



2011 Employment Equity Narrative Report

2011 Employment Equity Narrative Report BMO Financial Group (BMO)

GENERAL OVERVIEW

Having a talented, engaged and diverse workforce is a priority for BMO Financial Group. It is integral to our vision of being the bank that defines great customer experience. We pursue that vision by consistently embedding our corporate values into our actions every day. Those values are:

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

Established in 1817 as Bank of Montreal, BMO Financial Group (TSX, NYSE: BMO) is a highly-diversified financial services provider. With total assets of \$477 billion at October 31, 2011, and 47,000 employees (including 28,293 federally regulated permanent employees), BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers across North America and internationally.

QUANTITATIVE REVIEW

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

Application of National Occupation Classification (NOC) System

The data reported must be analyzed in the context of the NOC system prescribed by the Employment Equity Act. The NOC system historically has not included “sales” 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 categorize these employees under the Employment Equity Occupational Group (EEOG) “Clerical” and “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 was forwarded in response to the government’s 2008 NOC review. We understand that revisions have now been made and look forward to implementation when the Employment Equity Data Report from the 2011 Census is available (2014).

Statistical Progress

Women: Representation remains strong

Representation remains strong at all senior levels. BMO remains well above external availability for women in all senior EEOGs.

In 2011, the representation of women in BMO’s Canadian-based “Senior Managers” executive team grew to 37% – significant progress from 1991 when the representation of women in executive roles was 9%¹.

Women represented 64% of executive promotions in 2011, the highest level of executive promotions since monitoring of these levels began in 1991, and higher than overall promotions in the “Senior Managers” EEOG (see Table 1).

| Table 1: Comparison of the Promotion Level of Women in “Senior Managers” to Overall Workforce | | |
|--|---------------------------|----------------------------|
| EEOG | Promotions Overall | Promotions of Women |
| “Senior Managers” | Up 40 % | Up 350 % |

Visible minorities: Representation continues to grow

Representation of visible minorities increased to 35% in 2011. BMO continued to be well above availability for visible minorities in all major EEOGs.

An actual increase of 10% in the population of visible minorities occurred for the second year in a row, while BMO’s total population increased by only 4%. This higher-than-total population growth was reflected in the categories of “Senior Managers,” “Middle and Other Managers,” “Professionals,” “Administrative and Senior Clerical” and “Clerical.”

The hiring rate of visible minorities in “Middle and Other Managers” and “Professionals” reached new highs of 35% and 49% respectively. In addition, visible minorities represented 36% of the executives hired in 2011 – the highest level of executive hires since we began monitoring in 1991.

The focus on the advancement of visible minorities is further reflected in the data presented in Table 2:

| Table 2: Comparison of the Promotion and Population Levels of Visible Minorities in “Senior Managers,” “Middle and Other Managers” and “Professionals” to Overall Workforce | | | | |
|--|---------------------------|---|---------------------------|---|
| EEOG | Promotions Overall | Promotions of Visible Minorities | Population Overall | Population of Visible Minorities |
| “Senior Managers” | Up 40% | Up 300% | Up 9% | Up 53% |
| “Middle and Other Managers” | Up 20% | Up 40% | Up 10% | Up 20% |
| “Professionals” | Up 12% | Up 15% | Up 5% | Up 8% |

Aboriginal people: Representation remains steady

The overall representation of Aboriginal people in 2011 remained at 1.5%. Our efforts to address the gap noted in the last employment equity audit 2010 are evident in the increase

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

in the promotions of Aboriginal employees in the “Middle and Other Managers” category (see Table 3).

| Table 3: Comparison of the Promotion Level of Aboriginal People in “Middle and Other Managers” to Overall Workforce | | |
|--|---------------------------|--|
| EEOG | Promotions Overall | Promotions of Aboriginal People |
| “Middle and Other Managers” | Up 20% | Up 25% |

The hiring rate of Aboriginal people in the “Clerical” category increased to 3.0%, up from 2.4% in 2010 and 2.0% in 2009. This is also above current availability of 2.1% and the hiring rate of 2.3%, which was recommended during the audit. It is also the highest rate achieved since 1999 and the highest number of Aboriginal people (58) we have ever hired in the “Clerical” category. The number of Aboriginal people we hired in this category increased by 18% in 2011, compared to a total-bank decrease in this category of 3%.

People with disabilities: Representation remains below availability

The representation of people with disabilities decreased to 2.4% in 2011. Together with our recruitment partner, we continue to implement strategies to increase the hiring of people with disabilities. In 2011 we hired 93 people with disabilities, the greatest number we have hired in any year. This represented a 1% increase over the previous year in contrast with a 1% decrease in total bank hires.

Hiring data confirms the positive impact of the hiring strategies we implemented for the “Professionals” and “Clerical” categories, which were noted as having gaps during the audit. Our Pre-Employment Training Program (described later in the report) helped increase the number of hires in the “Clerical” category as well as the “Administrative and Senior Clerical” category which is a feeder pool to “Professionals” (see Table 4).

| Table 4: Comparison of the Hiring Levels of People with Disabilities in “Clerical” and “Administrative and Senior Clerical” to Overall Workforce | | |
|---|-----------------------|---|
| EEOG | Hiring Overall | Hiring of People with Disabilities |
| “Clerical” | Down 3% | Up 2% |
| “Administrative and Senior Clerical” | Down 5% | Up 40% |

The number of promotions awarded to people with disabilities in the “Professional” category increased by 42% in 2011, compared to a total-bank increase in this category of 12%. In addition, the number of people with disabilities in “Professional” and “Administrative and Senior Clerical” who left the bank decreased by 19% and 15% respectively compared to total-bank increases in these categories of 8% and 6% respectively.

PLANNING AND ACCOUNTABILITY

BMO’s commitment to diversity and inclusion was first articulated in our 1989 Corporate Strategic Plan. It gained strength with the establishment of four task forces that operated

from 1991-1995. Those task forces identified the barriers faced by designated groups (women, visible minorities, Aboriginal people and people with disabilities) and articulated action plans for communicating their findings and resolving issues.

In 2011, we renewed our commitment to diversity and are building plans to better integrate it into our business groups, talent management strategies and corporate culture. Our goal is to drive better performance, increase employee engagement and sustain competitive advantage.

All executives are accountable for ensuring that employment decisions support a more diverse workforce, and for developing an inclusive and supportive workplace. The Senior Vice-President for Talent Strategies and Executive Resourcing is responsible for overseeing diversity at an enterprise-wide level, allowing BMO to ensure diversity is considered in every process that supports employment decisions.

The leadership provided from the executive team is supported by a comprehensive infrastructure that includes goal-setting, monitoring and evaluation. The CEO and BMO executives – including those managing provincially regulated lines of business – monitor the progress toward our goals on a quarterly basis through online management information reports.

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

QUALITATIVE REVIEW

Recruitment

Strengthening the infrastructure for recruitment

- ***Diversity Recruitment Team***

In 2011, BMO established a diversity recruitment team for direct sourcing and hiring of people from Canada's diverse communities. The team is integrated into the Recruitment & Intake department of BMO's Human Resources Division. It consists of a senior diversity recruitment manager and two diversity recruiters, one specializing in sourcing Aboriginal talent and the other specializing in sourcing talent from the community of people with disabilities. A dedicated diversity program advisor manages BMO's pre-employment training programs for people with disabilities.

BMO's recruitment partner also engages a diversity sourcing specialist accountable for sourcing strategies and supporting BMO at recruitment events and throughout the hiring process.

- ***Reference checking***

BMO's reference-checking policy provides alternatives to traditional employment references for people with disabilities and newcomers. For example, when evaluating a potential employee for a role, we consider character and volunteer work references, which help demonstrate qualities and skills.

- ***BMO student internship program***

BMO continued our award-winning² internship program for students currently enrolled in Canadian colleges and universities. 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, 74 graduates of the program are now employees, with a representation of 39% women, 34% visible minorities, 1.4% Aboriginal people and 4.1% people with disabilities.

In 2011, BMO recruited 131 summer students:

- 53% women
- 21% visible minorities
- 1.5% Aboriginal people
- 3.8% people with disabilities

This strong representation of Aboriginal students and students with disabilities was the result of the continued integration of the Ron Jamieson Internship Program, our partnership with Lime Connect (both established in 2008 and described later in the report) and BMO's successful student internship program.

- ***Essential training***

BMO continued to offer 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 workplace accommodation is also included. Training materials are accessible using JAWS, and video content is close-captioned.

- ***Effective on-boarding***

All new hires are required to complete an online orientation program that highlights BMO's commitment to diversity and inclusion. The program 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 waver 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

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

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

Tapping into the broadest possible talent pool is essential to recruiting a diverse workforce. BMO continued to monitor our success in attracting designated groups. We track the diversity of the candidate pool from the beginning of the recruitment process to the presentation of candidates to hiring managers.

In addition, hiring managers receive a detailed survey to assess their recruitment experience. They are asked to agree or disagree with this statement: “Please consider your experience with your recruiter during the intake session when completing the following question: The recruiter discussed options for increasing the diversity of candidates.” Seventy-five per cent of respondents agreed.

Recruitment Strategies for Women

BMO is a Platinum Corporate Member of the Women’s Executive Network (WXN) – a leading Canadian organization dedicated to the advancement and recognition of women in management, executive, professional and board roles. Emerging leaders at BMO are invited to WXN networking and personal development events throughout the year and across the country.

BMO Capital Markets 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, to date BMOCM has hired three former scholarship winners into permanent positions.

In September, the Senior Vice-President of Talent Strategies & Executive Resourcing spoke at the Gender Diversity in the Technical Workplace conference in New Brunswick to discuss the importance of addressing barriers to women entering the financial services industry.

Recruitment Strategies for New Immigrants and Visible Minorities

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

In 2011, BMO continued to be 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. In 2011, BMO hosted 12 speed-mentoring events in various lines of business. As a result of their participation as mentees in this year’s program, 11 individuals who are members of visible minority groups were hired by BMO.

To further assist new Canadians in their transition, BMO maintains a number of partnerships with key community agencies. BMO works with social agencies such as the Newcomer Centre of Peel, the Centre for Information and Community Services and the Chinese Professional Association of Canada to conduct workshops for newcomers, helping them build important skills for seeking and acquiring employment. Our leaders, 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 2011, BMO's Senior Vice-President of Talent Strategies & Executive Resourcing spoke at the Calgary Multicultural Centre's Symposium on the Economic Integration of Immigrants to Canada, underscoring the importance of new Canadians to Canada's economy and outlining the skills and experience newcomers bring to BMO.

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

Recruitment strategies for Aboriginal people

- ***Scholarship and internship programs***

Recognizing the relationship between education and employment/income levels, BMO takes a multifaceted 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.

BMO's Aboriginal Recruitment Specialist has established relationships with a number of universities across Canada to attract and identify opportunities for Aboriginal talent to these programs.

In recognition of the contributions of BMO's former Head of Aboriginal Banking, BMO created the Ron Jamieson Scholarship and Internship Program. In 2011, 17 scholarships totaling \$42,500 were awarded through this program. The program provides talented Aboriginal youth with scholarships and an opportunity to compete for summer internships while in school, with a view to offering permanent placement as Financial Services Managers upon 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 from employees of Aboriginal descent. In 2011 four students participated in the program and one accepted placement as a customer service representative while continuing her studies.

Recognizing the importance of stay-in-school initiatives, BMO continued to provide bursaries to Aboriginal high school students across Canada. In 2011 we provided \$16,000 for 21 bursaries through the Foundation for the Advancement of Aboriginal Youth (FAAY).

BMO continues to support the following Aboriginal Scholarships:

- Vancouver Island University (formerly Malaspina College): Two \$1,000 annual awards
- University of Northern British Columbia: One \$1,500 annual award
- Capilano University: One \$1,000 annual award

BMO also works collaboratively to help individual Aboriginal communities fund education for local students. We work with various communities including the Akwesasne Mohawk Territory and the Nuu-chah-nulth Tribal Council.

- ***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 is a centre for cultural and academic support programs that assist Aboriginal students in accessing and completing post-secondary education, as well as 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 '11* conference and recruitment fair, which attracted applications from more than 300 post-secondary students and graduates in their final year of study in universities, colleges and technical schools across Canada. BMO's participation in the fair resulted in three hires, one in the "Professional" category and two in the "Administrative and Senior Clerical" category, both of which are feeder pools to roles in the "Middle and Other Managers" category (noted as having a gap during the audit process).

- ***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 (CCAB) dinner series. The CCAB has recognized BMO with gold-level Progressive Aboriginal Relations (PAR) accreditation for our efforts to build a mutually beneficial, sustainable relationship from both a business and employment perspective. BMO has received gold-level accreditation for three consecutive times.

To promote employment with BMO to the Aboriginal Community, we participated in the 2011 Canadian Aboriginal Festival. BMO's Aboriginal Recruitment Specialist was interviewed by *Nation Talk* to raise awareness of the FAAY scholarship program and employment opportunities at BMO. Relationships have been established with the following Aboriginal Recruitment or Service agencies:

- G.R.E.A.T. – Grand River Employment and Training (Ontario)
- Aboriginal Workforce Development Initiative (Fredericton, NB)
- First Nations Bank of Canada
- Young Indigenous Professionals (YIPS)
- Information Communications Technology Council (ICTC) Think Tank Event
- Peel Aboriginal Networking (Brampton, ON)

- ***Presence in Aboriginal communities***

BMO operates 12 full-service branches, one community banking outlet 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.

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 for People with Disabilities

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

In 2011, BMO continued our successful PET 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 collaborated on sourcing candidates, customizing our curriculum and identifying BMO representatives to assist in delivering the intake program. The program provides coaching and training to close the gaps often experienced by candidates with little or no work experience. Since 2007 the program has been offered nine times, resulting in the permanent placement of 99 individuals in areas including the Call Centre in Direct Banking, MasterCard and the branch network.

This year we offered the PET program three times, for roles in the Customer Contact Centre of our Personal and Commercial Banking unit and the branch networks in Ottawa and Vancouver. On average, 350 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.

Throughout training, on-boarding and placement, 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 2011, BMO Financial Group was named Large Employer of the Year by Employment Access and JOIN. JOIN highlighted the following in their nomination: "With 99 hires and an overall retention rate of over 70 per cent since the first program, employees who graduated the program have had over 10 promotions. BMO's strength is in its understanding and ability to lead with action, particularly with respect to accommodation. Their leadership, investment and dedication to hiring persons with disabilities is very justifiable."

- ***Direct hire community outreach***

BMO diversity recruitment specialists work with many community agencies such as PATH, NEADS, JOIN and the Greater Vancouver Business Leadership Network to strengthen their ability to match job seekers to available roles. Activities include delivering behavioural focus interview workshops to both agency staff and jobseekers, resulting in

referral of candidates most suited to available roles and better prepared for a positive interview experience.

In October, BMO hosted Career Start in partnership with community agencies. Individuals with disabilities were invited to learn from a panel of executives about career opportunities at BMO. The event was hosted by the Senior Vice-President, Recruitment and the president and CEO of BMO's retail operations. Panel members included executives from Wealth Management, Technology & Operations, the Customer Contact Centre and an Area Manager from Personal Banking.

The panel shared insights into expectations for new candidates, a day in the life of an employee and a potential career path in their area of business. Then the audience had a chance to ask questions. After the panel discussion candidates were given the opportunity to network with panel members and participate in face-to-face interviews with hiring managers.

"This is the first Career Start event that BMO has hosted," said the Senior Vice-President, Recruitment. "It's a win-win situation for all. For the candidates, it's a great opportunity to gain access to BMO leaders, acquire expert insight and make important connections. And for the panel members, this experience highlights the high level of qualifications, professionalism and ability that these candidates have to offer."

Together, PET and direct-hire community outreach programs resulted in 29 hires this year into roles in the "Clerical" category (noted as having a gap during the audit) and into roles in the "Administrative and Senior Clerical" category, which is a feeder pool to the "Professional" category (also noted as having a gap during the audit).

- ***Scholarship and internship programs***

In 2011, BMO again offered the BMO/Lime scholarship and internship program in partnership with Lime Connect, a not-for-profit group that supports intake and career progression of people with disabilities. The 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. Three students with disabilities participated in the 2011 internship program and one was hired on a part-time basis after the internship ended. All interns were matched with mentors, and managers were provided with training and accommodation support to ensure success.

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

Successful transition from school to work is essential for Canadian post-secondary students and graduates with disabilities. To help, National Educational Association of Disabled Students (NEADS) held a Job Strategies Forum in Toronto this year with support from BMO Capital Markets' *Equity Through Education* program. Approximately 200 people participated in the forum.

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 1,800 individuals have benefited from the strategic alliance between BMO Capital Markets and NEADS.

At the 2011 NEADS conference, 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 the professional success he's had at BMO.

In 2011, BMO also participated in four 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. This participation resulted in BMO hiring two individuals into "Professional" and "Middle and Other Manager" roles.

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***

The BMO Capital Markets *Equity Through Education* program is a charitable initiative aimed at creating a more diverse workplace by helping students realize their educational ambitions. On one day each year, BMO Capital Markets donates its institutional equity trading commissions in North America to a series of charities that provide scholarships to deserving individuals representing four diversity groups: women, visible minorities, people with disabilities and Aboriginal people.

Since the launch of the program in 2005, *Equity Through Education* has raised a total of \$11.1 million, assisting more than 2,500 students. In 2011, the proceeds were directed to the following eight North American charities:

- The Canadian Merit Scholarship Foundation (CMSF)
- The Financial Women's Association (FWA)
- Foundation for the Advancement of Aboriginal Youth (FAAY)
- The Jackie Robinson Foundation (JRF)
- Lime Connect
- National Aboriginal Achievement Foundation
- Pathways to Education
- Women in Capital Markets Return to Bay Street program (BMO Capital Markets is the founding sponsor of this program)

To date, BMO Capital Markets has hired two full-time employees through the *Equity Through Education* program and provided internship opportunities to seven students. Additionally, the BMO Capital Markets Diversity Council has launched a mentoring program pilot to evaluate how to create and sustain a mentoring culture supportive of the career ambitions of all employees.

- ***Other scholarships and bursaries***

BMO is committed to helping young people become leaders for social change. We continue to support the Harry Jerome Scholarships and the Harmony Movement. In 2011, we partnered again with the Black Business and Professional Association (BBPA) to offer two scholarships, through the Harry Jerome Scholarship Fund, to support youth from Canada's black communities.

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

Retention

Creating a Supportive Work Environment

- ***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. Our workplace accommodation expertise has been centralized in a team within HR that is accountable for the end-to-end process: assessment, coordination and fulfillment of accommodations. On the team is our Workplace Accommodation Advisor, who works with both employees and managers to ensure the successful implementation of workplace accommodation needs. This approach expedites the response time for accommodations and provides a single point of contact, resulting in better support for both managers and employees with disabilities.

The following are examples of accommodation support provided by BMO:

- To address visual, hearing, dexterity and learning disabilities:
 - 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:
 - ergonomic chairs, motorized sit/stand desks and workstation modifications
- To facilitate communication for employees who are Deaf, deafened or hard of hearing:
 - Blackberries and a dedicated help desk email address for their exclusive use

BMO's Technology Strategy and Architecture team continues to build a barrier-free environment by 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.

To help ensure employees with disabilities can participate fully in learning experiences at BMO's Institute for Learning (IFL), Diversity & Inclusion developed two documents – *Inclusive Language Guidelines* and *IFL Accessibility Guidelines* – that are posted in the Learning Accessibility section of the IFL website. 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.

- ***Building Awareness***

In 2011, all Canadian employees were required to complete a new e-learning module titled *Accessibility and our Customers*. This program provided training on understanding, communicating and interacting with people with disabilities including those who use service animals, support persons or communication devices. All new hires are now required to complete the module. As well, all employees must complete the module biannually as part of the annual Regulatory & Legal Compliance program.

In addition, accessible customer service policies and procedures were developed and implemented in our retail operations. A web accessibility session that provided a general overview of and introduction to the Web Content Accessibility Guidelines (WCAG) 2.0 guidelines was delivered to approximately 25 web designers, developers and QA testers.

In May 2011, the Initiatives Management Team within Personal & Commercial Banking was a proud sponsor of Muscular Dystrophy Canada's Chair Aware event. Senior leaders took a seat in a wheelchair for a day to raise funds and increase awareness of some of the realities facing those who use a wheelchair every day.

- ***Personal well-being***

BMO has an accessible website designed to help employees make 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.
- **Multi-purpose quiet rooms:** Accommodates employees' needs for a private facility for nursing mothers and for activities such as multi-faith prayer, quiet meditation and spirituality. Provided in the Greater Toronto area, Barrie and Montreal.
- **LifeWorks:** An extensive set of resources to help employees be productive on the job and care for loved ones while meeting personal needs that includes:
 - Employee Assistance Program (EAP) to provide confidential short-term, solution-focused counseling.
 - Back-up child care for up to 10 paid days of short-term emergency child care in the event regular child care arrangements break down.
 - Free comprehensive online resources with tools, audio tips and articles on hundreds of topics such as how to choose a lawyer, parenting, nutrition and fitness, developing an emergency plan for your family and many more.
 - 32 Lunch and Learn sessions facilitated in 2011 across BMO's different business groups on a variety of topics, including:
 - Healthy Heart for life
 - Understanding stress, Increasing resiliency
 - The juggling act: Balancing work and family
 - Understanding Diversity and Building Respect in the Workplace

Career Development and Training

Enhancing leadership effectiveness

At BMO, we make leadership development a priority. We equip – and expect – our leaders to demonstrate strong talent practices to recruit, develop and engage a diverse team of employees.

BMO's Senior Leader 360 (SL360) evaluation, custom-designed to align with BMO's leadership capabilities, is used 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 2011, 227 employees participated in BMO's SL360 process.

In support of increasing leadership awareness and effectiveness, the CEO's annual two-day Leadership Council conference of all BMO executives offered two workshops focused on diversity:

- *Building a Diverse Workforce*, facilitated by Rotman
- *Multi-Generational Workforces*, facilitated by the founder and president of Work-Life Harmony Enterprises, a renowned leader in the field of work-life issues

To further enhance talent assessments and staffing decisions, BMO continued to engage leaders through leadership roundtables 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, 88% of Leadership Council members have completed the Advanced Leadership Program.

BMO is focused on building a strong and diverse leadership pipeline. At the end of 2011, the emerging leader pool at BMO in Canada was 34% women, 15% visible minorities, 1% Aboriginal people and 1% people with disabilities.

Building Leadership Capability

• ***Leadership Development Program***

Recognizing the critical impact that managers have on the success of the business and culture of the workplace, in 2010 BMO launched the Leadership Development Program (LDP).

This program is 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 233 Canadian participants in 2011, 53% were women, 29% visible minorities, 0.4% Aboriginal people and 0.4% people with disabilities.

The program includes *Diversity Essentials*, a seminar focused on the importance of creating and sustaining a diverse workforce and an inclusive, barrier-free workplace. Highlights of the seminar include a review of BMO's diversity story and *Why Diversity Matters – the business case*. Participants gain practical experience through a two-hour facilitated discussion of 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. Eighty-five percent of participants note the course to be of high personal value and 86% indicate they can immediately apply what they have learned.

- ***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 BMO's 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 about 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.

Employee Engagement

- ***Diversity councils and affinity groups: 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 elements of diversity. Membership in affinity groups is open to all BMO employees. BMO affinity groups include:

- EnVision (vision loss)
- StepAhead (mobility)
- WAVES (the Deaf, deafened and hard of hearing community)
- BMO Pride (the gay, lesbian, bisexual and transgendered/transsexual community)

Diversity councils and affinity groups are sponsored by an executive, and supported by a representative of the Diversity & Inclusion team who facilitates communication and consultation. The councils and affinity groups are our partners in developing strategies and implementing plans, and are catalysts for transforming our culture to a more inclusive and open environment.

- ***Diversity councils and affinity groups: Involvement***

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

BMO'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 the advancement of women as well as 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 continued 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. The 2011 events took place in Calgary, Montreal and Vancouver.

In 2011, the Personal & Commercial Diversity Council participated in the *diversity@work: Exploring Culture & Faith in the Workplace* conference and presented BMO's commitment to diversity on Take Your Kids to Work Day.

The Private Client Group (PCG) Diversity Council continued to publish *The Power of Perspective*, a quarterly publication dedicated to PCG's diversity-related efforts and initiatives, raising awareness, sharing information and celebrating diversity.

The PCG council also participated in customer-facing events that engaged different diversity segments. Highlights include:

- ***Women and Money***
Women and Money is a seminar designed for women aged 30-50 who want or need more control over their finances. BMO's Life Transition Expert guides women through exercises that help them become more confident and proactive with money. These events encourage women to challenge the way they have been socialized to deal – or not deal – with money. All Investment Advisors were encouraged to bring prospective and current clients who identify as women. Ten of these seminars took place across Canada in 2011.
- **Taking Charge of Your Retirement - LGBT**
BMO's Life Transition Expert routinely hosts *Taking Charge of Your Retirement* seminars across Canada. The seminars take prospective and current clients through exercises to plan for the non-financial aspects their retirement. The PCG Diversity Council identified an opportunity to tailor this program to the specific needs, challenges and opportunities of the LGBT community, and the event was attended by 120 LGBT clients and guests.

In addition to building business, these sessions build employee awareness about gender and LGBT diversity, and skills for working effectively with diverse colleagues and clients. Actively demonstrating our commitment to serving our diverse clients also improves engagement and retention of a diverse workforce.

In 2011, BMO Pride sponsored the Pride and Remembrance Run/Walk in support of the AIDS Committee of Toronto, Triangle Program and the Pride and Remembrance Run Foundation. BMO's Director of Diversity & Inclusion spoke to runners and volunteers after the event.

The staff of the Church and Alexander BMO branch, located in the heart of Toronto's LGBT village, volunteered hours in support of The 519 Church Community Centre during Toronto Pride Week. BMO Pride also sponsored events such as *Taste for Life*, which benefits local charities in Toronto.

BMO employees participated in Junior Achievement's *Diversity in Action* program. The full-day program was delivered in grade-six classrooms across the Greater Toronto Area and consisted of five modules: gender, age, ethnicity, persons with disabilities and sexual orientation. In 2011, 104 BMO volunteers delivered the program to 63 classrooms (a 29% increase from the previous year), reaching over 1,200 students. BMO employees also participated in Junior Achievement's *Our Business World*, *Economics of Success* and *Dollars with Sense* programs.

Throughout 2011, 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 charities focused on issues in the gay and lesbian community
- Harry Jerome Awards – a national event by the Black Business and Professional Association recognizing and honouring excellence and achievement
- Cycle for Sight – a 140-kilometre bike ride to raise money for the Foundation for Fighting Blindness

- ***Diversity councils and affinity groups: Strategic renewal***

In 2011, BMO began to develop a renewed enterprise-wide diversity strategy driving greater integration of diversity into talent management practices and emphasizing actions that build cultural competency, accountability and profile.

The Director of Diversity & Inclusion consulted with the leaders of the diversity councils and affinity groups in Canada to create new, enhanced mandates for the groups. Four key pillars of work were identified to advance the employee and customer experience for the diverse communities with which we do business. The four key pillars are:

- Build Market Profile
- Develop Leaders
- Engage Employees
- Reach Communities

These pillars will serve as a foundation for the strategic plans for the groups in 2012.

Employee Communication & Consultation

Communication

To reinforce our commitment to diversity, BMO's President and CEO and members of his senior leadership team use various channels for frequent, open, two-way communication with all employees. BMO's diversity initiatives are also included in our annual report and public accountability statement, which are available to external constituencies.

Diversity and inclusion redesign

BMO's Diversity & Inclusion intranet site is a hub for communication, information and interaction regarding equity and inclusion within BMO. The site was constructed in consultation with members of BMO's affinity groups and Aboriginal Networking Forum. The Diversity & 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. Explanations of legislation and definitions of designated groups are clearly laid out so everyone can have a common understanding of diversity and employment equity. Tools for managers and updates on the latest policies can also be found on the Diversity & Inclusion intranet site. Examples of tools on the site are:

- a cultural competency self-assessment
- guidelines for inclusive language and behaviours, making documents accessible, and event planning

The site also includes 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. 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.

In 2011, the site continued to evolve to meet the communication needs of diversity renewal. The intranet site homepage was redesigned and includes the section *What's New* to keep visitors updated on recent accomplishments and upcoming opportunities to get involved. The new homepage also includes an *Our Employees* section, which features links to our various diversity sections and dedicated pages for persons with disabilities and LGBT employees. These pages include summaries of all BMO's activities, programs and accomplishments that impact customers and employees in these segments.

All enterprise-wide communications regarding diversity and inclusion include a link to the intranet site; this encourages repeat visitors and establishes the site as the go-to source for information regarding equity at BMO. To ensure the site remains relevant, BMO performs quarterly edits and updates.

Consultation

The Diversity Roundtable, jointly hosted by the Chair of the CEO's Council on the Equitable Workplace and the Director of Diversity & Inclusion, meets annually to set strategic context, plan key events and prioritize key areas of focus for initiatives and ongoing activities for the diversity councils and affinity groups. The roundtable meeting also provides a forum to consult on the Employment Equity Plan and identify opportunities for businesses and affinity groups to collaborate to further workforce representation and an inclusive workplace.

As part of BMO's renewed commitment to diversity and inclusion in 2011, changes were proposed and approved to further strengthen executive leadership of the bank's strategy to take effect in 2012.

In 2011 BMO continued with 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 leaders³ from across the organization.

In addition, 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. In 2011, the results indicated a satisfaction rate of 85% for accommodations and support received.

To understand our employee experience, BMO offers an Annual Employee Survey (AES). The survey is available online and is accessible using adaptive technologies such as JAWS and Zoomtext. In 2011, participation in the AES survey was at 84% - 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. 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 2011, the DI included the following statements, with which employees were asked to agree or disagree:

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

Our DI score was strong again in 2011 at 83%.

BMO also monitors diversity-related items to better understand employees' perceptions of how employment systems and management practices affect the experience and participation of employees at BMO. The DI and diversity-related 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 such as 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 administers an Exit Interview Survey to all employees who have voluntarily left the organization. In addition to questions about reasons for leaving, the exit survey asks former employees to consider and

³ 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 (as of January 1, 2012 the Chair of the CEO's Council on the Equitable Workplace will be referred to as the Executive Diversity Champion).

rate their satisfaction with the statement: “At BMO we are committed to creating an equitable, diverse and inclusive culture so that all employees can contribute fully.” For 2011, 75% were satisfied to extremely satisfied with this statement. 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, which provide opportunities for improving the workplace. To further enhance our insights, work was completed in 2011 to enable us, going forward, to understand the experiences unique to designated group members.

CONCLUSION

BMO proactively advocates for the advancement of diversity in Canada. Starting in 2007, BMO became the premier sponsor of a new national award for diversity best practices – *Canada’s Best Diversity Employers*. In 2011, BMO presented the award to 45 employers leading the way in creating diverse workforces and inclusive workplaces in Canada. The 2011 list of Canada’s Best Diversity Employers singles out employers for exemplary initiatives among five groups: women, visible minorities, persons with disabilities, Aboriginal peoples and LGBT people. 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 2011.

In acknowledgment of our commitment to diversity and inclusion, BMO earned recognition in 2011 on the following lists:

- Greater Toronto’s Top Employers
- Canada’s Top 100 Employers
- The Best Employers for New Canadians

Building on our rich history, BMO will continue to drive forward our strategic agenda. Believing that a more diverse and inclusive workplace drives better performance and creates more successful and engaged employees, our goal is to foster a culture where all employees feel they have the opportunity to turn their potential into performance.