

News

FOR IMMEDIATE RELEASE

BMO Real Estate Partners publishes Net Zero Carbon pathway for European property portfolios

LONDON, 13 October 2021 – BMO Real Estate Partners (BMO REP), the pan-European property investment and asset management arm of BMO Global Asset Management, today announces a phased pathway to decarbonising its business and becoming net zero carbon by 2050 or sooner. This ambition is aligned with BMO REP's longstanding commitment to delivering sustainable property assets, meaning it benefits from a solid foundation from which to eliminate carbon emissions under its control and contribute towards meaningfully reducing the built environment's impact on climate change.

BMO REP's approach is consistent with the UK Better Buildings Partnership's Net Zero Carbon Pathway Framework and will apply across its real estate operations in Europe. It will set short-, medium- and long-term delivery targets, with the goal of becoming third party certified as carbon neutral by 2032 and culminate in achieving net zero carbon status by 2050. It has committed to a phased implementation of the following measurable actions:

- Understand emissions relating to all acquisitions, bringing new property assets in line with net zero carbon trajectory within two years
- Amend internal management processes to reflect the enhanced importance of carbon characteristics and integrate practices into individual asset business plans
- Reduce operational emissions from standing assets to achieve energy intensities that are in line with the Paris Climate Agreement
- Reduce embodied carbon from building projects, promoting and encouraging good practice across the construction process
- Develop and implement a certified carbon offsetting strategy as a last resort to be considered only after the adoption of all available improvement actions.

A key deliverable and part of BMO REP's strategy will be to improve data quality and reduce reliance on estimations through enhanced occupier and supply chain engagement. The manager will also create an internal shadow price of carbon to clearly communicate climate related risk and opportunities in investment decision making, encouraging best practice amongst associated third parties.

This environmental goal forms a key element of BMO GAM's commitment as a founding signatory of the Net Zero Asset Managers Initiative. BMO REP also benefits from the strong reputation, heritage and pedigree of its parent company, BMO Global Asset Management, where responsible investing and stewardship are an integral part of the company mindset and culture.

Andy Szyman, Head of Sustainability, BMO Real Estate Partners said: "ESG considerations and interventions have always been part of our mind-set at BMO REP, with

numerous examples across portfolios of the notable benefits this delivers from both an investment and sustainability perspective. These successes drive our ambition and underpin our commitment to a transparent net zero carbon strategy for the mutual benefit of our clients, our industry and wider society. We are determined to build on our proud pedigree and heritage and look forward to reporting on our progress in achieving these targets.”

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About BMO Real Estate Partners

BMO Real Estate Partners are BMO Global Asset Management’s direct real estate specialists and a key part of BMO Global Asset Management Alternatives offering, managing £6.7bn¹ of assets across the UK and Europe through diversified and specialist strategies.

BMO Real Estate Partners employs more than 140 staff, including more than 20 investment managers and over 25 asset managers overseen by a highly experienced and well-regarded management team. BMO Real Estate Partners has a strong localised presence with offices in London, Paris and Munich, as well as on-the-ground reach in core European markets including Spain and Italy.

BMO REP’s focus is to create and manage successful property investment portfolios for our clients and properties that work for our occupiers

While it retains an independent, agile and entrepreneurial approach to its investment activity, BMO Real Estate Partners is able to call on the support structure and expertise of BMO Global Asset Management.

About BMO Global Asset Management

BMO Global Asset Management is a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents.

Our four major investment centres in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class specialist managers strategically located across the globe: BMO Real Estate Partners, LGM Investments and Pyrford International Ltd.

BMO Global Asset Management is a signatory of the United Nations-supported Principles for Responsible Investment initiative (UNPRI).

¹ Assets Under Management (AUM) reported is as at 30.06.2021 and includes both discretionary and non-discretionary assets.

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN \$971 billion as of 31 July 2021².

The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested.

The value of directly held property reflects the opinion of valuers and is reviewed periodically.

These assets can also be illiquid and significant or persistent redemptions may require the manager to sell properties at a lower market value adversely affecting the value of your investment.

Screening out sectors or companies may result in less diversification and hence more volatility in investment values

² https://www.bmo.com/ir/qtrinfo/1/2021-q3/Q321_CorporateFactSheet.pdf