Bank of Montreal’s response re a Rainforest Action Network report raising allegations of environmental and human rights violations.

3 June, 2019

Business & Human Rights Resource Centre invited Bank of Montreal to respond to the following item[s]:

• “Banking on Climate Change: Fossil Fuel Finance Report Card 2019” (Executive Summary), Rainforest Action Network, May 2019

• “Banking on Climate Change: Fossil Fuel Finance Report Card 2019” (Full Report), Rainforest Action Network, May 2019

Bank of Montreal sent us the following response:

I’m writing to respond to the request for comment from the Business and Human Rights Resource Centre. Climate change is one of the defining issues of our generation and is a topic that BMO is actively addressing in our sustainability program and approach to environmental and social risk management.

BMO’s activities are guided by our strategic priorities and sustainability principles of social change, financial resilience, community-building and environmental responsibility. This includes reducing our environmental footprint while considering the impacts of our business activities as we work with stakeholders who share our commitment to sustainability.

Our Statement on Climate Change provides more information on our approach: https://www.bmo.com/cr/files/BMOClimateChangeDec2018.pdf. As noted therein, BMO publicly supported the Financial Stability Board’s recommendations of the Task Force On Climate Related Financial Disclosure (TCFD) in early 2018.

Our approach to responsible lending is set out in our Environmental, Social and Governance Report (ESG Report). The 2018 Report can be found online at https://corporate-responsibility.bmo.com/wp-content/uploads/2018/12/BMO\_ESG\_PAS2018en.pdf. Through our lending practices, we can encourage borrowers to make socially responsible choices in their operations. This is an important issue for BMO, especially as we consider how we can best support the transition to a lower-carbon economy in partnership with our clients. As part of this, we actively seek out and support companies that develop renewable energy projects such as solar, wind, hydroelectric and biomass generation – as well as customers who adopt their own sustainability practices.

As discussed in our ESG Report, in 2018 BMO Capital Markets participated in $6.8 billion of renewable energy equity and debt financing and provided $3.9 billion in renewable energy loan commitments to renewable entities and renewables projects. We also underwrote and advised on $6.3 billion in sustainable finance, including green and sustainable development bonds, for our clients. This sustainable finance activity is an important way that BMO positively contributes to the global transition to a lower carbon economy.

We are also signatories to the Equator Principles agreement, which is the world’s leading framework for environmental and social risk management for projects within its scope. In 2018 BMO Financial Group was elected to the Steering Committee of the Equator Principles as the North American regional representative.

Operationally, we have effectively reduced our own environmental footprint and have maintained carbon neutrality across the entire enterprise since 2010. We have also set and successfully achieved three separate absolute emissions reductions targets over the past 10 years and continue to challenge ourselves to do more.

BMO is committed to operating in a manner that balances our commitments to all stakeholders as we pursue our business strategy and strive to fulfill our broader social responsibilities. We take this commitment seriously and will continue to do so. More information can be found on our website at bmo.com/corporate responsibility.