
Human Interest

BMO Financial Group
2014 Corporate
Responsibility Report



Wayne Rankine
Class 1 Building Operator
BMO



Who We Are

Established in 1817, BMO Financial Group serves more than 12 million personal, commercial, corporate and institutional customers in North America and internationally. We provide a broad range of retail banking, wealth management and investment banking products and services through our operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

On Our Cover

Wayne Rankine
*Class 1 Building Operator
for BMO's Meadowvale
Customer Contact Centre
Facilities Operations
in Mississauga, Ontario*

At a time when the forces of change can seem impersonal, every success story is a human interest story.

The specifics may vary, but not the fundamental beliefs on which they're built. Fairness. Transparency.

Accountability. Trust. As we pursue better outcomes for everyone we work with, these are the principles we share in common.

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Garry was hoping to boost the economy in his remote First Nation community.



Garry Reece
Mayor, Lax Kw'alaams
First Nation



And Candace helped finance the reopening of a fish plant that's created 200 jobs.



Candace Dennis
Director, Aboriginal Banking
British Columbia and
the Yukon
Story on page 30



Haren and his family
have built a thriving food
business in the city they
now call home.



Haren Sheth
CEO, Surati Sweet Mart



And Kim knows what
it takes to turn hard work
and vision into financial
success.



Kim Lee
*Commercial Account
Manager*
Story on page 42



Jessica believes she has a better way for businesses to drive traffic to their websites.



Jessica Chalk
CEO, TrafficSoda



And Adam provides advice and support to make the entrepreneur's vision a reality.



Adam Manning
Commercial Account
Manager
Story on page 44



A Message from the Chief Executive Officer

Our business is fundamentally personal. The strength of the bank lies in the human connections that give meaning to our work – and in the knowledge that we can only achieve together what we believe individually.

IT'S IMPOSSIBLE TO A DRAW A LINE dividing corporate responsibility from personal responsibility. The two are inextricably linked.

As an organization, BMO strives constantly to meet society's expectations of banks, upholding the highest standards of transparency, accountability and sound governance. We insist on fairness, encourage diversity and measure success beyond dollars and cents.

At the same time, our ability to deliver on these corporate commitments is determined by the personal values of our employees, who work closely with our customers and generously help contribute to improving life in our communities – continuing a tradition of social engagement that has distinguished our bank since we opened for business nearly 200 years ago.

This understanding frames BMO's entire approach to corporate responsibility: we can only achieve together what we believe individually. The energy and passion we bring to creating opportunity for customers and giving back to our communities reflect the simple fact that for us, banking is personal.

The Value of Trust

BMO increasingly operates in a borderless world. As a North American bank, we support customers across our continental footprint and in key international markets where they conduct business. Instant communications and the flow of global commerce have made geographical boundaries irrelevant.

The borderless world, however, is about more than geography.

As consumers navigate fast-moving networked environments, they're naturally concerned about where to anchor their trust. If once it was possible for the sheer scale of an institution to inspire confidence, those days are long gone. Today, more than ever, trust can only be built on a concrete record of delivery. We expect to be judged not by a narrative, but by what we do – more than 45,000 of us hold ourselves to this standard.

This is the context that must also be placed around the effective regulation and supervision of our industry. The sweeping changes implemented to date have brought greater stability to the financial system and stamped out irresponsible behaviours that extended well beyond banking. The challenge now is to find the right balance between necessary further reforms and the



ability of banks to remain focused on what we're ultimately in business to do: create jobs, provide credit to individuals and businesses, invest directly in communities, pay our taxes and earn a reasonable return for our shareholders.

We work to make life easier for our customers – whether individual savers or large enterprises – and at the same time to build confidence in a highly complex system. Those two goals converge in the common ground of trust. And as we win and sustain the trust of all our stakeholders, the services we provide become inherently more valuable.

Making it Personal

This Corporate Responsibility Report explains how we balance all of these commitments. It complements the other key pillar of BMO's sustainability reporting, our annual Environmental, Social and Governance Report and Public Accountability Statement. Some of the stories in the following pages showcase corporate responsibility initiatives across our organization. Others explore how we partner with customers and community stakeholders to further their success. All share a common goal: to show how our principles translate into direct action that has measurable positive impact.

The other theme woven through this report, and indeed through every initiative BMO undertakes, is that broad strategic achievements are comprised of countless individual efforts.

Our business is fundamentally personal. As we help customers manage their spending, grow their savings, borrow smartly and invest wisely, we build close, long-term relationships. So it's only natural that our approach to corporate responsibility is grounded in the personal commitment of every BMO employee. In a borderless world where so many traditional points of contact are no longer relevant, the links between like-minded people with a shared sense of purpose are more vital than ever. And, as our report theme suggests, the stories of their success are by definition human interest stories.

Bill Downe
Chief Executive Officer

BMO CEO Bill Downe speaking with Jean-Michel Arès, Chief Technology & Operations Officer, at BMO's Leadership Council meeting, held annually at the Institute for Learning.

BMO at work

Leading by example



Jim Johnston, Director of Environmental Sustainability & Compliance, Ula Ubani, Director of Environmental, Social and Governance and Jamie Paradis, Administrator, BMO Life Assurance Company, work together on BMO's sustainability initiatives.

Our Reporting Platform

Information about BMO's sustainability performance and corporate responsibility commitments can be found on our website and in a suite of disclosure documents (listed below). Together, they provide a complete picture of how we manage the environmental, social and governance impacts of our business while creating long-term value.

1
Environmental, Social and Governance Report and Public Accountability Statement



2
Corporate Responsibility website:
bmo.com/corporate-responsibility



3
Annual Report



4
Notice of Annual Meeting of Shareholders and Management Proxy Circular

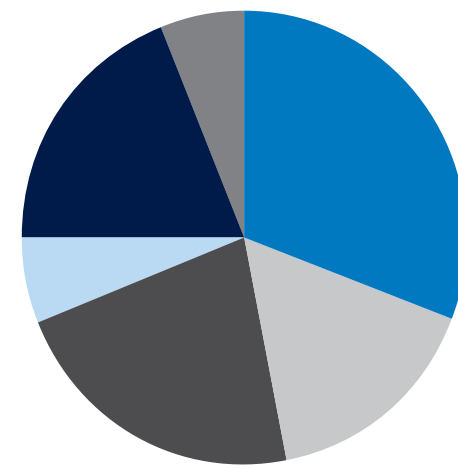


2013 Highlights* Commitment to our stakeholders

Community investment

\$56 million

in community donations (Canadian \$ in millions)



- 31% Hospitals and Health Care
- 16% Civic and Community Initiatives
- 22% Education
- 6% Federated Appeals
- 19% Arts and Culture
- 6% Other

Community investment

\$22 million+

raised by BMO employees through our employee giving program and other fundraising initiatives

Employees

\$91.1 million

total spent on employee training

Environment

10%

target for reduction of carbon emissions by fiscal 2017

Community investment

\$536.7 million**

community investment loans in the United States

Customers

\$1.8 billion

equity and debt raised in renewable energy financing

Customers

\$1.5 billion

annual Aboriginal customer business (home loans, commercial loans and deposits)

Employees

98.9%†

of employees completed ethics training

Customers

#1

ranking for long-term trust in *American Banker* and the Reputation Institute's annual customer survey

Employees

84%

of employees identified customers as a top priority in our Annual Employee Survey

Employees

#11

global ranking from the American Society for Training & Development (ASTD) for the 2013 ASTD BEST award

Environment

175

tonnes of waste diverted from landfill through our technology disposal program

Governance

33%

of the independent directors on our Board of Directors are women

* For more information, please see the 2013 Environmental, Social and Governance Report and Public Accountability Statement.

** Amount in U.S. dollars.

† Taking normal employee turnover into consideration, a completion rate of 97% or above is considered to include 100% of the employee population required to take the training during the defined time period.

A Commitment To lead by example in everything we do

- Responsibly managing performance
- Ensuring discipline around risk
- Growing a loyal customer base
- Fostering our employees' success
- Conducting business with integrity
- Helping others along the way

Lilian Ishak
Wealth Management



Developing our human capital

Learning to Change

As the BMO Institute for Learning celebrates 20 years of pioneering corporate education, we're investing more than ever to ensure employees can thrive and lead in a changing world.



WHEN THE BMO INSTITUTE FOR LEARNING (IFL) opened its doors in January 1994, it was the first facility of its kind in Canada and one of only a handful in North America. The vision behind this unique corporate university was to support and nurture the bank's most valuable asset – our people. We wanted to create an

environment in which employees could enhance their skills and expertise, and then share what they'd learned, providing customers with the knowledge and confidence to successfully manage their financial decision-making.

In his remarks at the IFL's official opening, The Right Honourable Jean

Chrétien praised the bank's leadership in promoting "the importance of learning in order for business to grow and profit in a global economy." Two decades on, our belief in the value of continuing education is stronger than ever.

Each year, tens of thousands of BMO employees take courses in person, by

Designed by renowned architect Raymond Moriyama, the IFL features a Grand Hall – known as "the Bow" – that connects the learning centre, the presentation hall and a residential wing.

Built for the Future

To recognize the IFL's 20th anniversary, BMO held its 2014 Annual General Meeting at the learning centre's landmark building in north Toronto. In his remarks to shareholders, CEO Bill Downe reinforced the continued importance of employee education as BMO reshapes itself to meet the challenges of a rapidly evolving world. Some highlights:

Learning to change

"This remarkable building is more than a symbol of innovation. It's a tangible investment in the change agenda that has driven our bank for the past two decades, and that was clear long before this building was even on the drawing board. More fundamentally, it confirms our belief in the power of reinvention... We want to ensure that BMO employees have the necessary knowledge and skills to stay ahead of a changing world, along with the agility to create and sustain value – not just in the short term, but over time."

New kinds of knowledge

"Like our customers, we're taking advantage of technology to find new ways of interacting and sharing information. What matters are not the specific facts we know – which can be searched in an instant – but our ability to understand different perspectives, to be flexible in tailoring solutions for customers and even creating them together. By the same token, learning fuels our drive to create a more diverse and inclusive workforce. It's no accident that cultural intelligence is now seen to play a crucial role in driving competitiveness, and in opening minds and broadening opportunity."

A two-way investment

"If we're going to define change, rather than let it define us, we have to invest in learning that develops not only skills and expertise, but also our readiness to change with the change. What makes us confident of success is the fact that education at BMO has always been a two-way street. We invest in people who invest in themselves – in their own potential to do work that moves the bank forward."

Learning drives performance

"The IFL embodies our belief in the potential of all employees to acquire new knowledge; to grow, both professionally and personally; to meet challenges with innovative solutions; and, in doing so, to drive the overall performance of the business."



remote learning in virtual classrooms and via web-based eLearning. The IFL also operates a social learning platform called myConnections and produces webcasts, “In Conversation” events with guest experts and informal “Learning Moments” exploring topics such as strategy, innovation and defining a great customer experience. The IFL library and resource centre, known as The Commons, is available to all employees. And in addition to the main campus in north Toronto – designed by renowned Canadian architect Raymond Moriyama – there are regional learning sites in major cities across Canada and the United States.

For new employees, the IFL provides both an orientation to our organization and a welcome to the BMO family. Learning experiences are designed to foster collaboration – through

team-building skills woven into the curriculum and more generally by creating cohesion among people from diverse backgrounds and with varied roles in the organization. Many employees who come together in IFL programs forge lifelong relationships.

In short, the IFL is both a key to the bank’s competitive advantage and a point of pride for all who embrace its mandate: To be a world-class learning organization that develops inspirational leaders and passionate, customer-focused employees while fostering BMO’s culture. ☺

Left to right: BMO CEO Bill Downe, The Right Honourable Jean Chrétien and Chairman of the BMO Board Robert Prichard celebrating the 20th anniversary of the IFL in March 2014.

Doing the Math

319

BMO employees completed our leadership development programs, offered every year through the IFL, in 2013.

460,000

Learning sessions presented by the IFL since 1994, in programs that span skills training, management education and leadership development.

35.5

Approximate number of hours annually that each BMO employee devotes to learning.

48%

Proportion of IFL programming delivered via eLearning in 2013, compared to 33% in classrooms. The online education offering has doubled in the past decade as technology enables more effective and flexible learning – anytime, anyplace.

Alecia Nelson
Senior Learning Consultant, IFL

“There’s a strong focus on continuing education at BMO, because we know our environment changes based on the market and on our competitors – and, even more importantly, because our customers change.”



AS A SENIOR LEARNING CONSULTANT at the IFL, Alecia Nelson helps build learning architecture, thinking through the best ways to deliver courses to BMO employees. And what helps anchor her programs in the real world of banking is the fact that she knows that world first-hand. In her 14 years with BMO, she has worked in everyday banking, lending and investments – at the branch level, in the contact centre and on the front lines.

“I understand the business well and how the roles work,” Alecia says. “At the same time, I see how the learning environment is evolving, so I can bring that value to meeting the needs of our partners within BMO.” To continue expanding her own learning horizons, she recently completed a master’s degree in adult education. “It’s helped me focus even more deeply on the learning experience,” she explains, “in this balancing act between what the business needs, what our employees need and what the IFL can deliver. When I watch participants go through the learning process and at the end feel confident and ready to get back on the job – it’s a great feeling to see that journey.” ☺

Fadia Chamandy
BMO Financial Services Manager, Ajax, Ontario

“Education goes hand-in-hand with career development. I know that in my next position, the IFL will be there to teach me.”



WHEN FADIA CHAMANDY JOINED BMO from another bank in 2013, she was already an experienced Financial Services Manager (FSM) with a Personal Financial Planner designation and a bachelor’s degree in finance. But when she came to the IFL for a one-week workshop in personal lending, she gained a whole new perspective – not only on the topic at hand, but on how inspiring career-focused learning could be.

“The whole process was awesome,” Fadia says. “The instructors were very knowledgeable, and most of them have worked in branches, so that was really helpful. And the people in my class were from all over Canada. To hear how everybody works and the different stories of what goes on in their branches – we saw that we were all dealing with the same struggles as new FSMs. Interacting in a classroom with other people, working face-to-face and doing role-playing, it’s much easier to learn – and it makes you want to learn more.” ☺



1.6 million

Total number of hours committed to formal learning activities across the enterprise in 2013.



\$91.1 million

BMO’s total expenditure on continuing education in 2013, as we helped employees gain the skills and insights they need to guide customers’ spending, saving, borrowing and investing.



#11

BMO’s ranking among 28 global organizations honoured with a 2013 ASTD BEST award from the American Society for Training & Development.

Healthy Returns

BMO's \$5 million investment in Rush University Medical Center, Medical Home Network and Malcolm X College will help to improve health care and education while creating jobs in Chicago communities that badly need them.

IN CHICAGO'S WEST AND SOUTH SIDES, a history of tough economic challenges has led to chronic shortcomings in the quality and consistency of health care. For many residents, the barriers they encounter in getting access to medical care in the community often lead to delayed treatment or unnecessary trips to the emergency room. A single patient may be treated by multiple clinics, hospitals and physicians, with no coordination or shared communication. This results in fragmented and duplicated services, which affects quality of care and extends a cycle of diminishing returns – while adding further costs.

To help remedy this situation, in 2013 BMO announced the largest single donation in our history – \$5 million to Rush University Medical Center in support of a unique initiative encompassing patient care, medical education, community-based services and a rigorous evaluation of current needs. The ultimate goal of the program – the only one

of its kind in the United States – is to expand health care delivery in underserved urban neighbourhoods and at the same time reduce costly emergency room visits and hospitalizations. The new organizational models being developed will increase communication and collaboration among medical professionals while providing educational opportunities for Chicago-area students hoping to pursue careers in health care.

“We believe the approach to training and delivery of health care furthered by the BMO donation is our best bet to combat current barriers to health care access,” said Dr. Larry Goodman, CEO of Rush University Medical Center, at a public event to announce BMO's contribution. “We are optimistic that this model is the future for delivering health care for Medicare and low-income patients.”

Chicago Mayor Rahm Emanuel, welcoming BMO's support in the drive to meet rising health care needs, also



stressed the initiative's longer-term economic impact: “This partnership is exactly the type of innovation we are looking for in Chicago, so we can train and educate a workforce that will be ready to fill the jobs of tomorrow. The pipeline of health care workers that will come out of this partnership and the efforts of our City Colleges will improve the lives of Chicagoans for generations to come.”

Help Where It's Needed

Over the next five years, BMO's donation will be directed toward:

- Helping Rush strengthen its collaboration with Malcolm X College (MXC) as part of a broader City Colleges of Chicago initiative addressing the health care skills gap with more education programs.
- Funding five new scholarships for MXC graduates to continue their education in Rush's bachelor of science in Health Sciences program, which includes internships.
- Supporting inter-professional education for the community-based Medical Home Network, helping to unite public and private organizations in the

- coordinated delivery of patient care.
- Funding four new fellowships focused on reducing health disparities and evaluating the effectiveness of collaboration between Rush, MXC and the Medical Home Network.
- Backing student-led efforts to improve access to quality health care in underserved communities.

“We commend Dr. Goodman, the team at Rush and their partners for creating such a compelling initiative,” Bill Downe, CEO of BMO Financial Group, told a large group of Chicagoans at the

event. “The issues of health, education, medical services and poverty are all key elements of BMO's community efforts and areas where we know we can make a difference.”

Chicago Mayor Rahm Emanuel speaking at the announcement of BMO's donation.

Supporting
our communities



Generosity Runs Deep

From their efforts on our annual BMO Volunteer Day to their industry-leading charitable donations, employees generously make a difference in the communities where we live and work.

WEEDING THE GARDEN at a women's shelter. Painting the cabins at a children's camp. Picking up litter in a riverside city park. Assembling relief kits for the Red Cross. Helping to build homes for disadvantaged families. Preparing meals in a residence for children being treated for cancer.

These are a few of the thousands of ways our employees lend a hand on BMO Volunteer Day, held across North America each June. Whether organizing activities at a seniors' centre or planting vegetables for an urban food bank, BMO people take time away from the branch or office – during business hours – to give back to the communities where our customers live and where we make our homes.

In accepting the invitation to “skip work, do good,” employees not

only deepen BMO's roots in the community but also strengthen our own organization. As volunteers, we gain opportunities for personal growth – developing leadership, team-building and creative thinking skills, and sharing experiences that deepen engagement and boost workplace morale.

Giving Big

BMO's annual Employee Giving Campaign is one of the largest of its kind in North America. Employees support charitable organizations – in particular local United Ways/Centraides – that are working to improve daily life and create longer-term opportunities in our communities.

Last year 39,000 employees, representing more than 84% of our workforce, generously contributed to the campaign

through direct donations as well as fundraisers. More than 6,000 employees also participated in Days of Caring, volunteering with United Way/Centraide member agencies and seeing first-hand how our support makes a difference in people's lives.

Walking for Kids

In May 2013, BMO employees across Canada were joined by their families and friends in the bank's inaugural fundraising walk in support of Kids Help Phone/Jeunesse, J'écoute. More than 3,000 employees in 33 locations across Canada raised nearly \$650,000 to help ensure children and teens from communities large and small are able to reach professional counsellors for confidential, non-judgmental support – day or night, in English or in

French, by phone or online. Later in the year, the BMO Employee Charitable Foundation donated another \$250,000 to the organization.

It's one more way that BMO employees make a positive difference in society – and bring to life the fundamental commitment to community that has anchored our growth, over the past two centuries, into one of North America's largest financial institutions. ☺

Canada-wide Walk so Kids Can Talk events feature a 5K walk and a variety of family activities. To date, BMO employees have raised more than \$1 million for Kids Help Phone through these events.

Making It Count



\$22,000,000+

Last year BMO employees raised a total of \$22,080,605 for a wide range of charities through our employee giving program and other fundraisers, augmented by corporate gifts to United Ways/Centraides.

84.2%

Participation in BMO's 2013 annual Employee Giving Campaign – one of the largest programs of its kind in North America – with contributions from 39,000 of our approximately 45,500 employees.

18,000+

Hours contributed on BMO Volunteer Day – June 5, 2013 – as more than 6,000 employees helped out on 463 projects in support of 276 charities.

2,784

BMO employees who volunteered for Days of Caring projects from September through December 2013, devoting 8,685 hours in support of more than 150 United Way/Centraide member organizations.



The Roots of Success

Aboriginal students at Calgary's Mount Royal University benefit from a comprehensive program of scholarships, bursaries and peer mentorship – thanks to a \$1.25 million donation from BMO.

WHEN KAREN INHESTERN graduated from the Aboriginal Education Program at Mount Royal University, she wrote to share her feelings about this transformative achievement (and kindly gave us permission to reproduce her words):

“I would like to take this opportunity to thank Bank of Montreal for extending the Aboriginal Education Program Bursary to me. I am currently a first-year student at Mount Royal University, and I have applied to be accepted in the Bachelor of Arts – History program this September.

“History has always been of interest to me, and my ideal career would involve working with archives or in a museum. Keeping items from the past safe and preserving them for future generations is very important to me. In addition, making these items accessible for research and enjoyment is why becoming an archivist appeals to me.

“I am a single mother of two working full-time, and I found it difficult to consider a post-secondary education due to the costs involved. Thanks to Bank of Montreal, I was able to focus on my courses. I really enjoyed my courses, meeting the instructors and broadening my perspective on education. Due to your generous bursary, I am now optimistic about my educational journey! I just finished my first semester of classes, and I am proud to say that I made the honour roll while also having perfect attendance! I am excited about my future and can't wait to complete my history degree.

“Perhaps I am most proud of the example I am setting for my children. I want them to know that a post-secondary education is an investment in independence and happiness. Thank you again for this wonderful opportunity!” ☺

Investing in Promise

With a donation of \$1.25 million from the BMO Financial Group Aboriginal Student Fund, Mount Royal University has created a program of financial and cultural support for students. Over the next seven years, the program will finance:

- 20 new scholarships and bursaries annually, providing much-needed support for students in degree programs, as well as the Aboriginal Education Program, which helps them prepare for university studies.
- A unique peer mentorship program in which third-year and fourth-year Aboriginal students act as guides and role models for younger students, many of whom are navigating cultural differences as they live away from home for the first time.

Approximately 3.5% of Mount Royal students identify themselves as Aboriginal. Most are from communities across Alberta that together represent approximately 6% of the province's total population. Supporting their success is a natural extension of BMO's commitment to helping build strong relationships and create economic opportunity in Aboriginal communities throughout Canada.

Sound Governance

BMO Financial Group is committed to upholding the highest standards of business ethics, responsible management and effective corporate governance.

WE'RE PROUD of the way we do business and recognize that responsible conduct is vital to ensuring the viability and sustainability of our bank. We adhere consistently to the established tenets of sound governance: honesty, transparency and full disclosure.

These tenets form the foundation of BMO's commitment to sound governance, and they never change. However, we know that governance practices must evolve as the economic environment shifts and our business changes with it. We therefore constantly review, evaluate and modify our governance practices to ensure they continue to meet our own high standards, as well as the standards of our operating environment, including all applicable banking and securities regulations.



Our Board of Directors Independent Oversight

BMO's Board of Directors firmly believes that in order to be effective, it must be independent of management. The appointment of an independent chairman reinforces this separation of roles while providing a direct point of contact between board members and the bank's executive leadership.

- BMO has adopted a set of Director Independence Standards based on the *Bank Act (Canada)*, along with guidelines established by the New York Stock Exchange and the Canadian Securities Administrators. The board applies these standards in assessing personal, business and other relationships between directors and the bank and affiliates.
- All BMO board members other than the CEO are independent and unaffiliated.
- Meetings of the board and its committees include in-camera sessions attended only by the independent directors.

Diversity Policy

- We believe that BMO's Board of Directors should reflect the evolving demographics of the communities in which we operate. The board Diversity Policy adopted in 2012 will help us build a board made up of highly qualified people from a broad range of backgrounds.
- The board Diversity Policy includes the goal that each gender must make up at least one-third of the independent directors membership. The current board meets that criterion.

Continuing Education

- We make it a priority to provide BMO's directors with current and relevant information about all aspects of the bank's operations.
- The Governance and Nominating Committee of the board ensures that directors receive presentations, learning materials and reading recommendations from the chair, committee chairs and the CEO. Topics covered in these materials include governance issues, executive compensation, risk management and recent developments in banking and securities law.
- The Governance and Nominating Committee, in partnership with the BMO Institute for Learning, has also developed an online education program for directors, including a convenient mobile application.

Strategic Planning and Risk

- The Board of Directors oversees the bank's strategic planning process and annually reviews a plan that takes into account the overall competitive environment, opportunities and risks, and emerging trends. The board then monitors implementation of the strategic plan and gauges its effectiveness.
- The board ensures that proper risk mitigation processes are in place, reviews risk-related activities, and examines and approves policies that require compliance with legal, regulatory and internal requirements.

- In 2013, the board approved a new Criminal Risk Management Corporate Policy, which sets out the framework required to prevent, detect, respond to and report suspected criminal activity across all areas of the organization.



Compliance Measures

Complying with applicable laws, rules and regulations is a critical aspect of the bank's social performance as an institution dedicated to doing what is right – in our view, and in the view of our diverse stakeholders. We have policies and processes in place with respect to legal and regulatory compliance in all jurisdictions where BMO or our subsidiaries or affiliates conduct business.

Information Security

- Advances in technology, and especially the proliferation of devices such as smartphones and tablets, have created new expectations about real-time access to information. It is vital that we keep pace with the changing needs of BMO customers while recognizing the need to take measures to protect their confidential information.
- By staying alert to potential external threats to the security of information entrusted to our bank, we minimize risk.
- BMO offers web-based information, free software downloads and instructional videos to help protect customers from online fraud and identity theft, and to guide them on how to protect their personal computers and other devices.
- We also provide mandatory training on information security for BMO employees.

Information Privacy

- BMO has policies and procedures in place to respect and protect the personal information of our customers and employees.
- We are committed to the accuracy, completeness and proper maintenance of all customer records, data

and other information that we own, create, use and manage in all types of media.

- Our public policy on information privacy – called the BMO Privacy Code in Canada, and Privacy Notice in the United States – is easily accessible on our website, as are the details of our complaint resolution process.

Whistleblower Protections

- BMO has clearly defined procedures by which officers and employees can safely and anonymously report any potential non-compliance with the bank's *FirstPrinciples* code of conduct.
- Under our whistleblower protections, employees can also raise concerns – anonymously and protected from retaliation – about accounting or auditing matters.
- By providing this forum, and by taking all complaints seriously, we reinforce the culture of rigorous ethical conduct that has defined BMO for nearly 200 years.

Anti-Corruption Measures

- BMO supports all laws designed to combat bribery and corruption.
- Our policies state clearly that the bank's employees must not accept or offer bribes or engage in any other corrupt activities. Moreover, they are expected to report and, wherever possible, endeavour to prevent bribery, corruption or other forms of misconduct committed by others.

Anti-Money Laundering

- BMO strongly supports legal and regulatory authorities around the world in combatting money laundering and terrorist financing.
- We will not knowingly do business with people or groups who try to use the bank's services to conceal illegally earned money or assets.
- BMO will not knowingly do business with identified terrorists or terrorist groups. ☹

FirstPrinciples: Our Code of Conduct

Building a culture of trust and good governance begins with our employees.

Everyone working at BMO is required to read and act in accordance with our *FirstPrinciples* code of conduct, which provides a framework for the ethical decision-making and appropriate behaviours we have identified as integral to the work we do.

Our *FirstPrinciples* guidelines require employees to ask three fundamental questions: Is it fair? Is it right? Is it legal? By consistently applying this straightforward test, we help to ensure that honesty and integrity, supported by a clear set of ethical standards, are the foundation for everything we do.

The *FirstPrinciples* code states in plain language what is expected of all BMO employees:

- Do what is fair, honest and ethical.
- Respect the rights of others.
- Work to the letter and spirit of the law.
- Protect privacy and confidentiality.
- Deal with conflicts of interest.
- Conduct ourselves appropriately at all times.
- Be accountable.

Shrinking our footprint



Working Environment

Across our organization, BMO employees show that countless individual efforts add up to a huge collective commitment to doing what's right for the planet.

"I BECAME A BMO Environmental Ambassador because I have a background in environmental sciences and geology," explains Jamie Paradis, an administrator with BMO Life Assurance Company. "I thought this would be a small way to give back and share some of my knowledge with my co-workers." In her

downtown Toronto office building, Jamie has focused on an area where she knew her colleagues could make a difference. "Reducing paper use is a huge deal," she says. "We were printing far more documents than we needed to. I also worked with our mailroom to source recycled paper for the building –

Wayne Rankine and David Bulthuis are Building Operators at BMO's Meadowvale Customer Contact Centre in Mississauga, Ontario, which has achieved LEED gold certification.

replacing a stock with no recycled content that was also more expensive.”

In taking on her voluntary role, Jamie joins more than 100 Environmental Ambassadors across the bank who work to increase awareness and help execute BMO’s green strategies. These champions provide valuable feedback to the Environmental Sustainability & Compliance team while spotting opportunities, large and small, to further reduce BMO’s footprint.

Carbon Neutrality

Since August 2010, BMO has been carbon neutral in terms of two key measures that determine our footprint: the energy use in the buildings we occupy, and employees’ travel for business purposes. We’ve maintained carbon neutrality by reducing energy consumption in a variety of ways, including lighting retrofits, automation of building systems, HVAC infrastructure upgrades and switching to hybrid service vehicles. As part of our three-point strategy for achieving carbon neutrality, the bank also purchases renewable electricity and high-quality carbon offset credits generated from projects in Canada.

Transit Initiatives

In the Greater Toronto Area (GTA), we’ve partnered with Smart Commute to facilitate carpooling among employees who work at our Scarborough Computing Centre, the Institute for Learning (IFL) and our Meadowvale Customer Contact Centre. BMO also participates in campaigns encouraging the use of alternative transport to reduce the number of single-occupancy vehicles on the road. In addition, we arrange discounted public transit passes for approximately 3,600 employees in the GTA – nearly 40% of our local workforce – and support a similar program in Vancouver.

Maintaining Standards

Each year, an expert third-party consultant conducts a reasonable-assurance verification exercise to ensure BMO continues to meet the standards for calculating Scope 1, 2 and 3 greenhouse

gas emissions. In 2013, we conducted lighting audits at our Canadian retail branches and as a result are now planning to upgrade all exterior signage and interior lighting to more energy-efficient technology.

BMO was the first bank in Canada to achieve third-party certification to the ISO 14001 standard for our Environmental Management Systems – initially, in 2008, at our 55 Bloor Street West office building in Toronto, and two years later at the IFL. To maintain certification, both facilities undergo internal and external audits annually to confirm that programs are in place to reduce or eliminate activities with potential negative impact on the environment.

Canada’s Clean50 Award Winners

In 2013, we were proud to learn that two BMO employees had been recognized by Canada’s Clean50 Awards, presented to 50 individuals and small teams who are leaders in advancing clean capitalism and sustainability.

Jim Johnston, Director of Environmental Sustainability & Compliance, was honoured for his efforts to reduce emissions related to buildings and infrastructure. “Over my 35 years with BMO, my current role has been the most satisfying,” says Jim, whose team has won many industry awards for carbon emissions reporting and performance. “Recognition by the Clean50 is like the icing on the cake.”

Ula Ubani, Director of Environmental, Social and Governance, is responsible for assessing and reporting on sustainability issues related to all non-financial operating components of our business, including governance, conduct and employees. “It’s gratifying to be recognized,” says Ula, who also represents BMO on the United Nations Environment Programme Finance Initiative and many industry task forces. “It’s humbling as well, because we know that in sustainability the search for improvements never stops.”

Our 2013 Numbers



175

tonnes of waste diverted from landfill through our technology disposal program



10%

goal for reduced absolute emissions across BMO by fiscal 2017 (against a 2012 baseline)

115,197

MWh of renewable energy purchases

7,085

tonnes of office paper shredded/recycled

38%

energy-efficient service fleet (hybrid vehicles)

25%

target for reduction of paper consumption by end of fiscal 2016 (against a 2011 baseline)

Our customers

Building the future together



Jessica Chalk, CEO of TrafficSoda, and Adam Manning, a Commercial Account Manager with BMO, work together to achieve Jessica’s entrepreneurial goals.



Net Gains

In Canada's Pacific Northwest, the enterprising Lax Kw'alaams First Nation has revived a fish processing plant – the latest initiative in an ambitious economic development campaign.



OFF THE NORTHWEST COAST of what is now British Columbia, the people of Lax Kw'alaams have lived off of salmon fishing and harvesting marine resources for more than 10,000 years. In the 1980s, however, the only local fish processing plant ran into financial difficulties and virtually closed down. Then two years ago the community's entrepreneurial leadership – as part of a successful multi-year strategy to revitalize the regional economy and create much-needed jobs – crafted a plan to revive the dormant plant.

"We had the vision, knowledge, supply, market, labour and fishing fleets – the whole nine yards," says Wayne Drury, CEO of the Lax Kw'alaams

Business Development Group and Board Administrator. "What we didn't have was a bank that wanted to be part of this... It takes a lot of work to create jobs in a small community like ours. We needed support, and BMO stepped up."

With \$13 million in financing from BMO's Aboriginal Banking unit, the Lax Kw'alaams Group was able to expand and modernize the plant. The 40,000-square-foot facility was completed in time for the 2013 pink salmon run, which proved to be the largest on record. At its peak, the plant was handling more than 200,000 pounds of fish a day.

This year the facility will process and sell 15.5 million pounds of

groundfish under the Coast Tsimshian Seafood label, generating gross revenue of \$35–40 million and employing about 200 workers. Its success has given a significant boost to the local economy, as people who might otherwise have left to find work elsewhere are staying to build a future.

More than Being a Bank

The Lax Kw'alaams First Nation is the second largest in British Columbia, with some 3,800 members – about 1,000 of whom live in the community that bears their name (also known as Port Simpson). The band made its first major foray into private enterprise in 2007 with the purchase of a bankrupt forestry

company, a move that helped to revitalize the industry in a region hard hit by declining global demand. Today the nine companies owned by the Lax Kw'alaams Group generate nearly \$200 million in annual revenue and employ some 450 people, more than half of them First Nations. In 2000, nearly 900 community members were on social assistance; now there are fewer than 100.

For Wayne Drury, who returned to the community 15 years ago after a long career in the forestry business, successful economic development depends on finding partners who understand and embrace the vision. When the company was unable to secure financing for the fish plant from its existing bank, Wayne

found the support he was looking for at BMO. "It really came down to an institutional attitude," he explains. "BMO takes a can-do approach when it comes to First Nation communities."

The bank now handles nearly all of the community's financing needs, from operating capital for the forestry company to infrastructure financing for a paved road to the local ferry dock – a vital transportation link to the port of Prince Rupert, 38 km to the south. BMO has also helped set up a new on-reserve mortgage program being launched in 2014.

The successful partnership reflects the bank's long-standing commitment to providing products and services that match the priorities of First Nations

customers. But it runs deeper than that. "It's all about relationships," says Candace Dennis, Director of Aboriginal Banking for British Columbia and the Yukon. "We take the time to get to know our Aboriginal communities, because each is completely unique and has different needs and goals."

For Wayne, that philosophy makes all the difference: "It's more than being a bank – there's a personal connection, and a commitment to our community's well-being." ☺

"The bank's financing programs for Aboriginal communities are second to none," says Wayne Drury. "And BMO has a personal commitment to our community's well-being."

Clear Vision

From safely detecting land mines to conducting geological and marine research, Clearpath Robotics is “dedicated to automating the world’s dullest, dirtiest and deadliest jobs.”

IN 2009, four Mechatronics Engineering students at the University of Waterloo entered a competition to create an ‘intelligent ground vehicle’ that could help clear minefields without risking lives. Five years on, the young entrepreneurs have grown their high-tech start-up, Clearpath Robotics, into a technology leader with industrial, academic and government clients in more than 30 countries with customers including the National Aeronautics and Space Administration, the Canadian Space Agency, Massachusetts Institute of Technology and the U.S. Navy.

“What’s most interesting about our clients is that they find so many different applications for this kind of technology,” says Bryan Webb, the Kitchener-based company’s Chief Operating Officer. “It’s really eye-opening. There is so much that can be done in advanced automation, whether you’ve got a robot working alongside humans or operating in a challenging environment such as a mine or out on the ocean.”

Clearpath’s robotic vehicles are used in agriculture, geological exploration, scientific field research – anywhere that working conditions present safety risks or the task at hand is tediously repetitive. And while many of the company’s applications are highly specialized, Bryan and his partners are clear on the longer-term potential of sophisticated robotics: “With small technological changes this work is applicable to much broader markets.”

Banking on Entrepreneurs

Clearpath’s co-founders made their first sale before they had even graduated, and in the early days the company was able to finance itself by creating custom robotics for researchers at the University of Waterloo and other schools. But soon it was clear that the fast-growing business needed a strong financial partner – and that’s when BMO entered the picture.

“BMO is the most entrepreneurial bank we’ve encountered,” Bryan says. “When we were just starting out and

didn’t have much of a track record, BMO was the one bank we were able to develop a relationship with, and that’s allowed us to grow to the next level.”

For Commercial Account Manager Adam Manning, the start-up’s promise was evident from the first meeting: “I was blown away by Clearpath’s potential and excited by the prospect of helping achieve their business goals. The maturity, vision and quiet confidence they displayed made it easy to buy in from a banker’s perspective.”

This immediate personal connection was reinforced by the expertise that Adam has developed working with entrepreneurs across Waterloo’s vibrant tech community. “Adam has a deep understanding of the sector,” Bryan says. “It allows us to click very quickly when we’re discussing new concepts. He has a good appreciation for where technology can go in the marketplace, which is exceedingly important for all tech businesses.”



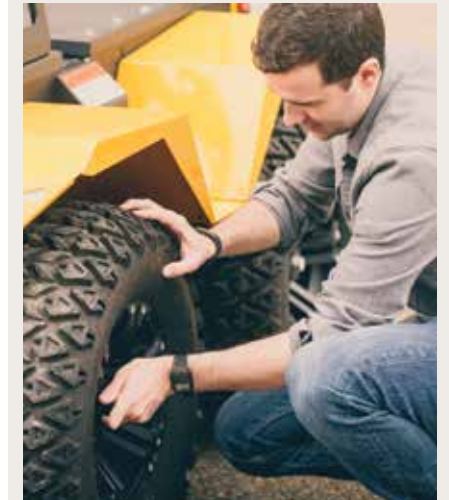
Better, Smarter Tools

With financing from BMO, Clearpath has been able to pursue an ambitious expansion plan, investing in more engineering expertise and tripling its production facilities. As the company takes on larger pieces of business and explores new markets, its workforce has grown to 45 employees and is projected to reach 75 by early 2015.

This rapid growth is a natural outcome of Clearpath’s overarching goal: creating better, smarter tools to help people safely and efficiently achieve their objectives. “We see huge opportunity in the future of robotics,” Bryan sums up. “We’re building a world-class team so we can capture as much of that opportunity as possible.” ☺

Clearpath has won several awards in the robotics industry.

Helping the Ecosystem



Clearpath’s award-winning technology is based on open-source software, so users can customize automated solutions to fit their unique needs.

“We’ve created a platform that other people can build on,” COO Bryan Webb explains. “We’d love to see an ecosystem of businesses that use our technology to accomplish their own vision.”

To encourage this kind of innovative collaboration, Clearpath has founded PartnerBot, a program that supports robotics researchers around the globe with equipment and technical expertise. The program focuses on technology with environmental and humanitarian applications, providing six-figure support to initiatives such as the remote monitoring of dangerous methane emissions in landfills.

Helping small businesses grow

Windows of Opportunity

For the CEO of Westmont, IL-based U.S. Architectural Glass and Metal, growing a business means building relationships with people who can guide you – and giving the same in return.

“I FEEL A TRUE SENSE of accomplishment when I drive by a building project that I was part of,” says Ernest Edwards. “I love bringing an architect’s vision to life.”

As the owner and CEO of U.S. Architectural Glass and Metal, Ernest has contributed glazing and metallic finishings to some of the city’s most prominent landmarks, from the University of Chicago and Rush University Medical Center to the Michigan Avenue Bridge and Chicago Transit Authority train stations. “We’re helping to mould the new look of Chicago,” Ernest says, “and we want to do the same thing in cities throughout the U.S.”

This entrepreneurial vision has driven the Chicago native since he started in the glass business nearly 30 years ago while still completing a college business degree. He founded his own company in 2000, initially focusing on residential and commercial glass installations. Today U.S. Architectural Glass and Metal works on large-scale government, institutional and private-sector projects, employing more

than 100 people and generating about \$15 million in annual revenues.

“Small businesses like ours are the backbone of the U.S. economy,” says Ernest, who in 2010 purchased a second company, Glass & Mirror America, to serve residential and commercial customers. “It all comes down to hard work, determination and an openness to new ideas. Also, my timing was right. In the mid-80s I had a sense of what technology could do for our business. I was able to grow, and I’ve kept on growing.”

Vital Support Systems

Another critical element in Ernest’s success is the support he’s received along the way: “When I was young, I was fortunate to have some good men in my life who helped shape me and sheltered me from a lot of the pitfalls that children can run into. Now, as a business leader and a father of four, I want to give back to the community what was given to me.”

For several years Ernest has been coaching youth basketball teams in the Amateur Athletic Union, offering young



players a chance to compete at the national level while also exposing them to educational opportunities. “They’re playing basketball,” he says, “but more importantly we’re spending time mentoring these young men, surrounding them with positive male role models. A few have gone on to attend college on athletic scholarships.”

This belief in the value of relationship building is evident in all aspects of Ernest’s busy life. He sits on the board of the Chicago Minority Business Development Council Inc., for example, which is sponsored by Fortune 500 companies seeking a more diverse supplier base.

“I advocate for minority business owners,” he explains, “and give corporations our perspective on things.”

Banking on Relationships

The entrepreneur is constantly expanding his network through everything from executive education programs to trade missions to China: “I’ve established critical, long-standing relationships with people who share the same vision,” he says. And among those valued allies are his commercial bankers at BMO Harris Bank. “I’ve had other banks express interest in us, but there’s a closer relationship with BMO

Harris. They’ve shown an effort to really work with small business owners and understand what our needs are.”

Those sentiments are echoed by Calvin Toone, Vice President, Business Banking, with BMO Harris in Chicago: “Ernest is a pleasure to work with. He’s in an exciting industry that has a lot of growth potential, and his company is well diversified. As the business grows, we’ll be able to provide more sophisticated products that mirror its needs.”

Ernest is now exploring markets outside Chicago while also considering potential acquisitions, confident that he has a supportive banking team behind

him. “I’m looking forward to a long-standing relationship,” he says. “Doors are opening, and I can see that there’s going to be a lot of opportunity to grow and build.” ☺

It’s important for Chicago native Ernest Edwards (pictured above, left) to be involved in the life of his city, and his choice of bank reflects that: “At BMO Harris, it feels like a community.”

Turning dreams
into realities

Home for Good

With help from a network of supporters, including BMO Harris Bank, a Chicago woman received the down payment grant she needed to finally become a first-time homeowner.

DENICE JOHNSON UNDERSTANDS what it takes to pursue a dream. After decades of working, she still regretted not having gone further with her education – and so in 2011 she enrolled in an associate degree program at the University of Phoenix. It meant juggling two jobs and commuting 125 km a day while keeping up with her coursework, but Denice persevered, and at age 53 she proudly earned her associate’s degree in business administration.

“That was something on my bucket list, to go back to school,” she says. “And now that I’m finished, I’ve decided that I’m going to pursue my bachelor’s too.”

Another top priority on that list was owning a home. Through more than 25 years of renting, Denice’s dream of someday buying her own place had always seemed beyond reach. But finding success in meeting her educational goals brought a new sense of confidence to other areas of her life as well. And in December 2013, with help from a network

of friends and advisors, she was able to purchase her first home: a neat brick bungalow in suburban Calumet City, complete with a backyard greenhouse – and plenty of space for her beloved dog, a bichon-poodle mix named Chauncey.

Making Connections

Making Denice’s dream a reality required a long series of administrative steps. But what mattered far more were the vital connections between people who understood the process and were ready to help move it forward.

The wheels started turning when Denice shared her aspirations over lunch with her friend Tonya Cody-Robinson, who works for a not-for-profit organization in Chicago. Eager to help, Tonya introduced Denice to Loretta Minor at BMO Harris Bank who, in her role as Vice President and Senior Community Reinvestment Act Relationship Manager, works with local organizations to make home ownership affordable for more people.



“Denice reached out to me and asked if any of our programs could help her,” Loretta recalls. It didn’t take long to find a solution: the Downpayment Plus program, which provides forgivable grants, through the Federal Home Loan Bank of Chicago, to assist eligible homebuyers with down payments and closing costs.

Approved for the maximum grant of \$8,000, Denice then sat down with BMO’s Tina Hobbs, a specialist in affordable lending, who helped process

the formal mortgage application. And from there it was a matter of finding the right home, which in Denice’s case was remarkably easy: she fell in love with the second property she saw, and within weeks she and Chauncey – with the help of her fiancé Bruce – were moving in.

The Dream Team

Buying a home can be stressful for anyone, and for a first-time buyer like Denice the experience brought some challenging moments. “There were

times when I was in tears,” she says, “but Tina gave me a tissue and told me to keep moving – and I did.”

Denice credits her ‘dream team’ of friends, bankers and other advisors – even including the seller’s lawyer and realtor – for making her dream come true. But Loretta makes it clear that the gratitude flows both ways: “In this job, we often work with people who haven’t always had it easy. There can be a lot of challenges, but what keeps you going is when you have outcomes like this. It’s a

really good feeling to know you had a small part in changing somebody’s life.”

Denice still keeps a photo on her cellphone of her new house with the sold sign on the front lawn, to remind herself that it really is hers: “If you have great people behind you, it’s going to happen.”

Denice Johnson is thrilled with her new home.

Hatching Plans

Ferme St-Ours, Quebec's largest organic egg producer, creates sustainable growth through innovation, diversification and building communities beyond the farm gate.

IN 2010, the Gold Medal of the Order of Agricultural Merit, Quebec's highest honour for outstanding farm management, was awarded for the first time to an organic producer. It was just the latest recognition for Ferme St-Ours, an innovative family-run business that produced its first dozen eggs in 1993 – and has not stopped growing since.

Ferme St-Ours is co-owned by sixth-generation heir Martine Bourgeois, along with her husband and fellow agronomist Serge Lefebvre and her sister Chantal, a chartered accountant. When they took over the family acreage on the Richelieu River, about an hour's drive northeast of Montreal, it was a dairy farm. "So when we switched to eggs, it was basically a start-up," says Serge, who as president is responsible for the company's day-to-day operations.

Organic Growth

The trio began by converting an old dairy barn to house 20,000 hens. Today Ferme St-Ours has more than 140,000

hens and has expanded to four other locations. From the outset the business had a pioneering spirit, producing Quebec's first omega-3 eggs in 1994. "Innovation is just part of who we are," Serge says. "We love a challenge and are always looking for opportunities to develop our business."

One such opportunity has been the growing demand for organic products. In 1999, Ferme St-Ours raised a small flock of hens using organic methods; that successful experiment led to the acquisition of two nearby properties under the banner of Ferme des Patriotes, which is now Canada's leading organic egg farm.

While the business continues to produce eggs by traditional methods, it is evolving steadily to become 50% organic and 50% free-run or enriched-housing – a reflection not only of changing consumer priorities, but also the owners' personal convictions. "We've always put a lot of effort into how we manage the environment," Serge says. "Animal welfare is important



"We want to feed people the best quality food we can," says Serge Lefebvre. "It's a way to give back to the people, the community and other producers."



to us, and if we take care of the land, we're setting a good example for our children and future generations."

Partners in Innovation

Alongside organic, free-range and omega-3 eggs, Ferme St-Ours also produces its own organic feed, as well as organic corn, soybeans, wheat, sunflower oil and maple syrup products – including candy, sugar, butter and even vinaigrette. "Right from the beginning," says Serge, "we've believed in marketing our own niche products."

It was this entrepreneurial drive that brought Ferme St-Ours to BMO. The bank helped finance the purchase of an additional production site in 1996, and the relationship has deepened from there. "Having access to

credit is very important for our business," Serge explains. "And with the different options BMO gives us, we can work very fast, making a deal and then figuring it out with a banker. That takes a lot of confidence on both sides. It's a true partnership."

Jean Sylvestre, a vice-president with BMO's commercial banking team, echoes his customer's sentiments: "Our relationship is based on a mutual exchange of market knowledge and industry insights. It's inspiring to work with the innovative people at Ferme St-Ours and to be their partner in tracing a path for the future."

Building a Community

What further strengthens the relationship is the bank's sector expertise.

"BMO is very involved in the agricultural market," Serge says, "at the farm level and in agribusiness. So they're also partners in other groups we're doing business with."

Forging connections across the wider agricultural community has helped to fuel Ferme St-Ours' success. Serge sits on the board of Egg Farmers of Canada, a not-for-profit that manages supply and coordinates marketing in an industry that contributes \$1.4 billion to the economy. And he's active in organizations focused on everything from organic farming standards to negotiating with the World Trade Organization on behalf of Quebec egg farmers. "I'm a guy who likes to work and share ideas with everybody," he says. "It's a way to give back to the community."

That spirit is reflected in Ferme St-Ours' unique management structure. Each of the five properties has a manager who operates with a great deal of independence. "We delegate a lot of responsibility," Serge says as he reviews plans for four new henhouses devoted to organic egg production. "That makes people very dedicated, because they feel like it's their own farm. It's the same in any industry – you want to make sure your key people feel good and are enjoying what they do. That's what will keep us competitive." ☺

Driving business expansion

Meshing Priorities

Wisconsin-based Volm Companies is finding new markets for its food packaging products while developing greener solutions and strengthening community spirit in the U.S. heartland.



Left to right: John Bandsma, Jen Auner and Michael Hunter II, Vice President Manufacturing & Corporate Operations, at Volm's packaging manufacturing facility in Antigo, WI.

IN THE EARLY 1950S in the tiny community of Bryant, Wisconsin, Gerald Volm spotted an opportunity to expand his fledgling farm supply business by selling burlap to local potato growers. What followed from that modest first step was a remarkable 60-year story of hard work, enterprise and ingenuity. Today Volm Companies is a leading manufacturer and distributor of packaging materials to the food industry, with locations across North America and as far away as the Netherlands.

Volm's primary focus is providing the mesh bags used by well-known brands such as Dole, Sunkist and Green Giant, along with the proprietary equipment required for packaging potatoes, onions, citrus fruits and other produce. At the same time, Volm has extended innovative applications of its products beyond the food industry – supplying,

for example, plastic mesh sheeting for soil erosion control and shade cloth to protect people and crops from the sun.

Greener Packaging

It was this capacity for innovation that led Volm in 2010 to launch a new “eco-smart packaging technology” called Ultratech – a mesh that is lighter-weight and stronger than traditional food packaging but uses 30% less plastic. By reducing the volume and cost of material without sacrificing performance, the company took a big step ahead of its competitors; high-profile customers were quick to embrace packaging that is both lower in cost and more environmentally sustainable.

“We’re always looking for solutions that enable us to be good partners to the earth,” explains John Bandsma, Volm’s CFO and Chief Operating Officer. “We

want to provide packaging that works for our customers and for the world.”

In addition to the reduction in hydrocarbons, Ultratech is greener in less obvious ways. Being able to stack more bags per pallet cuts warehousing needs in half. It also lowers fuel consumption, as Volm can now send up to 30% fewer trucks on the road. On the other hand, creating a brand-new product required a major investment in development costs and manufacturing equipment, to the point where it was almost like launching a new business – and that’s where BMO Harris Bank has played a key supporting role.

Business Counsellors

When John Bandsma came to Volm from the auto industry in 2009, the company had been banking for many years with Marshall & Ilsley (M&I).

“It didn’t take me long to figure out why,” he recalls. “It was the relationships. And that didn’t change when M&I became BMO Harris Bank.”

CEO Alan Mueller agrees: “They have a deep understanding of our company – what we do, why we do it, how we do it. From supporting domestic and international joint ventures to funding our expansion into Idaho, from guiding us through ownership consolidation to helping us acquire Columbia Packaging in Washington, the bank has been a very influential partner through every significant event at our company in the past 20 years.”

That appreciation is echoed by the BMO Harris banking team: “What’s great about working with Volm is their integrity and their emphasis on personal relationships,” says Jen Auner, Vice President, Commercial Banking.

“They’re the most wonderful people to work with. They’re also one of our most innovative clients. Volm is dedicated to growing its business to meet the needs of customers, which means investing in new technology, new product lines and new strategic partnerships to expand their reach internationally. At the same time, the company plays a vital role in our local economy by providing hundreds of manufacturing jobs – and by giving back to the community.”

Volm remains deeply rooted in its small-town heritage. While the company has customers across the continent and overseas, its head office is in Antigo, WI (population 8,000), about a three-hour drive northwest of Milwaukee. In addition to being an important local employer, Volm has made many other contributions to the community, including a cancer centre,

a high school theatre and a scholarship program for university-bound students.

“We have a responsibility to be good corporate citizens,” John says, “and to be seen as leaders in the community. For over 60 years now, the Volm family has given back to the town we’re part of. They’re also committed to our employees: everyone who works here is made to feel they’re part of the family. And our employees in turn act like they’re owners of the company; there’s a caring attitude in each and every person.” ☺

Connecting with
entrepreneurs

Appetite for Success

Launched as a modest family business in multicultural Toronto, Surati Sweet Mart now manufactures and distributes Indian sweets and snacks for a global clientele – and its horizons are still growing.

HAREN SHETH UNDERSTANDS what it means to start from scratch. When his family fled Uganda in 1972, after the dictator Idi Amin expelled all citizens of South Asian descent, Haren's father was forced to abandon the food business he'd built over three decades. However, after a few years in India, the Sheths moved to Canada in 1980 – and in no time founded a new company producing confections and snacks for Toronto's rapidly growing Indian and Pakistani communities.

In the beginning, Surati Sweet Mart produced its modest offering of a dozen or so products with no working capital. Haren, along with his father Maganlal and his older brother Mansukh, put in many long days without drawing a paycheck. Soon, though, the business began to grow, mirroring the South Asian population in a city that was attracting immigrants from all over the world.

Today Surati is a leading provider of Indian snacks, baked goods, confections and other specialty foods, producing and distributing some

400 products in all. About 60 people work at the Toronto offices and plant. Another 120 employees work at a manufacturing facility in India – including a subsidiary that makes pickles – while the company's U.S. distribution arm has 10 people on staff.

"We cherish our employees' contribution to the company," says Haren, who serves as Surati's CEO. "It's a pleasure to work with people who understand our business goals and want to help the company grow."

Taking Care of Each Other

Surati's connection to BMO began on the personal banking side, when Haren replaced an existing mortgage on his home. At that point he wasn't looking to change his company's banking arrangements, but as he got to know Commercial Account Manager Kim Lee, his perspective shifted.

"Kim told me that his personal involvement would be unparalleled," Haren recalls, "and that he would never

relax in making sure our needs were met. Also, I saw that he was already thinking about our future growth possibilities. So we switched to BMO – and we've never looked back."

For the bank, companies like Surati epitomize the entrepreneurial spirit that makes multiculturalism a driver of economic growth. "In the Greater Toronto Area, our large immigrant community offers so many great opportunities," says Kim, whose family came to Canada from China. "In the case of Surati, everyone needs to eat, so it's a good business

to be in. Plus, they're great people and appreciate the bank's efforts to connect with diverse communities."

BMO is providing financing and advice as Surati expands its business in the United States through new distributor partnerships. At the same time, the commercial banking team has helped the company find ways to reduce costs and increase its operating capital. "When you have a very strong bank behind you, it gives you extra confidence in working with suppliers and negotiating better deals," Haren says. "Kim is

always just a phone call away, and he comes in regularly to guide us on structuring the financial side of our business to meet future needs."

As a third generation now joins the enterprise, Surati is exploring additional markets and developing new products to suit evolving tastes. There will be challenges ahead, but none that could faze a family that has seen so many changes through seven decades of working together. For Haren, the key to his company's resilience is not production quality or marketing savvy, but the

relationships it builds with people. "Many of our employees have been with us for 15 or 20 years," he says. "We want to ensure that everyone we work with has a positive experience – including our financial partners. We believe in taking care of each other." 🌟

Most of Surati's products are made in Canada but they've added other brands, including Shalini, which comes from India.



Investing in visionary start-ups

In Good Company

As CEO of TrafficSoda, Jessica Chalk helps companies get better connected with their customers – and shows how community building is the key to a start-up's success.

"ONLINE CONSUMERS are finding themselves inundated with information, and yet starved for clarity and actual results. This makes it hard for businesses to find and engage with consumers in a way that drives transactions."

In her succinct diagnosis of a major business challenge, Canadian tech entrepreneur Jessica Chalk underlines a basic truth about the digital economy: today, more than ever, success depends on your ability to connect with people. Certainly that's what shapes the innovative solutions provided by TrafficSoda, the firm she launched in 2013 to help companies drive more customers to their websites.

Partnering with co-founder Rob Farnham, an expert in web traffic

strategies, Jessica saw an opportunity to take highly customized approaches developed for specific clients and create a system that can be readily adapted by a wide range of companies. After raising capital from two angel investors, TrafficSoda quickly built its unique technology and began talking to businesses in a highly receptive marketplace. "Our vision," Jessica says, "is to make it easy for a business to identify and engage customers across thousands of channels."

Recognizing Potential

Launching her own software company is just the latest step for a woman whose entrepreneurial drive first emerged in her early teens. While

learning first-hand how a business gets off the ground, she happily took on every challenge that came her way.

That initial experience reinforced Jessica's belief in the importance of connecting with equally motivated people who can provide mentoring, insights and advice. "It takes a community to help an entrepreneur thrive," she says. "Surrounding yourself with the right people is critical, especially in the early days."

It was at a tech industry networking event that Jessica made a crucial connection for the launch of TrafficSoda: she met Adam Manning, a BMO Commercial Account Manager who focuses on the banking and credit needs of start-ups. "Immediately upon meeting Jessica, I could see the qualities every

entrepreneur strives for," Adam recalls. "She was extremely driven, bright and charismatic. And she was able to get her value proposition across quickly and concisely, which is the key to success for start-ups."

Jessica, for her part, found what she was looking for in her first commercial banking relationship: "I needed somebody who really understood what our business was about. And that's exactly how it was – I didn't have to spend time explaining everything. Plus, I've never felt that Adam or anyone at BMO treats me differently because I'm a woman, younger, or because I'm a start-up. They see the company for what it is, and for its potential."

A Sense of Community

Working with BMO has also extended the network of mutually beneficial relationships that is vital for companies like TrafficSoda – and for the new digital economy they're helping to define. "In addition to handling our financing," Jessica says, "Adam is incredible at making the kinds of connections we need and helping us improve financial processes."

That relationship building is especially important for a female entrepreneur making her mark in what continues to be a male-dominated sector. In the same spirit, Jessica lends her support to other women pursuing tech careers, participating in various networking and awareness initiatives, including a

round table organized by the federal government. She's also involved with several groups in the Waterloo region's technology ecosystem, including Laurier LaunchPad, Communitech and the Accelerator Centre, which provide mentorship and support to growing businesses. In every challenge she takes on, it comes down to making meaningful connections: "It doesn't matter who you are, entrepreneurship is a lot of hard work but it's your passion, ambition and determination that often keep you going. And I love being part of a community that helps you realize a vision." ☺

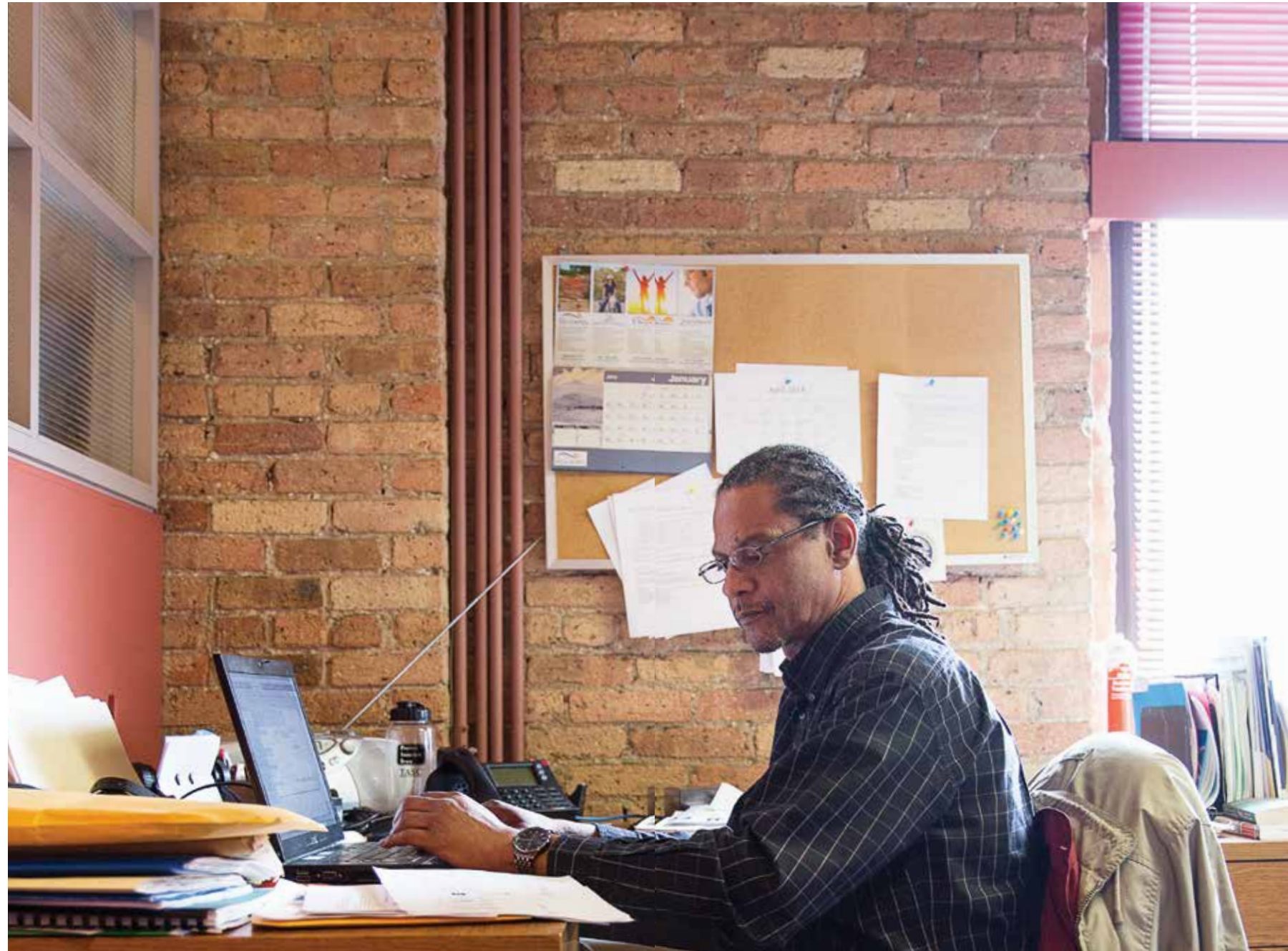


Relationships are an important source of support for Jessica Chalk: "It takes a community – not just other entrepreneurs, but your banker, your mentors, your family."

Supporting social enterprises

A Better Alternative

Chicago-based TASC helps people with substance abuse or mental health challenges find treatment in the community, stay clear of the justice system – and believe in themselves.



“HAVING THE RIGHT OPPORTUNITY at the right time with the right support,” says Pam Rodriguez, “that’s all most of us really need to achieve great things.”

Pam is CEO of TASC, Inc., an Illinois not-for-profit that works on behalf of adults with addiction and mental health challenges, guiding them to the clinical services they need while avoiding the cost and trauma of criminal justice proceedings. Every day, in communities across the state, more than 300 TASC employees show individuals who often

have given up on themselves that others still have faith in them and believe they can take control of their futures.

“It’s about recognizing that people are resilient and have untapped potential,” Pam explains. “We just create the opportunity for folks to achieve.” That simple statement speaks volumes about the dramatic impact TASC has on thousands of lives every year. And, perhaps not surprisingly, a similar focus on investing in potential and providing a bridge to the future defines the relationship

between the organization and its financial partner – BMO Harris Bank.

Helping People Help Themselves

Founded in 1976, TASC – an acronym for Treatment Alternatives for Safe Communities – works with people statewide whose lives have become entangled with the Illinois departments of Corrections, Juvenile Justice, Human Services, and Children and Family Services. The organization’s case managers identify individuals who have alcohol

and drug problems, arranging appropriate services and supervision – and, just as importantly, holding them accountable for their continued participation in treatment or other mandated services.

Whether a client is trying to regain custody of children or hoping to resume work after being released from prison, the TASC team is there to coordinate care and help clear the path through a complex and often daunting network of bureaucracies. Skilfully navigating the system, TASC’s

TASC works on a model of independent case management, conducting assessments and helping clients access the right services.

TASC Measurements

The 27,000 clients that TASC works with each year are twice as likely to enter and complete treatment as individuals who try other paths to recovery. Benchmarks of the organization’s remarkable success include:



70%

Reduction in arrests among clients participating in TASC programs.



\$48 million

Saved annually by diverting people from the state system to community-based services and case management.

40%

Reduction in recidivism among inmates in prison-based programs.

55%

Higher completion rate compared to all people referred to drug treatment programs by the Illinois courts.

21%

More parents reunited with children who were removed by the family welfare system.



independent case managers assess clients' unique challenges and guide them to appropriate services while advocating on their behalf.

"We can't guarantee they'll succeed," Pam says, "but we can help make their situations safe while giving them the tools and support they need."

Building Financial Stability

Like most not-for-profits in the social services sector, TASC relies heavily on government support, and maintaining stable funding can be difficult. That challenge became more acute during the economic downturn of 2008–2009, as Pam assumed the role of CEO only to have the organization's long-standing bank withdraw its services with little warning. But as soon as word went out that TASC needed a new partner, BMO Harris jumped in to help – and actually increased the organization's vital credit line.

"Lending to not-for-profits can be a challenging business, and we see other

banks come in and out of the market based on their changing appetites," explains Kathleen Belden, an institutional banker with BMO Harris Bank. "One of the things that distinguishes BMO is our long-term dedication to the sector. We have an experienced team that understands the important part these organizations play in our communities. And the TASC management team in particular impressed us."

That respect is reciprocated: "When we faced the scariest of times, BMO Harris was there," Pam recalls. "And they've stuck with us through the last five years, which have been very volatile with regard to state payments. BMO Harris has been a faithful and effective partner, and as a result we've remained stable, have avoided making further cuts or layoffs – which would only have been short-term solutions – and in fact have been able to grow."

To expand its sources of revenue, TASC has begun selling its expertise to governments in other jurisdictions, and

has also launched a fundraising arm. Meanwhile, the relationship with BMO has only grown stronger.

"Becoming TASC's financial partner has been an inspiring and fulfilling relationship for myself and our team," Kathleen says. "Their services not only change clients' lives, but also impact their friends and families, as well as the communities where our customers and employees work and live."

For Pam, reflecting on her 33 years of helping others, it all comes down to believing in people when no one else will – and showing them all the reasons they have to believe in themselves. As she sums it up: "Where there's life, there's hope." ☺

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Left to right: Cheryl Lulias, President and Executive Director, Medical Home Network; Rahm Emanuel, Mayor, City of Chicago; Cheryl Hyman, Chancellor, City Colleges of Chicago; Dr. Larry Goodman, CEO, Rush University Medical Center; and Bill Downe, CEO, BMO Financial Group.

In 2013, BMO made a \$5 million investment in Chicago’s Rush University Medical Center, Medical Home Network and Malcolm X College to fund a new program – unique in the United States – that will help improve health care and education while creating much-needed employment in the heart of the city. In presenting the largest single charitable donation in the bank’s history, CEO Bill Downe said: “The issues of health, education, medical services and poverty are all key elements of BMO’s community efforts and areas where we know we can make a difference. We’re especially pleased that this initiative will at the same time improve health care and create valuable jobs in the Chicago communities that most need them.”

Contact Us
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