
A Message from the CEO

The extraordinary challenges of 2020 have only deepened BMO's commitment to sustainability. As we've joined with our customers and other stakeholders to address the constantly evolving pandemic, we've also worked to ensure the long-term, positive social impacts of every decision. Our bank's strength and stability are anchored by this fundamental insight: resilience and sustainability go hand in hand.

When the global pandemic emerged in March 2020, we moved quickly to protect the health of BMO's employees, customers and communities. Then, as the coronavirus took its toll on the North American economy, our whole organization came together – even as many of us worked remotely – to provide financial support and advice to our customers while expediting access to government relief programs.

Banks play a vital role in driving economic recovery. It's part of our responsibility as trusted stewards of the financial system and enablers of long-term growth. And in BMO's case, it reflects our deep-rooted belief in doing what's right – consistently, equitably and sustainably. We sum it up in a simple statement of purpose: **Boldly Grow the Good in business and life.**

This 2020 Sustainability Report provides concrete evidence of BMO's purpose in action. From our bold initiative against racial injustice to our support for the global effort to address climate change, our commitment to growing the good – for an inclusive society, for a

thriving economy, for a sustainable future – underpins everything we do.

Banking on Sustainability

BMO continues to be a leader in sustainable finance, offering businesses and governments innovative ways to align financial priorities with broader sustainability goals. Just a few examples from the past year show the scope of our contribution:

- We acted as joint lead manager for the World Bank on a landmark US\$8 billion sustainable development bond for pandemic relief.
- We developed Canada's first sustainability-linked commercial loan, a \$2 billion credit facility with interest rates tied to specific targets for carbon emissions and other factors.
- BMO was joint bookrunner on a US\$700 million high-yield green bond for a wind and solar power utility – only the third such bond ever issued in the U.S.

Another area where we've taken the lead is responsible investing, which enables investors to build more resilient portfolios. BMO Global Asset Management engages directly with many companies on behalf of our clients, working with them to improve how they manage environmental, social and governance (ESG) issues – because responsible investing strategies that consider ESG factors have been shown to generate higher returns with lower risk over the long term.

Transitioning to a New Reality

Many of BMO's sustainability initiatives address the urgent issue of climate change. While we've seen growing awareness of the scale of the threat – to the environment, as well as to human health, livelihoods, business and economic well-being – the world is still grappling with the transition to a lower-carbon economy.

BMO is committed to being part of the solution. Working with a wide range of stakeholders, we're building a transition strategy that focuses on social and economic outcomes alongside climate impacts. Together, we're creating opportunities for businesses and communities to thrive while ensuring that no one is left behind. Our rigorous approach, adopting the recommendations of the Task Force on Climate-related Financial Disclosures, is detailed in our 2020 Climate Report.

Removing Social Barriers

BMO has long been committed to advancing equity, diversity and inclusion in our workforce and the communities we serve. During the past year, as cities across the U.S. and Canada witnessed troubling incidents of racial injustice, millions of people were united by the conviction that it's time – once and for all – to push for meaningful change.



Adding to that momentum, BMO has taken another step forward with an initiative we call *Zero Barriers to Inclusion 2025*. Within the bank, we've committed to recruit and develop diverse talent and provide clearer paths to advancement. For our customers, we're removing barriers by providing more capital for minority-owned businesses and facilitating other types of financing. And at the community level, in addition to donating \$1 million to organizations promoting racial justice, we're expanding our support for inclusive local economic initiatives modelled on the multi-million-dollar investments we're already making in Chicago and Toronto.

Efforts like these define BMO, which was recently ranked in the top 15 – and first among all banks – in the 2020 Wall Street Journal survey of the 100 Most Sustainably Managed Companies in the World. Such recognition reinforces the larger message of this report: sustainability is core to our business. It's integral to how we make decisions, work together and partner with others who share our goals, our values – and our commitment to growing the good.

A handwritten signature in black ink, appearing to read 'D. White'.

Darryl White
Chief Executive Officer
BMO Financial Group