

2014 Employment Equity Narrative Report

General Overview

Established in 1817, BMO Financial Group (TSX, NYSE: BMO) is a highly diversified financial services provider that employed 27,643 federally regulated permanent employees in Canada as of December 31, 2014. We provide a broad range of retail banking, wealth management and investment banking products and services across North America and internationally.

When it comes to our people, our goal is to have the right talent in place across the enterprise to help drive BMO's success. As the competitive landscape evolves and talented people in the labour market redefine their expectations, we must continue to think critically about what "leadership" and "talent" look like at BMO.

Diversity is a core value at BMO: as we learn from our differences, we're able to bring together our people's unique strengths to build innovative, winning teams. That generates competitive advantage – and opportunities for success for every employee at BMO. Building a diverse workforce and an inclusive workplace helps us ensure our employees and customers feel valued, understood and respected.

An important note on the recent National Occupation Classification (NOC) system updates

The data we report must be analyzed in the context of the NOC system prescribed by the *Employment Equity Act*. The NOC system historically has not included "sales" or "service" job descriptions that accurately capture the skills, expertise and responsibilities required for the positions occupied by the majority of BMO's front-line employees. Until this year, employees were listed under the "Clerical" and "Administrative and Senior Clerical" codes.

With the recent revisions made to the NOC codes, we'd like to note that roles previously classified as "Administrative and Senior Clerical" have been updated to "Intermediate Sales Representation." This has led to significant variances in representation; however, roles are now properly defined.

Women

We are in year four of BMO's five-year diversity renewal strategy, a culture change initiative that set ambitious workforce and workplace goals in order to build a pipeline of diverse talent. Our focus is on increasing the representation of women in both our leadership ranks and our executive pipeline. We have seen improvements in the hiring and promotion of diverse talent, as well as improved representation of women in our executive ranks, in the context of an overall climate of limited opportunities and a smaller executive headcount.

Representation of women remains significant at all levels at BMO, with a strong overall representation rate of 59.7%. The representation of women in all senior Employment Equity occupational groups (EEOGs) continued to be well above external availability in 2014, and we have increased the rate of women hired in several job grade categories.

Although our overall representation rate declined by 1.2% from 2013, we significantly increased the proportion of women in executive roles to 36.7% in 2014 (9.3% above Canadian availability) from 33.5% in the previous year, with growth in several other categories as well. See below for summary.

Highlights of Representation for Women in 2014

OCCUPATIONAL GROUP	REPRESENTATION OF WOMEN IN 2013	REPRESENTATION OF WOMEN IN 2014
Executive	34.5%	36.7% (up 2.2%)
Middle management	53.6%	54.5% (up 0.9%)
Supervisor	64.2%	64.8% (up 0.6%)

Highlights of Promotion Rates for Women in 2014

OCCUPATIONAL GROUP	INCREASE IN PROMOTIONS OF WOMEN IN 2013	INCREASE IN PROMOTIONS OF WOMEN IN 2014
Executive	33.3%	62.5% (up 29.2%)
Supervisor	49.3%	50.5% (up 1.2%)
Professional	47.5%	48.5% (up 1.0%)

Visible Minorities

Overall representation of visible minorities changed slightly over the year, from 34.2% in 2013 to 33.6% in 2014, a decline of 0.6%; however, the rate of representation at BMO continues to be well above external availability for visible minorities in all major EEOGs. We are continuing to increase the representation of visible minorities in several job grade categories.

Highlights of Representation for Visible Minorities in 2014

OCCUPATIONAL GROUP	REPRESENTATION OF VISIBLE MINORITIES 2013	REPRESENTATION OF VISIBLE MINORITIES 2014
Middle management	27.9%	29.3% (up 1.4%)
Clerical	31.2%	43.2% (up 12.0%)
Supervisor	45.2%	47.3% (up 2.1%)

Although overall representation rates are slightly lower, we've seen dramatic increases in the promotion of visible minorities within middle to senior roles during 2014. Most notable is the promotion of two visible minority leaders

within the executive category, as well as an increase of 165 in the number of visible minority employees who were promoted to middle management positions, compared to 2013.

Highlights of Promotion Rates for Visible Minorities in 2014

OCCUPATIONAL GROUP	INCREASE IN PROMOTIONS OF VISIBLE MINORITIES 2013	INCREASE IN PROMOTIONS OF VISIBLE MINORITIES 2014
Overall	37.1%	39.0% (up 1.9%)
Executive	0%	25.0% (up 25.0%)
Middle Management	30.2%	35.9% (up 5.7%)

Aboriginal People

Overall representation of Aboriginal people also changed slightly over the year, from 1.5% in 2013 to 1.3% in 2014, a decline of 0.2%. We are continuing to focus on representation, promotion and hiring practices in order to increase Aboriginal representation in several EEOG categories. Increases in the number of promotions for specific EEOG categories are highlighted below.

Highlights of *Representation* for Aboriginal People in 2014

OCCUPATIONAL GROUP	REPRESENTATION OF ABORIGINALS IN 2013	REPRESENTATION OF ABORIGINALS IN 2014
Other sales and service	2.7%	3.3% (up 0.6%)
Skilled sales and service	0%	1.9% (up 1.9%)

Highlights of *Promotion Rates* for Aboriginal People in 2014

OCCUPATIONAL GROUP	INCREASE IN PROMOTIONS OF ABORIGINALS IN 2013	INCREASE IN PROMOTIONS OF ABORIGINALS IN 2014
Professional	0.81%	1.03% (up 0.22%)
Admin senior clerical	2.05%	2.09% (up 0.4%)

Persons with Disabilities

We continue to work closely with our BMO business and Human Resources partners to increase the representation of people with disabilities among our employees. Recent initiatives include the introduction of an annual awareness campaign addressed to all employees highlighting the importance of self-declaring as a person with a disability.

This led in 2014 to the largest ever *year-over-year* increase in workforce representation of persons with disabilities yet seen at BMO: the overall rate of representation increased dramatically, from 2.8% in 2013 to 3.4% in 2014, the highest rate to date. We are continuing to focus our efforts on hiring

persons with disabilities within the various EEOG categories. It should also be noted that if we were to include individuals who are currently on return to work plans and special work arrangements, our representation rate for persons with disabilities would be 3.6%.

Highlights of *Representation* for Persons with Disabilities in 2014

OCCUPATIONAL GROUP	REPRESENTATION OF PERSONS WITH DISABILITIES IN 2013	REPRESENTATION OF PERSONS WITH DISABILITIES IN 2014
Executives and Managers	3.0%	4.2% (up 1.2%)
Admin Senior Management	2.7%	3.4% (up 0.7%)
Clerical	3.2%	4.4% (up 1.2%)

Highlights of *Promotion Rates* for Persons with Disabilities in 2014

OCCUPATIONAL GROUP	PROMOTIONS OF PERSONS WITH DISABILITIES IN 2013	PROMOTIONS OF PERSONS WITH DISABILITIES IN 2014
Middle management	2.1%	2.5% (up 0.4%)
Clerical	3.3%	4.2% (up 0.9%)

BMO's Measures to Remove Barriers – Our Enterprise Strategy

Learn from Difference is one of BMO's core values – and we strive to live it every day. Building a diverse workforce and an inclusive workplace helps us ensure our employees and customers feel valued, understood and respected.

Over the past three years, the BMO Diversity Renewal Council (DRC) has refocused our efforts to build a diverse workforce and an inclusive workplace. We measure our progress by setting goals for the action plans and diversity and inclusion programs we create to support women, people with disabilities, visible minorities, Aboriginal people, the LGBTQ community and other groups.

In addition, the DRC Co-Chair who is also General Counsel for BMO ensures that the efforts of the DRC remain focused on advancing our diversity strategy in order to drive performance. Our Executive Diversity Champion also provides updates on the progress of any diversity and inclusion initiatives and celebrates success with e-updates to all employees each quarter. We recognize that diversity can make BMO stronger and more competitive: successful execution of our diversity strategy enables us to engage the widest pool of talent available in the marketplace and helps great leaders succeed.

We also recognize that by leveraging diversity, we can learn from our differences. When we make that effort, it helps all of us behave in more humane ways toward each other – and toward our customers. And it's why diversity is a core value at BMO – a value that helps us all be at our best.

Accountability and Consultation

All executives are accountable for ensuring that employment decisions support a more diverse workforce and for developing an inclusive and supportive workplace. BMO's Chief Diversity Officer and Vice-President of Talent Strategies is responsible for overseeing diversity and inclusion at an enterprise-wide level, so that a consideration of diversity and inclusion is integral to every process that supports employment decisions at BMO.

The leadership provided by the executive team is supported by a comprehensive framework that includes goal-setting, monitoring and evaluation. BMO's CEO and executive team – including those who manage our provincially regulated lines of business – monitor the progress we've made toward reaching our goals on a quarterly basis. This quarterly Diversity Performance Tracker provides an overall representation of the four designated groups by line of business. Diversity is one of the measures in our executive leadership scorecards, and we are planning to incorporate similar metrics across all of our business scorecards for 2015.

We have also launched a new automated Diversity Dashboard, which allows our Human Resources business partners to track and monitor our diverse employee populations in real time. With our new online Human Resources management information reporting system, reports can be run monthly, reviewed and then shared with business groups to ensure that rates of representation for the designated groups are in alignment with their individual yearly goals. Business leaders are now able to recognize and respond in real time to changes in representation rates that need to be addressed, and this enhances accountability across the enterprise.

Removing Barriers for Women

At BMO, we have a long-standing and unwavering commitment to recruit women and advance them in senior leadership roles. Here are some examples of our many current initiatives intended to enhance the recruitment and retention of female talent.

Actions focused on removing barriers around the recruitment of women include:

- Candidate slates must be diverse for all of our senior roles, which helps build a robust pipeline of diverse talent.
- We create development plans for key diverse talented individuals that support their growth, which has led some to significant positions in senior ranks.
- BMO is a founding signatory of the Catalyst Accord, and is thus voluntarily committed to a strong representation of women on its Board of Directors. Currently, 38.5% of the members of our Board of Directors are women, a rate that is significantly higher than the Catalyst Canada benchmark of 25% and that places BMO in a tie for first place among Canadian banks and in the top tier among our U.S. peers.
- BMO is a Platinum Corporate Member of the Women's Executive Network (WXN), a leading Canadian organization dedicated to the recognition and advancement of women in management, executive, professional and board roles. Emerging leaders at BMO are invited to WXN networking and personal development events throughout the year and across the country.
- We have developed an active campus recruitment strategy for women graduating from university, and we participate in women's events at Queen's University and the Schulich School of Business at York University.
- We invest in scholarships that focus on women, such as the Women in Capital Markets – Heather L. Main Memorial Scholarship Fund, which supports women in Canadian business schools who are pursuing a career in capital markets.
- We launched a website to recruit women investment advisors in the Retail Wealth Management group, the first website of its kind in Canada.
- Working with our external vendors, we track Diversity of our sourced candidates as a means of 'filling our recruitment pipeline' which reinforces our commitment to 'source' Diverse talent for all roles we are looking to fill.

We make every effort to identify and remove barriers that women commonly encounter in their careers, to provide leadership and development opportunities for talented women, and to equip our leaders to recognize and develop women with high potential:

- We identify women with top talent, and we implement development plans for these women with high potential by applying BMO's progressive talent practices. Every month, we track the number of women who are in senior leadership roles and those who are emerging as leaders in our pipeline. This information is used in leadership planning meetings with senior leaders.
- In 2014, we launched a sponsorship program pilot that connects talented women with senior leaders. The program is intended to accelerate the development and advancement of women with high potential by helping them find effective advocates. The initiative is now being launched across BMO. The 2014 sponsorship pilot resulted in more than 88% of program participants receiving a promotion or stretch assignment within the 12-month program timeframe.
- We arranged *Women in the Pipeline* sessions, led by Harvard professor Barbara Annis, for BMO's female executives and emerging leaders. Participants learned about some of the key challenges women commonly experience in the workplace, and were introduced to strategies for career advancement, leadership development and effective work relationships across genders. Participants in these sessions reported a heightened engagement and commitment to BMO and a feeling that they were "being invested in."
- We focused on minimizing the consequences of common gender blind spots (or biases) that emerge when making decisions related to talent. Leaders across our lines of business receive training that helps them recognize key blind spots when they are assessing women's performance and potential, as well as tools that equip them to make fair and objective decisions related to talent.
- In 2014, we launched a new Employee Resource Group, Women in a Supported Environment (WISE), in Canada. The group champions inclusion, connection, development, advancement and support for women, all of which drive the enhancement of BMO's culture, communities and business results.

Removing Barriers for Visible Minorities

BMO continues to be the exclusive industry sponsor for ACCES Employment's *Speed Mentoring* program, which helps new Canadian job seekers develop networking skills and make connections through individual coaching sessions with senior leaders. In 2014, 70 of our employees participated in *Speed Mentoring* events, helping new Canadians prepare for the local job market. In addition, we are launching a sponsorship program pilot in 2015, connecting talented, high-potential individuals from diverse communities with senior leaders to accelerate their development and advancement.

To further assist new Canadians in making this transition, BMO also maintains a number of partnerships with key community agencies. We work with agencies such as the Newcomer Centre of Peel, the Centre for Immigration and Community Services, Next-Steps Employment Centres and the Chinese Professional Association of Canada to conduct workshops for newcomers, helping them build important skills for seeking and finding employment.

Inclusive Leadership

At BMO, our focus on inclusive leadership helps our leaders effectively adapt to the needs of a diverse workforce, and this helps drive our success. Inclusive leadership involves knowing how to make our teams stronger and more innovative by learning from our differences.

To extend the range of our leaders' vision of inclusive action, we held Cultural Intelligence (CQ) summits for BMO leaders with a powerful keynote speaker, Harvard professor of psychology Dr. Mahzarin Banaji (co-author of *Blindspot: Hidden Biases of Good People*).

We also introduced an inclusive leadership assessment for more than 300 key BMO leaders, including the CEO, all Business Group Heads and direct report teams that will help them think differently about talented individuals from diverse communities by identifying and addressing cultural blind spots and how they affect decisions related to talent. As a result of this successful initiative, the DRC is championing an initiative that is set to launch and touch all of BMO's 7,000 people managers in 2015.

In 2014, BMO partnered with Catalyst to develop a first-of-its-kind corporate learning conference focused exclusively on providing Employee Resource Group leaders from around the world with the critical skills, knowledge and resources they need to function as inclusive leaders who can drive

inclusion across their organizations. The program took place in May 2015 and was hosted at BMO's Institute for Learning.

Removing Barriers for Aboriginal People

At BMO, we believe there is a strong relationship between education, employment and income levels, and we take a multi-faceted approach to encouraging Aboriginal students to stay in school. This includes scholarship and internship opportunities, sponsorship of university and college initiatives and support for innovative campus and industry recruitment approaches.

Recognizing the importance of stay-in-school initiatives, we continue to offer bursaries to Aboriginal youth across Canada. In 2014, BMO provided funding for 47 scholarships totalling \$143,550 through the Foundation for the Advancement of Aboriginal Youth/Indspire.

To promote employment at BMO for the Aboriginal community, we have been working directly with the following organizations, developing partnerships, posting roles and taking part in career fairs and hosted events:

- G.R.E.A.T. – Grand River Employment and Training (Ontario)
- Miziwe Biik Aboriginal Employment and Training (Ontario)
- LYNX Aboriginal Employment Program, its Twitter feed and newsletter (Prairie provinces)
- ACCESS Aboriginal Connections (B.C.)
- Akwesasne Employment Resource Centre (Ontario)
- Kagita Mikam (Ontario)
- Walpole Island First Nation Employment and Training Centre (Ontario)
- Niagara Peninsula Aboriginal Associations Board (Ontario)
- Mohawks of the Bay of Quinte (Ontario)

In 2014, BMO hired five Aboriginal candidates through Inclusion Works, a program hosted by the Aboriginal Human Resource Council of Canada, and a combined total of 57 external Aboriginal candidates through our recruitment partners and online postings.

Presence in Aboriginal Communities

BMO continues to operate 13 full-service branches and one community banking outlet in Aboriginal communities. Eleven of these branches are located on First Nations territories, and most are staffed by members of those communities. This presence reflects a valued business relationship and also provides employment opportunities.

As well, BMO was recognized for a fourth time by the Canadian Council for Aboriginal Business as an accredited gold-level Progressive Aboriginal Relations company for our efforts to build a mutually beneficial, sustainable relationship, from both a business and an employment perspective.

In 2014, BMO Aboriginal banking supported a total of 39 community sponsorships across Canada, representing more than \$159,000 in sponsorship funding. In addition, we are the lead sponsor for the Six Nations Polytechnic Library fund, which will reach more than \$160,000 over the next three years.

Removing Barriers for People with Disabilities

Direct Outreach

BMO diversity recruitment specialists work with many community agencies, including Lime Connect, JVS, March of Dimes, JOIN, LinkUp, the Workplace Essentials Skills Program and a number of employment offices, to extend their capacity to match job seekers with available roles. Among their contributions are behaviour-focused interview workshops and job-ready workshops for agency staff and clients, which lead to the referral of clients who are suited to any available roles and are better prepared for a positive interview experience.

Scholarship and Internship Programs

We continue to offer the BMO/Lime scholarship and internship program in partnership with Lime Connect, a not-for-profit group that supports intake and career progression for people with disabilities. This unique initiative allows talented post-secondary students with disabilities to apply for a scholarship and compete for a paid summer internship program that can lead to a permanent role with BMO as a Financial Services Manager. In 2014, we hired 25 individuals through Lime Connect and a total of 87 persons with disabilities through our various partners. New employees at our lines of business were partnered with more experienced employees during their first few weeks of work. The stress

of orientation, technical issues and introductions during team meetings was mitigated, making the transition to full-time work easier to manage – and also making new employees feel welcome and supported.

Special Measures – Strengthening Our Commitment to Designated Groups

Social Media and Marketing: At BMO, we use social media marketing strategies to engage students and potential employees from diverse backgrounds – and we’ve successfully established a presence and following in this space.

We partner with Lime Connect, a not-for-profit organization that focuses on recruitment events, to reach out to university students and alumni with disabilities. We also actively promote diversity and inclusion on our LinkedIn presence, and we participate in diversity recruitment forums and groups.

BMO Student Internship Program

We continue to offer the award-winning BMO internship program for students currently enrolled in Canadian colleges and universities. The program is designed to attract, develop and retain students early in their studies, with the goal of offering them permanent positions upon graduation.

In 2014, BMO hired a total of 214 summer interns from various universities and colleges:

- 47% women
- 6% people with disabilities
- 1.8% Aboriginal people
- 16% visible minorities

Hiring Essentials

We provide training for BMO managers that is focused specifically on hiring and engaging a diverse workforce. This program, *Hiring Essentials*, provides in-class and online training on the value of building diverse teams. Modules include *Why Diversity Matters to BMO* and *Hiring to Create a Supportive and Inclusive Culture*. There is also specific guidance on interviewing candidates new to Canada, candidates with disabilities and candidates with no work experience, as well as on workplace accommodation. Training materials are fully accessible for those who use adaptive technology, screen readers or closed captioning.

Monitoring Diversity in the Recruitment Process

Our employees reflect the communities in which we live and work, and we want to make sure we have the right people in the right roles to meet our customers’ needs. Tapping into the broadest possible talent pool is essential to recruiting a diverse workforce. That’s why we highlight BMO employment opportunities through internal postings and on our external site (bmo.com), as well as through national and diversity job boards and local, in-branch marketing. We monitor BMO’s success in attracting designated groups, tracking the diversity of the candidate pool from the start of the recruitment process through to the presentation of candidates to managers who make the hiring decisions.

These managers are asked to complete a detailed survey that assesses their recruitment experience, with a specific question confirming whether the recruiter discussed options for broadening the diversity of the candidate pool. These survey results help us maintain our focus on recruiting from all groups, and managers work hand in hand with recruiters to achieve this goal.

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

Equity Through Education

The BMO Capital Markets *Equity Through Education* program is a charitable initiative aimed at creating a more diverse workplace by helping students realize their educational ambitions. On one day each year, BMO Capital Markets donates its institutional equity trading commissions in North America to a set of charities that provide scholarships to deserving

individuals representing four diversity groups: women, visible minorities, people with disabilities and Aboriginal people. In 2014, the program was expanded to include BMO's London-based commissions as well.

Since the launch of the program in 2005, *Equity Through Education* has raised a total of \$15 million and has assisted more than 3,000 students. In 2014, the proceeds were directed to the following North American charities:

- The Loran Scholars Foundation
- Financial Women's Association
- The Jackie Robinson Foundation
- Knowledge Is Power Program
- Lime Connect
- Indspire
- Women in Capital Markets Return to Bay Street Program (BMO Capital Markets is the founding sponsor of this program)

Two U.K.-based organizations have also been added: London Metropolitan University and Imperial College London.

To date, BMO Capital Markets has hired seven full-time employees through the *Equity Through Education* program and provided internship opportunities to eight students.

Several other initiatives and sponsorships were started or supported during 2014. A summary of each appears below:

BMO Capital Markets Mentorship Program – BMO Capital Markets continued its successful Mentorship Program, which facilitates connections that might not naturally occur in the course of business. Through this program, our leaders have an opportunity to observe and foster the abilities and potential of junior professionals from outside their usual circles. These new networks encourage diversity of thought, career development and a more inclusive workplace culture.

Women in Banking Initiative – Working with senior leaders, we acknowledged that BMO needs to attract and retain more women in commercial roles and increase the representation of women in leadership roles. BMO's aim is to bring together like-minded women in a supportive and safe environment where they can learn, share and grow, empowering them to lead by building their confidence in their ability to make a difference in their communities.

Women in Wealth – Launched in 2014, the Women in Wealth initiative is focused on objectives and outcomes that define BMO as “the bank for women.” Plans are currently in place to support the empowerment of women as financially knowledgeable leaders in their communities by offering focus groups, wealth management financial summits and events that assist with retirement planning and money management.

GroYourBiz – We are the national sponsor of GroYourBiz, an organization for women entrepreneurs who want to take their business to the next level. Members join a local “board” of 15 to 20 women who meet on a monthly basis to provide each other with peer-to-peer advice and feedback. Each board is facilitated by a paid professional moderator.

Women in Capital Markets (WCM) Partnership – We are the Gold Sponsor for Women in Capital Markets (WCM), a non-profit organization that promotes the entry, advancement and development of women in the field of Canadian capital markets. Funding is also provided by BMO Capital Markets for the Heather L. Main Memorial Scholarship Fund, which is administered by WCM. This scholarship, along with mentoring and internship programs, builds the practical skills and experience necessary to launch a successful capital markets career. Over time, these programs will augment the pool of talent available for the Canadian capital markets and finance industries.

Women's Bond Club (WBC) of New York – BMO Capital Markets has initiated a sponsorship relationship with the Women's Bond Club of New York. The mission of the WBC is to bring together seasoned professional women from all sectors of the capital markets industry to forge strong personal networks and assist each other as they advance within their chosen fields.

Rotman Initiative for Women in Business Sponsorship – We are continuing BMO's sponsorship of the Women in Leadership speaker's series at the University of Toronto's Rotman School of Management. The sponsorship will allow the School to bring some of the world's top leaders and authors to its Toronto audience. Launched in 2008, the series has hosted dozens of distinguished speakers, including Dee Dee Myers, former White House press secretary; Marilyn Carlson Nelson, Chair and CEO, Carlson; and Irene Rosenfeld, former Chair and CEO, Kraft Foods Group Inc., to name a few. Each of these events attracts more than 120 mid- to senior-level executives from around the Greater Toronto Area.

Positive Policies and Practices

Workplace accommodation for people with disabilities: An important element of BMO's commitment to an inclusive, supportive and accessible workplace is accommodation for people with disabilities. Our workplace accommodation expertise is centralized within Human Resources in a team that is accountable for the end-to-end process: assessment, coordination and fulfillment of accommodations.

Our Workplace Accommodation Advisor works with both employees and managers to ensure the successful implementation of solutions for workplace accommodation. This approach expedites the response time for accommodations and provides a single point of contact, resulting in better support.

Here are some examples of the accommodation support we provide:

- To address visual, hearing, dexterity and learning disabilities:
 - large-screen monitors, JAWS, ZoomText, sound baffles, ASL interpreters, note takers, electronic organizers, Kurzweil, learning strategists and employment coaches
- To support employees with muscular, skeletal and circulatory conditions:
 - ergonomic chairs, motorized sit/stand desks and workstation modifications
- To facilitate communication for employees who are deaf, deafened or hard of hearing:
 - BlackBerry devices and a dedicated help desk email address for their exclusive use

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

Building Awareness

Diversity is at the core of BMO's identity, because we believe a diverse workforce and inclusive work environment drive stronger performance. Our leaders make this clear in their behaviour, their actions and their communication of the importance of diversity and inclusion at BMO.

Our senior leaders talk about diversity all through the year – among themselves and with their teams. This conversation starts at the top: every year at our Leadership Council meetings, BMO CEO Bill Downe puts the subject of diversity and inclusion on the agenda. Our Executive Diversity Champion, BMO General Counsel Simon Fish, connects with employees about diversity and inclusion through quarterly messages and motivates us to move forward as Co-Chair of our Diversity Renewal Council, which guides our diversity efforts across all business and operating groups.

We have a website dedicated to diversity and inclusion at BMO, with videos, learning tools, articles, tips of the month and other materials to help employees and leaders live our value of learning from our differences within their roles and on their teams.

Count Me In

In 2012, we developed *Count Me In*, a BMO initiative to raise awareness about persons with disabilities in the workplace, foster a culture of inclusion and encourage all employees – particularly those with a disability – to self-identify on our Diversity Workforce Survey. In addition to the above, people managers were provided with a team discussion guide to facilitate open dialogue and directed managers to leverage our "Hiring and Leading Persons with Disabilities" toolkit to support them on the hiring and onboarding of new PWD employees.

This survey shows us where we stand and whether our workforce reflects the communities where we live and work. We raised awareness of the initiative and encouraged participation through events and an internal website with videos, interactive learning activities and support tools for managers and employees. *Count Me In* has helped BMO employees feel confident that they can be their authentic selves at work.

Family-Friendly Policies

It can be difficult to balance the demands of work and personal life. At BMO, we ensure our employees have the time and space they need to focus on their families during challenging times. If we are able to help alleviate their worries, our employees will be able to feel confident their families are well cared for, which will in turn allow them to stay focused at work.

LifeWorks

Our employee assistance program, *LifeWorks*, is accessible to employees through our Human Resources intranet site or through our third-party provider, Ceridian. It offers BMO employees and their families a wide range of support and resources, in person or by phone, 24 hours a day, seven days a week. It can help with:

- Day-to-day needs, like finding backup child care, creating a will or finding a personal counsellor
- Major life events, like having a baby or becoming an empty-nester
- Services like grief counselling or trauma response, in the event of a crisis outside the workplace
- Support for ongoing family challenges, such as our partnership with Mount Sinai Hospital that supports employees who are caring for family members with dementia.

Other supportive programs, policies and initiatives include:

- *People Care Days*, which provide paid time off to address personal matters that cannot be scheduled outside of work hours
- *Flexible Work Arrangements*, which give employees an opportunity to work offsite, work shortened weeks and/or share jobs
- Multi-purpose quiet rooms that meet employees' needs, such as privacy for nursing mothers, and accommodate

employees' activities, such as multi-faith prayer, meditation and the pursuit of spirituality.

Employee Consultation

BMO Employee Resource Groups are made up of passionate employees who volunteer their time to serve with an Affinity Group or on a Diversity Council (each business group has one), and thus help make diversity and inclusion a daily reality at BMO. These employees develop inclusive leadership skills as they engage their colleagues on diversity and inclusion and reach out to communities.

We also host events that bring the various BMO Affinity Groups together. These events show our employees, potential employees, customers and other stakeholders that BMO truly values diversity and supports inclusion. In 2014, these BMO employee groups hosted more than 100 events, at which close to 5,000 of our employees and customers participated.

BMO Pride

BMO Pride is an enterprise-wide group of lesbian, gay, bisexual, transgendered, queer, questioning (LGBTQ) and allied employees who are committed to promoting an equitable and inclusive environment for all.

BMO Without Barriers (BWB)

BWB is a BMO Employee Resource Group committed to removing barriers and increasing access for employees and customers with both visible and non-visible disabilities. Within the current group, there are dedicated sub-committees that focus on the specific needs of our employees. We plan to add to those sub-committees to ensure full representation of all populations.

Women In a Supported Environment (WISE)

WISE is a new BMO group that was established in Canada in 2014. It is a community of employees who champion the inclusion, connection, development, advancement and support of women for the betterment of BMO's business, communities and culture.

Visible Minority and Aboriginal Employee Resource Groups

Discussions amongst our diversity councils in 2014 regarding the creation of two employee resource groups have resulted in the planning and anticipated launch of a Visible Minority and Aboriginal employee resource group in the summer of 2015.

Employee Communication

One of our primary goals is for BMO to demonstrate and be recognized as the industry leader in diversity and inclusion. Communication priorities include:

- Communicating how a diverse and inclusive workplace can be a foundation for our values, products, services, customers, reputation and goals, and sending that message in a way fully accessible to all audiences
- Showcasing diversity champions and success stories at BMO
- Cultivating our reputation as a diversity leader by highlighting our awards and media opportunities that profile BMO as a leader in diversity.

Internally, our Diversity and Inclusion microsite is the primary venue through which we communicate to employees. The site keeps our employees informed about all of BMO's Diversity and Inclusion events and initiatives, encouraging engagement, sharing stories and showcasing champions of our vision, values and brand.

Internal communications are also supported through additional channels:

- Tip of the month, hiring guides and diversity and inclusion videos
- Links to articles and quarterly updates on our progress
- Information on upcoming enterprise events and guest speakers
- Employee Resource Group microsites, with invitations and links to their events.

Annual Survey

Two years ago, we renewed our enterprise-wide employee survey – *BMOPulse* – to reach a deeper understanding of what matters to our people. The survey is available online and is accessible to those who use adaptive technologies such as JAWS and ZoomText.

We compare our results to leading companies across North America to help us understand how we measure up against the best. We watch for trends in our year-over-year results that can gauge our progress. We also look for deeper

insights on specific issues with our shorter, targeted *Pulse Check* surveys. The renewal of this approach is enabling us to clearly identify key levers – unique to BMO and to each of our business groups – that drive engagement for our employees. Managers are using these insights to collaborate with their teams in developing action plans that address employee feedback. They track our progress, share the results with their teams and measure outcomes. By acting on what we learn, we make BMO an even better place to work for all employees.

In 2014, 86% of BMO employees participated in *BMOPulse*, an increase of two percentage points from the previous year. Our engagement score also rose by one percentage point to 80%. These figures demonstrate growth in our employees' agreement and high agreement scores.

Employee perceptions of diversity and inclusion (those of both the entire population and specific designated groups) are also important in assessing our progress toward building an equitable and supportive workplace. We continue to monitor these perceptions through a *Diversity and Inclusion Index* comprised of key questions in the *BMOPulse* survey. Our research shows that the index is strongly related to the Employee Engagement Index (EEI), with heightened perceptions of diversity and inclusion at BMO having a positive effect on the EEI and employee retention. The D&I Index in the survey invites comments on these assertions:

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

Our Inclusivity Index score was strong again in 2014 at 82%, up from 81% in 2013 and ahead of scores recorded at other financial institutions and leading companies.

Conclusion

At BMO, we understand that a diverse workforce and an inclusive environment lead to better ideas, better debate and better decisions – helping us to truly serve customers everywhere we do business.

In 2014, we earned recognition for BMO’s commitment to diversity and inclusion:

- *Diversity Canada Magazine* Top 10 Diversity Change Leader – Richard Rudderham
- 2014 Innovatio Award for Best Practices in Law Department Diversity – Large Department
- Out on Bay Street – “Leaders to be proud of” Award – Paul Noble
- Universum 2014 Top 100 Ideal Employer in Canada
- Mediacorp’s GTA Top Employers for 2014
- WXN 2014 Top 100 Most Powerful Women – Charyl Galpin
- Employer of Persons with Disabilities Award of Distinction – BMO Group/Calgary, Alberta Chambers of Commerce

Building on BMO’s rich history, we will continue to execute our strategic diversity and inclusion agenda to drive our performance and ensure our employees and customers feel valued, understood and respected.