

A Message from the CEO

Boldly Grow the Good in business and life: this is how we sum up BMO's Purpose. By attaching intention to our strategic priorities, our Purpose informs every action we take to foster and accelerate positive change.

It begins with acting transparently, and to the highest standards of business conduct, as we build the trust that allows us to lead by example in advancing positive change. And our Purpose naturally underpins the bank's longstanding commitment to sustainability – not just in a few special initiatives, but as an integral part of how we think, work and do business.

The significance of what we're achieving together extends far beyond traditional metrics. We also measure value in terms of human and intellectual capital, social and relationship capital, and our stewardship of the planet's non-renewable resources. For as long as BMO has been in business, we've understood that no company can succeed unless it's working every day to make things better for communities, society and the environment. Understanding what matters to diverse stakeholders means asking the right questions – often hard questions – and really listening to the answers. And then we need to act together, because success can and must be mutual.

In the past year, BMO has made bold commitments in three areas: we're focused on growing the good for a sustainable future, for

a thriving economy and for an inclusive society. The initiatives launched within this framework cut across all areas of our business. And they reinforce our role as a convener and catalyst, inspiring powerful partnerships with a wide variety of stakeholders – from environmentally conscious investors, to women entrepreneurs, to the tens of thousands of talented people across our bank who demonstrate every day the value of fostering diversity and inclusion.

We're especially proud to be making a difference in sustainable finance, an area of growing opportunity where BMO has committed to mobilizing \$400 billion by 2025. In October 2019, we issued an inaugural sustainability bond allocating US\$500 million over three years to a range of environmental and social asset categories, including renewable energy, green buildings and infrastructure, pollution prevention and control, sustainable land use, Indigenous communities and women-owned businesses. This last area of focus mirrors our earlier pledge to make \$3 billion in capital available to Canadian women entrepreneurs by 2021. And we're also launching, with \$250 million in seed capital, an impact investment fund

that will identify promising solutions to sustainability challenges and help bring them to scale.

Many of BMO's sustainability efforts are framed by the global response to climate change. Like our stakeholders, we recognize that this urgent issue requires decisive action, and we're proud to have evolved and refined our approach to the challenge. The results are detailed in our Climate Report, which is aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Transitioning to a lower-carbon economy is a complex task that will take time. Innovative companies, supported by the capital we provide, can help accelerate that transition. At the same time, we're working alongside BMO's many partners in the energy sector as they advance sustainable development while maintaining their crucial role in the economy. We all understand the need to balance the various dimensions of sustainability – social, economic and environmental – as we collaborate on meaningful and lasting solutions.

That same understanding drives our efforts to address economic disparity and inequality of opportunity through our support for both public sector and charitable organizations. In October 2019, for example, we announced a \$10 million corporate donation to United Way of Metro Chicago aimed at fostering economic inclusion and creating sustainable opportunities in neighbourhoods across



Chicagoland. This initiative complements a similar \$10 million investment BMO made last year in partnership with United Way Greater Toronto. In addition, over 90% of our employees make generous donations – and thousands volunteer their time – in support of socially conscious charities. Together, we're helping to close the fairness gap for those who face barriers to success.

A deep sense of conviction anchors all of the initiatives showcased in this report. BMO's Purpose is the standard by which we define and measure ourselves. And it establishes common ground for working together with our customers, our employees, our shareholders and our communities – empowering all of us to create shared value that's both good and bold.

Darryl White
Chief Executive Officer
BMO Financial Group