

BMO's 2012 ESG Scorecard

	2012 ¹	2011 ¹	2010 ¹
Environmental			
Renewable energy financing:			
i. Involvement in equity and debt financings (\$ billions)	\$3.6	–	–
ii. Lending commitments (\$ billions)	\$1.6	–	–
Operational footprint:			
a. Renewable energy purchases (MWh) [▲]	115,213 ²	115,213 ²	115,213 ²
b. Scope 1 emissions (tCO ₂ e)	³	21,151	16,545
c. Scope 2 emissions (tCO ₂ e)	³	65,603	48,362
Social			
Employees:			
a. Diversity and Inclusion:			
i. Women executives Canada & U.S. (%) [▲]	33	34	33
ii. Visible minority employees Canada (% in senior and executive roles) [▲]	21	20	18
iii. Minority employees U.S. (% in senior and executive roles) [▲]	7	8	9
iv. Persons with disabilities Canada (% of total workforce) [▲]	2.5	2.4	2.5
v. Aboriginal employees Canada (% of total workforce) [▲]	1.4	1.4	1.4
b. Employee Engagement Index (EEI)(%) [▲]	75	76	74
c. Turnover rate:			
i. Canada (%) [▲]	9.8	8.0	–
ii. U.S. (%) [▲]	11.8	9.2	–
Community Investment:			
a. Donations and Sponsorships (\$ millions) [▲]	87,629	66,440	54,302
Governance			
Board Diversity:			
a. Women on Board of Directors (%)	33%	25%	23.5%
Business Conduct:			
a. Ethics training (% completion) [▲]	98.8	99.2	–
b. Significant fines or non-monetary sanctions for non-compliance ⁴	0	–	–
c. Incidents of discrimination (from external bodies) [▲]	21	24	–

Legend:

¹ Fiscal Year (November 1 to October 31)

² Part of a 3 year contract

– Not publicly disclosed

³ Available online in June 2013 at: [Environmental Performance](#)

⁴ A fine is classified as “significant” if it is greater than \$500,000 in monetary value or is deemed by the external regulatory body to relate to unethical business practices.

[▲] 2012 data externally assured (Refer to KPMG’s external assurance statement contained within the 2012 ESG report)

ESG Scorecard Glossary

Community Investment

Total amount invested, presented in Canadian dollars, during the reporting period relating to enterprise-wide donations and sponsorships:

- **Donations:** Includes cash-based donations and donations as part of the Matching Gifts Program and Voluntary Grants Program. Excludes in-kind donations and fundraising dollars.
- **Sponsorship:** Includes cash-based sponsorship or “rights fees” which are negotiated as a sponsorship package paid by BMO. The figure also includes expenses related to the sponsorship event (food and beverage, promotional material, advertising, etc.). Sponsorship includes sponsorships provided to both commercial and non-profit entities.

Diversity

Diversity metrics include women employees in executive roles (Canada and the U.S.), visible minority employees in senior and executive roles (Canada only) and minority employees in senior and executive roles (U.S. only), Aboriginal employees (Canada only) and employees with disabilities (Canada only). All active employees and those employees on short-term disability are included in the metric.

Data is reported for the period November 1 to October 31. Diversity metrics have been re-stated for 2011 and 2010 to align with the November 1 to October 31 reporting period.

Employee Engagement Index (EEI)

A point-in-time score of employee engagement levels at the time the Annual Employee Survey is administered. Employee engagement is measured using indicators that assess employees’ relationship with BMO, their manager, career, job, work group and customers. Relationship scores are then used to determine the overall engagement level. The EEI score includes all BMO employees worldwide.

Environmental, Social and Governance (ESG)

ESG is the term we use to describe the three different areas of concern when looking at sustainability issues that have or may have an impact on our stakeholders or our business.

Ethics training coverage

The percentage coverage of ethics training is calculated by dividing total active employees who completed BMO’s code of conduct and ethics training course, *FirstPrinciples*, during the period April 1 to June 30 by the total number of active employees as at June 30. Ethics training coverage includes all BMO employees worldwide.

Incidents of discrimination

Includes both the number of incidents communicated to BMO and the number of incidents resolved during the reporting period. Claims or allegations made against BMO are recorded as incidents of discrimination if they have been received from an applicable external legislative or regulatory human rights body. Incidents of discrimination can include claims and allegations relating to age, gender, persons with disabilities and ethnicity. Excludes internally reported claims.

Renewable energy purchases

Refers to total purchases in megawatt-hours (MW/h) of renewable energy certificates (RECs) during the reporting period. In Canada, RECs represent power from certified wind and low-impact hydro generators and have been used in retail branches in the provinces of Ontario, British Columbia, Alberta, Nova Scotia, New Brunswick and Prince Edward Island. In the U.S., RECs represent power generated from wind turbines. In both Canada and U.S., the RECs are retired after purchase through legal contract with the supplier.

Scope 1 emissions

Refers to direct greenhouse gas emissions from sources owned and/or controlled by BMO. Total Scope 1 emissions are calculated in accordance with the ISO 14064-1 standard and include those resulting from energy combustion from owned facilities (e.g., natural gas, heating oil, other fuels,), owned transportation assets, and some ozone-depleting substances. This definition of Scope 1 aligns with the greenhouse gas (GHG) protocol and is reported at an enterprise-wide level for the period November 1 to October 31.

Scope 2 emissions

Refers to indirect greenhouse gas emissions associated with the generation of electricity, heating and cooling, or steam purchased for an organization’s own consumption. BMO’s total Scope 2 emissions represent our worldwide operations and include those resulting from the purchase of non-renewable electricity and steam for use at our owned facilities. This definition aligns with the GHG protocol and is reported for the period November 1 to October 31.

Significant fines or non-monetary sanctions for non-compliance with laws and regulations

Refers to significant monetary fines that have been levied against BMO by a regulatory body during the reporting period. A fine is classified as “significant” if it is greater than \$500,000 in monetary value or is deemed by the external regulatory body to relate to unethical business practices. Non-monetary sanctions refer to the prohibition of BMO to operate in certain jurisdictions or product lines.

Significant fines or non-monetary sanctions excludes fines or sanctions levied directly on employees by regulators for breach of trading rules, where it has been determined that BMO has adequate policies and procedures in place to prevent non-compliance. This is determined by the regulatory body that performs an investigation of the individual and the organization to ensure the organization was not aware of and unable to prevent the individual’s behaviour with better policies and procedures.

This metric excludes fines or non-monetary sanctions for non-compliance with environmental law and regulations.

Turnover rate

Employee turnover rate refers to the voluntary attrition during the reporting period as a proportion of the number of active employees at the end of the reporting period. Turnover rate excludes employees who retire or are terminated during the period.