

2013
Environmental, Social
and Governance Report
and Public Accountability Statement

Table of Contents

About this Report	2
Message from the Chair, BMO Sustainability Council	3
Our Sustainability Principles	4
Who We Are	5
Economic Impact	6
Social Impact	7
Impact Investing	8
Sustainability Issues That Matter Most	9
BMO's ESG Scorecard	20
Stakeholder Engagement	21
Our Leadership Priorities	25
GRI Index	29
Awards and Recognition	49
Glossary of Terms	50
External Assurance Statement	53
Bank of Montreal Public Accountability Statement	55
Bank of Montreal Mortgage Corporation Public Accountability Statement	64

About this Report

This report outlines our sustainability performance, namely, the environmental, social and governance (ESG) issues that matter most to our business. This report refers to other publicly disclosed information posted on our website at: www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting

Public Accountability Statement

This report includes the Public Accountability Statements (PAS) for Bank of Montreal and Bank of Montreal Mortgage Corporation and outlines certain aspects of Bank of Montreal's contributions, and the contributions of the bank's affiliates with operations in Canada, to the Canadian economy and society. It fulfills the requirements of the Canadian federal government's Public Accountability Statement regulations (section 459.3 of the *Bank Act* (Canada)). The PAS is on pages 55–64.

Reporting Period

This report covers our 2013 fiscal year (November 1, 2012 to October 31, 2013) for our operations in Canada and the United States (U.S.), which we refer to as our North American operations. Information is dated as at October 31, 2013. All dollar amounts are in Canadian funds, unless otherwise noted.

Reporting Guidelines

The Global Reporting Initiative (GRI) G3.1 Guidelines and the GRI Financial Services sector supplement have been used in preparing this report and we self-declare an Application Level of B+. The GRI Content Index can be found on page 29 of this report.

External Assurance

This report has been independently assured by an external party. KPMG, who has been engaged by BMO to audit its financial statements, has also performed a limited assurance engagement on a selected number of performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). In this document, the symbol ▲ indicates assured information. KPMG's assurance report on selected performance indicators is on pages 53–54.

KPMG is independent of the bank within the meaning of the Rules of Professional Conduct and Codes of Ethics of various Canadian provincial professional accounting bodies and under U.S. securities laws, including Regulation S-X: Qualifications and Reports of Accountants.

Message from the Chair, BMO Sustainability Council

Focus where it matters

Our 2013 Environmental, Social and Governance Report and Public Accountability Statement provides clear insight and context around the sustainability issues that matter most to our business, stakeholders and society as a whole.

Certain information has been included this year as we anticipate impending disclosure regulations and updates to established global frameworks will have an impact on our sustainability disclosure.

In 2013 we achieved success on a number of important fronts:

- BMO helped raise approximately \$1.8 billion of equity and debt in the capital markets for entities active in renewable energy across North America (N.A.).
- BMO Harris Bank made more than US\$536 million in community development loans to support economic development, community service and quality affordable housing for low- to moderate-income families in the U.S.
- We introduced multi-year workforce representation goals and initiatives in each business group for persons with disabilities, Aboriginal persons, minorities and women.
- BMO contributed more than \$56 million in donations to non-profit organizations across N.A.
- We maintained our carbon neutral status since 2010. And we realized our goal, stated in 2012, of further reducing absolute enterprise carbon emissions from energy use and business travel by 10%, four years ahead of schedule.

You will find year over year performance metrics and targets in our ESG Scorecard on page 20.

Particularly gratifying to all of us at BMO was recently learning our company was recognized as the highest-ranked North American financial institution on the Global 100 list of most sustainable corporations in the world. For everything we aspire to be for our customers and other key stakeholders, this honour signals to us that we are making important positive change on a global level while being clear about our intentions through transparency.

We end the year on a high note and with a promise that individually and collectively we will continue to deliver on making great things happen for our customers around the globe who we are privileged to do business with.

Please take a look through the report and let us know what you think at sustainability@bmo.com.



Simon Fish
General Counsel and Chair, BMO Sustainability Council



Our Sustainability Principles

We use the term sustainability to describe our triple bottom line approach to managing the impacts of our business activities related to economic, social and environmental dimensions.

Our Sustainability Principles guide us as we pursue our strategic goals.

Corporate Governance

We apply the highest standards of corporate governance and adhere to a strict code of conduct and ethics.

Customers

We are committed to providing the products and services our customers need in order to make their finances less complex and help realize their financial goals.

Employees

We welcome and support individuals from diverse backgrounds, perspectives and communities, and offer opportunities for them to grow and pursue a career that is uniquely theirs.

Shareholders

We are committed to managing our business responsibly while executing on our strategic priorities to deliver sustainable revenue growth.

Community

We are committed to helping improve the quality of life for people in the communities where we live and work.

Environment

We are committed to minimizing the impact of our operations on the environment and to demonstrating leadership by integrating environmental considerations into our wider business practices.

Supply Chain

BMO is committed to purchasing products and services from socially and environmentally responsible suppliers.

Who We Are

Established in 1817 as Bank of Montreal, BMO Financial Group (Toronto Stock Exchange (TSX), New York Stock Exchange (NYSE): BMO) is a highly diversified financial services provider based in North America. With total assets of \$537 billion and approximately 45,500 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers.

We serve more than seven million customers across Canada through our Canadian retail arm, BMO Bank of Montreal. We also serve customers through our wealth management businesses: BMO Nesbitt Burns, BMO InvestorLine, BMO Private Banking, BMO Global Asset Management and BMO Insurance. BMO Capital Markets, our investment and corporate banking and trading products division, provides a full suite of financial products and services to North American and international clients.

In the United States, BMO serves customers through BMO Harris Bank, an integrated financial services organization based in the U.S. Midwest with more than two million retail, small business and commercial customers.

BMO Financial Group conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

Further Information: www.bmo.com/home/about/banking/investor-relations/who-we-are

Our Vision

To be the bank that defines great customer experience.

Our Guiding Principle

We aim to deliver top-tier total shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work.

Our Strategic Priorities

1. Achieve industry-leading customer loyalty by delivering on our brand promise.
2. Enhance productivity to drive performance and shareholder value.
3. Leverage our consolidated North American platform to deliver quality earnings growth.
4. Expand strategically in select global markets to create future growth.
5. Ensure our strength in risk management underpins everything we do for customers.

Economic Impact

Our Approach

In addition to financing opportunity, creating wealth and maximizing returns to our shareholders, we also play an important role in sustaining overall economic prosperity for our clients, our employees and our communities. The wealth we create is widely shared through employee compensation, the procurement of goods and services, dividends paid to shareholders, support for charitable initiatives and taxes.

Shareholder Value

Revenue increased \$133 million in 2013 to \$16,263 million. Adjusted revenue increased \$505 million or 3% to \$15,572 million. The increase was primarily due to revenue growth in Wealth Management, BMO Capital Markets and Canadian Personal and Commercial Banking, and continues to demonstrate the benefits of our diversified business mix and successful execution against our strategic priorities.

Employment

We employ approximately 45,500 people enterprise-wide, the majority of whom are in North America. We have arrangements in Canada and the United States that provide pension and other employee future benefits, including health and dental care benefits and life insurance for current and retired employees. The bank's pension plans are managed prudently and in accordance with all applicable laws and regulations. See Note 23 to the financial statements in the [2013 Annual Report](#).

Investment in Training

We provide employees with opportunities to grow and develop through formal training programs and on-the-job experience. In 2013, our investment in training was \$91,113,439[▲], which is an average of \$1,962 per full-time equivalent (FTE) employee. **Note:** Average training hours per employee has not been disclosed or assured for the reporting year. See Indicator LA10 on page 42 for explanation.

Taxes

Total government levies and taxes in 2013 were \$1,716 million. These include payroll levies, property taxes, provincial capital taxes, business taxes, harmonized sales tax, GST and other sales taxes and sundry taxes. For a year-over-year breakdown of government levies and taxes, see Table 8 in the Supplemental Information section of the [2013 Annual Report](#).

Purchasing Goods and Services

In 2013, we purchased almost \$4 billion worth of goods and services from more than 17,000 suppliers. Of that amount, approximately \$2.7 billion was spent through our Canadian operations and close to \$1.3 billion was spent through our U.S. operations. We also incur costs to operate our business. Total premises and equipment costs were \$1,877 million and included rental of real estate premises, furniture and fixtures, property taxes, computers and equipment. For a year-over-year breakdown, see Table 8 in the Supplemental Information section of the [2013 Annual Report](#).

Social Impact

Our Approach

As one of the largest financial institutions in North America, we have the ability to make a positive difference in the lives of our customers and our communities. We do this by providing products and services that are tailored to meet the needs of underserved communities like seniors, students and people new to the country. We also provide access to financial services for Aboriginal communities and businesses in Canada.

Access to Banking for Aboriginal Communities

We operate 14 BMO branches▲ located on Aboriginal reserve land or Inuit territories in Canada, providing Aboriginal communities and businesses with the tools they need to become self-sufficient. We are a participating lender for First Nations that qualify for the First Nation Market Housing Fund, established by the Government of Canada to give First Nations members greater access to housing loans on-reserve and on settlement lands.

Support for Newcomers to Canada

As part of our commitment to making it easier for newcomers to build a new life in Canada, we've designed the BMO NewStart™ Program, which includes a free banking plan for one year, a specially designed mortgage, and tools that help newcomers to Canada get established financially.

Support for Small Business

Our Open for Business campaign, launched in 2012, made up to \$10 billion in financing available to Canadian businesses over three years, helping them improve productivity and expand into new markets.

Not-for-Profit Organizations

In Canada, we offer a Community account to local and not-for-profit organizations, including societies, lodges, church groups, sports and business clubs and local chapters of national non-profit organizations.

These interest-bearing deposit accounts provide 20 transactions per month at no charge, as well as several lower-cost features.

Further information: www.bmo.com/home/small-business/banking/accounts/choose/community-account

In the United States, we offer a checking product with no monthly maintenance fee to local and not-for-profit organizations.

	2013	2012	2011
Community accounts (Canada)	64,136	63,285	62,090
Checking accounts (U.S.)	19,876	-	-

Free/Discounted Accounts

We also provide the following free/discounted accounts:

	2013	2012	2011
Seniors (Canada)	1,019,970	1,007,666	985,378
Students (Canada) (university and high school)	470,349	399,798	112,990
Students (U.S.)* (college students)	50,966	-	-

* College students are provided with a fee waiver that is good for four years.

BMO and the Canadian Defence Community

BMO has been the official bank of the Canadian defense community for the past five years. In partnership with Canadian Defense Community Banking (CDCB), we offer products and services specifically designed to meet the needs of military members and veterans and their families. The program saves members of the defense community approximately \$1 million in banking fees every year.

Impact Investing

Our Approach

We generate measurable social and environmental impact, along with a financial return, by seeking out business opportunities that will have a positive impact on our communities and customers, not just our bottom line. We have reinvested in our communities through affordable housing projects, carbon offset credits and personal and commercial loans to Aboriginal communities as detailed below.

Community Development Financing for Aboriginal Communities in Canada

We contribute to the economic self-sufficiency of Aboriginal communities, businesses and individuals across Canada. Annual business related to home loans, and commercial loans and deposits held by Aboriginal customers was \$1.5 billion▲ at October 31, 2013. 71 communities▲ participate in BMO's On-Reserve Housing Loan Program, providing their members with access to housing loans for the construction or purchase of owner-occupied single family dwellings or to finance major renovations to existing homes.

Community Development Loans and Investments in the United States

We are committed to enriching the lives of families and individuals in the communities where we operate, particularly in underserved communities. We follow the guidance and objectives outlined in the Community Reinvestment Act (CRA) to fulfill this commitment. We are a valued community connector, bringing together the public, private and not-for-profit sectors to spur affordable housing, revitalization, economic development and community projects with local not-for-profit partners. We accomplish this through our investments, lending, financial literacy empowerment and service programs.

Community Development Loans

During 2013, BMO Harris Bank made US\$536.7 million in community investment loans to support economic development, community service and quality affordable housing. This past year, 5,800 low- to moderate-income families benefited from this investment.

Community Development Investments

BMO Harris has provided new investment commitments totalling US\$178.9 million, allowing us to put larger amounts into existing relationships while also funding new and unique programs such as low-income housing tax credits, private equity/small business investment corporations (SBICs) and community development financial institutions.

Investment in the Greening Canada Fund

We made a \$2 million investment in the Greening Canada Fund in 2010, which is part of a \$10 million commitment over five years. The Greening Canada Fund is a voluntary carbon emissions reduction fund aimed at large Canadian corporations. The fund provides us with access to high-quality voluntary carbon offset credits and helps BMO support Canadian-based emission reduction projects. Not only does this underscore our commitment to environmental sustainability, it also benefits organizations in the social and not-for-profit sectors, such as school boards, community housing and hospitals, as well as private sector projects, such as landfill methane gas capture and biomass power.

Sustainability Issues That Matter Most

Defining the Issues that Matter Most to BMO

To identify the ESG issues that matter most, we began with BMO's vision and our strategic priorities. We then considered current and emerging issues and associated risks and opportunities, including those raised through stakeholder engagement activities. Once we had compiled a list of potential topics, we narrowed it down to those that were deemed to be most relevant. BMO's Sustainability Council, a management-level body that provides insight and guidance on the management of ESG issues, reviewed, prioritized and approved the material issues discussed in this report.

The table below presents the issues that matter most. See our ESG Scorecard on page 20 for year-over-year metrics related to these issues.

Material Issue

Why is it important?

What are we doing to address it?

Trust

Our business is built on trust. We follow high ethical standards to earn and keep the trust and respect of our colleagues and our stakeholders – including customers, suppliers, shareholders and the public. Results of the 2013 Edelman Trust Barometer show that what a company does, as well as how it does it, are now both dependent upon trust and credibility. Running a profitable business and having top-rated leadership are no longer enough to build long-term trust. In fact, these operational-based attributes have become an expectation.

We adhere to a strict code of business conduct and ethics called *FirstPrinciples*. The code, which is aligned with our values, helps guide us to do the right thing in our daily work. The Audit and Conduct Review Committee of the board reviews the implementation of *FirstPrinciples*, which includes whistle-blower procedures for anonymously reporting non-compliance. BMO's Ombudsman also reviews concerns raised by employees who believe that their *FirstPrinciples* concerns have not been appropriately addressed. Each year, all directors, officers and employees must sign an acknowledgement that they have read, understood, complied and will continue to comply with *FirstPrinciples*. A *FirstPrinciples* course is included in the Ethics and Legal Compliance Training Program. The course is updated annually to address recent developments and emerging risks. Further information: [Code of Conduct](#)

**Board
Independence**

The Board of Directors must be able to operate independently of management to maximize its effectiveness.

According to the 10 core principles outlined by the NYSE-sponsored Commission on Governance, investors (in all markets) rank board independence as the most important governance topic.

To help meet the objective of a majority-independent board, the bank adopted Director Independence Standards in May 2013 for determining whether a director is independent. The standards use criteria from the definition of affiliated persons under the *Bank Act* (Canada) and definitions of independence from the Canadian Securities Administrators and NYSE.

The board currently has 13 members. There is one executive director, William A. Downe, Chief Executive Officer (CEO), and 12 independent directors.

Further information: www.bmo.com/home/about/banking/corporate-governance/select-documents

**Customer
Satisfaction**

Achieving industry-leading customer loyalty by delivering on our brand promise is one of BMO's strategic priorities.

Having loyal customers who recommend us to family and friends help us grow.

Measuring satisfaction provides valuable feedback that helps us build long-term customer loyalty. It also helps identify problems or systemic issues that need to be addressed.

Our vision is to be the bank that defines great customer experience. Every employee keeps this vision front and centre in everything they do.

Net Promoter Score (NPS) is BMO's key loyalty metric. In 2013, a total of 313,000 retail customer interviews were conducted on BMO's behalf. We continued to roll out and enhance our customer loyalty measurement system across most of our businesses. Simultaneously, an enterprise NPS road map was developed and distributed across the organization. The roadmap details the future state of the NPS system for BMO. It clearly defines the objectives of relationship and transactional NPS measurement, aligns with industry best practices and ensures alignment across the organization. Changes to our existing customer loyalty programs are planned for fiscal 2014.

Products and Services that Meet Customers' Needs

When our customers succeed, we succeed. Our customers want us to provide the products and services they need in order to make better decisions and help them realize their financial goals.

Consistent with our brand promise: Making money make sense, we aim to remove complexity from financial decisions and provide customers with solutions and advice designed to meet their needs.

We've developed personal banking retail products for different life stages – for kids, teens, students and seniors – and solutions and resources for small business and commercial customers.

Customers continued to enjoy the convenience of BMO Mobile Banking as total adoption increased by 60% and mobile transactions grew 81% over the year in Canada. And nearly 40% of our customers in the United States accessed our mobile banking platform, which was launched in 2013. BMO Mobile Banking is an important component of BMO's multi-channel strategy. From automated banking machine (ABM) enhancements and a refresh of our online banking interface, to improvements in bill payment functionality and online appointment booking, all of these initiatives are working together to make banking easier and create a better experience for our customers.

We announced new agreements with The Western Union Company and Acxsys Corporation. The agreements allow BMO personal banking customers to conduct online Western Union Money Transfer transactions directly from their accounts, via Acxsys Corporation's *Interac* e-Transfer platform, to Western Union® Agent locations in Canada and more than 200 countries and territories worldwide.

The advisors in our wealth management group develop an understanding of the individual needs of each client in order to recommend solutions that best meet their needs. Our policies focus on ensuring the investment advice we give our clients and the products and services we recommend are suitable and in line with their investment objectives. We also have rigorous policies and procedures to ensure that we conduct a responsible level of research, analysis and approval of the products and services we offer. Additional processes were implemented this year to review the quality of the financial plans that we offer, which includes oversight by our Corporate Audit Group.

In October 2013, BMO InvestorLine launched its free mobile investing app for self-directed online investing clients. The app offers clients greater access to their portfolios, while providing the opportunity for on-the-go decision-making.

Further information: www.bmo.com/home

Board Diversity Board diversity is linked to positive financial performance. Diversity of thought and perspectives creates opportunities for innovation.

We introduced a new Board Diversity Policy in May 2012, which commits the bank to a board composition in which each gender comprises no less than one-third of the independent directors. To view our Board Diversity Policy go to: www.bmo.com/home/about/banking/corporate-governance/select-documents

BMO is a signatory of the Catalyst Accord and we are thus voluntarily committed to a strong representation of women on our Board of Directors. Catalyst is an organization dedicated to expanding opportunities for working women, and BMO's early adoption of the Catalyst Accord validates that our Board of Directors had already recognized and embraced the importance of diversity.

BMO submitted a comment letter to the Ontario Securities Commission (OSC) commending its proposed rules that would increase the number of women on corporate boards and in senior management of public companies by making gender diversity policies and practices transparent. In particular, BMO stated its support for the OSC's proposed "comply or explain" approach.

Risk and Compliance Aligned with our strategic priorities – BMO aims to ensure our strength in risk management underpins everything we do for our customers.
Unmanaged risks can have an effect on our reputation and can result in financial loss.

Risk Management

As a diversified financial services company, we're exposed to a variety of risks that are typical for our industry. We are guided by a risk management framework that is embedded in our daily business activities and planning process.

The Enterprise Risk and Portfolio Management (ERPM) group develops our risk appetite, policies and limits, and provides independent review and oversight across the enterprise on risk-related issues to achieve prudent and measured risk-taking that aligns with our business strategy.

The Risk Review Committee of the Board of Directors assists the board in fulfilling its oversight responsibilities in relation to BMO's identification and management of risk, adherence to risk management corporate policies and procedures, compliance with risk-related regulatory requirements and evaluation of the Chief Risk Officer.

In 2013, the board approved a new Criminal Risk Management Corporate Policy which outlines the framework reaching across all parts of the organization necessary to prevent, detect, respond to and report suspected criminal activity.

Further information: 2013 Annual Report, pages 75-99

Compliance

We take reasonable measures to comply with the laws and regulations of the jurisdictions in which we conduct business.

The Compliance Group conducts independent second line of defence activities across the enterprise under the direction of the Chief Compliance Officer (CCO). It is organizationally independent of the group it oversees.

The Compliance Group is responsible for establishing and overseeing adherence to enterprise-wide frameworks that define the standards, activities and responsibilities for complying with regulatory requirements and managing compliance-related risk. It carries out its mandate using a risk-based approach in alignment with the Enterprise and Compliance Risk Appetite Statements and BMO's Operational Risk Management Framework.

(cont.)

Together with the Institute for Learning within Human Resources, the Compliance Group is responsible for the enterprise-wide Ethics and Legal Compliance Training Program. This mandatory training consists of the following courses:

- *FirstPrinciples*: Our Code of Business Conduct and Ethics
- Information Security and Privacy Matters
- Anti-Corruption
- Anti-Money Laundering and Anti-Terrorist Financing
- Health and Safety
- Accessibility and our Customers

At the beginning of the annual training period, the CCO sends an email to participants with a unique link to the online training. Certain employees must complete additional training, depending on their role, the line of business, or where they are located.

Complaint Resolution

Making it easy for customers to provide feedback is in our best interest. Complaints can identify problems that we can deal with in a timely manner. By taking complaints seriously and resolving them quickly, we build satisfaction and loyalty.

We provide opportunities for our customers to share feedback in all our customer-facing channels.

In Canada, our complaint resolution process is outlined in the brochure [We Can Help – Resolving Customer Complaints](#), which is available online and in all branches. It describes the complaint resolution process for all of our Canadian operating groups.

As the final step in our internal dispute resolution process, BMO’s Ombudsman’s office is impartial when reviewing complaints from customers. The Ombudsman review is grounded in fairness, integrity and respect and includes consideration of the interests of all parties, applicable laws, policies and industry practices. Outcomes may include a recommendation that BMO compensate the customer. Customers also have the right to bring their concerns to BMO’s external dispute resolution provider, the Ombudsman for Banking Services and Investments (OBSI) for a further impartial, informal and confidential review.

BMO Ombudsman statistics	2013
Ombudsman reviews (number)	117
Ombudsman reviews in favour of customer (%)	27

In the United States, we launched a single system to capture, track and share retail customer complaints and feedback in October 2013. Not only will this system improve our ability to identify legal and/or regulatory issues, it will give us a better view of the retail customer experience. As part of the launch, we held virtual classroom training sessions for bank managers and rolled out eLearning training and toolkits to employees.

We ask for feedback from online retail banking customers once they have completed a transaction. We also look for online feedback from those who visit our website.

Refer to page 22 for information on our annual employee survey.

**Executive
Compensation**

Our ability to execute our strategic plans is dependent to a large extent on our ability to attract, develop and retain key executives.

Using incentive pay programs that link pay to performance, to shareholder value, and which encourage prudent risk-taking ensures that each executive's goals are aligned with those of the organization and its key stakeholders.

BMO's compensation policies and structure support our vision to be the bank that defines great customer experience. At the start of each year, the board's Human Resources Committee sets operating targets that reinforce the bank's strategic priorities and values. At year end, it assesses bank and operating performance against these targets taking into consideration internal measures of success and our performance relative to our peers. Individual performance against annual objectives for the CEO and senior executives is also assessed, after which the allocation of incentive awards is made to the CEO and senior executives.

Further information: 2014 Proxy Circular, starting on page 52

**Support for Local
Communities**

Helping to build and sustain resilient, vital and healthy communities is good for the economy and society as a whole.

By forming partnerships with third parties, we're able to provide assistance in addressing societal issues like poverty.

We provide support through:

- Donations
- Employee giving (volunteering)

Our support reflects our values, has a positive impact on the diverse communities we serve and, ultimately, helps build our business.

Further information: Leadership Priorities, pages 27–28 of this report www.bmo.com/corporateresponsibility

**Talent
Development**

Having a talented, engaged and diverse workforce is a key priority for BMO.

Our bank can only be as strong as its people.

Clear job expectations attract individuals to jobs that best suit their abilities, and rewarding high-performing individuals helps support employee retention.

BMO has four key talent priorities:

1. Build a talent mindset

The importance of leaders who can demonstrate an effective talent mindset has never been greater. We hold leaders accountable for attracting, hiring, assessing and developing talented employees. They must inspire our people and help us build an environment where everyone can perform at their best.

2. Engage our employees

There is a strong link between employee engagement, customer loyalty and profitability, and we want employees to be passionate about working here. This year, we introduced a new approach to gathering employee insights, that will help deepen our ability to listen, understand and act on what drives engagement for our employees.

3. Provide opportunities to grow and develop

We have developed effective methods to assess our needs for skills and experience and to focus on placing the right people in the right roles across the enterprise to meet customers' needs. We encourage employees to grow and develop throughout their career – through both formal programs and experience on the job – and we make sure leaders are equipped to think holistically about coaching and developing team members.

4. Create a diverse and inclusive work environment

We have a diverse customer base that relies on BMO to provide financial guidance and know-how. To truly understand and guide our customers, our leaders and employees must reflect the communities where we live and work. Diversity and inclusion are an integral part of BMO's core values, and are integrated into our talent recruitment and retention practices.

Data Security

Ensuring information security – being alert to external threats to the security of information entrusted to us – minimizes our risk.

Advances in technology with smartphones and tablets have created a new standard of access to real-time information. It's important that we keep up with our clients' needs while ensuring that confidential information is protected.

Online Banking

Our secure sign-in process and strong encryption are the first steps we take in providing a safe and secure experience. We fully reimburse customers for any losses to personal banking accounts as a result of unauthorized online banking transactions. In 2013, we began offering a free download of Trusteer Rapport software to help protect customers from online fraud and identity theft. In addition, we posted a video titled "Don't take the risk" on our online banking portal to provide customers with information on how to protect their personal computers. During a six-week period in the late summer, 27,464 customers viewed the English version and 4,744 customers viewed the French version.

International Cyber Security Awareness Month

During the month of October, we offered our customers a brochure entitled "How to protect yourself from becoming a victim of phishing" and a flyer to help them understand why cyber security is important to everyone. We also sent out several tweets with links to information on our website.

In addition, communications were sent to all BMO employees with information about cyber threats, and details about how employees can help defend the bank against cybercrime. A new cyber security video was also launched featuring an interview with BMO's Chief Information Security Officer and a panel of executives from across the bank.

Security Training

"Information Security and Privacy Matters" is part of our mandatory, enterprise-wide Ethics and Legal Compliance training program.

Information Management

We have policies to ensure the accuracy, completeness and proper maintenance of records, data and information we own, create, collect, use and manage – in all types of media.

Responsible Banking and Investment

Our lending and investment activities can have environmental and social impacts, so who we choose to do business with is extremely important. It is BMO's intent to avoid dealing with borrowers who have poor environmental and social risk management track records.

We are committed to ensuring all products and services that we offer meet consumer protection laws and regulations, *FirstPrinciples*: our code of conduct, and any related voluntary codes of conduct.

New Products and Services

Policies and procedures for the approval of new or modified products and services are reviewed and approved by Corporate Support areas, including Risk Management, Finance, Legal, Audit and Human Resources, and other senior management committees, including the Operational Risk Committee and Reputation Risk Management Committee, depending on the item. See Indicator FS15 in the GRI Index on page 47 for additional information.

Our commercial lenders follow guidelines with respect to the criteria for and methodology employed in the assessment of environmental and social risk. The guidelines identify more than 50 industries that are considered environmentally sensitive and thus require a heightened level of screening.

In 2013, BMO implemented ESG training for BMO Capital Markets employees to ensure that there is consistency across the enterprise in the understanding of environmental and social risk.

Project Financing

In our assessment of applications for Project Financing, we apply our internal guidelines, which incorporate the requirements of the Equator Principles – a voluntary credit risk management framework intended to ensure that projects are developed in a manner that is socially responsible – and reflect sound environmental management practices.

Further information: www.bmo.com/home/about/banking/corporate-responsibility/customers/responsible-lending#project_financing

Responsible Investment

BMO's Responsible Investment Policy for our Asset Management businesses outlines our commitment to consider material ESG information when making investment decisions.

Transparent Disclosure

A critical component of good governance is transparency.

We take steps to ensure that any public disclosure of BMO information is full, fair, timely, factual, accurate, understandable, objective, relevant, broadly disseminated and consistent with legal requirements and BMO's Disclosure Policy. All developments, facts or changes that are material to us and our stakeholders are communicated through established escalation processes.

We make it easier for analysts to assess our sustainability performance through transparent disclosure. Visible results include the recognition we've received as a sustainability leader, such as being included in the Global 100: Most Sustainable Corporations in the World, Corporate Knights' list of Canada's Best 50 Corporate Citizens and *Maclean's/Sustainalytics' Top 50 Socially Responsible Corporations*. See Awards and Recognition on page 49 for a full list of sustainability-related awards.

To learn more about BMO or access BMO communications, shareholder information and other resources, visit [Investor Relations](#)

**Employee
Retention**

Engaged employees care about our customers and the work we do as a company. They build relationships with our customers and deliver strong business results. They also have a positive impact on their team, and act as BMO brand advocates in the community and with external partners.

Retaining highly-engaged employees reduces the costs associated with hiring and training new employees, and maintains continuity in the relationships we build with customers.

In our annual employee survey, employees confirmed “opportunities to grow” and “strong leadership” as key drivers of engagement. They also care about the programs we offer.

We are committed to developing great leaders across the company who can drive results, identify and develop the next generation of leaders, and help all employees achieve their very best performance.

In 2013, we introduced new programs and tools to help employees take control of their careers, with support from local leaders. Every career looks different, and we encourage employees to create a path based on their interests, capabilities and goals. They can build skills for current and future roles through BMO’s learning and development programs, offered to employees at all levels.

We provide competitive compensation – aligning performance and pay, and offering every employee the opportunity to participate in the success of the company through incentive pay.

We offer a range of benefits that can be tailored to employees’ needs. BMO’s benefits are available to full- and part-time employees (with limited benefits for temporary employees). Our benefits programs for employees and their eligible dependents include health and insurance coverage, income protection, retirement, savings and work/life effectiveness programs.

More than 85% of BMO employees participate in share ownership plans that encourage them to join in the ownership of the company by buying BMO common shares and/or including them in their retirement savings.

Employees have access to “Best of BMO” preferential rates on banking services, personal use deals and corporate discounts, tuition assistance, and volunteer grants and a matching gifts program for causes most important to them.

Further information: www.bmo.com/home/about/banking/corporate-responsibility/employees/work-life-effectiveness

**Reducing BMO's
Environmental
Impact**

BMO is committed to the principles of sustainable development.

In 2008, we announced our plan to minimize the environmental impacts of our business operations, which included setting an enterprise-wide carbon neutrality goal.

Reducing energy consumption in our facilities, reducing business-related travel by employees and improving waste management practices also offer opportunities to reduce our operating costs.

BMO strives to be a leader in environmental sustainability. Key to this is identifying and addressing the environmental impacts of our operational footprint.

We've built our environmental sustainability strategy around five key BMO operational activities that have the potential to significantly impact the environment:

BMO ECO⁵ Strategy:

1. Energy reduction and efficiency
2. Sustainable transport
3. Sustainable materials
4. Waste management
5. Sustainable procurement

Carbon Neutrality

BMO achieved enterprise-wide carbon neutrality in August 2010. We did this by reducing emissions related to business travel by employees and energy use in the buildings we occupy; purchasing electricity from renewable energy sources; and purchasing carbon credits to offset the remaining emissions. Although we've grown our business substantially in the United States, we've maintained our carbon neutral status. Our second target, set in 2012, was to reduce absolute enterprise carbon emissions by 10% by the end of fiscal 2016. We met that goal ahead of schedule in 2013, and we are now in the process of establishing a new target. In addition, we expect to identify an intensity-based target for emissions, stated in terms of tonnes of CO₂ equivalent per employee.

Reducing Emissions

We have been very focused on making our facilities more efficient from an energy consumption perspective. Initiatives include independent energy audits, lighting retrofits, equipment infrastructure upgrades, building automation systems in retail facilities and retro-commissioning. To reduce emissions related to business travel, we have introduced hybrid vehicles to our service fleet (38% are hybrid) and continue to promote the use of technologies such as video and teleconferencing to reduce commercial air travel.

Renewable Energy

We are committed to investing in renewable electricity for our facilities. The renewable energy certificates we purchase helps to reduce our emissions. In 2013, we signed a three-year deal with Renewable Choice Energy for the annual purchase of 91,400 MWh of Green-e Certified Clean Source electricity for our U.S. facilities. This represents 52% of the energy we use in our U.S. facilities. We also signed a three-year deal with Bullfrog Power in 2013 for 23,797 MWh of electricity. At the end of fiscal 2013, 162 of our Canadian retail branches were powered by Bullfrog.

(cont.)

Carbon Offsets

BMO is one of the initial investors in the Greening Canada Fund (GCF). The fund provides direct access to high-quality carbon offset credits and helps BMO support Canadian-based energy efficiency projects in public schools, hospitals and community housing. Our investment in the GCF is a \$10 million (\$2 million per year) commitment over five years.

Paper Target

In 2012, we set a five-year goal, based on a 2011 consumption level of 5,866 tonnes, to reduce paper consumption across the enterprise by 25%. Initiatives like providing eStatements for customers, optimizing internal processes and electronic delivery of shareholder materials (e.g., Annual Report and Management Proxy Circular) will help us meet this goal. At the end of fiscal year 2012, we had reduced consumption by 4% from the base year.

What are our plans going forward?

- Maintain carbon neutrality
- Establish a new absolute emissions reduction target
- Focus on reducing emissions from BMO-occupied buildings and business travel by employees
- Focus on understanding and improving our waste management practices within our facilities
- Investigate and mitigate the impacts of BMO's supply chain on the environment.

BMO's ESG Scorecard

Definitions for each indicator are listed in the **Glossary of Terms** on pages 50–52

	Target	2013 ¹	2012 ¹	2011 ¹
Environmental				
Renewable energy financing:				
i. Involvement in equity and debt financings (\$ billions)		\$1.8	\$3.6	*
ii. Lending commitments (\$ billions)		\$1.7	\$1.6	*
Operational footprint:				
a. Renewable energy purchases (MWh) [▲]	New 3-year commitment	115,197	115,213 ²	115,213 ²
b. Scope 1 emissions (tCO ₂ e)	10% reduction by 2016	TBD ³	20,933	21,151
c. Scope 2 emissions (tCO ₂ e)	10% reduction by 2016	TBD ³	86,853	65,603
Social				
Employees:				
a. Diversity and Inclusion:				
i. Women executives – Canada & United States (%) [▲]	40% by 2016	30	33	34
ii. Visible minority employees – Canada (% in senior and executive roles) [▲]	25% by 2016 (N.A.)	22	21	20
iii. People of colour – United States (% in senior and executive roles) [▲]	Included in above target	7	7	8
iv. Persons with disabilities – Canada (% of total workforce) [▲]	3.8% by 2016	2.8	2.5	2.4
v. Aboriginal employees – Canada (% of total workforce) [▲]	1.5% by 2016	1.3	1.4	1.4
b. Employee Engagement Index (EEI)(%) [▲]		78 ⁵	75	76
c. Turnover rate:				
i. Canada (%) [▲]		10.5	9.8	8.0
ii. United States (%) [▲]		12.9	11.8	9.2
Community Investment:				
a. Donations (\$ millions) [▲]		56.0	55.7	38.5
b. Community Development Loans United States (US\$ millions)		536.7	–	–
c. Community Development Investments United States (US\$ millions)		178.9	139.8	39.3
Governance				
Board Diversity:				
a. Women on Board of Directors (%)	No less than 1/3	33	33	25
Business Conduct:				
a. Ethics training (% completion) [▲]		98.9	98.8	99.2
b. Significant fines/monetary sanctions for non-compliance ^{4▲}	none	0	0	*
c. Incidents of discrimination (from external bodies) [▲]		24	21	24

Legend:

¹ Fiscal year (November 1 to October 31)

³ Available online in June 2014 at: [Environmental Performance](#)

⁵ New provider and new survey in 2013

– Not publicly disclosed

* Began reporting on this metric in 2012

² Part of a 3-year contract

⁴ A fine is classified as “significant” if it is greater than \$500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO.

▲ 2013 data externally assured (KPMG's Assurance Statement is on pages 53–54)

Stakeholder Engagement

Our Approach

We are committed to working with all of our stakeholders – to listen, discuss and develop an understanding of the issues that are important to them – and then to act on this understanding to enhance our business practices as needed. This collaborative approach gives us a competitive edge and helps us achieve our vision to be the bank that defines great customer experience.

BMO's stakeholders include: customers, employees, shareholders, government and regulators, industry associations, Aboriginal communities, non-governmental organizations, not-for-profits, suppliers and research analysts.

The table below presents some of our stakeholder engagement activities.

How we engage	Key topics/concerns	BMO's response
Customers		
<p>Corporate Marketing's Market Research Group works with third-party vendors who track our Personal and Commercial Banking and Wealth Management customers' attitudes towards us and our major competitors via surveys.</p>	<p>The survey includes questions about customers' experiences and problems to assess overall loyalty and the likelihood that they would recommend BMO to family and friends or business associates.</p>	<p>Net Promoter Score (NPS) is the key loyalty measure used by BMO. Survey results are reported and shared with the lines of business and used in action planning to improve customer experience. With our customers' permission, branch managers attempt to reconnect with customers who respond in the survey that they have experienced a service problem to further discuss their concerns.</p>
<p>Customer focus groups within Wealth Management and Personal and Commercial Banking Groups are conducted regularly to obtain views on specific topics or for product development. Surveys are conducted online.</p>	<ul style="list-style-type: none"> ■ Saving for retirement ■ Paying for child's education ■ Financial literacy ■ Holiday spending 	<p>The BMO Wealth Institute provides insights and strategies about wealth planning and financial decisions to better prepare customers for a confident financial future. In 2013, the following quarterly reports were released:</p> <ol style="list-style-type: none"> 1. Are your business and personal finances on solid ground? 2. What are you leaving behind? Family conflict or a memorable legacy? 3. The biggest life events that can derail your financial plan 4. Student tuition and debt on the rise: RESPs and beyond <p>Further information: www.bmo.com/home/personal/banking/investments/retirement-savings/retirement-planning/bmo-wealth-institute/featured</p>

Employees

Human Resources (HR) conducts an annual employee survey. This year, we worked with a new provider on developing a survey with a set of questions to generate results that will be easily measured against our peers as well as the world's leading companies.

Greater emphasis is also being placed on action planning, measuring results and follow-through.

- Employee engagement
- Customer
- Productivity
- Leadership
- Employee value proposition

38,080 employees took part in the annual employee survey this year, a participation rate of 82%. This rate was 1 percentage point lower than last year's participation rate.

- 84% of respondents identified customers as a top priority.
- 81% of respondents indicated they have confidence in the future of BMO.
- On 70% of survey questions, BMO scored at or above standard set by the world's leading companies.

See the Scorecard on page 20 for metrics related to this issue.

Corporate Communications has a group of internal communication professionals who work with the various corporate areas and lines of business. They help leaders develop and deliver communications aligned with business strategies.

- Corporate goals
- Strategic priorities

In addition to communicating the bank's strategic priorities and financial results, the CEO also sends emails to kick off certain enterprise-wide initiatives, such as the annual employee survey.

Management within the line of business hold town halls to provide their people with results and targets.

Shareholders

Investor Relations communicates with shareholders/investors in a variety of ways, including:

- Interim and full-year disclosure of financial results and business performance (e.g., Annual and Quarterly Reports, Management Proxy Circular, Annual Information Form)
- Strategy, performance and other market updates throughout the year (e.g., investor days, investor conferences)
- Annual General Meeting
- News releases, corporate website and industry conferences.

- Business and income growth outlook
- Credit quality and outlook
- Productivity
- Capital deployment and return to shareholders
- Canadian housing and consumer leverage

Note: These are common issues for the banking sector.

BMO's Board and management support open dialogue and exchange of ideas with shareholders. Our shareholder engagement policy outlines how we communicate with shareholders, and how shareholders can communicate with the Board or BMO management. To view the policy, go to: www.bmo.com/home/about/banking/corporate-governance/select-documents

Shareholders, employees and other parties may communicate directly with the Board of Directors through the Chairman of the Board.

Refer to page 42 of the PC for the full address.

Government and Regulators

BMO's Legal, Corporate and Compliance Group works closely with regulators. In Canada, our banking business is regulated federally under the *Bank Act* and the securities markets are currently regulated by the provinces.

- Anti-corruption/fraud
- Consumer protection
- Deposits
- Securities and derivatives
- Insurance

Since 2009, we've taken a consistent enterprise-wide approach to the increasing number of regulatory and legislative changes related to Canadian securities. This involves constant monitoring, consulting with internal stakeholders and maintaining a database of proposed changes. We participate in industry associations and industry comment letters. When appropriate, we also submit our own comment letters.

BMO supports efforts to enhance the fairness and transparency of the electoral systems in the jurisdictions where we do business.

- Public policy development
- Lobbying

BMO lobbies only about issues that affect our business, and we report all our lobbying activities. This ensures that our actions are transparent, and that we are accountable for them.

Industry Associations

BMO is a signatory to the Equator Principles.

The Equator Principles provides a voluntary credit risk management framework intended to ensure that projects are developed in a manner that is socially responsible and reflects sound environmental management practices.

Since 2005, BMO's Environmental, Social and Governance Group (ESG Group) has participated in working groups that have revised the Equator Principles to reflect signatories' experiences and have also incorporated revisions to the International Finance Corporation's Performance Standards, upon which these principles are, in part, based.

United Nations Environment Programme – Financial Institutions.

Understanding the impacts of environmental and social considerations on financial performance.

The director of BMO's ESG Group is co-chair of the United Nations Environment Programme Finance Initiative's (UNEP FI) North American Task Force and is also a member of its Banking Commission Board. UNEP FI is a partnership between the United Nations Environment Programme and the global financial sector. UNEP FI works with over 200 financial institutions that are signatories to the UNEP FI Statement and a range of partner organizations to develop and promote linkages between sustainability and financial performance.

Participation in the revision of the ISO 14001 Environmental Management System standard.

ISO 14001 is currently undergoing its second revision to ensure that it remains relevant over the next two decades. The new version is expected to be published in 2015.

The program manager of BMO's Environmental Sustainability Group was selected as one of two environmental management system experts to represent Canada at the meetings of ISO / Technical Committee 207 Environmental Management meetings in Bogota, Colombia in October 2013.

Industry Associations (continued)

We are members of the Canadian Bankers Association (CBA), which works on behalf of domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada.

- Regulatory and legislative changes

Our affiliation with the CBA ensures that we are involved in banking regulation discussions. It also facilitates engagement with Canadian regulators, governments and the public.

Aboriginal Communities

BMO supports the recruitment of talented individuals from the Aboriginal community. Our Enterprise Renewal Strategy includes the goal of increasing the number of Aboriginal employees in our workforce to 1.5% by 2016.

- It's important that our employees reflect the diversity of our customers

BMO offers the Ron Jamieson Aboriginal Scholarship Program in honour of Ron Jamieson, a Six Nations Mohawk and former BMO executive.

Non-governmental organizations (NGOs)

We are committed to open dialogue with NGOs as their different perspectives are helpful as we work to understand an issue.

- Human rights in the context of our lending activities
- GHG impact of loans portfolios
- Protecting the earth's species
- Conserving our oceans and fresh water

We form partnerships with NGOs when they are mutually beneficial.

In November 2012, BMO, World Wildlife Fund (WWF) and the AIR MILES Reward Program launched a co-branded MasterCard, giving our customers an easy way to support WWF's conservation work by simply using the card.

Not-for-profit organizations

Our Sponsorship Group has relationships with a number of not-for-profit organizations.

- Economic support (for events and programs)
- Enriching society
- Celebrating heritage

We partnered with the Canadian Foundation for Economic Education to develop a financial literacy program, the first phase launched in January 2013 – "Talk with Our Kids About Money."

Sponsorships, in association with non-profits/ organizations like the Calgary Stampede, BMO Vancouver Marathon and the Canadian Soccer Association not only provide us with brand exposure, they have a positive impact on the communities we serve.

We provide support to Indspire, a national Aboriginal non-profit organization that distributes more than \$6 million in scholarships and bursaries each year.

Our Leadership Priorities

In this section we explain our approach to three of our leadership priorities: creating a diverse and inclusive workplace; providing education on the fundamentals of money management; and helping improve the quality of life in the communities where we live and work.

Diversity

Our Approach

At BMO, our people are our competitive advantage. We are committed to living our value “Embrace Diversity” because we know that a diverse and inclusive workplace enables employees to perform at their best. As we equip our employees to embrace diversity, our inclusive workforce will deliver better performance and we will build and sustain a strong and diverse talent pipeline.

Our Diversity Story

2012 marked the 20th anniversary of BMO’s pioneering Task Force reports, which established a commitment to creating an equitable workplace and to maintaining BMO’s position as a leader in diversity. To mark the anniversary, BMO established an enterprise Diversity Renewal Council (DRC). Simon Fish, our General Counsel, has been appointed the Executive Diversity Champion at BMO, and he and Daniela O’Leary-Gill, our Chief CRA Officer, co-chair the DRC. The DRC’s goal is to drive performance by being a leader in diversity. Under Simon Fish’s leadership, a new Enterprise Renewal Strategy has been developed, outlining clear steps to close the gap between BMO’s actions and what it values. The Enterprise Renewal Strategy includes the following goals which are to be achieved by the end of 2016:

- 40% women executives
- 3.8% persons with disabilities
- 1.5% Aboriginal employees
- Increase in minorities in senior roles
- Strengthened pipeline of diverse emerging leaders

Enhancing Inclusive Leadership

We believe that inclusive leaders are vital to sustaining and accelerating our progress toward our diversity and inclusion goals. Over the past year, we’ve made a concerted effort to enhance inclusive leadership by developing the cultural intelligence (CQ) capabilities of our leaders. CQ is a measure of one’s ability, capacity and willingness to identify and acknowledge differences. It’s about seeing people beyond their gender, culture, ethnicity or race, and beyond their disability. Cultural intelligence is important to the bank because the self-awareness it promotes enables our people to develop the inclusive leadership capabilities that are necessary to live our value “Embrace Diversity.”

Here are some of the ways we’ve built CQ capability this year:

- 50 top senior leaders received training on “cultural blind spots.” “Cultural blind spots” are hidden biases based on bits of past experience that influence our behaviour toward members of particular groups, though we remain oblivious to their influence. This training will affect how leaders make decisions about who they hire, develop, reward and promote.
- More than 150 leaders completed Intercultural Development Inventory (IDI) to assess their attitudes toward difference and received targeted action plans to improve their ability to work across difference.
- We embedded CQ awareness in employee orientation programs and eLearning programs.

In 2014, 200 leaders will be provided with CQ training. Similar training – Navigating Cultures – will be provided more broadly to all other employees through our eLearning tool. The training will showcase stories of BMO leaders who are honing their CQ, along with tips and discussion boards for employees to share their insights, stories and questions.

Count Me In

“Count me in!” is an enterprise-wide awareness campaign for the inclusion of people with visible and non-visible disabilities in our workplace. This will ensure that the numbers we are reporting are accurate. To help support our goal of increasing the number of employees with disabilities to 3.8% by the end of 2016, we also launched our “Manager’s guide to hiring and leading employees with disabilities toolkit.”

Advancing Diversity and Inclusion in the Workplace and the Legal Profession

BMO’s Legal, Corporate & Compliance Group (LCCG) has embedded diversity principles and diversity best practices in its Recruitment Guide and Interviewing Toolkit for internal and external recruiters, which includes a representation goal of 25% from a designated group. In addition, LCCG is driving performance with its legal suppliers by incorporating diversity metrics in the request for proposal (RFP) process for outside counsel, and requesting diversity statistics to help ensure that our legal suppliers are consistent with the diversity of our organization and reflect the communities in which we do business. We’ve received commitments from a number of law firms which in the past have not provided metrics, that they will institute a formalized process in the coming year.

Capital Markets Mentorship Program

One of the goals of the BMO Capital Markets Mentorship Program is to facilitate matches that might not otherwise occur. By teaching and learning from others outside of our professional circles, we have an opportunity to gain different perspectives and knowledge. This enrichment positions us to deliver an even greater client experience.

Dedicated Requisitions Program for Persons with Disabilities and Aboriginal People

Through this program, job postings designed to address unique gaps and sustain a diverse workforce provide career opportunities available only to persons who identify as belonging to specific diverse groups.

See **Awards and Recognition** on page 49 for diversity-related recognition.

Financial Literacy

Our Approach

We are committed to providing education on the fundamentals of money management and to building the financial capabilities of our customers, which ultimately makes our communities stronger. We want to be known as the bank that makes our customers feel confident about their finances. Our three targeted groups are: employees, customers and the communities where we operate.

Our focus in 2013 has been on:

- Developing a fact base about the financial literacy of BMO’s employees and launching an Employee Financial Education Program
- Launching the “Talk With Our Kids About Money” program to benefit our clients and the communities where we operate.

Employee Financial Education Program

The Financial Literacy Survey conducted in 2012, shed new insights on our employees’ understanding of and comfort with financial concepts. Overall, BMO employees are more financially astute than the general population – with high scores for knowledge, behaviours and attitudes that exceed those for adults in Canada, the United States and elsewhere around the world. However, some employee segments are stronger than others.

In October, the BMO Institute for Learning launched an online employee financial education program to strengthen employee financial capabilities and deepen awareness of financial matters relevant to their financial well-being. In order to put employees on the path to clarity, confidence and control of their financial matters, the program focuses on setting goals, learning and taking action. By connecting with this digital experience in an unthreatening, non-judgmental way, employees can explore the site and are motivated to keep coming back. To facilitate financial empowerment, the site has leveraged some key elements of behavioural psychology by incorporating three key engagement pillars into the site experience: personalization, collaboration and gamification principles.

The site is being launched in multiple phases, beginning with Cash Flow and Budgeting as the foundation for building long-term positive financial behaviours. In addition to offering the site in English and French in Canada, we have created a U.S. version to ensure that resources are relevant.

Talk With Our Kids About Money

The first annual Talk With Our Kids About Money (TWOKAM) day was April 17, 2013. The TWOKAM website supports the Parent Program and School Program, as well as the Let’s Talk About Money RESP Contest. The program succeeded in reaching over 400 schools in Ontario, Quebec and other provinces across Canada. Drawing upon and bringing together a number of ongoing media promotions, a growing social media presence and the registration of parents/guardians and educators on the website, an estimated 65,000 students/children across the country had exposure to helpful resources and lessons on financial literacy. Following the success of the 2013 pilot, we are expanding the program in 2014 to the rest of Ontario and Quebec, Manitoba and Saskatchewan. A U.S. pilot is scheduled for Chicago and Milwaukee.

Supporting Employees who Provide Financial Literacy Outreach

BMO Harris Bank’s Financial Literacy Resource Center, developed in 2012, provides webinars on best teaching practices, information about upcoming events and a directory of employee facilitators for employees who develop community seminars and other outreach initiatives.

Financial Literacy tools

We provide a wide range of complimentary tools designed to help customers get a better understanding of their current finances and the advantages of future planning. Visit our website for a list of programs: [Financial Literacy](#)

Contributing to Communities through Corporate Donations, Sponsorships and Employee Giving

Corporate Donations

Our Approach

BMO is committed to helping improve the quality of life in the communities where we live and work. It's part of a long-standing tradition dating back to our first donation to a hospital in 1835. We believe in the possibilities of personal growth and achievement through continuous learning and access to education. We focus our contributions over a broad range of initiatives, including:

- Education
- Hospitals, Health and Research
- Civic and Community Services
- Arts and Culture

In 2013, we contributed more than \$56 million to non-profit organizations across North America. We've highlighted a few below:

- BMO Capital Markets donated \$1.1 million to eight charities across North America through its Equity Through Education (ETE) charitable program. This translates into assistance for more than 2,500 students through scholarships, bursaries, mentoring programs and job search strategy forums. Since the launch of this initiative in 2005, ETE has raised \$13.4 million as a set portion of one day's institutional equity trading commissions earned in North America. In addition, BMO Capital Markets has hired seven ETE scholars, four in Toronto and three in New York. Further information: www.bmocm.com/aboutus/community/equitythrougheducation/
- BMO Harris Bank made a \$5 million donation to Rush University Medical Centre, to expand a unique model of care that educates and trains students for new health care jobs needed to deliver high-quality, coordinated health care to Chicago's underserved and low-income West and South Side communities. The funding will strengthen and accelerate existing health care partnerships among Rush, the Medical Home Network and City Colleges of Chicago, creating new, sustainable models of care through numerous programs.
- BMO made a \$1.25 million donation to support biomaterial research at the University of Guelph, in a focused effort to sustain and grow the agricultural bio-economy. This donation was directed to the BetterPlanet Project, the University's \$200-million fundraising campaign in support of teaching and research in food, environment, health and communities. The University will name Phase II of the Bioproducts Discovery and Development Centre, now nearing completion, as the BMO Bioproducts Innovation Extension.
- BMO made a \$2.5 million donation to the University of Windsor to help fund the new Ed Lumley Centre for Engineering Innovation, named after the BMO Capital Markets Vice-Chair and University of Windsor Chancellor, Honourable Ed Lumley, PC. The facility features the BMO Collaborative Learning Forum, a 350-seat flexible classroom with state-of-the-art audio and video technology that sets a new benchmark for the teaching and learning experience.

- BMO made a \$1.25 million donation to Mount Royal University in Calgary, to fund scholarships, bursaries and a peer mentorship program for Aboriginal students over the next seven years. This funding will help establish a first-of-its-kind awards program at Mount Royal by providing comprehensive financial and cultural support to Aboriginal students at every stage of their educational journey. With the addition of 20 new scholarships and bursaries through the BMO Financial Group Aboriginal Student Fund, as well as a unique peer mentorship program, BMO's donation will support the work of Inskim Centre – Mount Royal's academic and cultural support centre for Aboriginal students.
- A US\$750,000 donation over three years to the United Way of Greater Milwaukee to promote healthy birth outcomes and reduce the city's infant mortality rate. Milwaukee has one of the highest infant mortality rates among large U.S. cities and one of the most pronounced racial disparities in infant deaths: African American infants are two to three times more likely to die in their first year of life than Caucasian infants. The Healthy Birth Initiative has set a goal to reduce Milwaukee's African American infant mortality rate by 15% and the overall rate by 10% by 2017.
- Through the Ron Jamieson Aboriginal Scholarship Program, we support Aboriginal students aspiring to work for a top financial institution in Canada. For more information and/or to apply for this unique scholarship opportunity, please visit Indspire.ca.
- BMO Financial Group contributes to the Foundation for the Advancement of Aboriginal Youth (FAAY) to encourage young Aboriginal people to stay in school and pursue higher education. FAAY supports the aspirations of young people who will contribute to the future economic and social development of their communities by offering them the opportunity to develop skills and training. Through the Foundation, BMO bursaries of \$750 are awarded annually to students 13 to 18 years old in grade nine and above.

Additional information: [2013 Corporate Responsibility Report](#)

Sponsorships

Our Approach

Sponsorships play an important role in our overall marketing strategy. They provide us with valuable opportunities to raise the profile of our brand and our image in the community. Sports sponsorships in particular allow us to connect with audiences and to connect audiences to our brand.

The Sponsorship Marketing Council of Canada recognized BMO with two Sponsorship Marketing Awards in April 2013. BMO received a Gold Award for Sustained Success for its Local Soccer Clubs program. The program was recognized for being BMO-owned and locally driven, and for its sponsorship of more than 1,000 local youth soccer teams across Canada. In the Special Interest Category, BMO took home an Award of Distinction for our more than 100-year partnership as the official bank and champion sponsor of the Calgary Stampede.

Here are some highlights from the past year:

- BMO continues to sponsor soccer at all levels, from professional to grassroots. We continued to promote BMO's Team of the Week

program for the third year. The Monteuil Sparta U10 girls' team from Laval, Quebec was selected as the BMO Team of the Week 2013 Champion. The title comes with a \$125,000 prize toward a field refurbishment, a \$5,000 donation to a charity of the team's choice, and a trip to see a Toronto FC, Montreal Impact, Vancouver Whitecaps or Canadian national team home game.

- In July 2013, BMO and renowned Queen's University youth sport expert, Dr. Jean Côté, released a report titled "The Coach's Role in Creating a Positive Environment in Youth Soccer". In the report, Dr. Côté proposes that coaching is more than teaching skills or delivering specific content. If youth soccer coaches build supportive relationships with their players that are guided by solid moral values, they will create an environment that empowers young people beyond the soccer field. Dr. Côté's report looks at the four pillars of a positive environment in sport – team pride, spirit, community commitment and passion for the game – which are at the core of BMO's Team of the Week soccer program.
- In October 2013, the Toronto Raptors and BMO announced a multi-year partnership that will see the bank join Canada's NBA team as title sponsor and serve as the official bank of the Raptors. The agreement builds on a long-time partnership between BMO and Maple Leaf Sports & Entertainment. As a new platinum partner of the Raptors, BMO will have a strong in-arena presence, including BMO branding on the basketball court, and on broadcasts for Raptors games. BMO and the Raptors will team up to offer new products to customers, and at the grassroots level they plan to introduce community basketball programs similar to those delivered at BMO Field with Toronto FC and other BMO youth soccer programs across Canada.
- In Chicago, BMO Harris Bank is a sponsor of the Chicago Blackhawks. Together, they present Youth Hockey Awards to volunteer, players and coaches who have gone above and beyond their duties with on-ice recognition at select Blackhawks games each season. We are also the official bank of the Chicago Bulls. During this unified partnership, we've launched numerous programs, such as Adopt-A-School and Military Moments, which recognizes Veterans during on-court presentations at select games each season.
- In 2013, we became a proud sponsor of the St. Louis Blues. In addition to offering customer discounts, the BMO Harris Kid's Captain Program provides a once-in-a-lifetime experience for a young player to join the Blues on the ice during the national anthem at every home game. In Milwaukee, we continue to sponsor the Milwaukee Bucks. BMO, in collaboration with the Bucks created the BMO Community Seats program where twelve seats are donated to local youth-oriented organizations for each home game. The program was instituted to give underserved youth an opportunity to experience a live NBA game.

Employee Giving

Our Approach

We provide employees with the opportunity to participate in a wide range of community building activities, including the opportunity to volunteer during business hours. Beyond the benefits to our communities, our support for employees' efforts has a positive impact on our organization. Through volunteer work, employees gain opportunities for personal growth, developing strength in leadership, team-building and creative thinking. These positive experiences boost workplace morale and help deepen engagement.

Supporting our Employees' Personal Contributions

In Canada, we contributed \$447,000 to charities and not-for-profit organizations supported by BMO employees, through the Volunteer Grants Program. We also matched \$300,291 in donations made by employees, pensioners and directors in North America through our Matching Gift Program for Higher Education.

Helping Others

In May, BMO employees and their families and friends across Canada took to the streets to participate in the bank's inaugural fundraising walk in support of Kids Help Phone. More than 3,000 employees in 33 communities across Canada raised almost \$650,000 to help ensure kids from big cities, small towns and remote communities can reach out to a Kids Help Phone professional counsellor by phone, online, day or night, in English and in French. In addition, the BMO Employee Charitable Foundation donated \$250,000 to Kids Help Phone.

BMO Volunteer Day

June 5, 2013 was BMO Volunteer Day across North America. More than 6,000 BMO employees volunteered during regular business hours at local charitable agencies in communities across North America. Building on what's become a tradition in the United States, this event unites employees across borders with a common goal: to work together to help even the odds and improve the lives of the people in our communities.

2013 Employee Giving Campaign

Through our charitable foundation, 39,00 employees – more than 84% – participated in the 2013 campaign and directed more than \$15 million to local United Way organizations and other charities across North America.

Mentorship Programs

LCCG employees in Toronto and Chicago acted as mentors for students in priority neighbourhoods through the LAWS (Law in Action Within Schools) and Working in Schools (WITS) programs.

Legend

- AIF – Annual Information Form for the year ended October 31, 2013
- AR – BMO Financial Group’s 196th Annual Report 2013
- ESG Report and PAS – Environmental, Social and Governance Report and Public Accountability Statement
- PC – Notice of Annual Meeting of Shareholders and Management Proxy Circular – February 7, 2014

GRI Index

Profile Disclosures

GRI Indicator	Description	Report Reference or Commentary
Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	See page 3 of this report: Message from the Chair, BMO Sustainability Council
1.2	Description of key impacts, risks and opportunities.	For ESG related risks, see the Reputation Risk and Environmental and Social Risk sections on page 99 of the AR.
Organizational Profile		
2.1	Name of the organization.	Bank of Montreal
2.2	Primary brands, products, and/or services.	Bank of Montreal uses a unified branding approach that links the organization’s member companies under the brand “BMO Financial Group”. As such, in this report, the names BMO and BMO Financial Group mean Bank of Montreal together with its subsidiaries. Further information: AR pages 3, 27 and 174–176
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Information about the inter-corporate relationships among Bank of Montreal and its principal subsidiaries is provided on page 189 of the AR. Further information: AR pages 174–176
2.4	Location of organization’s headquarters.	BMO’s head office is located at 129 rue Saint-Jacques, Montreal, Quebec, H2Y 1L6, and its executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

GRI Indicator	Description	Report Reference or Commentary
Organization Profile continued		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	We operate in a number of countries, but the scope of our ESG Report is Canada and the United States, also referred to as BMO's North American operations. Further information: AR pages 174–176 and 189
2.6	Nature of ownership and legal form.	Bank of Montreal is a Canadian Schedule I bank and public company listed on the Toronto and New York stock exchanges. Shares are widely held by institutional and retail owners. Further information: AR page 189
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	AR pages 174–176
2.8	Scale of the reporting organization.	Refer to Who We Are on page 5 of this report. Further information: AR pages 3, 27 and 174–176
2.9	Significant changes during the reporting period regarding size, structure or ownership.	AR pages 28-29, 37 and 155-156
2.10	Awards received in the reporting period.	Awards and Recognition
Report Parameters		
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Our AIF, AR, PC and ESG Report and PAS cover our 2013 fiscal year (November 1, 2012 to October 31, 2013).
3.2	Date of most recent previous report.	2012 Environmental, Social and Governance Report and Public Accountability Statement
3.3	Reporting cycle (annual, biennial, etc.).	Our reporting cycle is annual.
3.4	Contact point for questions regarding the report or its contents.	Email address for questions about our ESG activities and performance: sustainability@bmo.com
3.5	Process for defining report content.	Refer to Sustainability Issues That Matter Most on pages 9–19 of this report.

Report Parameters continued

3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	References and commentary in this report represent our North American operations, unless otherwise stated.
3.7	State any specific limitations on the scope or boundary of the report.	None.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	AR pages 34, 37, 130–133, 145–147 and 155–156 We calculate the carbon footprint (relative to energy use in our buildings and travel by employees for business purposes) for joint ventures (equity share portion), subsidiaries and leased facilities, but not for outsourced operations, for the entire fiscal year. Also included in our calculations are the impacts of any acquisitions from the transaction date to the fiscal year-end date.
3.9	Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Information on data measurement, calculations and assumptions are listed in the Glossary of Terms on pages 50–52 of this report. Environmental data measurement techniques are outlined on our website along with the performance results.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Refer to Environmental Performance for details on changes to environmental data.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	There are no significant changes from the previous reporting period (fiscal 2012) in the scope, boundary or measurement methods applied in the report. For a three-year history of the development of the business, see page 4 of the AIF.
3.12	Table identifying the location of the Standard Disclosures in the report.	2013 ESG Report and PAS
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	KPMG acts as BMO's Shareholders' auditor, and was engaged in 2013 for the second year to provide limited assurance on selected sustainability information in the ESG Report and PAS. KPMG's financial statement audit report can be found on pages 123 and 124 of the 2013 AR and their limited assurance report on selected performance indicators can be found on pages 53–54 of this report. KPMG is independent of BMO within the meaning of the Rules of Professional Conduct/Code of Ethics of various Canadian provincial professional accounting bodies and the <i>United States Securities Act of 1933</i> and the applicable rules and regulations thereunder. (See comments on page 2 of this report.)

Governance, Commitments and Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<p>The ESG Team is accountable for identifying and understanding current and emerging ESG issues that may have an impact on our stakeholders and in turn our business. The ESG Team collaborates with various areas of the bank to address those issues, and is responsible for ESG training.</p> <p>BMO’s Sustainability Council is comprised of senior leaders from across the bank and provides guidance and oversight on significant sustainability matters. The council meets every quarter, and the chair reports to our CEO. Refer to the Message from the Chair, BMO Sustainability Council on page 3 of this report.</p> <p>Our Board of Directors is responsible for enterprise-wide oversight and governance, and a number of our board committee mandates include addressing ESG matters. For example, the Audit and Conduct Review Committee reviews reports on environmental, social and governance issues, and the Human Resources Committee has oversight of retention strategies and executive compensation.</p> <p>Further information: Corporate Sustainability Governance and AR pages 20–21</p>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization’s management and the reasons for this arrangement).	The Chair of the Board of Directors is not an executive officer.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Refer to Sustainability Issues That Matter Most on pages 9–19 of this report.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the Chairman of the Board. Refer to page 42 of the PC for the full address.

Governance, Commitments and Engagement continued

<p>4.5</p>	<p>Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).</p>	<p>The board's Governance and Nominating Committee annually reviews and benchmarks directors' compensation against the bank's peer group to ensure it is competitive and consistent with the responsibilities of directors. Directors' compensation is disclosed on pages 24–25 of the PC.</p> <p>BMO's compensation policies and structure support our vision to be the bank that defines great customer experience. At the start of each year, the board's Human Resources Committee sets operating targets that reinforce the bank's strategic priorities and values. At year end, it assesses bank and operating performance against these targets taking into consideration internal measures of success and our performance relative to our peers. Individual performance against annual objectives for the CEO and senior executives is also assessed, after which the allocation of incentive awards is made to the CEO and senior executives.</p> <p>Further information: PC, starting on page 57</p> <p>As an incentive for environmental performance, we provide monetary rewards to environmental/sustainability management, the corporate real estate executive team and facility managers.</p> <p>Further information: BMO CDP Response</p>
<p>4.6</p>	<p>Processes in place for the highest governance body to ensure conflicts of interest are avoided.</p>	<p>To ensure ethical and independent decision-making, we have a protocol to identify and deal with director conflicts of interest. Directors or executive officers with a material interest in a matter coming to the board's attention do not receive related board materials, and are not present for any discussions or related votes.</p>
<p>4.7</p>	<p>Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.</p>	<p>The board's Governance and Nominating Committee decides what skills and competencies the board requires, assesses the skills of current board members and identifies and recommends suitable director candidates. This assessment helps determine if the board needs new directors. In keeping with the Board Diversity Policy, potential candidates are screened for several attributes, including ethics and integrity, range of experience, good business judgment, areas of expertise, personal skills and qualities, gender, age, ethnicity and geographic background. The committee also takes into consideration possible conflicts, and their ability to devote sufficient time and commitment as a director. Diversity of background, gender and geography is also taken into consideration. The policy on majority voting to elect directors is described on page 5 of the PC.</p> <p>Further information: PC, Skills Matrix on page 23</p>
<p>4.8</p>	<p>Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation.</p>	<p>Refer to Sustainability Issues That Matter Most on pages 9–19 of this report.</p>

Governance, Commitments and Engagement continued

4.9	Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	See indicator 4.1 and refer to Sustainability Issues That Matter Most on pages 9–19 of this report.
4.10	Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental and social performance.	Annually, each director completes an anonymous board self-assessment survey and has a one-on-one interview with the chairman. Every director assesses the contribution of each of their peers against the performance standards for the director position. When assessing the chairman, the Governance and Nominating Committee seeks input from each director. Each board committee and committee chair is also separately assessed. Further information: PC page 38–39
4.11	Explanation of whether and how the precautionary approach or principles is addressed by the organization.	Refer to Sustainability Issues That Matter Most on pages 9–19 of this report.
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Memberships and Associations
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Refer to Stakeholder Engagement on pages 21–24 of this report. Further information: Memberships and Associations
4.14	List of stakeholder groups engaged by the organization.	Refer to Stakeholder Engagement on pages 21–24 of this report.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Refer to Stakeholder Engagement on pages 21–24 of this report.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Refer to Stakeholder Engagement on pages 21–24 of this report.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Refer to Stakeholder Engagement on pages 21–24 of this report.

Performance Indicators

GRI Indicator	Description	Report Reference or Commentary
Product and Service Impact		
FS1	Policies with specific environmental and social components applied to business lines.	Environmental and social risks include the threat of adverse effects on the natural environment through emissions, wastes and resource depletion, as well as risks to the livelihoods, health and rights of communities and their cultural heritage arising out of a client's business operations and BMO's financing activities. The existence of environmental and social risks does not preclude the bank from providing financing to a borrower. We have internal policies applicable to our Commercial Banking and BMO Capital Markets businesses to provide guidance on how to identify, manage and mitigate environmental and social risk in financing transactions. The policies are regularly reviewed and approved by executives in the Risk Management area.
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Due diligence is performed by the line of business so that we can determine if the magnitude of the environmental and social risks is material. The findings are included in the transaction application that is sent to Risk Management for its approval. Environmental risk is most prevalent when dealing with environmentally sensitive industries. We have identified more than 50 industries that we subject to a higher level of environmental due diligence. We evaluate social risks by assessing how well a client manages regulatory and other risks related to stakeholder engagement and issues related to Aboriginal consultation. Specific due diligence questions on both aspects are outlined in our financing policies.
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Social and environmental requirements in transaction agreements are monitored by the line of business in the same way as other transaction requirements.
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Updates to our policies are widely distributed to all affected employees and, when required, we raise additional awareness on a case-by-case or issue-by-issue basis with key decision-makers. In 2013, BMO implemented ESG training for BMO Capital Markets employees to ensure that there is consistency in the understanding of environmental and social risks across the enterprise. The training includes identification of emerging issues, an overview of BMO's due diligence procedures, and tools to assist employees in identifying and managing environmental, social and governance risks.
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	We work with our clients and suppliers to understand and manage social and environmental risks, and to take advantage of opportunities. This also occurs in our Commercial Banking and BMO Capital Markets businesses where clients may need financing to take advantage of environmental opportunities.

GRI Indicator	Description	Report Reference or Commentary
Product and Service Impact continued		
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	The management of environmental and social risks is integrated into our enterprise-wide risk management processes. As a matter of course, our internal audit function conducts audits on all bank units periodically. This audit includes assessing compliance with relevant environmental and social risk policies.
Economic		
DMA	Economic	Refer to Economic Impact on page 6 of this report.
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Refer to Economic Impact on page 6 of this report. For a breakdown of expenses, such as employee compensation, premises and equipment and government levies and taxes, see AR page 109 (Table 8).
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	We disclose how we manage climate change in our Carbon Disclosure Project (CDP) submission. Further information: BMO CDP Response
EC3	Coverage of the organization's defined benefit plan obligations.	We provide a defined benefit pension program to eligible BMO employees in Canada and certain eligible BMO employees in the United States. We provide defined contribution pension and savings programs to employees in some of our subsidiaries. The bank's pension plans are managed prudently and in accordance with all applicable laws and regulations. Further information: AR pages 167-171
EC4	Significant financial assistance received from government.	None.
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	In 2013, we purchased almost \$4 billion worth of goods and services from more than 17,000 suppliers. Of that, approximately \$2.7 billion was spent through our Canadian operations and approximately \$1.3 billion was spent through our U.S. operations. Supplier selection is based on the delivery of products and services that are the best in value, quality and performance. We have a comprehensive sustainable procurement practice that includes environmental and social considerations in the process of evaluating and selecting suppliers across the enterprise. BMO Strategic Sourcing is responsible for supplier governance standards that establish the procurement practices for BMO employees. Further information: BMO Sustainable Procurement Questionnaire

Economic continued

EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation. We expect our senior leaders to be active participants in their local communities. Our employees reflect the neighbourhoods in which we live and work, and we make sure we have the right people in the right roles to meet customer needs. Our jobs are posted inside the company and on our external site (www.bmo.com), and we use national and regional job boards and local, in-branch marketing to highlight BMO employment opportunities.

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement. Refer to Social Impact on page 7 and Impact Investing on page 8 of this report.

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. We play an important role in creating a productive and prosperous society. We help people buy homes, save for their children’s education and build secure retirement plans. We help small businesses grow, help growing businesses become more competitive, help competitive businesses find new markets and help all businesses be more innovative.

We provide direct economic support through job creation. We buy goods and services from large and small companies as well as from individual contractors, and we pay taxes.

Refer to Economic Impact on page 6, and Social Impact on page 7 of this report.

Further information: [2013 Corporate Responsibility Report](#)

Environmental

DMA **Environmental** We are committed to minimizing the environmental impacts of our business operations through best-practice management of our energy use, transportation, material consumption, water use, waste, emissions and effluent. As part of this commitment, we have developed a robust environmental management system that describes the objectives, targets and processes in place to mitigate these impacts. We monitor performance against our stated objectives in pursuit of continual improvement in our environmental performance and ongoing pollution prevention.

Further information: AR page 99

Note: Most recent environmental performance data is available on our website.

EN1 Materials used by weight or volume. [Environmental Performance](#)

Environmental continued		
Indicator	Description	Report Reference or Commentary
EN2	Percentage of materials used that are recycled input materials.	Environmental Performance
EN3	Direct energy consumption by primary energy source.	Environmental Performance
EN4	Indirect energy consumption by primary energy source.	Environmental Performance
EN5	Energy saved due to conservation and efficiency improvements.	BMO CDP Response
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	This indicator is not applicable to our business because our products and services are financial. We continue to focus on providing clients and shareholders with electronic options to reduce energy used in creating and sending paper materials.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	For a list of our initiatives to reduce indirect energy consumption, go to: BMO ECO⁵ Strategy . For year-over-year data on the reductions achieved, go to: Environmental Performance Further information: BMO CDP Response
EN8	Total water withdrawal by source.	This indicator is not applicable because we use relatively little water to operate our business.
EN11	Location and use of land owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	This indicator is not applicable to our business operations. BMO's property portfolio is located in urban areas or within the town centres of rural areas and does not directly affect biodiverse habitats. Biodiversity impacts that may arise in project finance transactions are mitigated by our clients through our application of the Equator Principles.
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	See indicator EN11
EN16	Total direct and indirect GHG emissions by weight.	Environmental Performance
EN17	Other relevant direct and indirect GHG emissions by weight.	Environmental Performance
EN18	Initiatives to reduce GHG emissions and reductions achieved.	BMO ECO⁵ Strategy Environmental Performance BMO CDP Response

GRI Indicator	Description	Report Reference or Commentary						
Environmental continued								
EN19	Emissions of ozone-depleting substances by weight.	Environmental Performance						
EN21	Total water discharge by quality and destination.	This indicator is not applicable because we use relatively little water (and therefore have minimal discharge) to operate our business.						
EN22	Total weight of waste by type and disposal method.	Environmental Performance						
EN23	Total number and volume of significant spills.	None.						
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	This indicator is not applicable because BMO's water is discharged to public wastewater treatment facilities, not directly into water bodies and related habitats.						
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Targets						
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	This indicator is not applicable. BMO products do not have packaging materials to be reclaimed (recycled or reused).						
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	BMO has not paid any significant fines or been otherwise sanctioned for non-compliance with environmental laws or regulations.						
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	BMO ECO⁵ Strategy Environmental Performance						
EN30	Total environmental protection expenditures and investments by type.	Environmental protection expenditures for fiscal year 2013: <table border="1" style="margin-left: 20px;"> <tr> <td>Waste disposal, emissions treatment and remediation costs</td> <td style="text-align: right;">\$9,176,742</td> </tr> <tr> <td>Prevention and environmental management costs</td> <td style="text-align: right;">\$556,183</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$9,732,925</td> </tr> </table>	Waste disposal, emissions treatment and remediation costs	\$9,176,742	Prevention and environmental management costs	\$556,183	Total	\$9,732,925
Waste disposal, emissions treatment and remediation costs	\$9,176,742							
Prevention and environmental management costs	\$556,183							
Total	\$9,732,925							

GRI Indicator	Description	Report Reference or Commentary
Social: Labour Practices		
DMA	Labour Practices and Decent Work	At BMO, our responsibility to our employees extends beyond providing jobs. Our mandate is to open up new avenues in professional and personal development, helping people expand their horizons and discover exciting career possibilities. Further information: BMO's Talent Strategy
LA1	Total workforce by employment type, employment contract and region.	Refer to page 56 of this report.
LA2	Total number and rate of employee turnover by age group, gender and region.	Refer to BMO's ESG Scorecard on page 20 of this report. The U.S. figure for 2011 excludes the M&I acquisition that occurred in July 2011. Turnover rate is defined in the Glossary of Terms on page 52 of this report. Note: We track turnover by age group and gender, but we do not disclose the metrics at this time.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Refer to Sustainability Issues That Matter Most on page 17 of this report. Further information: Work and Life Effectiveness
LA15	Return to work and retention rates after parental leave, by gender.	BMO is committed to supporting work/life balance for all employees, including those returning from parental leave. Whenever possible, employees return to their former position. In some instances, employees are ready for a career move within BMO, or may be looking to reduce their work schedule. BMO's HR policies and practices support employees in identifying opportunities that are the best match at various stages in their career. BMO does not formally track retention rates after parental leave by gender.
LA4	Percentage of employees covered by collective bargaining agreements.	Currently, 0% of employees are covered by collective bargaining agreements. For BMO's position on freedom of association and collective bargaining, go to: BMO on the issues
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	When managing change due to acquisitions, restructuring or outsourcing, our goal is to give affected employees as much notice as possible so they are clear about what's happening and can find other employment. We meet or exceed minimum notice periods, and adhere to BMO's values, principles, practices and legal obligations.

Social: Labour Practices continued

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

In Canada, BMO (excluding BMO Nesbitt Burns) has been granted an exemption by Human Resources and Skills Development Canada and is not required to operate joint committees. BMO Nesbitt Burns operates joint Health and Safety committees, as prescribed by the applicable provincial legislation.

In the United States, there is no legislation or law requiring BMO Harris Bank to operate joint committees.

LA7 Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.

We haven't recorded any work-related fatalities. Although we do not track rates of injury or disease, as a financial institution, stress is the leading cause of short- and long-term lost time. We focus on helping employees return to work and addressing their needs once they return.

Effective June 16, 2013, an internal HR system was implemented that requires all BMO employees in Canada and the United States to track absences from work, including sick days. As a result, in the future we will be able to report on the number of sick days across BMO annually.

The following sick days were reported from June 16 to mid-October 2013:

	Number of sick days
BMO Canada (excluding BMO NB)	23,949
BMO Harris Bank (U.S.)	14,139
BMO Nesbitt Burns	526
Total	38,614

LA8 Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.

BMO employees are not in jobs associated with a high incidence or high risk of specific diseases.

Our Health and Safety Policies outline executive, manager and employee responsibilities in maintaining a hazard-free workplace, and we create awareness through mandatory annual training.

BMO's Employee Assistance Program and *LifeWorks* provide confidential counselling to employees, both active and pensioned, and their dependent family members. In addition, we have a wide range of medical benefits to help plan for and respond to different health needs.

BMO's Chief Medical Officer and team work closely with provincial and national health authorities to ensure that we can respond to widespread health situations such as pandemics.

Further information: [Work and Life Effectiveness](#)

Social: Labour Practices continued

LA10	Average hours of training per year per employee by employee category.	We are committed to providing training for all our employees at all levels, from entry-level positions to senior executives. We are not disclosing the average hours of training per year per employee this year because we changed systems for tracking this number in 2013. We are evaluating whether this is the best metric to assess effectiveness of training.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	BMO encourages ongoing employee development through subsidies for tuition and professional accreditation, paid internship opportunities, formal mentoring programs and career planning workshops. In addition, we have programs for employees who are preparing for retirement, such as succession and retirement planning. For employees who have retired, we provide paid health benefits, organized social activities and volunteer opportunities.
LA12	Percentage of employees receiving regular performance and career development reviews.	<p>“Turn your potential into performance” is BMO’s employee promise. Our performance planning and assessment practices embed the importance of ongoing feedback and performance conversations between managers and employees.</p> <p>During 2013, BMO introduced an online performance application, providing employees and managers with enhanced support for their performance and career development conversations.</p>
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Refer to BMO’s ESG Scorecard on page 20 and Our Leadership Priorities on pages 25-26 of this report.
LA14	Ratio of basic salary of men to women by employee category.	Base salary policies and practices at BMO are gender-neutral, requiring managers to consider knowledge, skills and abilities, as well as sustained performance, when making pay decisions. In support of BMO’s pay policies, pay structures are designed to be market-competitive through the use of external surveys of pay levels for similar roles in a diverse marketplace. Ongoing reviews of base salaries for male and female employees occur across the enterprise, to ensure comparable pay levels for similar roles and/or job levels with similar experience.

Social: Human Rights

DMA **Human Rights**

Respect for human rights is deeply embedded in BMO’s corporate culture and in all of our policies. *FirstPrinciples*: our code of conduct reflects our commitment to high standards of business conduct and ethics. *FirstPrinciples* guides us to ensure that what we do is fair, right and legal. *FirstPrinciples* and our Statement on Human Rights apply to BMO and its subsidiaries.

Further information: [Code of Conduct](#) and [BMO on the issues](#)

HR2 **Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.**

When suppliers are invited to participate in an RFX, we ask respondents to inform themselves of our code of conduct and direct them to the related link on our website. In addition, we have comprehensive sustainable procurement practices that includes environmental and social considerations when evaluating and selecting our suppliers.

Further information: [BMO Sustainable Procurement Questionnaire](#)

HR3 **Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.**

FirstPrinciples: our code of conduct, reflects our commitment to doing what is fair, right and legal. All BMO employees must complete *FirstPrinciples* training on an annual basis. Almost all employees (98.9%▲) had completed the online training as of June 30, 2013 (the last day of our three-month training period). 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. New and returning employees must complete the training within 30 calendar days of their start date.

Total number of training hours on BMO’s Code of Conduct for fiscal 2013 (November 1, 2012 – October 31, 2013).

Baseline (new employees)	14,188 hours
Refresher	14,775 hours
Total	28,963 hours

Further information: [Code of Conduct](#)

Social: Human Rights continued

HR4 Total number of incidents of discrimination and actions taken.

BMO receives formal complaints through the Canadian Human Rights Commission, provincial equivalents (in Canada) or the U.S. Equal Employment Opportunity Commission. We take all complaints seriously, and the majority are resolved at the preliminary stages of the respective processes. During 2013, BMO received 24 formal complaints, of which six have been resolved. The following is a breakdown of complaints based on the alleged basis of discrimination:

Categorization	Number of formal complaints
Disability	6
Differential treatment	7
Family status/sex/gender	5
Ethnic origin/race	6
Total	24

Key metrics related to this indicator are included in our ESG Scorecard on page 20.

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

BMO respects the right of all people to join (or not join) a trade union to bargain collectively.
To view BMO’s Statement on freedom of association and collective bargaining, go to: [BMO on the issues](#)

HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.

BMO respects its human rights responsibilities and complies with laws and internationally recognized human rights everywhere it operates.
To view BMO’s statement on human rights, go to: [BMO on the issues](#)

HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.

See indicator HR6

HR8 Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.

All BMO Corporate Security staff complete online training modules designed to assess awareness, understanding and compliance with key ethical, legal and regulatory requirements. Our staff is committed to ensuring a safe and secure workplace and handling violations of workplace safety. All third-party security staff must meet the same high standards. We manage third-party security vendors by meeting with them regularly to ensure they comply with our standards and to review processes and incidents.

Social: Society		
DMA	Society	
S01	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	We rarely leave a community altogether but when we do close or relocate a branch, we do all we can to minimize the inconvenience to our customers. We comply with federal legislation in Canada and the United States for giving notice to affected customers.
FS13	Access points in low-populated or economically disadvantaged areas by type.	Refer to Social Impact on page 7 of this report.
FS14	Initiatives to improve access to financial services for disadvantaged people.	Refer to Social Impact on page 7 of this report. BMO is committed to making our facilities and services accessible to people of all abilities. Further information: Accessibility at BMO
S02	Percentage and total number of business units analyzed for risks related to corruption.	To view BMO's position on anti-corruption, go to: BMO on the issues
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	As of June 30, 2013, 98.8% of employees had completed anti-corruption training globally. Specialized training for compliance personnel and areas at greater risk of corruption was developed in 2013 and piloted in Toronto.
S04	Actions taken in response to incidents of corruption.	We do not track or record employees who have been dismissed or disciplined for corruption-related activity. Nor do we track or record the number of contracts that we did not renew with business partners due to corruption-related violations.
S05	Public policy positions and participation in public policy development and lobbying.	To view BMO's position on lobbying, go to: BMO on the issues In Canada, information regarding BMO's federal lobbying activities can be viewed by searching for "BMO" in the Federal Registry of Lobbyists at www.ocl-cal.gc.ca The BMO Harris Bank Government Affairs Fund is a political action committee (PAC) that pools employee contributions and donates these funds to campaign for or against candidates, ballot initiatives or legislation. Our company's PAC files a monthly report with the Federal Elections Commission (www.fec.gov).

Social: Society continued

S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions, by country.	<p>BMO supports efforts to enhance the fairness and transparency of the electoral systems in the jurisdictions where we do business.</p> <p>Historically, BMO has supported the political process in Canada through financial contributions to political parties and candidates. Such contributions are permitted in eight provinces (except Manitoba and Quebec and at the federal level). We contributed \$67,620 to political parties and candidates in these provinces during the reporting period.</p> <p>In the United States, total donations to political organizations by the BMO Harris Bank Government Affairs Fund from October 1, 2012 to September 30, 2013 were US\$60,393.</p> <p>BMO also supports the political process through support of organizations such as the Parliamentary Internship Programme, the Public Policy Forum and the Canadian Association of Former Parliamentarians. In 2013, BMO renewed its commitment of \$250,000 over the next five years as lead sponsor of the House of Commons Parliamentary Internship Programme, one of the most important legislative training programs in the country. BMO has been a long-time supporter of this Programme and became the lead corporate sponsor in 1999.</p>
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	<p>There were no significant fines/monetary sanctions in 2013.▲</p> <p>Non-monetary sanctions are not disclosed as they may be proprietary.</p> <p>Refer to the Glossary of Terms on page 52 of this report for the definition of significant.</p>

Social: Product Responsibility

DMA	Product Responsibility	<p>We're here to help individuals and businesses make the best decisions – on their terms – by understanding what's not in their best interest and by pointing to solutions that fit their budget and long-term goals. We ensure that all products and services meet consumer protection laws and regulations, <i>FirstPrinciples</i>: our code of conduct, and any related voluntary codes of conduct. And we aim to make it easier for customers to do business with us.</p> <p>Further information: Product Responsibility and Responsible Lending</p>
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Social: Product Responsibility continued

FS15	Policies for the fair design and sale of financial products and services.	<p>In addition to our enterprise-wide policy, <i>FirstPrinciples</i>: our code of conduct, we have policies that focus on treating customers fairly, protecting their identity and personal information, and not misleading them when offering certain of our products and services. We also have compliance programs to ensure we comply with consumer protection laws.</p> <p>Our Retail Business</p> <p>In Canada, the Financial Consumer Agency of Canada supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws, voluntary commitments and codes of conduct. For example, financial institutions are required to provide consumers with information about the cost of borrowing, complaint-handling procedures, fees, interest rates and branch closures.</p> <p>In the United States, the Consumer Financial Protection Bureau (CFPB) supervises federally regulated financial institutions. The CFPB is responsible for protecting consumers against unfair, deceptive or abusive acts or practices, and for enforcing laws related to discrimination and other unfair treatment.</p> <p>Our Wealth Management Business</p> <p>Our regulators oversee us to ensure we comply with regulatory and investment industry standards of practice and business conduct, investor protection guidelines and rules intended to foster market integrity.</p> <p>In Canada, our main regulators include Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association, which oversee provincially regulated investment firms.</p> <p>In the United States, our main regulators include the Financial Industry Regulatory Authority, the Securities and Exchange Commission, Office of the Comptroller of the Currency and the Department of Labor.</p> <p>Further information: Treating Customers Fairly and Code of Conduct</p>
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	This indicator is not applicable. The products and services BMO provides do not have health or safety impacts. Information on protecting the health and safety of those who deliver our products and services is in the Labour Practices and Decent Work section, under employee health and safety (LA6-LA8).
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	This indicator is not applicable. The products and services BMO provides do not have health or safety impacts.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	We give our customers information on fees, interest rates, branch closures and complaint-handling procedures. And we ensure that all new products and services meet consumer protection laws and regulations, <i>FirstPrinciples</i> : our code of conduct and any related voluntary codes of conduct.

Social: Product Responsibility continued

PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	<p>In Canada, no material incidents of non-compliance with regulations and voluntary codes relating to product and service information or labelling have been identified during the reporting period.</p> <p>In the United States, nine incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling were identified during the reporting period. Seven of these were resolved and closed at the end of the reporting period. We expect to fully remediate and close the remaining two incidents within the first half of fiscal 2014.</p>
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<p>Refer to Sustainability Issues That Matter Most on page 10 of this report.</p> <p>Further information: Contact BMO or BMO Harris Bank</p>
FS16	Initiatives to enhance financial literacy by type of beneficiary.	<p>Refer to Leadership Priorities on page 26 of this report.</p> <p>Further information: Financial Literacy</p>
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	<p>We ensure that all marketing communications follow our own advertising, sponsorship and brand guidelines, and where deemed necessary include legal or compliance reviews as applicable. In Canada, Telecaster Services, a division of the Television Bureau of Canada, and the Canadian Broadcasting Corporation review scripts and final produced spots for all English and French television commercials. Network clearance is not required in the United States. Radio, print and online advertising materials for Canada and the United States do not require third-party approvals.</p>
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	<p>During the reporting period, there were no incidents of non-compliance with regulations or voluntary codes for marketing communications in Canada or the United States. Advertising Standards Canada (ASC) received two complaints about a BMO® Return Enhancing GIC advertisement. Once we provided ASC with the required information the incidents were considered resolved and closed.</p>
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	<p>Two complaints regarding breaches of customer privacy were substantiated by the Office of the Privacy Commissioner of Canada in 2013.</p>
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	<p>There were no significant fines for non-compliance with laws and regulations related to the provision and use of products and services during the reporting period.</p>

Awards and Recognition^{*}

Business Awards

- Best Trade Bank in Canada by *Trade Finance* magazine
- Canada's Best Investment Bank by *Global Finance* magazine
- Canadian Council for Aboriginal Business, Gold-level certification in Progressive Aboriginal Relations (PAR)
- Canadian Society of Corporate Secretaries – National Governance Award
- *Global Custodian Magazine's* Prime Broker Survey names BMO Capital Markets "Best in Class"
- International Legal Technology Association – 2013 Innovative Law Department of the Year
- Social Responsibility Award for 2013 presented by the Canadian General Counsel Awards
- World Finance ranked BMO Harris Private Banking as Best Private Bank in Canada

Diversity Awards

- Canada's Best Diversity Employers 2013
- Corporate Equality Index Award – Best Places to Work for LGBT Employees for 2013
- Corporate Governance Award presented by the Canadian Board Diversity Council

Employer Awards

- American Society for Training and Development (ASTD) 2013 BEST Award
- 2013 Best Employers for New Canadians by Mediacorp Canada Inc.
- Canada's Best Employers for Canadians over 40 by Mediacorp Canada Inc. (2013)
- Canada's Top 100 Employers for 2013 by Mediacorp Canada Inc.
- Financial Post's Ten Best Companies to Work For
- Greater Toronto's Top Employers for 2013 by Mediacorp Canada Inc.
- WhatWorks® Award in the "Developing Tomorrow's Leaders" category from Bersin by Deloitte

Environmental Awards

- 2013 Canada 200 Carbon Disclosure Leadership Index by Carbon Disclosure Project
- Green Office Challenge Award from City of Chicago

Sustainability Indices and Rankings

- *Corporate Knights'* list of Canada's Best 50 Corporate Citizens
- Dow Jones Sustainability North America Index (DJSI)
- FTSE4Good Series Index
- Global 100: Most Sustainable Corporations in the World
- *Maclean's/Sustainalytics* list of the Top 50 Socially Responsible Corporations in Canada

* For a complete list go to: [Awards and Recognition](#)

Glossary of Terms

Active employee

Includes full-time or part-time permanent employees with an “active” payroll status, but excludes term/contract employees.

Annual business with Aboriginal customers

Includes the monetary value of all core commercial products (loans, mortgages and deposits) held by Aboriginal customers at the end of the reporting period. This figure excludes all investment fund balances managed by BMO for Aboriginal communities and any retail banking services or products provided to Aboriginal customers in Canada.

Annual Employee Survey

BMO’s confidential and voluntary annual employee survey is conducted by a third party on an annual basis. The online survey is available to all active employees. Results and insights from this voluntary survey are reported at all level of management and aggregated at an enterprise-wide level. Key metrics include Employee Engagement Index and Participation Rate.

Annual Employee Survey Participation Rate

Calculated as the number of BMO employees who completed the annual employee survey divided by the total number of active employees who were invited to participate at the time the survey was administered. The participation rate includes all BMO employees worldwide.

Bank of Montreal or BMO

Bank of Montreal uses a unified branding approach that links all of the organization’s member companies under the brand “BMO Financial Group”. As such, in this document, the names BMO and BMO Financial Group mean Bank of Montreal together with its subsidiaries.

Communities participating in BMO’s On-Reserve Housing Loan Program

Refers to the number of bands in Canada that have applied and been approved for the On-Reserve Housing Loan Program. The On-Reserve Housing Loan Program helps customers living on reserves, whose land and homes cannot be used as security for a mortgage, to obtain home financing with the backing of First Nations governments, without the need for federal government guarantees. For program details, see the [Aboriginal Banking](#) link on our website.

Diversity

Diversity is the mix of demographics, skills, experiences and styles of all BMO employees. Diversity metrics include women employees in executive roles (Canada and the United States), visible minority employees in senior and executive roles (Canada only) and people of colour in senior and executive roles (United States only), Aboriginal employees (Canada only) and employees with disabilities (Canada only). All active employees are included in the metric.

Data is reported for the period November 1 to October 31.

Donations

Includes cash-based donations and donations as part of the Matching Gifts Program and Volunteer Grants Program. Excludes in-kind donations and fundraising dollars.

Employee Engagement Index (EEI)

Refers to the degree of employee engagement as indicated by the annual employee survey. EEI is the average of the agreement scores of five survey questions that measure how employees feel overall about BMO, and their level of commitment, satisfaction and advocacy for the company. The EEI score is an aggregate of the survey results for all BMO employees worldwide.

Enterprise and enterprise-wide

The terms “enterprise” and “enterprise-wide” are used to describe Bank of Montreal and all of its subsidiaries worldwide.

Environmental, Social and Governance (ESG)

ESG is the term we use to describe the three different areas of concern when looking at sustainability issues that have or may have an impact on our stakeholders or our business.

Equator Principles

A voluntary credit risk management framework for determining, assessing and managing environmental and social risk in Project Finance transactions. Project Finance is often used to fund the development and construction of major infrastructure and industrial projects. BMO has been a signatory to the Equator Principles since 2005.

Ethics training coverage

The percentage coverage of ethics training is calculated by dividing the number of employees who completed BMO's code of conduct and ethics training course, *FirstPrinciples*, during the period April 1 to June 30 by the total number of employees as at June 30. Ethics training coverage includes all BMO employees worldwide.

Ethics training hours

Refers to the total hours spent by all employees who have completed the *FirstPrinciples* training course during the reporting period. "Course completed" status requires that employees: complete the training; pass an assessment with a score of 80% or better to confirm understanding of the course content; and complete the *FirstPrinciples* Declaration. Ethics training hours include all BMO employees worldwide.

Full-time equivalent (FTE)

Reflects the number of full-time equivalent employees in the organization, calculated based on a standard work week, adjusted for overtime hours and including full-time and part-time employees. This measurement is used to calculate the total workforce worldwide, broken down by region.

Incidents of discrimination

Includes the number of claims or allegations made against BMO and filed through the Canadian Human Rights Commission and provincial equivalents (in Canada); or the Equal Employment Opportunity Commission and state/local equivalents (in the United States) during the reporting period. Incidents of discrimination can include claims and allegations relating to age, gender, persons with disabilities and ethnicity. Excludes internally-reported claims.

Investment in training

Includes the total dollars spent on internal courses, including design and delivery and associated costs (e.g., travel and materials), administered by BMO's Institute for Learning, and cost reimbursements for external courses (e.g., tuition fees, travel and materials).

Net Promoter Score (NPS)

NPS is the net percentage of customers who would recommend BMO to a friend or colleague. Calculated by subtracting the percentage of "detractors" (defined based on a five-point scale as those indicating they "might or might not recommend", "probably would not recommend" and "definitely would not recommend") from the percentage of "promoters" (defined based on a five-point scale as those indicating they "definitely would recommend"). Reported on a 12-month rolling average basis.

Number of locations serving Aboriginal communities

Number of BMO branches located on Aboriginal reserve land or Inuit territories, as defined by the Government of Canada. This number is for Canada only.

Project Finance

Project Finance is a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. Project Finance transactions play an important role in financing development throughout the world. This type of financing is usually for large, complex and expensive installations that might include, for example, power plants, chemical processing plants, mines, transportation infrastructure, environment and telecommunications infrastructure.

Source: [Equator Principles](#)

Renewable energy purchases

Refers to total purchases in megawatt-hours (MWh) of renewable energy certificates (RECs) during the reporting period. In Canada, RECs represent power from certified wind and low-impact hydro generators and have been used in retail branches in the provinces of Ontario, British Columbia, Alberta, Nova Scotia, New Brunswick and Prince Edward Island. In the United States, RECs represent power generated from wind turbines. In both Canada and the United States, the RECs are retired after purchase through legal contract with the supplier.

Scope 1 emissions

Refers to direct greenhouse gas emissions from sources owned and/or controlled by BMO. Total Scope 1 emissions are calculated in accordance with the ISO 14064-1 standard and include those resulting from energy combustion from owned facilities (e.g., natural gas, heating oil, other fuels,), owned transportation assets, and some ozone-depleting substances. This definition of Scope 1 aligns with the greenhouse gas (GHG) protocol and is reported at an enterprise-wide level for the period November 1 to October 31.

Scope 2 emissions

Refers to indirect greenhouse gas emissions associated with the generation of electricity, heating and cooling, or steam purchased for an organization's own consumption. BMO's total Scope 2 emissions represent our worldwide operations and include those resulting from the purchase of non-renewable electricity and steam for use at our owned facilities. This definition aligns with the GHG protocol and is reported for the period November 1 to October 31.

Significant fines/monetary sanctions for non-compliance with laws and regulations

Refers to significant monetary fines that have been levied against BMO by a regulatory body during the reporting period. A fine is classified as “significant” if it is greater than \$500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO. Monetary sanctions refer to the prohibition of BMO to operate in certain jurisdictions or product lines.

Significant fines/monetary sanctions exclude fines or sanctions levied directly on employees by regulators for breach of trading rules, where it has been determined that BMO has adequate policies and procedures in place to prevent non-compliance. This is determined by the regulatory body that performs an investigation of the individual and the organization to ensure the organization was not aware of and unable to prevent the individual’s behaviour with better policies and procedures.

This metric excludes fines/monetary sanctions for non-compliance with environmental laws and regulations.

Sponsorships

Includes cash-based sponsorships or “rights fees” that are negotiated as a sponsorship package paid by BMO. Sponsorship is provided to both commercial and non-profit entities.

Turnover rate

Refers to the number of active employees that have voluntarily resigned during the reporting period as a proportion of the number of active employees at the end of the reporting period. Turnover rate excludes executives.

Women executives

Refers to total number of female leaders (e.g., Vice-President and Senior Vice-President).

Women on Board of Directors

The percentage of women who are independent members of BMO’s Board of Directors as at the end of the reporting period.

External Assurance Statement

Independent Limited Assurance Report to BMO Financial Group

We have been engaged by the Board of Directors of BMO Financial Group (BMO) to undertake a limited assurance engagement, in respect of the year ended October 31, 2013, on certain qualitative and quantitative performance information disclosed in the 2013 Environmental, Social and Governance (ESG) Report and Public Accountability Statement (the Report) as described below.

In addition, we have been engaged to check BMO's self-declared Global Reporting Initiative (GRI) application level.

Selected Indicators

The scope for which assurance is to be expressed, as agreed with management, includes the following performance information (the Selected Indicators):

- Renewable energy purchases (MWh)
- Women executives Canada and US (%)
- Visible minority employees Canada (% in senior and executive roles)
- People of colour US (% in senior and executive roles)
- Persons with disabilities Canada (% of total workforce)
- Aboriginal employees Canada (% of total workforce)
- Employee engagement index (EEI) score (%)
- Annual employee survey participation rate (%)
- Turnover rate (%)
- Investment in training (\$)
- Annual business with aboriginal customers (\$)
- Number of branches located on aboriginal reserve land or Inuit territories
- Number of communities participating in BMO's on-reserve housing loan program
- Incidents of discrimination (from external bodies)
- Donations (\$)
- Ethics training (% completion)
- Significant fines or monetary sanctions for non-compliance.

The Selected Indicators, contained within the Scorecard on page 20, Economic Impact on page 6, Social Impact on page 7, Impact Investing on page 8, and GRI Index on pages 29 to 48 have been determined by management on the basis of BMO's assessment of the material issues contributing to BMO's sustainability performance and most relevant to their stakeholders. There are no mandatory requirements for the preparation, publication or review of sustainability performance metrics. As such BMO applies its own internal reporting guidelines and definitions for sustainability reporting which can be found in the Glossary of Terms in the Report.

Management's responsibilities

Management is responsible for the preparation and presentation of the Report in accordance with BMO's internal reporting guidelines and definitions for sustainability reporting current as at the date of our report, for determining BMO's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility

Our responsibility in relation to the Selected Indicators is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000), issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we comply with applicable ethical requirements, including independence requirements.

Assurance approach

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Selected Indicators, and applying analytical and other evidence gathering procedures to the Selected Indicators, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of BMO's processes for determining the material issues for BMO's key stakeholder groups;
- Inquiries with relevant staff at the corporate and business unit level to understand the data collection and reporting processes for the Selected Indicators;
- Where relevant, performing walkthroughs to test the design of internal controls relating to data collection and reporting of the Selected Indicators;
- Comparing the reported data for the Selected Indicators to underlying data sources;
- Inquiries of management regarding key assumptions and where relevant, the re-performance of calculations; and,
- Reviewing the Selected Indicators presented in the Report to determine whether they are consistent with our overall knowledge of, and experience with, the sustainability performance of BMO.
- Reviewing the disclosures in the Report for consistency with the GRI application level requirements of B+.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

Our assurance report is provided solely to BMO in accordance with the terms of our engagement. Our work has been undertaken so that we might report to BMO on those matters we have been engaged to report upon in this assurance report, and for no other purpose. We do not accept or assume responsibility to anyone other than BMO for our work, for this assurance report, or for the conclusion we have reached.

Independence and competence

In conducting our engagement we have complied with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter including environmental, social, governance and financial aspects.

Our conclusion

Limited assurance on Selected Indicators

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that for the year ended October 31, 2013, the Selected Indicators, as described above and disclosed in the 2013 ESG Report and Public Accountability Statement, have not been prepared and presented, in all material respects, in accordance with BMO Financial Group's internal reporting guidelines and definitions for sustainability reporting as at the date of our report.

GRI Application Level Check

Based on our review of the disclosures in the report, we concur with BMO Financial Group's self-declared B+ GRI application level, as disclosed in the 2013 ESG Report and Public Accountability Statement.



Chartered Accountants, Licensed Public Accountants

March 3, 2014
Toronto, Canada

Bank of Montreal Public Accountability Statement

The Public Accountability Statement outlines certain aspects of Bank of Montreal's contributions, and the contributions of the bank's affiliates with operations in Canada, to the Canadian economy and society. This satisfies the requirements of the Canadian federal government's Public Accountability Statement regulations (section 459.3(1) of the *Bank Act* (Canada)).

Affiliates

The following are the prescribed affiliates whose activities are included in this Public Accountability Statement. These affiliates are subsidiaries of the Bank of Montreal with less than \$1 billion in equity, except for our securities broker, BMO Nesbitt Burns Inc., which has equity exceeding \$1 billion.

BMO Asset Management Inc.
BMO Harris Investment Management Inc.
BMO Investments Inc.
BMO InvestorLine Inc.
BMO Life Assurance Company
BMO Life Insurance Company
BMO Mortgage Corp.
BMO Nesbitt Burns Inc. ¹
BMO Private Equity (Canada) Inc.
BMO Trust Company

Important Information

About this Report	2
Economic Impact	6
Access to banking services	7
Small business financing	7
Financial Literacy	26
Corporate Donations	27
Employee Giving (Volunteering)	28
List of Affiliates	55
Taxes Paid or Payable in Canada	56
BMO Financial Group Headcount	56
Branches opened and closed in fiscal year 2013 (Canada)	57
Branches relocated in fiscal year (Canada)	57
ATMs opened and closed in fiscal year 2013 (Canada)	58
Business Debt Financing	63
Bank of Montreal Mortgage Corporation	
Public Accountability Statement	64

¹ BMO Nesbitt Burns Ltée amalgamated with BMO Nesbitt Burns Inc. on November 1, 2012

Taxes Paid or Payable in Canada (\$ millions)

	Income taxes	Capital taxes	Other taxes
Federal	347.2	–	199.9
Province or territory			
Newfoundland and Labrador	1.5	2.6	2.0
Prince Edward Island	0.3	0.4	0.1
Nova Scotia	2.6	3.6	1.4
New Brunswick	1.8	1.9	0.6
Quebec	39.5	9.1	37.1
Ontario	143.5	–	180.3
Manitoba	1.7	6.5	1.1
Saskatchewan	1.9	6.0	0.5
Alberta	8.9	–	2.3
British Columbia	21.0	–	6.5
Nunavut	–	–	–
Northwest Territories	0.1	–	–
Yukon	0.1	–	–
Total provincial and territorial	222.9	30.1	231.9
Total	570.1	30.1	431.8
Income and capital taxes	600.2		
Total taxes	1,032.0		

BMO Financial Group is a major Canadian taxpayer. In fiscal 2013, our overall tax contribution was \$1,032 million. This amount included \$570 million in income taxes and \$31 million in provincial capital taxes. As well, we paid \$432 million in other taxes, including \$262 million in Harmonized Sales Tax, GST and other sales taxes, \$249 million in payroll taxes (employer portion), \$37 million in property taxes and \$7 million in business taxes and \$1 million in sundry taxes.

BMO Financial Group Headcount

Active, paid and unpaid leave employees
permanent, casual and contract
As at October 31, 2013

Province or territory	Full-time	Part-time	Total
Newfoundland and Labrador	219	68	287
Prince Edward Island	53	15	68
Nova Scotia	380	93	473
New Brunswick	256	78	334
Quebec	4,158	904	5,062
Ontario	18,824	1,865	20,689
Manitoba	352	78	430
Saskatchewan	368	134	502
Alberta	1,956	459	2,416
British Columbia	2,295	726	3,021
Northwest Territories	20	6	26
Yukon	8	7	15
Total Canada*	28,889	4,433	33,322
United States	13,511	1,637	15,148
International	718	5	723
Total employees	43,118	6,075	49,193

* Includes all employees with a Canadian tax location

Branches opened and closed in fiscal year 2013 (Canada)

BMO Bank of Montreal branches opened

Branch Name	Address	City/Province
Beauport	205 Ave. Joseph-Casavant	Beauport, QC
Taschereau & Napoleon	8245 Blvd. Taschereau	Brossard, QC
Lachenaie	1141 Montee des Pionniers	Terrebonne, QC
Pointe-Nord	109 Chemin de la Pointe Nord	Verdun, QC
Highway 50 & Ebenezer	8950 Highway 50	Brampton, ON
Major Mackenzie & Markland	710 Markland Street	Markham, ON
Cornwall & Chartwell	475 Cornwall Road	Oakville, ON
Yonge & Gerrard	382 Yonge Street	Toronto, ON
Seton	19489 Seton Crescent SE	Calgary, AB
Newcastle Centre	16903 127 Street NW	Edmonton, AB
Kingsway & Salisbury	7075 Kingsway Avenue	Burnaby, BC
Blundell Centre	8180 No. 2 Road	Richmond, BC

BMO Bank of Montreal branches closed or consolidated

Branch Name	Address	City/Province
Long Pond Financial Centre	350 Conception Bay Highway	Conception Bay South, NL
Spryfield Financial Centre	279 Herring Cove Road	Halifax, NS
Brossard Financial Centre	3260 Blvd. Lapiniere	Brossard, QC
Chambly Financial Centre	3500 Blvd. Frechette	Chambly, QC
St-Jerome Financial Centre	1005 Blvd. Grand Heron	St-Jerome, QC
Marche Lord de Lafontaine Financial Centre	2012 St. Georges	St-Jerome, QC
Faubourg Ste-Julie Financial Centre	2055 Rue Principale	Ste-Julie, QC
Barton & Victoria	281 Barton St. East	Hamilton, ON
Dundas & Chestnut	180 Dundas St. West	Toronto, ON

Branches relocated in fiscal year 2013 (Canada)

Branch Name	From	To
Les Terrasses Boisbriand	384 Chemin de laGrande Cote, Boisbriand, QC	2310 Du Faubourg Blvd., Boisbriand, QC
Chambly	1376 Rue Bourgogne, Chambly, QC	3600 Blvd. Frechette, Chambly, QC
Charlesbourg	8535 Blvd. Henri Bourassa, Charlesbourg, QC	8400 Blvd. Henri Bourassa, Charlesbourg, QC
Place Alexis Nihon	1500 Atwater Ave., Montreal, QC	2163 Ste-Catherine St. West, Montreal, QC
St-Eustache	535 Arthur Sauve Blvd., St-Eustache, QC	583 Arthur Sauve Blvd., St-Eustache, QC
Essex	38 Talbot St. North, Essex, ON	7 Talbot St. North, Essex, ON
Speedvale & Edinburgh	146 Speedvale Ave. West, Guelph, ON	43 Woodlawn Rd. West, Guelph, ON
James & Barton	303 James St. North, Hamilton, ON	275 James St. North, Hamilton, ON
Royal Windsor & Clarkson	2057 Royal Windsor Dr., Mississauga, ON	920 Southdown Road, Mississauga, ON
Port Colborne	124 Clarence St., Port Colborne, ON	287 West Side Road, Port Colborne, ON
Bridletowne Circle & Echo Point	2122 Bridletowne Circle, Toronto, ON	2900 Warden Ave., Toronto, ON
Yonge & St. Clair	1431 Yonge St., Toronto, ON	1560 Yonge St., Toronto, ON
Clearbrook	32112 South Fraser Way, Abbotsford, BC	3122 Mt. Lehman Road, Abbotsford, BC

ATMs opened and closed in fiscal year 2013 (Canada)

ATMs opened in fiscal year 2013 (Canada)

Location	Address	City
Newfoundland and Labrador		
Lawtons	184 Main Street	Springdale
Nova Scotia		
Sobeys	210 Wyse Road	Dartmouth
Prince Edward Island		
Foodland	98 Water Street	Summerside
New Brunswick		
Sobeys	10 Boulevard St-Pierre Est	Caraquet
Pharma Plus	1 Main Street	Nashwaaksis
McAllister Place Sobeys	519 Westmorland Road	Saint John
Quebec		
Shell	1181, avenue Gilles-Villeneuve	Berthierville
Boulevard du Faubourg Taschereau et Napoléon	2310, boulevard du Faubourg 8245, boulevard Taschereau	Boisbriand Brossard
IGA	9105, boulevard Taschereau	Brossard
Shell	1475, chemin de Chambly	Carignan
Chambly	1376, avenue Bourgogne	Chambly
IGA	110, boulevard Notre-Dame	Clermont
IGA	134, boulevard Saint-Michel	Dolbeau-Mistassini
IGA	885, boulevard Foucault	Drummondville
IGA	150, rue Angus Sud	East Angus
Chomedey	1100, boulevard Curé-Labelle	Laval
IGA	1535, boulevard Le Corbusier	Laval
Shell	595, boulevard Laval	Laval
IGA	2137, boulevard Curé-Labelle	Laval (Chomedey)
Shell	200, route du Président-Kennedy	Lévis
Shell	5900, boulevard Étienne-Dallaire	Lévis
IGA	10760, avenue Millen	Montréal
Drummond et Sainte-Catherine	1205, rue Sainte-Catherine Ouest	Montréal
Tour IBM Marathon	1250, boulevard Réne-Lévesque Ouest	Montréal
Le Séville	2163, rue Sainte-Catherine Ouest	Montréal
Shell	9600, boulevard Henri-Bourassa Ouest	Montréal (Saint-Laurent)
Île des Sœurs	38, place du Commerce	Montréal (Verdun)
IGA	4, rue Bridge	Ormstown
IGA	26, boulevard des Îles	Port-Cartier
IGA	1035, boulevard Wilfrid-Hamel	Québec
Shell	720, boulevard Lebourgneuf	Québec
Beauport	205, avenue Joseph-Casavant	Québec (Beauport)
IGA	795, boulevard du Lac	Québec (Charlesbourg)
Charlesbourg	8400, boulevard Henri-Bourassa	Québec (Charlesbourg)
IGA	315, rue Valmont	Repentigny
IGA	240, avenue Larivière	Rouyn-Noranda
IGA	2020, route 112	Saint-Césaire
IGA	655, rue de la Visitation	Saint-Charles-Borromée
Shell	569, rue Principale	Sainte-Hélène-de-Bagot
Saint-Eustache	535, boulevard Arthur-Sauvé	Saint-Eustache
Saint-Eustache	583, boulevard Arthur-Sauvé	Saint-Eustache
IGA	1199, boulevard Saint-Félicien	Saint-Félicien
IGA	170, boulevard Saint-Luc	Saint-Jean-sur-Richelieu
IGA	130, chemin du Lac-Millette	Saint-Sauveur
IGA	850, 7e Avenue	Shawinigan (Grand-Mère)
IGA	2240, rue King Est	Sherbrooke
IGA	50, rue Bourgeois	Sherbrooke
IGA	1115, montée des Pionniers	Terrebonne
Lachenaie	1141, montée des Pionniers	Terrebonne
IGA	249, boulevard Harwood	Vaudreuil-Dorion
Ontario		
Sobeys	372 Queen Street E	Acton
Sobeys	955 Westney Road S	Ajax
Pharma Plus	71 Sandwich Street S	Amherstburg
Rexall	22 Baskin Drive E	Arnprior
Pharma Plus	320 Bayfield Street	Barrie
Pharma Plus	4486 Ontario Street	Beamsville
Pharma Plus	173 Dundas Street E	Belleville
Pharma Plus	405 Queen Street S	Bolton
Bowmanville	2 King Street W	Bowmanville

Location	Address	City
Pharma Plus	438 King Street W	Oshawa
Pharma Plus	1190 Wellington Street	Ottawa
Pharma Plus	1363 Woodroffe Avenue	Ottawa
Pharma Plus	1615 Orleans Boulevard	Ottawa
Sept Iles Loblaws	1910 St-Laurent Boulevard	Ottawa
Pharma Plus	200 Rideau Street	Ottawa
Pharma Plus	2121 Carling Avenue	Ottawa
Pharma Plus	2269 Riverside Drive E	Ottawa
Westboro	288 Richmond Road	Ottawa
Pharma Plus	2950 Carling Avenue	Ottawa
Kanata Pharma Plus	4048 Carling Avenue	Ottawa
Pharma Plus	753 Montreal Road	Ottawa
Pharma Plus	900 Greenbank Road	Ottawa
Pharma Plus	1507 9th Avenue E	Owen Sound
Pharma Plus	963 Second Avenue E	Owen Sound
Pharma Plus	72 Grand River Street N	Paris
Pharma Plus	1100 Pembroke Street E	Pembroke
Pharma Plus	215 Pembroke Street E	Pembroke
Pharma Plus	1011 Victoria Street	Petawawa
Sobeys	501 Towerhill Road	Peterborough
Pharma Plus	97 Main Street	Picton
Port Colborne	124 Clarence Street	Port Colborne
Rexall	466 Goderich Street	Port Elgin
Pharma Plus	339 Raglan Street S	Renfrew
Rexall	697 Cathcart Boulevard	Sarnia
Pharma Plus	129 Trunk Road	Sault Ste. Marie
Rexall	13 Second Line W	Sault Ste. Marie
Pharma Plus	1127 Markham Road	Scarborough
Rexall	1925 Victoria Park Avenue	Scarborough
Metro	2900 Warden Avenue	Scarborough
Pharma Plus	3607 Sheppard Avenue E	Scarborough
Pharma Plus	2 Beckwith Street N	Smiths Falls
Pharma Plus	174 Albert Street S	Southampton
Pharma Plus	258 Lake Street	St. Catharines
Sobeys	19 Amy Croft Drive	St. Clair Beach
Sobeys	30 Queensland Road	Stratford
Pharma Plus	117B Cedar Street	Sudbury
Rexall	1975 Bancroft Drive	Sudbury
Pharma Plus	555 Barrydown Road	Sudbury
Rexall	848 Lasalle Boulevard	Sudbury
The Promenade	1 Promenade Circle	Thornhill
Pharma Plus	1115 Wilson Avenue	Toronto
Pharma Plus	1245 Dupont Street	Toronto
University of Toronto – Victoria Campus	150 Charles Street W	Toronto
Yonge & St. Clair	1560 Yonge Street	Toronto
Fairbank	1901 Eglinton Avenue W	Toronto
Metro Centre	200 Wellington Street W	Toronto
Metro	2300 Yonge Street	Toronto
Pharma Plus	2409 Dufferin Street	Toronto
Pharma Plus	288 Sheppard Avenue E	Toronto
Pharma Plus	3555 Don Mills Road	Toronto
Rexall	3701 Lakeshore Boulevard	Toronto
Yonge & Gerrard	382 Yonge Street	Toronto
University & Dundas	438 University Avenue	Toronto
Pharma Plus	4459 Kingston Road	Toronto
Pharma Plus	4890 Dundas Street W	Toronto
Rogers Road	605 Rogers Road	Toronto
Pharma Plus	660 Eglinton Avenue E	Toronto
Pharma Plus	777 Bay Street	Toronto
Pharma Plus	109 Dundas Street E	Trenton
Rexall	2 Elgin Park Drive	Uxbridge
Rexall	3080 Highway 69 N	Val Caron
Pharma Plus	440 James Street	Wallaceburg
University Shops Plaza	170 University Avenue W	Waterloo
Pharma Plus	425 University Avenue E	Waterloo
Pharma Plus	200 Fitch Street	Welland
Rexall	1215 Ouellette Avenue	Windsor
Rexall	1700 Huron Church Road	Windsor
Rexall	3840 Howard Avenue	Windsor
Freshco	5840 Malden Road	Windsor
Sobeys	7676 Tecumseh Road E	Windsor
Rexall	706 Dundas Street	Woodstock

Location	Address	City
Manitoba		
Canada Safeway	1610 18th Street	Brandon
Canada Safeway	318 Manitoba Avenue	Selkirk
Pharma Plus	366 Main Street	Selkirk
Canada Safeway	143 Provincial Trunk Hwy (Hwy 12 N)	Steinbach
Canada Safeway	300 Mystery Lake Road	Thompson
Fort Garry	1188 Pembina Highway	Winnipeg
Canada Safeway	1612 Ness Avenue	Winnipeg
Pharma Plus	1795 Henderson Highway	Winnipeg
Pharma Plus	2305 Portage Avenue	Winnipeg
Canada Safeway	2860 Pembina Highway	Winnipeg
Canada Safeway	3393 Portage Avenue	Winnipeg
Charleswood Centre	3900 Grant Avenue	Winnipeg
Safeway	499 River Avenue	Winnipeg
Sobeys	50 Kildonan Green Drive	Winnipeg
Sobeys	50 Sage Creek Boulevard	Winnipeg
Pharma Plus	676 Portage Avenue	Winnipeg
Canada Safeway	77 Vermillion Road	Winnipeg
Canada Safeway	850 Keevatin Street	Winnipeg
Pharma Plus	971 Corydon Avenue	Winnipeg
Saskatchewan		
IGA	1719 8th Avenue	Humboldt
Pharma Plus	420 Albert Street	Regina
Rexall	1530 20th Street W	Saskatoon
Pharma Plus	780 Central Avenue N	Swift Current
Alberta		
Rexall	3 Stonegate Drive N	Airdrie
Rexall	317 Banff Avenue	Banff
Rexall	5910 50th Street NW	Beaumont
Canada Safeway	550 Cassils Road W	Brooks
Rexall	1110 Panatella Boulevard NW	Calgary
Sobeys	11300 Tuscany Boulevard NW	Calgary
Super Drug Mart	11625 Elbow Drive SW	Calgary
Super Drug Mart	1440 52nd Street NE	Calgary
Canada Safeway	1600 90th Avenue SW	Calgary
Seton	19489 Seton Way SE	Calgary
Eau Claire Market	200 Barclay Parade SW	Calgary
Super Drug Mart	555 Strathcona Boulevard SW	Calgary
Super Drug Mart	70 High Street SE	Calgary
Rexall	817 19th Street NE	Calgary
Pharma Plus	9650 Harvest Hills Boulevard N	Calgary
Canada Safeway	6800 48th Avenue	Camrose
Sobeys	65 Bow Street	Cochrane
Londonderry Mall	1 Londonderry Mall NW	Edmonton
Rexall	10155 50th Street NW	Edmonton
Sobeys	1030 Webber Greens Drive NW	Edmonton
Rexall	10818 Jasper Avenue NW	Edmonton
Rexall	11811 Jasper Avenue NW	Edmonton
Rexall	14403 Miller Boulevard NW	Edmonton
Rexall	16703 82nd Street NW	Edmonton
Newcastle Centre	16903 127th Street NW	Edmonton
Rexall	9540 163rd Street N	Edmonton
Canada Safeway	Groat Road NW & 111 Avenue NW	Edmonton
Rexall	116 Town Crest Road	Fort Saskatchewan
Safeway	8060 100th Street	Grande Prairie
Canada Safeway	9925 114th Avenue	Grande Prairie
High Level	9910 100th Avenue	High Level
Rexall	5004 53rd Avenue	High Prairie
Rainbow Esso	701 11th Avenue SE	High River
Rexall	602 Patricia Street	Jasper
Rexall	5010 53rd Street	Lacombe
Rexall	5006 50th Street	Mayerthorpe
Canada Safeway	615 Division Avenue SE	Medicine Hat
Super Drug Mart	300 Village Avenue	Okotoks
Rexall	789 Main Street	Pincher Creek
Rexall	101 Bremner Drive	Sherwood Park
Canada Safeway	985 Fir Street	Sherwood Park
Rexall	4801 50th Avenue	Stony Plain
Rexall	4631 50th Street	Sylvan Lake
Rexall	4705 50th Avenue	Valleyview
Rexall	4702 51st Street	Whitecourt

Location

British Columbia

High Street
Kingsway & Salisbury
Pharma Plus
Rexall
Thrifty Foods
Canada Safeway
Canada Safeway
Canada Safeway
Pharma Plus
Thompson Rivers University
Rexall
Townsite Grocery
Rexall
Blundell Centre
Rexall
Canada Safeway
Canada Safeway
Rexall
Pharma Plus
Rexall
Canada Safeway
Rexall
Rexall
Pharma Plus

Address

3122 Mount Lehman Road
7075 Kingsway Avenue
418 Yellowhead Highway
1604 Cliffe Avenue
444 Lerwick Road
11200 8th Street
181 Trans Canada Highway
9123 100th Street
1801 Princeton-Kamloops Highway
900 McGill Road
171 Hollywood Road S
486 4th Avenue
1750 Dufferin Crescent
8180 No. 2 Road
17475 Highway 10
1766 Robson Street
2733 West Broadway
4898 Main Street
88 West Pender Street
1151 Admirals Road
3958 Shelbourne Street
912 Douglas Street
2241 Louie Drive
4212 Village Square

City

Abbotsford
Burnaby
Burns Lake
Courtenay
Courtenay
Dawson Creek
Duncan
Fort St. John
Kamloops
Kamloops
Kelowna
Kimberley
Nanaimo
Richmond
Surrey
Vancouver
Vancouver
Vancouver
Vancouver
Victoria
Victoria
Victoria
Westbank
Whistler

ATMs closed in fiscal year 2013 (Canada)

Location

Quebec

Les Terrasses Boisbriand
Chambly
Charlesbourg
IGA
IGA
Saint Eustache
Dépanneur Le Magasin

Address

384 Chemin De La Grande Cote
3600 Boulevard Frechette
8535 Boulevard Henri-Bourassa
35 Rue Principale E
13057 Boulevard Gouin Ouest
535 Boulevard Arthur-Sauve
204 Route 138

City

Boisbriand
Chambly
Charlesbourg
Cookshire
Pierrefonds
Saint-Eustache
Saint Augustin-Desmaures

Ontario

North Bradford Centre
Essex
Speedvale & Edinburgh
Barton & Victoria
James & Barton
Markham Mews
Clarkson
Pembroke
Port Colborne
16th & Spadina
St. George
First Canadian Place
Yonge & St. Clair
Dundas & Chestnut
Metro

305 Barrie Street
38 Talbot Street N
146 Speedvale Avenue W
281 Barton Street E
303 James Street N
5051 Highway 7
2057 Royal Windsor Drive
41 Pembroke Street W
124 Clarence Street
1 Spadina Road
9 Beverley Street W
100 King Street W
1431 Yonge Street
180 Dundas Street W
2900 Warden Avenue

Bradford
Essex
Guelph
Hamilton
Hamilton
Markham
Mississauga
Pembroke
Port Colborne
Richmond Hill
St. George
Toronto
Toronto
Toronto
Toronto

Manitoba

Sobeys

839 Cavalier Drive

Winnipeg

Alberta

Millwoods
Fort McMurray
Sobeys

5503 23rd Avenue
9920 Franklin Avenue
5028 49th Avenue

Edmonton
Fort McMurray
Redwater

British Columbia

Clearbrook
Blundell Centre

32112 South Fraser Way
6140 Blundell Road

Abbotsford
Richmond

Business Debt Financing as at October 31, 2013 (amounts in \$ millions)

Provinces and Territories	(\$ millions)	\$0-\$24,999	\$25,000-\$99,999	\$100,000-\$249,999	\$250,000-\$499,999	\$500,000-\$999,999	\$1,000,000-\$4,999,999	\$5,000,000 & greater	TOTAL
Newfoundland and Labrador	Authorized Amount	13	21	37	63	103	334	441	1,012
	Number of Firms	1,556	477	230	187	150	171	29	2,800
Prince Edward Island	Authorized Amount	4	8	21	36	66	193	124	452
	Number of Firms	500	173	127	99	98	91	9	1,097
Nova Scotia	Authorized Amount	22	31	69	122	232	629	2,181	3,286
	Number of Firms	2,677	718	437	400	348	319	87	4,986
New Brunswick	Authorized Amount	17	25	45	77	122	383	742	1,411
	Number of Firms	2,120	587	279	221	178	184	30	3,599
Quebec	Authorized Amount	197	197	312	560	834	2,251	15,451	19,802
	Number of Firms	23,783	4,906	2,066	1,931	1,514	1,087	477	35,764
Ontario	Authorized Amount	497	598	837	1,214	1,802	6,038	36,262	47,249
	Number of Firms	82,768	14,552	5,523	3,638	2,757	2,921	1,245	113,404
Manitoba	Authorized Amount	27	37	37	62	100	433	2,901	3,596
	Number of Firms	3,270	962	234	183	151	198	70	5,068
Saskatchewan	Authorized Amount	43	77	101	146	221	537	2,382	3,506
	Number of Firms	4,797	1,906	647	414	326	276	85	8,451
Alberta	Authorized Amount	180	185	216	349	578	2,226	19,774	23,508
	Number of Firms	20,232	4,859	1,382	1,017	862	1,043	539	29,934
British Columbia	Authorized Amount	166	175	238	401	725	3,020	12,808	17,533
	Number of Firms	18,850	4,457	1,542	1,168	1,059	1,402	503	28,981
Yukon	Authorized Amount	1	2	3	9	12	26	0	54
	Number of Firms	137	48	20	25	17	9	0	256
Northwest Territories/ Nunavut	Authorized Amount	1	1	2	2	8	9	16	39
	Number of Firms	103	34	14	6	12	4	1	174
Total	Authorized Amount	1,170	1,360	1,918	3,040	4,802	16,078	93,082	121,449
	Number of Firms	160,793	33,679	12,501	9,289	7,472	7,705	3,075	234,514

Bank of Montreal Mortgage Corporation Public Accountability Statement*

Due to the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the following information in response to the requirements set out in section 444.2(1) of the *Trust and Loan Companies Act* and in the applicable regulations.

BMMC, a wholly owned, fully integrated subsidiary of Bank of Montreal, raises funds for mortgage financing by issuing deposit instruments (such as GICs) through Bank of Montreal's retail branch network and other proprietary channels, where Bank of Montreal acts for BMMC, as well as through third-party channels. BMMC does not operate branches that are open to the public or other facilities at which deposits are accepted or cash is distributed to customers. BMMC employs 15 full-time employees. These employees are based in Montreal.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 56 of BMO Financial Group's 2013 Environmental, Social and Governance (ESG) Report and Public Accountability Statement.

BMMC shares BMO's commitment to community development and philanthropic activity as described in BMO Financial Group's 2013 ESG Report and Public Accountability Statement. The community development activities of BMMC's employees are integrated with those of BMO Financial Group and its employees, as described in BMO Financial Group's 2013 ESG Report and Public Accountability Statement on pages 26 and 28.

As detailed in BMO Financial Group's 2013 ESG Report and Public Accountability Statement, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMMC has no other affiliates in respect of which this Public Accountability Statement is published.

* As stipulated by the *Trust and Loan Companies Act*, Bank of Montreal Mortgage Corporation, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

Need help?
email us at: sustainability@bmo.com