



2010 Employment Equity Narrative Report

2010 Employment Equity Narrative Report BMO Financial Group (BMO)

GENERAL OVERVIEW

Established in 1817 as Bank of Montreal, BMO Financial Group (TSX, NYSE: BMO) is a highly diversified North American financial services provider. With total assets of \$412 billion at October 31, 2010, and 38,000 employees (including 27,091 federally regulated permanent employees), BMO provides a broad range of retail banking, wealth management and investment banking products and solutions.

We serve Canadian clients through BMO Bank of Montreal, our personal and commercial banking business, and BMO Nesbitt Burns, one of Canada's leading full-service investment and wealth management firms.

Our vision is to be the bank that defines great customer experience. We pursue our vision through a unique culture based on BMO's Our Way leadership model and our long-held corporate values which are captured in these action phrases:

- Take Pride
- Keep Your Word
- Embrace Diversity
- Do the Right Thing
- Have the Courage to Win

Ensuring we have a talented, engaged and diverse workforce is one of the highest priorities for BMO Financial Group, and is integral to our vision of being the bank that defines great customer experience. Developing an inclusive, barrier-free workplace and a workforce that reflects the diversity of the communities in which we do business are key objectives that are explicitly aligned with our strategic focus. Performance on these objectives is carefully measured and assessed.

Through diversity and inclusion, we embrace different experiences and cultures, reflect the communities where we work and live and create opportunities for innovative ideas and insights to deliver great customer experience.

QUANTITATIVE REVIEW

The following comments are offered to assist with interpretation of this report.

Application of NOC System

The data reported must be analyzed in the context of the National Occupational Classification (NOC) system prescribed by the Employment Equity Act. The NOC system does not include "sales" and/or "service" job descriptions that accurately capture the skills, expertise and responsibilities required for the positions occupied by the majority of BMO's front-line employees. In the absence of an appropriate financial services sales or service NOC, we have captured these employees under the Employment Equity Occupational Group (EEOG) "Administrative and Senior Clerical," which is a misrepresentation of their roles. A proposal to address this concern and amend the NOC system was originally forwarded to Human Resources and Skills Development Canada from the Canadian

Bankers Association in 2000. A similar submission has been forwarded in response to the government’s 2008 NOC review.

Statistical Progress

Women – representation remains strong

Representation remains strong at all senior levels (no significant gaps were noted during the audit process in 2009). In 2010, the representation of women on BMO’s Canadian-based “Senior Managers” executive team grew to 35% — significant progress from 1991 when the representation of women in executive roles was 9%¹. Women represented 56% of the executives hired in 2010.

Promotional data also confirms efforts continued to focus on the advancement of women at BMO. Women experienced higher than overall rates experienced for promotions in the “Middle and Other Managers” and “Professionals” EEOGs (see Table 1).

Table 1: Comparison of the Promotion and Population Levels of Women in “Middle and Other Managers” and “Professionals” to Overall Workforce		
EEOG	Promotions Overall	Promotions of Women
“Middle and Other Managers”	Up 66%	Up 73%
“Professionals”	Up 32%	Up 37%

Visible minorities –representation continues to grow

Growth in the representation of members of visible minorities continues, with representation increasing to 33% in 2010 (no significant gaps were noted during the audit process). An actual increase of 10% in the population of visible minorities occurred; while total BMO population increased by 5%. This higher than total population growth was experienced by visible minorities in “Middle and Other Managers,” “Professionals” and “Administrative and Senior Clerical” categories.

The representation of visible minorities in the “Middle and Other Managers” EEOG has increased to 23%, further surpassing the representation of 15.6% that was required to close the gap noted during the audit process in 2003. Hiring rate of visible minorities in “Middle and Other Managers” and “Professionals” categories increased to highs of 34% and 43% respectively. Based on the 2006 census data, as used in the 2009 audit process, BMO continues to show no gap at the executive level and is well above availability for visible minorities in all other major EEOGs.

The focus on the advancement of visible minorities is further evidenced by the following data (see Table 2).

¹ In 1991 BMO released the findings of its *Task Force on the Advancement of Women*.

EEOG	Promotions Overall	Promotions of Visible Minorities	Population Overall	Population of Visible Minorities
“Middle and Other Managers”	Up 66%	Up 72%	Up 9%	Up 18%
“Professionals”	Up 32%	Up 37%	Up 7%	Up 12%

Aboriginal employees - representation remains steady

In 2010, the overall representation of Aboriginal people remained at 1.5%. Of note is the increase in the population of Aboriginal employees in the “Middle and Other Managers” category which was noted as having a gap during the audit process (see Table 3).

EEOG	Hiring Overall	Hiring of Aboriginal People	Population Overall	Population of Aboriginal People
“Middle and Other Managers”	Up 101%	Up 200%	Up 9%	Up 13%

Also of note is the hiring rate of Aboriginal people in the Clerical category which increased to 2.4% from 2.0% in 2009. This is above current availability of 2.1%, the hiring rate of 2.3% recommended during the audit process, and the highest rate achieved since 1999. It is also the highest number of Aboriginal people (49) ever hired in this category.

Total number of Aboriginal people hired increased by 41% in 2010 and was the highest number of Aboriginal people (84) hired in a year. The termination rate of Aboriginal employees was below 2% for the tenth year in a row - remaining significantly down from peak of 3.1% in 1999. In addition, in 2010, the total number of terminations of Aboriginal employees was down 23% while terminations for total bank were down only 2%.

People with disabilities – continuing focus on recruitment

The representation of people with disabilities decreased to 2.6% in 2010. Together with our recruitment partner, we continue to implement strategies to increase hiring of people with disabilities. The number of hires increased from 2009 by 7% and at 92 was the highest number of people with disabilities hired in any year. Hiring data also confirms the positive impact of hiring strategies implemented in the “Professionals” and “Clerical” categories which were noted as having gaps during the audit process. Notable, our Pre-Employment Training Program (described later in the report) helped to increase the number of hires in the “Clerical” category by 12% in 2010. For “Professionals,” the number of hires increased by 68%, with diversity specialists added to the Special Recruitment Group within our Recruitment and Intake Team. Also of interest is the promotional activity in the “Clerical” category: (see Table 4).

EEOG	Promotions Overall	Promotions of People with Disabilities
“Clerical”	Up 28%	Up 69%

PLANNING AND ACCOUNTABILITY

BMO’s commitment to establishing and sustaining a diverse workforce and an inclusive, barrier-free workplace was first articulated in our 1989 Corporate Strategic Plan. It gained strength and focus with the establishment of four task forces that operated from 1991-1995 that identified the barriers faced by designated groups and articulated action plans for both communication of findings and resolution of issues.

To ensure continued progress, the leadership provided from the executive team is supported by a comprehensive infrastructure, which includes goal-setting, monitoring and evaluation. Through online management information reports, the CEO and BMO executives monitor progress towards our goals on a quarterly basis. Via annual performance appraisals, executives – including those managing provincially regulated lines of business – are accountable for achieving their objectives.

The quarterly Diversity Performance Tracker for Executives, which was added to the suite of executive reports in 2007, assesses and scores performance in terms of hiring, promotions, separations and overall representation of the four designated groups. The enterprise-level diversity results are also included in the CEO’s performance tracker which is submitted to BMO’s Board of Directors.

Executives have key accountability for ensuring that employment decisions support a more diverse workforce, and for developing an inclusive and supportive workplace. Responsibility for diversity is under the direction of the Senior Vice-President for Talent Strategies and Executive Resourcing, allowing BMO to ensure diversity is considered in all processes that support employment decisions.

QUALITATIVE REVIEW

Recruitment

Strengthening the infrastructure for recruitment

- ***Bank-wide student training program***

BMO continued our award-winning² bank-wide student training program for students currently enrolled in colleges and universities across Canada. The goal of the program is to attract, develop and retain students early through summer internships, and ultimately offer them permanent positions upon graduation. As of December 31st, 60 graduates of the program are now employees, with a representation of 43% women, 30% visible minorities, 3% Aboriginal people and 5% people with disabilities.

In 2010, BMO recruited 103 summer students; 54% were women, 18% visible minorities, 6% Aboriginal people and 7% people with disabilities. This strong representation of

² Recruiting & Staffing Best in Class (RASBIC) award in 2005 for the most innovative recruiting and staffing program/initiative.

Aboriginal students and students with disabilities was the result of the continued integration of the Ron Jamieson Internship Program - our partnership with Lime - both established in 2008 and described later in the report - and our successful bank-wide student training program.

- ***Essential training***

In March 2009, BMO developed new training for hiring managers that focuses specifically on hiring and engaging a diverse workforce. This program, *Hiring Essentials*, provides both in-class and online training on the importance of having a diverse team. Modules include *Why Diversity Matters to BMO* and *Hiring to Create a Supportive and Inclusive Culture*. There is also specific guidance on interviewing candidates who are immigrants, candidates with disabilities and candidates with no work experience. Information on the provision of workplace accommodation is also included. Training materials are accessible using JAWS, and video content is close-captioned.

- ***Effective on-boarding***

The online orientation program for new employees highlights BMO's commitment to diversity and inclusion. The design incorporates diverse perspectives in a short, engaging and informative introduction to BMO. Multiple languages and closed captioning are incorporated into the accessible online modules. A key focus of the orientation is individuals sharing their personal perspective on each of our values:

- Take Pride – in what we do and where we work.
- Keep Your Word – never waiver from our commitments to our customers and each other.
- Embrace Diversity – gain strength through our people and our perspectives.
- Do the Right Thing – demonstrate respect for all and earn trust through integrity of our actions.
- Have Courage to Win – focus on what makes us successful.

- ***Monitoring diversity in the recruitment process***

BMO continues to work with partners to advance our diversity strategy. We monitor our success in attracting designated groups and track the diversity of the candidate pool from the beginning of the recruitment process through to the slate of candidates ultimately presented to hiring managers. In addition, hiring managers receive a detailed survey to assess their recruitment experience, in which managers are asked to agree or disagree with this statement: "Please consider your experience with your recruiter during the intake session when completing the following questions: The recruiter discussed options for increasing the diversity of candidates." Eighty-three percent of respondents agreed.

- ***Reference checking***

BMO's reference-checking policy now ensures that candidates such as people with disabilities and newcomers are not limited by a lack of traditional employment references. Character, peer and volunteer work references are considered, as they help demonstrate qualities and skills when being evaluated for a role.

Recruitment strategies for Aboriginal Talent

Recognizing the relationship between education and employment/income levels, BMO has taken a multi-faceted approach to encouraging Aboriginal students to stay in school. This

includes scholarship and internship opportunities, sponsorship of university and college initiatives, and supporting innovative campus and industry recruitment approaches.

- ***Scholarship and internship programs***

In recognition of the contributions of BMO's former Head of Aboriginal Banking, BMO created the Ron Jamieson Scholarship and Internship Program. In 2010, 18 scholarships totaling \$42,500 were awarded through this program. The intent of the program is to provide talented Aboriginal youth with a scholarship and the opportunity to compete for summer internships while in school, with a view to offering students a permanent placement as Financial Services Managers at graduation. The internship allows students to gain front-line experience in structured training programs while benefiting from a supportive work environment, on-the-job coaching and mentoring supported by members of the Aboriginal Networking Forum. In 2010, there were three students in the program and one accepted placement for a permanent position upon graduation in 2010.

Recognizing the importance of stay-in-school initiatives, BMO has continued to provide Aboriginal high school students from communities across Canada with bursaries. In 2010 we provided \$18,000 for 24 bursaries through the Foundation for the Advancement of Aboriginal Youth (FAAY).

BMO continues to support the scholarship programs established at Vancouver Island University in Nanaimo (formerly Malaspina College). Annually there are two \$1,000 awards for students entering Canada's universities from high school. At the University of Northern British Columbia, three \$1,500 scholarships are awarded every year. BMO also sponsors a \$1,000 annual award at Capilano University in North Vancouver.

Further, BMO works collaboratively to help individual Aboriginal communities fund education for local students. Communities that we work with include the Akwesasne Mohawk Territory, and the Nuu-chah-nulth Tribal Council.

- ***Industry initiative***

Several years ago, BMO entered a partnership with the other major financial institutions to create Financial Industry Partnering for Aboriginal Relationships (FIPAR). The objective of this group is to advance opportunities for employment of Aboriginal people within the financial services industry. The FIPAR website encourages Aboriginal youth to explore career opportunities, as well as to learn about scholarship and internship opportunities that lead to permanent roles. The website is advertised in Aboriginal newspapers, magazines and through a national fax service to Aboriginal schools and communities.

- ***University and college initiatives***

To support higher education, BMO has established strong relationships with several post-secondary institutions across Canada.

An example of this relationship is BMO's lead donation of \$550,000 to the University of Victoria to construct its First Peoples House. Designed in a Salish long-house style, this educational facility will be a centre for cultural and academic support programs that assist Aboriginal students in accessing and completing a post-secondary education, fostering a learning environment that is welcoming and accessible to all First Nations students.

- ***Campus recruitment***

This year BMO participated in the national Aboriginal Human Resource Council's Inclusion Works '10 conference and recruitment fair. This fair attracted applications from over 300 post-secondary students and graduates in their final year of study in universities, colleges and technical schools across Canada. Eight-six graduates were selected to match the needs of 20 employers participating in the fair. The participation of BMO's HR professionals, hiring managers and employees of Aboriginal descent resulted in three hires including those into roles in the "Middle and Other Managers" category noted as having a gap during the audit process.

- ***Direct hire initiatives***

Continuing to focus on closing the gap noted in "Middle and Other Managers" roles, two new initiatives were introduced this year.

In spring and summer a targeted recruitment initiative was piloted in Technology and Operations, which resulted in three hires into roles that are feeder pools for "Middle and Other Managers" roles. In addition, the Technology and Operations Diversity Council established a process to facilitate proactive review and placement of diverse candidates identified through targeted events and from internal referrals. Representatives from the lines of business representatives participate in this employment working group to provide insights about fit-to-role in their areas. They play an active role in presenting candidates to hiring managers. This process was piloted in November and an individual of Aboriginal descent has been offered a permanent position as a result. The group will continue to meet on a quarterly basis.

- ***Awareness of programs***

To support awareness of our programs, BMO continued to advertise in national media (e.g. First Nations College Guide, Aboriginal Times and SAY Magazine), and national job boards (e.g., Aboriginal Human Resources Council job board), and leveraged sponsorships such as the Canadian Council for Aboriginal Business dinner series. The Canadian Council for Aboriginal Business has recognized BMO with a gold-level Progressive Aboriginal Relations (PAR) accreditation for our efforts to build a mutually beneficial, sustainable relationship from both a business and employment perspective. This accreditation has been confirmed at the gold level three times in succession.

- ***Presence in Aboriginal communities***

Recognizing the positive impact that the provision of banking services can have on local economies, BMO has eleven full service branches, three community banking outlets and one in-store branch within Aboriginal communities. Ten of these branches are located on First Nations territories and most are staffed by members of the communities. These facilities reflect a valued business relationship and also provide employment opportunities for members of the Aboriginal community.

BMO continued its membership in the Canadian Aboriginal and Minority Supplier Council (CAMSC) which allows the bank to be responsive to this important market by providing both financial services and new business opportunities to help members grow their businesses.

Recruitment Strategies Focused on New Immigrants, Visible Minorities & Women

- ***New immigrants, visible minorities***

BMO is focused on helping new Canadians break down barriers to employment, and for two years in a row has been selected by Mediacorp as one of the Best Employers for New Canadians.

In 2010, BMO became the exclusive industry sponsor for ACCES Employment's Speed Mentoring program, which helps new Canadian jobseekers develop networking skills and make connections through individual coaching sessions with senior leaders. As a result of their participation as mentees in this year's program, five individuals who are members of visible minority groups were hired by BMO. Here are some of their comments about the program:

"I'm proud to tell you that I went to the 2010 Annual Best of the Best and I was recently promoted as an FSM. I just wanted to thank you again for your help and for recognizing that new immigrants can contribute to BMO."

"The ACCES Speed Mentoring event sponsored by BMO is the perfect platform to help immigrants find meaningful employment in Canada. And I'm grateful to both BMO and ACCESS Employment for the opportunity. I had run into numerous roadblocks with my employment search during my initial days in Canada and the Access Speed mentoring happened to me just when I was ready to give up and go back to my previous country..."

To further assist new Canadians in their transition, BMO maintains a number of partnerships with key community agencies.

At the branch level, we work with social agencies such as the Newcomer Centre of Peel and the Centre for Information and Community Services to conduct workshops for newcomers to help build important skills for seeking and acquiring employment. Our frontline managers and staff are very active in the community. They are mentors and ambassadors for many local community associations, offering their time to coach and build relationships with new Canadians.

In addition, the BMO Careers website includes interview tips for newcomers to Canada who are preparing for job interviews.

- ***Women***

BMO is a long-time sponsor of the University of Toronto Centre for Management of Technology and Entrepreneurship (CMTE). This sponsorship provides BMO with the opportunity to have relevant research completed for the bank by fourth-year engineering students. In September 2009, we partnered with CMTE to explore increasing the representation of women in Investment Advisor roles at BMO Nesbitt Burns. The final recommendations were presented in February 2010 and outlined a number of activities that the business has since implemented. These included the establishment of a Women's IA

Task Force and a commitment to an Investment Advisor intake class with 50% women. This class started the 18-month IA Development Program in October 2010.

Recruitment Strategies for People with Disabilities

- ***Pre-employment training (PET) programs***

In 2010, BMO continued our successful pre-employment training program for people with disabilities in partnership with Jewish Vocational Services Toronto (JVS) and Job Opportunity Information Network (JOIN). JVS, JOIN and BMO's Human Resources team collaborate on sourcing candidates, customizing the curriculum and identifying BMO representatives to assist in delivering the intake program. The program provides coaching and training to close the gap so often experienced by candidates with little or no work experience. Seven offerings have been delivered since 2007 and have resulted in the permanent placement of 83 individuals in areas such as the Call Centre in Direct Banking and Master Card as well as our branches.

The three offerings this year were in the Customer Contact Centre of Personal and Commercial Banking and the branch networks in Toronto and Ottawa. On average, 300 resumes were reviewed for each program, and over 100 people attended three open houses. These information sessions gave individuals an opportunity to better understand the work environment and job requirements, to meet and interact with hiring managers, and to get a preliminary appreciation of the resources and support available to help them succeed. Managers received extensive coaching on how to effectively recruit, onboard and support employees with disabilities. The three offerings resulted in 26 hires.

Throughout training, on-boarding and placement, both managers and candidates were supported by a dedicated coach who helped ensure that barriers were quickly identified and addressed. In addition, the Workplace Accommodation Advisor and the Manager of the PET program provided training for managers. This support was instrumental in building confidence in a successful outcome (for both managers and employees) improving time to performance, and understanding the link between accommodation and achieving performance standards. The support is ongoing for managers and their new employees, and we continue to monitor retention.

In 2010 BMO Financial Group was named Employer of the Year by JVS for our ongoing commitment to developing and maintaining an inclusive and diverse workforce. In recognition of the award the Chair of JVS Toronto stated, "Our partnership with BMO has proven to be a great success. BMO has made an impressive commitment to integrating persons with disabilities fully into the workplace, an undertaking that enriches not only the lives of these new employees but also those at BMO who coach and work alongside them. The ongoing success of this initiative is helping to change perceptions of people with disabilities and prove that, if given the opportunity and appropriate training and resources, people with disabilities can contribute enormously to the workforce. Our community is stronger because of the work BMO and JVS do together."

Given the success of this initiative, work has begun to implement the program in Vancouver's branch network in January 2011.

- ***Scholarship and internship programs***

In 2010, BMO again partnered with Lime Connect, a not-for-profit group that supports intake and career progression of people with disabilities, to offer the BMO/Lime scholarship and internship program. This unique initiative allows talented post-secondary students with disabilities to apply for a scholarship and compete for a paid summer internship program that can lead to a permanent role with BMO as a Financial Services Manager. Six students with disabilities participated in the internship program. Two interns were hired on a part-time basis when they returned to school; they will be returning for another summer placement in 2011. All interns were matched with mentors and managers were provided training and accommodation support to ensure success.

- ***Transitioning from campus to workplace***

Successful transition from school to work is key for Canadian post-secondary students and graduates with disabilities. To help with this transition, National Educational Association of Disabled Students (NEADS) held a Job Strategies Forum in Quebec City this year with support from BMO Capital Markets' Equity Through Education Program. The forum averaged 60 participants and featured a BMO presentation on how to do an effective job search.

This fully accessible interactive forum focused on preparing for the job market, dealing with disclosure, developing resumes, conducting a job search, arranging workplace accommodations, promoting skills sets and mentoring opportunities for students and employers. To date, more than 1,600 individuals have benefited from the strategic alliance between BMO Capital Markets (BMO CM) and NEADS.

At the 2010 NEADS conference in Winnipeg, a member of BMO's StepAhead affinity group (a support network focused on issues facing employees with physical disabilities) shared his personal experiences and insights about transitioning from school to work, and his professional success at BMO.

BMO was the inaugural host of the Lime Connect Canada's Corporate Recruitment Event for Experienced People with Disabilities. Fifty job seekers were invited to attend a networking reception at First Canadian Place in Toronto, where leaders shared information about career opportunities.

In 2010, BMO also participated in two campus events organized by Lime Connect. These events hosted students from the University of Toronto, Ryerson, George Brown College, York University, the University of Waterloo, University of Guelph and Laurier University. Line of business managers and human resources representatives attended these events to provide job seekers with information about employment opportunities at BMO. As a result, a member of the Lime Network will be joining BMO's professional ranks in the new year.

- ***Direct hire initiatives***

With a continuing focusing on closing gaps noted during the audit process, two additional initiatives were introduced this year.

In spring and summer a targeted recruitment initiative was piloted in Technology and Operations, which resulted in five hires. In addition, the Technology and Operations Diversity Council members established a process to facilitate proactive review and

placement of diverse candidates identified through targeted events and from internal referrals. Line of business representatives participate in this employment working group to provide insights about fit-to-role in their business areas. They play an active role in presenting candidates to hiring managers. This process was piloted in November and has resulted in an offer of permanent employment to a person with a disability. This group will continue to meet on a quarterly basis.

Outreach - Encouraging Education

BMO Financial Group invests substantially in scholarships and bursaries to support high-potential individuals who would not otherwise have access to further learning. Through education, we help build a qualified, diverse workforce for the future.

- ***Equity Through Education program***

BMO CM continued their Equity Through Education program. Each year, the equivalent of one day's worth of institutional equity trading commissions is donated to charities that provide access to education. In 2010, \$1.5 million was raised and donated to charities across North America, including seven Canadian charities and not-for-profit organizations focused on the four designated groups: Foundation for the Advancement of Aboriginal Youth Scholarships (FAAY), Lime Connect, National Aboriginal Achievement Foundation, Pathways to Education Canada, Canadian Merit Scholarship Foundation, Women in Capital Markets and Youth in Motion's Top 20 Under 20 Program. Equity Through Education financially supports people who have the ambition to pursue educational opportunities that may be out of reach. Since 2005, the program has raised \$9.6 million to help a number of North American charities improve access to education and training for more than 2,000 people.

In 2010, BMO CM extended the Equity Through Education scholarship program to include four paid summer internships at BMO. These internships, as described earlier in the report, provide students with the chance to learn new skills and potentially become employees, helping BMO enhance their futures and the future of our organization. All four scholars are returning for a second summer of internship.

- ***Other scholarships and bursaries***

BMO is committed to helping young people as they grow into leaders for social change. We continue to support the Harry Jerome Scholarships and the Harmony Movement. In 2010 we partnered again with the Black Business and Professional Association (BBPA) to offer two scholarships, through the Harry Jerome Scholarship Fund, to African Canadian youth.

We also supported the June Callwood Harmony Scholarships. These are awarded to graduating high school students from across Canada who are influential in promoting programs that address the diversity of their schools and communities.

BMO CM is a member of Women in Capital Markets and a partner of the Heather L. Main Memorial Scholarship Fund. This scholarship encourages women in Canadian graduate business schools to pursue careers in Capital Markets. In addition to funding the scholarship program, BMO CM has hired three former scholarship winners into permanent positions. Through the 2010 Equity Through Education funding, BMO Capital Markets

partnered with Women in Capital Markets to develop the Return to Bay Street Award, a scholarship and internship program for women looking to return to a job in capital markets after an extended absence.

Retention

Creating a Supportive Work Environment

BMO's commitment to creating an inclusive and supportive workplace has always been reflected in our values. Updated in 2008, the values now reflect this commitment as "Embrace Diversity – gain strength through our people and our perspectives" and "Do the Right Thing – demonstrate respect for all and earn trust through integrity of our actions." With an inclusive and supportive workplace, employees will be able to perform to their full potential. Efforts range from supportive policies, employee-led diversity councils and affinity groups, and training and development initiatives.

- ***Workplace accommodation for people with disabilities***

An important element of BMO's commitment to an inclusive, supportive and accessible workplace is accommodation for people with disabilities. In 2008, a review of our accommodation policy indicated that although our funding model was effective, there was an opportunity to improve upon the decentralized management of the policy. In response, we centralized our workplace accommodation expertise in a team within HR that is accountable for the end-to-end process: assessment, coordination and fulfillment of accommodations. As part of this change, the role of Workplace Accommodation Advisor was created. The Advisor works with both employees and managers to ensure the successful implementation of workplace accommodation needs. The improvements to our Workplace Accommodation Policy expedite the response time for accommodations and provide a single point of contact, resulting in better support for both managers and employees with disabilities.

To make BMO's workplace more technologically inclusive, the Technology Planning and Architecture team continues to focus on creating a barrier-free environment by establishing standards and processes and implementing systemic technological solutions. The adaptive technology specialization of this team was established in 2004 as a result of a recommendation of EnVision, BMO's affinity group focused on issues of vision loss.

In partnership with technology planning, and with input from affinity groups supporting employees with physical, sensory and learning disabilities, Diversity and Inclusion (D&I) developed and conducted an assistive technology survey with approximately 100 employees who use assistive technology. The purpose of the survey was to identify process improvements and training opportunities for the help desk that supports all branch and office tower technology platforms, and employees who experience technical difficulties with their computer hardware and software. As a result of the findings, in February 2010, the Workplace Accommodation Advisor developed and delivered six training sessions to approximately 100 help desk employees to help improve the support they provide to BMO's assistive technology users. And to further improve support speed, a dedicated help desk email address was established for the exclusive use of our employees who are Deaf, deafened or hard of hearing.

In March 2010, D&I presented *Diversity at BMO: Why Diversity is a Business Imperative* at the town hall meeting of BMO's Institute for Learning (IFL). This forum brings together all members of the IFL community – an audience of approximately 100 that includes developers, designers, instructors and facility managers. This presentation ended with an interactive session focused on the accommodation of employees with disabilities and the role of the IFL. Building on these questions, and in partnership with the IFL, the accommodation team developed and delivered two Lunch and Learn sessions to the IFL community. Documents developed by D&I - *Inclusive Language Guidelines* and *IFL Accessibility Guidelines* were posted on the IFL website for ease of reference. The accessibility guidelines provide detailed advice and resources for course developers and facilitators to ensure accessibility of training and support for employees with sensory, physical, learning, psychiatric and mental health disabilities, to help ensure they can participate fully in the learning experience.

To help address visual, hearing, dexterity and learning disabilities, BMO provides large-screen monitors, JAWS, ZoomText, sound baffles, ASL interpreters, note takers, electronic organizers, Kurzweil, learning strategist and employment coaches. To support employees with muscular skeletal and circulatory conditions, accommodations such as ergonomic chairs, motorized sit/stand desks and workstation modifications are provided. Supportive work environments require accessibility and ease of communication. To facilitate ongoing communication with hearing managers and colleagues, employees who are Deaf, deafened or hard of hearing are provided with Blackberries.

- ***Awareness building***

BMO was the first major financial institution to offer Canadians the Registered Disability Savings Plan (RDSP) launched by the government in 2008 to enhance the long-term financial security of people with disabilities. In 2010, D&I continued to work closely with BMO's Private Client Group (PCG), acting as advisors, as members of PCG delivered information sessions to community agencies. Employees delivering the sessions received coaching on accessibility requirements. They also received a guide on inclusive language prepared by D&I to improve conversations with colleagues and deliver optimal customer service.

In June 2010, the Personal & Commercial Banking Diversity Council was a proud sponsor of the Muscular Dystrophy Chair Aware event. Senior leaders took a seat in a wheelchair for a day to raise funds and awareness of some of the realities facing those who use a chair everyday.

- ***Personal well-being***

BMO has an accessible website designed to help employees in making informed decisions about their personal well-being. Information on BMO's principles, practices and supportive policies is provided on the site, which can be accessed from home to ensure privacy and convenience.

Examples of supportive policies and practices include:

- **People Care Days:** Allows paid time off for personal matters that cannot be scheduled outside of work hours.
- **Flexible Work Arrangements:** Provides employees an opportunity to work offsite, work shortened weeks and/or share jobs.

- *Taking Care*: Offers a free, 24-hour childcare telephone referral service and free eldercare information, counselling and referral service. In 2009, this service was enhanced with the launch of the Back-up Child Care Program.
- Multi-purpose quiet rooms: Accommodates employees' needs for a private retreat facility for nursing mothers and for activities such as multi-faith prayer, quiet meditation and spirituality. Provided in the Greater Toronto area and Montreal.
- Employee Assistance Program: Third-party provider of support to employees and their families. In addition to the counselling support provided, Lunch and Learn sessions are offered to employees at no cost to the unit. In 2010, 42 Lunch & Learn sessions were facilitated in BMO's different business groups. Topics offered include "Staying healthy at a desk job," "Understanding stress," "Increasing resiliency", "Learning about depression" and "The juggling act: balancing work and family."

Career Development and Training

Enhancing leadership effectiveness

Development of our leaders remained a priority in 2010. We aim to further enhance our leaders' abilities to grow our business, serve our customers, assess talent, have quality conversations and recruit, develop, and retain talented and diverse employees. We have clarified the profile of a leader at BMO, creating a consistent definition of nine leadership capabilities and assessing how an individual leads, manages and inspires others. This has resulted in higher-quality assessments. Under the capability of exceptional talent practices, leaders are required to demonstrate practices used to recruit, develop and retain a talented and diverse team.

BMO also continues to focus on building a strong and diverse leadership pipeline. At the end of 2010, the emerging leader pool at BMO in Canada was 36% women, 18% visible minorities, 2% Aboriginal people and 1% people with disabilities.

To further enhance talent assessments and staffing decisions, we continue to engage leaders through leadership round tables and a variety of learning initiatives such as the Advanced Leadership Program. These programs are specifically designed to strengthen the capabilities of our leaders to support others in achieving their full potential and build strong, diverse and effective teams. To date 79% of our enterprise executives have completed the Advanced Leadership Program.

BMO's Senior Leader 360 (SL360) evaluation, custom-designed to align with BMO's leadership capabilities, continues to assess executives and emerging leaders against the specific behaviours expected of our leaders, including those critical for managing a diverse workforce and turning potential into performance. In 2010, 195 executives and emerging leaders participated in BMO's SL360 process.

Building Leadership Capability

- ***Leadership development program***

Recognizing the critical impact that managers have on the success of the business and the culture of the workplace, BMO recently launched the Leadership Development Program (LDP).

This program was designed to align with BMO's leadership capabilities and is focused on strengthening the managerial capabilities of new managers in our company. Participants explore what it means to be a leader at BMO, with particular emphasis on our customer-focused agenda, performance and commitment to talent management and diversity. Of the 198 Canadian participants in 2010, 53% were women, 28% visible minorities, 1% Aboriginal people and 1% people with disabilities.

Included is a two-hour seminar, *Diversity Essentials*, on the importance of creating and sustaining a diverse workforce and an inclusive, barrier-free workplace. The seminar begins with online independent self-study that includes *Why Diversity Matters – the business case* and BMO's diversity story. It concludes with a two-hour facilitated virtual classroom where participants gain practical experience by combining the online and independent self-study to work with other participants on case studies that cover bias-free recruitment, creating a supportive work environment and accommodation of people with disabilities. The session is facilitated by members of the diversity team.

- ***Strengthening HR support to leaders***

In 2010 the HR team supporting retail banking, BMO's largest operating group, introduced a series of diversity sessions into their bi-weekly information meetings. The purpose was not only to build on the team's commitment to continuous learning, but also to strengthen the team's ability to support leaders in embedding diversity into the human resources solutions for achieving business goals and delivering great customer service.

Nine sessions were developed and facilitated by members of the diversity team. Topics included: Why diversity matters; Interpreting diversity reports; Diversity essentials (the IFL course that is a component of leadership essentials); Closing gaps; Filling vacancies; Rewarding managers/employees; Workplace accommodation; and Role of external agencies/organizations, diversity councils and affinity groups. The capstone of the series was the creation and presentation of district diversity action plans detailing action items and timelines.

- ***Access to career opportunities***

BMO's Career Discovery intranet site offers tools and extensive information to support both employees and managers in having effective career conversations. Self-assessment tools help employees understand their strengths, identify areas for development and career interests, clarify career options and prepare for productive and meaningful career conversations.

On BMO's myCareer site, employees can create profiles that will allow them to receive e-mail notifications of vacancies that match their specified criteria, or they can directly search through the inventory of roles available. The site creates open access to job opportunities, and can be accessed by employees from work or home, allowing them to search items of interest at their own pace.

The BMO Career Centre, available to external candidates, articulates BMO's brand promise of turning potential into performance and commitment to building and sustaining an inclusive, supportive and accessible workplace. The Career Centre includes access to interview and resume tips as well as information on the CEO's Council on the Equitable

Workplace, diversity councils and affinity groups, and policies and practices such as flexible workplace arrangements, people care days and accessibility.

BMO CM was a contributing partner for Catalyst's *Report to Women in Capital Markets 2008 Benchmarking* released June 22nd, 2009. Commissioned by Women in Capital Markets, this report looks at the representation of women in the industry in addition to providing statistical information and profiling women who are leaders. The report also outlines actions that can be taken to support women's career advancement in the industry.

Employee Engagement

- ***Diversity councils, affinity groups and networking forums – structure***

Twenty-five diversity councils and eight affinity groups across Canada and the U.S. play a pivotal role in improving awareness and understanding of diversity at BMO. The councils focus on diversity in the context of specific business groups, while affinity groups span the country and focus on specific constituencies. BMO affinity groups include EnVision (vision loss), StepAhead (mobility), WAVES (the Deaf, deafened, and hard of hearing community) and BMO Pride (the gay, lesbian, bisexual and transgendered/transsexual community). There is also the Aboriginal Networking Forum. Membership in Affinity Groups is open to all BMO employees.

Most diversity councils and all affinity groups are sponsored by an executive, and are supported by a representative of the Office of Diversity and Inclusion who facilitates communication and the consultation process. Together, the councils and affinity groups are a catalyst for transforming our culture to a more inclusive and open environment.

- ***Diversity councils, affinity groups and networking forums – sponsorships***

BMO actively supports events and organizations that matter to our employees.

BMO Financial Group's President and CEO serves on the Catalyst Canadian Advisory Board and the Catalyst Board of Directors. Catalyst is a leading international organization dedicated to addressing barriers to advancement of women. Catalyst has expanded its focus to address barriers to visible minorities and the gay, lesbian, bisexual and transgendered/transsexual (LGBT) community. Through Catalyst, BMO employees have access to leading research, events and forums focused on diversity and inclusion.

BMO continues to sponsor Catalyst and "Catalyst Connects," a series of events that provide women with access to role models, mentoring and networking. Each event includes some of North America's most senior female executives sharing their career experiences, advice and perspectives. In 2010, the events took place in Calgary, Montreal and Winnipeg, with a total attendance of 204 women.

Throughout the year, the BMO Capital Markets Diversity Council sponsored a series of forums, inviting employees to learn more about relevant issues. In recognition of Black History Month, the BMO Capital Markets Diversity Council invited students from schools in Toronto's Regent Park area to visit the trading floor. They also had the opportunity to hear two key leaders in the business share their views on the value of education and how it helped them achieve their own career success. In June 2010, the women's subcommittee

hosted a one-hour session to help participants learn to better manage their work and personal life. The group also delivered a Lunch and Learn on leadership skills.

In 2010, the Personal & Commercial (P&C) Diversity Council hosted a Lunch and Learn for Black History Month that engaged employees and invited them to learn more about influential Black Canadians. P&C also partnered with many of BMO's affinity groups for events such as Wheels in Motion, Junior Achievement, the Pride and Remembrance Run/Walk and the Aga Khan IV World Partnership Walk, which included a speaking engagement with the Aga Khan.

The Technology & Operations (T&O) Diversity Council planned and participated in many events in 2010. Highlights include an Aboriginal Lunch and Learn with a Regional Coordinator from Indian and Northern Affairs (INAC) in Toronto, and a Coordinator from the Centre for Native Education Concordia University in Montreal. T&O also hosted a resume workshop for employees with disabilities.

Highlights of the Private Client Group (PCG) Diversity Council's activities include the second Annual PCG Speed Mentoring Event. In 2010 the event was a collaboration between the Rotman Business School and Schulich School for Business. The event was attended by women pursuing MBA, Commerce or Engineering degrees. The feedback was overwhelmingly positive. One participant summed up the experience by saying, "It was a very meaningful event, especially for women like me who are aiming to pursue a career in banking. We have a very distinct outlook and a different set of skills in building relationships with clients, and this event has given us the opportunity to interact and get first-hand information from women that are currently in the industry."

The council also sponsored a luncheon event entitled *The DNA of Succession Planning*. PCG welcomed 100 attendees to the inaugural event which focused on how to identify high-performing women in the organization and develop their potential to fill key leadership positions.

And the PCG council continues to publish its newsletter *The Power of Perspective – Quarterly Publication Dedicated to PCG's Diversity-Related Efforts and Initiatives*, raising awareness, sharing information and celebrating diversity.

In 2010, BMO Pride sponsored the Pride and Remembrance Run/Walk in support of Fife House, The Pride and Remembrance Foundation and the Mark S. Bonham Centre for Sexual Diversity Studies. The staff of the Church and Alexander BMO branch, located in the heart of Toronto's LGBT village, volunteered hours in support of the funds raised for The 519 Church Community Centre during Toronto Pride Week. BMO Pride also sponsored events such as Taste For Life and Snowball, which benefit local charities in Toronto.

Employees continued to actively participate in Junior Achievement's *Diversity in Action* program. The full-day program delivered in grade six classrooms across the GTA consists of five modules: gender, age, ethnicity, persons with disabilities, and sexual orientation. In 2010, 95 BMO volunteers (a 44% increase in participation from last year) delivered the program to 49 classrooms reaching over 1200 students. BMO employees also participated

in Junior Achievement's *Our Business World*, *Economics of Success* and *Dollars with Sense* programs.

Throughout 2010, BMO participated in and sponsored a large number of events celebrating diversity. Diversity council members and many other colleagues were active participants and volunteers at these events. A few examples are: Mayfest (an annual celebration of Deaf culture); Pride and Remembrance Run/Walk (dedicated to supporting Toronto's gay and lesbian community); Shelter from the Storm (a Canadian Women's Foundation campaign to stop violence against women); Harry Jerome Awards (a national event of the Black Business and Professional Association that recognizes and honours excellence and achievement); and Cycle for Sight (a 140-kilometre bike ride to raise money for the Foundation for Fighting Blindness).

Employee Communication & Consultation

Communication

BMO's commitment to diversity and workplace equity is built into our corporate values. Regular communication by the CEO and his senior leadership team, through a multitude of communication initiatives, reinforces this commitment to diversity. BMO's diversity initiatives are also included in our annual report and public accountability statement, which are available to external constituencies. BMO's President and CEO and members of his senior leadership team are committed to frequent, open two-way communication with all employees.

Diversity and inclusion redesign

In 2010, the BMO Diversity and Inclusion intranet site was redesigned as a hub for communication, information and interaction regarding equity within BMO Financial Group. The intranet site was constructed in consultation with members of BMO's affinity groups and Aboriginal Networking Forum. The Diversity and Inclusion site is maximized for accessibility; with clear instructions for increasing screen size and text-only versions of video content for users of screen-reading technology, the D&I intranet site sets the standard for BMO's online community. Explanations of legislation and definitions of designated groups are clearly laid out so everyone can have a common understanding of diversity. Tools for managers and updates on the latest policies can also be found on the D&I intranet site. Examples of tools on the site are: a cultural competency self-assessment, guidelines for inclusive language and behaviours, and making documents accessible, and event planning.

Also included on the site is an interactive exercise that engages users to help challenge assumptions and break down stereotypes. The *Who am I* exercise invites users to click through four high-level clues about a person's identity. Clues describe life experience, education, family life and career of a persona. Finally, a face and full biography are revealed and often the user's assumptions and imprinted stereotypes are challenged. A text-only, accessible version is also available to all users.

All enterprise-wide communications regarding diversity and inclusion include a link to the redesigned D&I intranet site; this encourages repeat visitors and establishes the intranet site as the go-to source for information regarding equity at BMO. Content is continuously updated but to ensure the site remains relevant, BMO performs quarterly edits and updates.

Consultation

The CEO and the most senior level of leadership comprise the CEO's Council on the Equitable Workplace. Diversity and Inclusion works with the Chair of the CEO's council to present diversity strategies and annual plans for review, raise issues and concerns and identify opportunities to further workforce representation and an inclusive work environment.

2010 saw the introduction of quarterly diversity recognition breakfasts to provide the Chair of the CEO's Council on the Equitable Workplace with an opportunity to engage in open dialogue with diversity leaders from across the organization. Diversity leaders are defined as individuals who demonstrate our value of embracing diversity, are engaged in diversity-related initiatives (internal and external) and promote cultural awareness. They are nominated by their peers and receive a personal invitation from the Chair of the CEO's Council on the Equitable Workplace.

The diversity team also meets annually with the Diversity Roundtable. The Diversity Roundtable is jointly hosted by the Chair of the CEO's Council on the Equitable Workplace and Vice-President of Diversity and Inclusion. The Roundtable meets annually to set strategic context, plan key events and prioritize key areas of focus for initiatives and ongoing activities in the diversity councils and affinity groups. The annual roundtable meeting also provides a forum to identify collaboration opportunities based on consultation on the Employment Equity Plan across businesses and affinity groups.

In developing strategies and plans, Diversity and Inclusion consults with the Council of Councils (COC) which comprises executive sponsors of employee-focused affinity groups, chairs of the diversity councils for each line of business, key business group executives, human resources business partners and interested employees.

The COC hosts events chaired by the Vice-President of Diversity that enable BMO Financial Group executives and senior leaders to engage in open and honest dialogue focused on a variety of diversity-related initiatives and issues within the company. The COC participants, in turn, cascade the key messages to their teams and business groups. The agenda provides opportunities for diversity councils and affinity groups to unite their efforts for championing diversity, share best practices from internal and external keynote speakers, and develop and recognize diversity champions. Breakout session follow-up discussions have been added to promote continued learning, consultation and dialogue through roundtable discussions with senior leaders, employees and external experts.

In 2010, in partnership with Had to Be Productions, BMO's Council of Councils hosted three plays designed to challenge stereotypes and enhance diversity awareness across the organization:

- *Not Until You Know My Story* included stories based race, ethnicity, religion and gender.
- *Because You Know Me* addressed the issues facing gay, lesbian, transgender and bisexual inclusion from a variety of perspectives.
- *Not Just Ramps* focused on the physical, emotional and societal issues for a diverse group of people with disabilities.

In addition to the consultation forums mentioned above, BMO uses surveys to gauge employee satisfaction. For example, to ensure that employees are satisfied with BMO's accommodation policy and process, BMO annually surveys employees who have received accommodation support during the year. For 2010, the results indicate a satisfaction rate of 96 % for the accommodations they received and for the specific support they received from the Workplace Accommodation Advisor.

To understand how all employees are experiencing the workplace, BMO uses its Annual Employee Survey (AES). The survey is available to employees via the Internet and is accessible using adaptive technologies such as JAWS and Zoomtext. In 2009, participation in the AES survey was at 85% - an excellent representation of our workforce.

Employee perceptions of diversity (those of the entire population and specific designated groups) are important in assessing progress towards building an equitable and supportive workplace. BMO continues to monitor these perceptions through a Diversity Index (DI) comprised of key questions that are included in the AES survey. Our research shows that the DI is strongly related to the Employee Engagement Index (EEI) and that improvement in the DI will have a positive effect on the EEI and employee retention.

In 2010, Diversity Index questions included:

- At BMO Financial Group, I am treated with honesty and respect.
- My manager supports me in balancing my work and life commitments.
- I have equitable opportunities to advance regardless of gender, sexual orientation, race, age or disability.
- My manager is committed to creating an equitable, diverse and inclusive culture so that all employees can contribute fully.

Our Diversity Index score was strong again in 2010 at 82%. BMO also monitors diversity-related items to better understand employees' perceptions as to how employment systems and management practices affect the experience and participation of employees at BMO. The Diversity Index and diversity-related item results are provided to all managers to help increase their understanding of the issues and their role in creating a diverse workforce and supportive workplace.

AES results are also analyzed by categories that include gender, age, and designated group membership, enabling executives to celebrate progress and develop strategies to address any existing barriers.

To further understand employees' experiences of the workplace, BMO introduced an Exit Interview Survey in 2008. In addition to questions on reasons for leaving, the exit survey asks former employees to consider and rate their satisfaction with the statement: "At BMO FG we are committed to creating an equitable, diverse and inclusive culture so that all employees can contribute fully." Satisfaction is rated on a scale of 1-5, with three being the median response. For 2010, 73% said they were satisfied to extremely satisfied. We also offer the opportunity for individuals to comment on the following statement: "At BMO Financial Group we are committed to creating a positive work environment and we value any additional comments you would like to add". All comments are reviewed to identify key themes that provide opportunities for improving the workplace.

CONCLUSION

As a leader in diversity, BMO proactively advocates for the advancement of diversity in Canada. Therefore, in 2007, BMO became the premier sponsor of a new national award for diversity best practices – Canada’s Best Diversity Employers. In 2010 BMO Financial Group presented the award to 45 employers leading the way in Canada in creating diverse workforces and inclusive workplaces. The 2010 list of Canada’s Best Diversity Employers singles out these 45 employers for exemplary initiatives among five groups: women, visible minorities, persons with disabilities, Aboriginal peoples, and LGBT peoples. As the sponsor of the award, BMO is not eligible to compete. However, with this sponsorship, BMO actively promotes diversity in companies and communities across Canada. BMO was also the exclusive title sponsor of the first Diversity Canada Conference which was held in early 2010.

In 2010, BMO was named one of Greater Toronto’s Top 90 Employers for 2011 for the fifth year in a row by Mediacorp Canada Inc, one of Canada’s Top 100 Employers for 2011 and Best Employers for New Canadians for 2011. One of BMO’s most senior women executives was inducted into the Women's Executive Network Hall of Fame in 2010.

At BMO, we understand that diversity of experiences and culture leads to better ideas, better debate and better decisions – helping us deliver on our employee promise to turn potential into performance and our vision to be the bank that defines great customer experience.