent to landfill, waste management service fees would apply. The THINK! Program, therefore, serves to reduce these costs, but the amounts have not been quantified to date.

In 2013, BMO employees saved 2,587 ink and toner cartridges from the landfill, which equates to approximately three tonnes of metal and plastic diverted from landfill.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
2	0.31%	Relative spend is associated with the two examples provided in CC14.4a.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	To date, we have not asked for GHG emissions data from suppliers. We leverage initiatives such as the ones described in internal and external communications to promote our collaborative efforts with suppliers in the area of sustainability.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category

Further Information

CDP