

# Making it **personal**

Who We Are

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of \$692 billion as of July 31, 2016 and over 46,000 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers and conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

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We’re here to help our customers adapt to change.

To support innovators as they find ways to make life better.

To be a catalyst for creating economic growth, stronger communities and a healthier planet.

And as we join with our stakeholders in building a sustainable future, we all share a fundamental belief:

This is personal.





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The world seems to move faster every day. And as we explore its possibilities, we're finding new ways to connect and gaining deeper insights into what each of us values most.

Change is bringing us closer together.

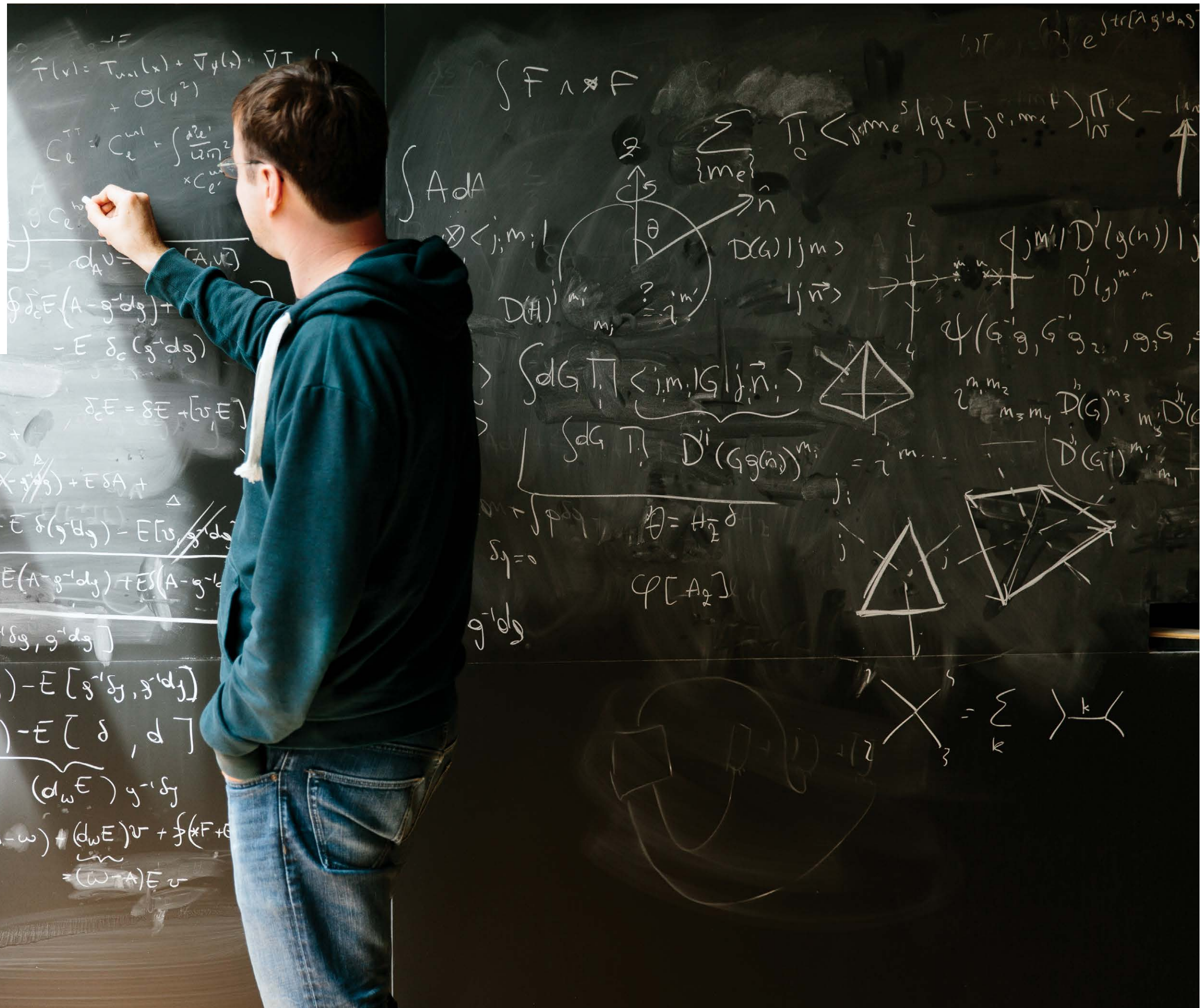
BMO employees in class at the BMO Institute for Learning, in Toronto, Ontario.



Innovation is simply the drive to improve. Great ideas come from a few people putting their minds to a challenge today so many more people will have a better tomorrow.

Our job is to fuel that basic human creativity.

Kendrick Smith, cosmology researcher and faculty member at Perimeter Institute for Theoretical Physics, in Waterloo, Ontario.





Trust is only earned over time.  
And the values on which it is  
built must be constantly rein-  
forced and strengthened. This is  
the responsibility we all share:

To give others confidence in  
the future.

Children playing at Next Door, an early childhood  
education centre, in Milwaukee, WI.





A Message from the  
Chief Executive Officer

Through two centuries of driving and adapting to change, we've always understood the difference between longevity and sustainability. Because corporate responsibility is something we take personally.

A Message from the CEO



Bill Downe meeting with  
BMO's Millennial Leaders  
Advisory Council.

**THE VALUE CREATED BY** a bank extends far beyond our array of products and services, or the technologies we use to streamline transactions, or the tools we introduce to make banking easy, flexible and responsive to changing needs. The many aspects of what we offer our customers all reflect a fundamental understanding of why we're in business.

This understanding is central to how we think about corporate responsibility. We're not just ticking boxes on a compliance checklist; we're finding common ground with all of our stakeholders on the kind of future we want to build together. For us, this is personal.

**Helping in three dimensions**

It begins with basic human insight. By listening to our customers and learning what matters to them, we discover how we can help them succeed. The same holds true for all of our community partnerships – as the representative stories in this Corporate Responsibility Report illustrate. Whether it's the Next Door program advancing early childhood education in inner-city Milwaukee, or the Je vois Montréal

initiative inviting grassroots ideas for revitalizing a great city, or WINGS in Chicago helping women escape domestic violence and reinvent their lives – the shared thread is listening closely to what people really need and tapping into our own experience to provide meaningful support.

Another vital dimension of help is developing new tools and better ways of working that fit naturally with how people think and want to manage their financial lives. In the same way as the founders of H2nanO refine their solar technology for cleaning contaminated water, or the entrepreneurs at Medella Health develop a smart contact lens that monitors wearers' health, we put financial support systems in place that are simple and intuitive, freeing these young visionaries to concentrate on what they do best.

As we collaborate with all of our stakeholders, we know that success ultimately depends on how well our own teams work together. In helping the Piikani Nation of Alberta sustain its economic transformation, our Aboriginal Banking unit is supported by experts in many other areas of BMO, with everyone coordinating their

Members of BMO's Millennial Leaders Advisory Council at a meeting in Toronto, Ontario.



90%

More than 90% of BMO employees participated in our Annual Employee Giving Campaign in 2015.

efforts as one bank. And after a massive wildfire forced tens of thousands of Fort McMurray and area residents to flee their homes, our people right across Canada rallied to help customers, community members and our own colleagues cope with uncertainty and, in many cases, devastating loss.

**Taking it personally**

How we express our support for BMO's diverse stakeholders has evolved over time. But as we approach the milestone of 200 years in business, our history makes clear that the desire to help has long defined our bank.

When we look back at the Bank of Montreal Youth Project, launched more than 40 years ago to help young people from low-income areas find employment, we see the same values that drive our community-building efforts today. The story of Buddy Boyd and his journey from unemployed teenager with limited prospects to successful recycling entrepreneur exemplifies our commitment to helping people realize their true potential. And Buddy's belief in "paying it

forward," sharing the lessons he's learned with others who need a hand, captures the spirit behind all of our efforts in pursuit of social, economic and environmental sustainability. When we collaborate with stakeholders, our collective impact radiates outward, with each positive step inspiring another.

Through two centuries of driving and adapting to change, we've always understood the difference between longevity and sustainability. We nurture our partnerships with stakeholders, supporting them with empathy – and doing so responsibly. And we know that to continue deserving the trust they've invested in us, we have to engage with them not merely as an institution putting policy into action, but as people helping people. Because corporate responsibility must be taken personally.

Bill Downe  
Chief Executive Officer

**We're here to help. This is the promise we make to BMO's customers.**

Our business is fundamentally about helping people achieve their goals. Everything else flows from that.

Creating opportunities that didn't exist before. Sharing energy and ideas with those who need our support. Considering the environmental impact of everything we do. Finding strength in diversity, while feeling encouraged to fulfill our potential. And doing our work with integrity. Transparency. A disciplined approach to risk. All in the belief that doing the right thing is not just a matter of following the rules – it's about earning and sustaining trust.

As we balance many responsibilities, large and small, we drive BMO's future performance while furthering the success of all our stakeholders.

Any way we can help.

Responsibility is Built Into Our Business

Our approach to corporate responsibility is grounded in BMO’s defining values and integrated into our overall business strategy. In complying with regulatory requirements and adhering to an internationally recognized sustainability framework, we affirm a more fundamental commitment to act responsibly in all of our decision-making and weigh the potential impact of every choice we make.

**IN THE GOVERNANCE FRAMEWORK** overseen by BMO’s Board of Directors, environmental, social and governance (ESG) issues fall within the mandates of the board and several of its committees. In addition to the activities of the board and its committees is the bank-wide BMO Sustainability Council, established by the CEO and comprised of senior leaders from across the bank. The Council provides insights and guidance on a range of current and emerging issues, within the banking sector and in the economy generally.

In addition to the sustainability work we do within BMO, we also pursue outside perspectives through regular consultations with key stakeholders. Over the past year we’ve refined our engagement strategy, reaching out more systematically to solicit stakeholders’ views. We also participate in many industry groups, deepening the conversation around sustainability with our peers. In all of this work, our goal is to ensure that BMO’s leaders have a thorough understanding of the material issues that are most important to our organization and stakeholders, and that they are well positioned to make decisions, even when the best course of action is not always obvious. Identifying the choices that will bring the most good to the most people – for us, this is the heart of corporate responsibility.

Visit [bmo.com/corporategovernance](https://bmo.com/corporategovernance) for more information on BMO’s governance structure. Go to the BMO Environmental, Social and Governance Report and Public Accountability Statement at [bmo.com/corporateresponsibility](https://bmo.com/corporateresponsibility) for more information on stakeholder engagement and materiality process.

The Two Sides of Our Story

Each year, BMO publishes two complementary reports focusing on corporate responsibility.

Our annual **Environmental, Social and Governance (ESG) Report and Public Accountability Statement (PAS)** provides a detailed analysis of the bank’s performance against key sustainability indicators.

This **Corporate Responsibility Report** shows BMO’s commitment to sustainability in action through stories highlighting our relationships with customers, employees, communities and other stakeholders.

The threads tying these two reporting vehicles together are openness, accountability and factual rigour – elements we know are essential to maintaining trust in our bank as a responsibly managed business. Both documents reinforce the 15 material issues that have the highest priority in our decision-making and in the assessment of our stakeholders:



Managing our Business	Responsible Banking	Inspiring our People	Building Stronger Communities	Reducing our Environmental Footprint
1 Business conduct 2 Consumer protection and transparency 3 Corporate governance 4 Customer feedback 5 Privacy and data security	6 Access/Financial inclusion 7 Responsible investing 8 Responsible lending	9 Diversity and inclusion 10 Employee engagement 11 Learning and development 12 Talent attraction and retention	13 Contributing to our community 14 Financial literacy	15 Reducing our environmental footprint

Please visit [bmo.com/corporateresponsibility](https://bmo.com/corporateresponsibility) for downloadable versions of these two publications, as well as past years’ editions and other specialized reports. For a comprehensive overview of the bank’s business activities, please see the BMO Financial Group Annual Report to shareholders, downloadable from [bmo.com/ir](https://bmo.com/ir).



Q&A with Barbara Muir

As Deputy General Counsel and Corporate Secretary, Barbara Muir is accountable for legal and regulatory support for BMO’s corporate initiatives, including governance of ethics and ESG matters, as well as corporate governance globally.

Barbara Muir.



What is management’s role in establishing good governance?

At its core, governance is about ensuring that decisions are made effectively. It’s all about the rules, policies and relationships that guide and direct a corporation’s activities – and the controls and processes that support them. Good governance requires employees who are knowledgeable and competent. And management – with the board’s oversight – must ensure that employees have a clear understanding of what is expected, and a commitment to execute.

Above all, the board and management have to be committed to good governance.

What is the biggest corporate governance issue facing banks right now?

Culture, without a doubt. Since the financial crisis, there have been new laws and regulatory requirements for corporations and banks, all in an effort to restore trust in the financial system. But a set of values to guide the conduct of employees is essential, too.

BMO has a newly revised code of conduct that guides us all on how to do what’s right. It’s built on our values, which we developed with the very employees who have to live them. With the support of our board, we defined our culture of Being BMO, a set of values and actions that serve as a roadmap for our more than 46,000 employees. These actions foster an ethical culture throughout the organization so that our customers and stakeholders have confidence in the work we do with them.

What is the role of the board and management in ensuring that BMO’s values are clear, understood and support good governance?

Transparency is key, and communication is essential. Our annual employee survey is a valuable tool. We ask employees if they trust the bank’s leadership, how they feel

about our culture, and other questions to determine whether we are heading in the right direction, or if there are gaps.

We also use our internal social media tools to help leaders communicate directly with employees. These conversations help senior management understand what matters to the people who work at BMO. They allow us to share information and show the different facets of the organization to everyone in the company.

The board sets the bank’s direction and oversees management’s actions. Both the board and senior management have to set an example by demonstrating the right behaviours, conduct and performance through their own actions and words.

What do our customers and other stakeholders tell us they care most about?

Our customers see us as more than just a place to deposit and withdraw money. People trust us to act with integrity in everything we do. To live our values. To help them make good and sustainable business and financial decisions that are right for them.

Our stakeholders want us to do what’s right. But “what’s right” can mean different things to different people. So it’s our job to determine what’s right for our bank, and then in turn to help our clients do business in a more sustainable way.

How does the board stay informed on the most up-to-date topics that are relevant to our business?

In conjunction with the Institute for Learning, we have developed an online learning app for our directors. Each quarter, we post topics we believe to be of current interest or those suggested by the board. Those may include background on a particular business, regulatory changes, products and services, or other issues such as biometrics or blockchain. The app helps

keep directors up to date with all the information that matters to us – and helps them learn what other questions they should be asking.

How can governance play a role in addressing a transforming environment?

Promoting and maintaining a strong culture, rooted in the company’s values, is key to ensuring our ability to make good decisions in the context of a transforming – and transformational – environment.

BMO has transformed itself many times over two centuries. We’re definitely living in a changing environment, but that’s not new to us. We’ve changed successfully over the years because of good governance, because we had an eye on the long term, and because we always did what was right for the customer. What that means has evolved, but our commitment to it hasn’t. Nearly two hundred years ago, bank employees could never have imagined today’s world. And yet some challenges are the same. Once we served remote communities on a snow sled; today we serve them online. Constant change feels new because we weren’t here 200 years ago – but we’ve been finding creative ways to connect since the beginning.

In any environment, and at any time, good governance is essential. Get that right, and you can succeed. ☺





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## Section 1

# Helping in unexpected ways

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Perimeter Institute for Theoretical Physics,  
in Waterloo, Ontario.



# Banking on Technology

BMO's wide-ranging support for the high-tech sector reflects our fundamental belief that technology is not just an economic driver – it's a tool for making people's lives better.

Mark Miner, Senior Credit Manager, Mark Gilbert, Commercial Account Manager, and Deirdre Bergin, Director, Technology and Innovation Industries.



## Employee engagement

**TECHNOLOGY HAS TRANSFORMED** how businesses interact with people. This is especially true for a bank: we're constantly enhancing our systems and applications to make banking more efficient and convenient for BMO customers, and more importantly, to make it more personal. Sophisticated technologies enable us to gain deeper insights into their needs and give them more flexibility in how they plan for the future.

By the same token, technology plays a key role in advancing many broader dimensions of social good, from the delivery of more effective health care to mitigation of the effects of climate change. And our bank, as a vital intermediary within the economy, is ideally positioned to be part of

that broader positive impact – through our collaborations with a wide range of customers in the high-tech sector.

We help innovators make breakthrough ideas sustainable as they direct their efforts toward higher goals – whether it's enhancing people's lives, building stronger communities or protecting the environment. From advanced research to business incubators, from promising start-ups to established firms taking the next bold step, we look for promising initiatives that open up new opportunities and foster long-term prosperity.

"The tech sector leads our economy," says Deirdre Bergin, Director of BMO's Technology and Innovation Industries





### Many More Unicorns

Number of private technology start-ups with a valuation of US\$1 billion or more:

- 2012 – 24
- 2014 – 72
- 2016 – 188

group. “It’s critical to our global competitiveness and indeed will define our social and economic future.”

Deirdre’s team is made up of bankers who are designated technology “champions” (see sidebar), each with a portfolio focused on one of Canada’s key innovation hubs: Halifax, Montreal, Ottawa, Toronto, Kitchener-Waterloo and Vancouver. These champions provide expert financial support to both current and potential customers in all stages of development, where applicable connecting them to a specialized credit team with deep experience in the technology sector. Many customers also benefit from BMO’s expertise, as a North American bank, in transactions that span the Canada-U.S. border.

More generally, these regionally based tech champions network with industry groups, participate in knowledge-sharing events and bring a personal presence to the bank’s support for incubators and accelerators across Canada.

“Technology affects every aspect of our lives,” Deirdre says, “from how we communicate to how we manufacture to how we drive our cars. It’s really important for the economy to help young, innovative companies scale up, and that’s what we’re doing.” ☺

Adam Manning,  
Commercial Banker,  
BMO Financial Group.



### Portrait of a Champion

“Being able to work with amazing companies that are changing the world is truly inspirational. I love going to work every day knowing that I’m making a difference.”

Based in Kitchener-Waterloo, Ontario, Commercial Banker Adam Manning is part of BMO’s team of dedicated tech-sector “champions” who work closely with innovative companies that are either just getting launched or building on their initial success.

*On becoming a tech champion:* “I had a diversified commercial portfolio, but in the past few years I’ve become increasingly interested in technology-focused companies. I spent a lot of time in the local high-tech community, attending events, getting to know people and doing a lot of listening. And then as our tech champions program began to take shape in late 2015, we made it official, and I now focus exclusively on the sector.”

*Meeting the unique needs of tech customers:* “I think we’re ahead of the market in understanding what these companies’ needs are – and in seeing all the ways that we can help. Internally, we’re really well connected.”

*When a bank makes sense:* “We help companies figure out who they should partner with at their current stage of development. There are some that aren’t ready for bank financing – yet. But we can connect them to venture capital firms and others in the community who are willing to take on more risk. And then as they grow, we determine together when and where we can add value. They understand that we’re part of the tech ecosystem.”

*Why BMO is focusing on this sector:* “Our bank is forward-thinking, and we see the opportunity that the tech market represents. So we’re making sure we have the resources in place to capitalize on that opportunity. High-tech is the fastest-growing sector in the economy – and in fact technology and innovation have an impact on *all* sectors. I believe it’s crucially important to support these companies and help them achieve their goals.” ☺





## Pure Innovation

H2nanO has created an inexpensive solar-powered technology that rids water of organic contaminants, allowing the waste water from many industrial sites to be safely recycled.



### Responsible lending

**“WE’RE MUCH MORE INTERESTED** in seeing how we can use tech for social good than we are in simply making cool things,” says Stuart Linley, CFO. “What excites us about starting a new business is the end result – not just working to create an innovative firm, but also having a huge impact environmentally on society.”

H2nanO, the company Stuart co-founded with three fellow nanotechnology engineers, looks set to do all of that and more. Leveraging the team’s pioneering research at the University of Waterloo, the start-up has prototyped a new process that

uses solar energy to break down persistent organic contaminants in water.

In the past, many human-produced pollutants – from motor oil sludge to caffeine to estrogen – could only be removed from water using costly, chemical-based methods. But H2nanO’s technology is powered by the sun, making it not only highly economical but remarkably green: no waste is produced, and once the catalyst is recovered from clean water, it can be reused continuously in further treatments.

This extraordinary technology originated in a lab run by Dr. Frank Gu of

Above: An H2nanO research space.



▼  
**\$2.5  
billion**

Capital committed to  
financing for the renewable  
energy sector.\*

Waterloo's Chemical Engineering faculty, who researches the use of nanomaterials in medicine, agriculture and environmental protection. Stuart Linley and fellow engineering student Tim Leshuk were helping their professor explore health-related applications of nanotechnology when the trio realized that a process they were testing could actually be used to remove organic toxins from water.

"We got really excited about the environmental problems we could tackle," Stuart says. "And as we started to think bigger, that's when we saw that this could be used to treat contaminated water in the oil sands."

#### **Cleaning up the oil sands**

The Athabasca oil sands in northeastern Alberta account for a significant proportion of Canada's proven reserves as one of the world's largest petroleum producers. The surface mining of heavy crude oil, or crude bitumen, from the vast deposit is one of the largest industrial operations in North America. It's also an environmentally sensitive process, particularly in the use of water. For every barrel of oil produced, the equivalent of 1.5 barrels of dirty water

must be pumped into tailings ponds where it is held, too toxic to be discharged into the surrounding environment because of contaminants that cannot be removed economically. But all of that seems about to change.

When the H2nanO team realized what their new technology could potentially do, they quickly established a dialogue with oil sands producers and conducted a series of successful tests. Planning was soon underway for a large-scale pilot, launched in 2016, which ultimately could see this revolutionary technology used to clean billions of litres of process water. At the same time, the company is talking to potential customers in other industries where waste water has long been difficult to treat cost-effectively.

"We think we've found a way to contribute to Canada's prosperity while returning the environment to its original state," says Stuart, who is now Chief Financial Officer of the fledgling company led by Dr. Gu as CEO. Tim Leshuk serves as Chief Technology Officer and a fourth co-founder, Zac Young (a fellow engineering graduate), is Director of Business Development. From its modest offices in Waterloo, H2nanO has



H2nanO's Zac Young,  
Tim Leshuk and  
Stuart Linley.

\*As of October 31, 2015



Yunsheng Jiang, nano-technology engineering assistant co-op student, at work in the lab.



declared a bold vision: *Economical solutions to the world's largest environmental challenges.*

#### Supporting the vision

"This entire venture would be impossible without access to the university and other local tech hubs," Stuart says. H2nanO has been supported by both Waterloo's Accelerator Centre and the campus incubator Velocity Science. The company also has lab space at the Waterloo Institute for Nanotechnology, which is committed to finding practical applications of academic research. As co-founder Zac Young sums it up: "There could not be a better place for developing water treatment nanotechnology."

Also key to the company's early progress is its relationship with BMO. Commercial Banker Adam Manning, who focuses on the tech sector (see profile on page 19), came highly recommended by a mutual connection at the university. "Adam has a lot of experience with tech investment in Kitchener-Waterloo," Stuart says. "He understands that every dollar counts, and that we need to devote as much time and energy as possible to our work – not to managing our finances."

Adam, for his part, is enthusiastic over the potential he sees in H2nanO: "I love working with the founders, because they're so incredibly brilliant and yet unbelievably modest. It's refreshing to work with a company that's making great strides to improve our environment."

A major leap forward is imminent as the Alberta oil sands pilot gains momentum. "We have proof of concept, and we know we can do this in a lab," says Stuart. "But when I actually see clean water coming out of the pipe, that's when it will feel really real. It'll be a massive milestone in my life."

In the meantime, the partners are exploring other applications of their technology, from indoor treatment of industrial wastes to eliminating pharmaceuticals and pesticides in drinking water – as well as opportunities to intervene proactively in the wastewater stream, before contaminants become a problem. "I always wanted to be involved in one of the emerging areas of engineering and science," Zac says, "and in the synthesis of science and real-world problems. It's thrilling to watch that happening – and I'm so excited to see what comes next." ☺

92%

To date, BMO has reduced carbon emissions per employee by 92% of the five-year target set in 2012.



# Encouraging Views

Vidyard has grown rapidly into the world's leading video marketing platform, offering companies deep analytical insights into how people interact with their online messages.

Michael Litt and Devon Galloway, co-founders of Vidyard.



Contributing to  
our community

**A RECENT STUDY BY** Cisco Systems predicts that by 2019, 80% of all internet traffic will be video. For marketers eager to take full advantage of this rich medium, the key to success is knowing who is watching videos and with what level of engagement. Motivating viewers to take a specific action requires a deep understanding of their online behaviour, which in turn depends on robust analytics that can be used to target, measure and adjust video strategies on the fly. Making all of this possible requires a new kind of tech-savvy service provider – and the global pioneer in this space is Kitchener, Ontario-based Vidyard.

Launched in 2010, the company is the brainchild of Michael Litt and Devon Galloway, who met in the Systems Design Engineering program at the University of Waterloo. (A third co-founder, software engineer Edward Wu, left the business in 2012.) With seed funding from Y Combinator, a leading tech start-up accelerator, Vidyard was initially run from Michael's bedroom in his Kitchener home. Today the company has nearly 150 employees, and that figure is expected to double by the end of 2017.

As Vidyard prepares to move into a newly renovated 30,000-square-foot





### \$2 Billion

BMO has made an additional \$2 billion in financing available to women-owned businesses across Canada over the next three years.



Vidyard staff at work in their Kitchener office.

factory in the old industrial heart of Kitchener, Michael offered his perspective on the firm's rapid success and the broader changes it reflects in the North American economy.

**Q: Vidyard pioneered the video marketing platform. Do you have competitors?**

**A:** We invented our category, but now there are new companies coming out of the woodwork and building towards future parity. We have to keep pushing. Devon and I are constantly out in the world, going to trade shows, seeing what's happening, so we can build what we think customers want and need. At this point about 90% of our business is outside Canada, and we've been growing around 300% a year.

**Q: What's the critical factor driving this impressive growth?**

**A:** Culture is crucial. We have a strong set of values, which we call the Vidyardian Code. Everyone signs it when they join. Our culture is very customer-focused and highly collaborative: the engineering team works with the sales team, and we all pay close attention to customer feedback. Also, even as we gain scale, we keep things

transparent, communicating every metric to employees. Because if we don't give them all the information, how can we expect them to make the best possible decisions?

**Q: How important is the business culture of Kitchener-Waterloo as a high-tech hub?**

**A:** The University of Waterloo is such a great talent ecosystem for computer science and engineering. There are so many young, brilliant minds learning how to predict and build technology. It's a really exciting place to be. We looked at other possible cities to locate, mainly around big schools in the United States, but we realized that the best place was right in our own backyard. And unlike Silicon Valley, where the turnover rate is around 24%, almost everyone we've hired is here for the long term.

**Q: What kind of impact does that have on the local economy?**

**A:** About 85% of the capital we've raised is from American investors. So we've brought almost US\$70 million into Canada, which we then spend on headcount and operating our company. Also, most of our customer base is outside the



country, and our gross margin averages 92%, which means we're importing a lot of low-cost dollars through sales revenues. So the economic impact of this industry is tremendous, based on a resource that isn't oil or trees. And compared to other kinds of businesses, tech's impact happens faster.

**Q: What role has banking played through this period of non-stop growth?**

A: To be honest, we chose BMO because it had the cheapest rates for small business banking. Then, when we raised our venture capital, our CFO talked to a lot of financial managers. Joel Widmeyer of BMO Nesbitt Burns was the best in terms of culture and values. And Joel introduced us to BMO banker Adam Manning, who's been great at putting our money to work so we can focus on innovating. Adam understands this community and the new economy. He and Joel work as a team, making things happen within BMO to support our needs. We have unshakable trust in these guys.

**Q: So where is Vidyard going next?**

A: Reflecting back, it blows my mind how far we've come. My excitement now is around what more we can build, how we can impact our customers' success – and how we can impact our community.

**Q: How important is that connection to the local community?**

A: It's extremely important. As Vidyard and other companies keep growing, it's having an impact on downtown Kitchener. Restaurants, clothing stores – all types of new businesses are getting the traffic they need to succeed. But there's an unfortunate impact, too. High housing costs are potentially displacing people who've lived here for many years. This is something we saw happen in San Francisco, and we really didn't want to see it in Kitchener. At the end of the day, we're all here because we believe in the value of this community and the people from all walks of life who live and work here. It's what makes this such a great place to build a creative business. ☺

## Plugged into Community

Vidyard's Plugin events bring people together and help to foster social well-being in the firm's home city of Kitchener, Ontario.

"We've heard a lot of negative news about tech companies pushing out existing communities," says Laura Flatt, who works in business development at Vidyard. "We wanted to do something about that." The result is an initiative called Plugin, which regularly hosts large social events in downtown Kitchener and donates all of the proceeds to charity. From movie nights to canoeing on Victoria Park Lake in the heart of the city, Plugin events are designed to bring young professionals

together and get them more connected to where they work and live. Charities supported by these events range from Big Brothers Big Sisters to the local outreach group House of Friendship, which provides food, shelter, addiction counselling and other outreach services.

With BMO as lead sponsor and the support of many local companies, Plugin blends the entrepreneurial energy of the new local economy with the spirit of a proud industrial city whose history dates back more than two centuries. "One reason people come and work for a company like Vidyard, versus a business in Silicon Valley, is they can see the huge impact we have," Laura says. "You actually feel like you're making a difference in the community." ☺



Maarj Baig, Huayi Gao and Harry Gandhi of Medella Health, with BMO Commercial Banker Adam Manning.



## Healthy Focus

Medella Health explores new ways to apply advanced technology in health care, starting with a smart contact lens that monitors the glucose levels of people with diabetes.

**“OUR BODIES ARE** constantly sending out information, but it’s not being captured. We’re trying to solve that data capture problem.”

This is how biotech entrepreneur Harry Gandhi sums up the mission of Medella Health, the start-up he co-founded in 2013 in Kitchener, Ontario, with nanotechnology engineer Huayi Gao and technologist Maarj Baig. The company’s first product, based on Huayi’s final-year undergraduate design project, is a contact lens with a bio-sensor that can determine blood glucose levels from the wearer’s tears. This breakthrough technology will enable diabetes patients to monitor their health without invasive and uncomfortable daily pinprick tests or wearing a catheterized insulin pump.

Described by one of the young founders’ mentors as “the Holy Grail of diabetes

management,” Medella’s debut product – currently in the prototype testing phase – is envisioned as a first step into the broader field of health monitoring technology that can help with everything from managing a cardiac condition to getting a handle on personal stress.

“Currently our society has a reactive model of care,” Harry explains, “where you go to the doctor after you’re already sick. Medella is working toward the *preventative* model, developing technologies that track what’s happening in your body and provide you with data you can act upon.” The company’s young co-founders, in addition to innovative thinking, share a fundamental impatience with how slowly advanced technology has been integrated into health-related applications. “Artificial





#### **\$1 Million**

BMO's donation in support of stem cell and regenerative medicine research at The Ottawa Hospital's Regenerative Medicine Program and the Canadian Stem Cell Foundation.

intelligence has grown immensely in other industries," Harry says. "The way we deliver health care needs to evolve, too."

#### **Right team, right place**

A small company with a big vision, Medella – which now has 15 employees – anchors its growth strategy in the founders' clear view of what drives success. "Motivation," Harry says, "is the balance between intrigue – the need to be constantly learning new things – and connection, the feeling that you're in a safe environment for taking risks. One is a measure of growth, the other is a measure of safety – and you have to balance them both."

Medella has also benefited enormously from being in the vibrant tech hub of Kitchener-Waterloo. "The technical expertise here is amazing," Harry says. "Many students may have interned at five different tech companies by the time they graduate – which you don't see even at the elite U.S. tech schools." The entrepreneur also cites advantages such as ready access to lab spaces and well-funded research facilities, which in Medella's case includes the world-leading Waterloo-based Centre for Contact Lens Research. Also vital is the fact that the University of Waterloo, unlike many tech-focused schools, does not generally seek a share in the licensing of intellectual property developed on-campus – which eliminates bureaucracy and keeps young innovators happily in control of their pioneering work.

Last but not least, the local high-tech culture creates a broader community of support. "The media talk a lot about the peer network, but it's so much more than that," Harry says. "It's about mentorship and learning from more experienced people about sales, finance, marketing – there's so much you learn from being in a hub like this."

#### **Investing in a better future**

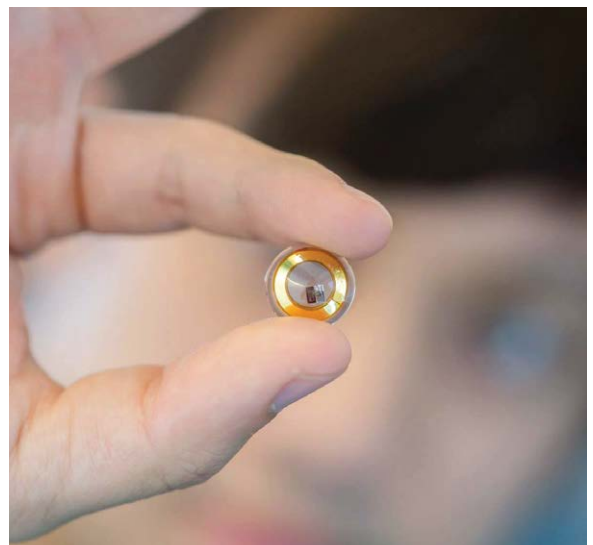
Another pillar of Medella's support system is its relationship with BMO Commercial Banker Adam Manning, who helps the firm manage its working capital – critical for a start-up – and offers strategic investment

guidance, as well as help with services such as U.S.-Canada cross-border banking. "What's great about Adam is I can just call him if I have a question and he'll get back to me right away, anytime I need him," Harry says. "Doing that for such a small firm is pretty impressive."

For Adam, introducing Harry and his partners to other innovators in the Kitchener-Waterloo tech community is about more than creating business opportunities: "From the moment I met the Medella team, it was clear they'd developed a technology that would change the world. It's truly rewarding to play a part in the progress of such an impactful breakthrough."

Harry and his co-founders appreciate that sense of partnership in service of a larger goal. "I see the bank's support as fuel," he says. "BMO is making the world a little bit better by helping companies like ours. When I was a kid, I was always told, 'Leave a place better than you found it.' That's how I see our global purpose." ☺

A Medella contact lens prototype.





## Redrawing Boundaries

Perimeter Institute is the leading global research hub devoted to theoretical physics – and a critical first link in the innovation chain that yields world-changing technologies.



### Contributing to our community

**WHEN WE THINK** of theoretical physics, we tend to imagine a powerful human intellect – the mind of an Isaac Newton or an Albert Einstein or a Niels Bohr – wrestling with profoundly abstract thoughts far removed from the everyday world. But in fact, many revolutionary technologies – and even entire industries – can trace their origins back to foundational insights captured in physicists’ ideas and theories.

“Theoretical physics continues to drive the development of new quantum technologies, as well as a deeper understanding of

the universe,” says Neil Turok, Director of Perimeter Institute for Theoretical Physics, founded in 1999 in Waterloo, Ontario as a leading centre for scientific research, training and educational outreach. “Our favourite saying at Perimeter is that today’s theoretical physics becomes tomorrow’s technology.”

Recognizing the vital importance of advanced research, BMO committed to a \$4 million investment in 2010 to establish the BMO Financial Group Isaac Newton Chair in Theoretical Physics at Perimeter

Above: Visiting researcher Stephen Bartlett (University of Sydney) and Beni Yoshida of Perimeter Institute, in one of the many collaborative spaces around Perimeter.



Institute. The first of a series of research chairs, each named for a leading thinker who helped define physics, the Isaac Newton Chair was awarded to renowned physicist Xiao-Gang Wen, who brought an international reputation for condensed matter research to Perimeter.

In announcing the bank's investment – our largest single donation to a scientific enterprise – Bill Downe, CEO of BMO Financial Group, remarked: "The Institute's ambitious thirst for new knowledge places it at the very frontier of discovery. Its thinkers can change our world by boldly pushing the boundaries of our current understanding of physical laws. We couldn't be more proud of this association and hope that our unique investment will enhance innovation in Canada and encourage other private-sector donors to fund chairs."

That hope has been realized. Perimeter has since received support from additional corporate and private partners, as well as commitments from the province of Ontario and the Canadian federal government, each of \$50 million over the next five years. During an announcement at Perimeter Institute in April, Canadian Prime Minister Justin Trudeau described such support as "an investment in our future."

"At Perimeter, we combine ambitious research with training to create the next generation of physicists, and with public engagement to educate and excite millions of people about the wonder and importance of basic physics," says Neil Turok. "The backing that BMO and like-minded organizations are providing is allowing Perimeter to grow into the world's leading centre for this most fundamental field of science. We simply could not do it without our partners." 🙏

**\$56.9  
million**

Total amount donated by BMO to not-for-profit organizations across North America in 2015.

Perimeter Institute for Theoretical Physics, in Waterloo, Ontario.





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## Section 2

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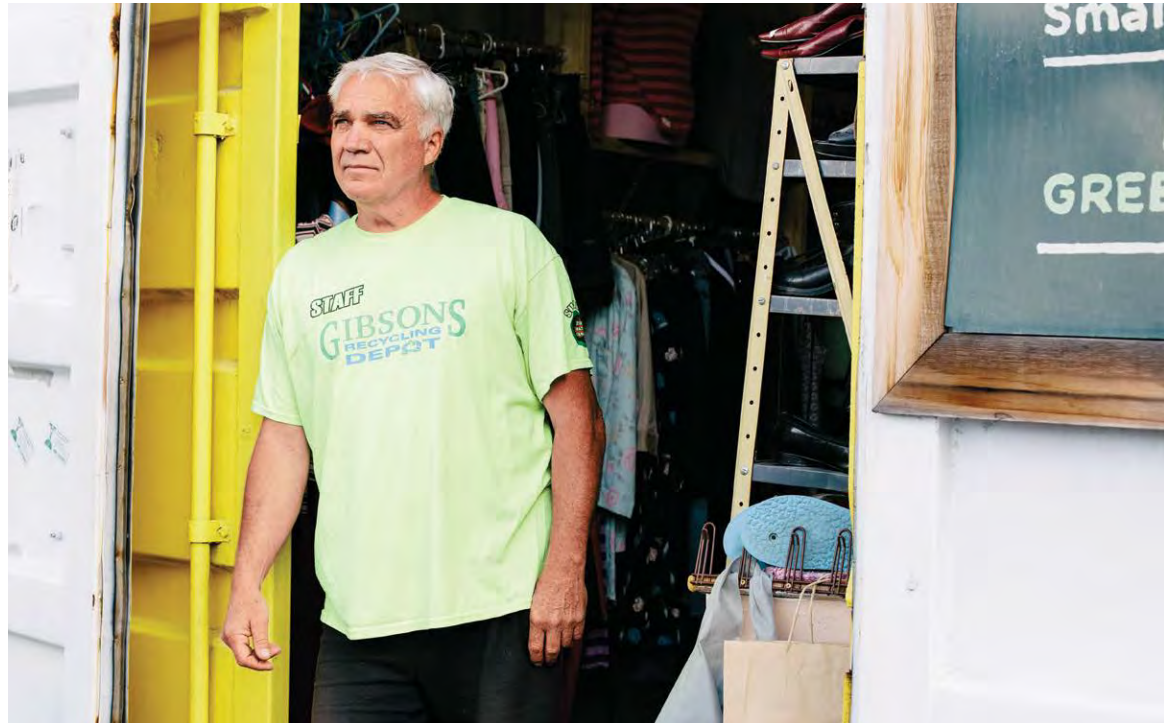
# Human interest

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Ross Yellow Horn, Client Liaison Manager for the Piikani Multipurpose Centre, Chief Stanley Grier of the Piikani Nation, and Lisa Brodtrick, Director of Aboriginal Banking, Alberta and Northwest Territories.



Buddy Boyd at  
Gibsons Recycling  
Depot, in Gibsons, B.C.



## Stories of Our Youth

In 1970, Buddy Boyd was a grade-six dropout with no job prospects when the Bank of Montreal Youth Project offered him a path to employment. Now a successful recycling entrepreneur, Buddy runs his business with the same commitment that drives all BMO community initiatives: we're here to help people realize their potential.



### Learning and development

### Contributing to our community

### Financial literacy

**"THINGS WERE A MESS.** The Vietnam War was raging, there was student unrest, we had the King and Kennedy assassinations in the U.S., then the War Measures Act here in Canada. There was a lot boiling over in society. It was a frightening time."

This was the world view in 1970 of a young Montrealer named Buddy Boyd. Raised in Verdun and growing up in the rough-and-tumble neighbourhood of Pointe-Saint-Charles, with a family life clouded by alcoholism and domestic violence, Buddy was just 19 years old and had already faced enough personal challenges to last a lifetime. With only a Grade 6 education, he was unemployed and hanging

out on the streets with other young people drawn together by drugs and a shared sense of alienation.

"I knew I didn't want that," Buddy says today, "but I wasn't sure what I *did* want. A lot of us were like that back then. There was a feeling of hopelessness. You didn't have a path to the next level, so you were just going to stay where you were."

Then one day, a sign of hope appeared. Buddy was at a teenagers' dance hosted by a local church when he stepped outside for a cigarette and saw a poster announcing something that seemed to be from another world: a program aimed at young people like him, offering a chance to make up for

his missing school years while gaining practical workplace training – in an actual job.

It seemed too good to be true. But when Buddy saw that participants automatically qualified for six months of unemployment insurance benefits, he figured it was at least worth a shot. And so he signed up for a program that would change the course of his life: the Bank of Montreal Youth Project.

### Responding to the times

As the 1960s drew to a close, the pressure for social change that had characterized the decade continued to express itself through outbursts of civic unrest, fuelled by racial tensions, economic disparities and concerns over the prolonged war in Vietnam. Against this backdrop, more progressive North American companies began to look for ways to help promote positive social change, particularly in the workplace.

Among the business leaders inspired by this idea was Arnold Hart, CEO and Chairman of the Bank of Montreal, who initiated the development of a community-based program focused specifically on the problem of youth unemployment. The result was the Bank of Montreal Youth Project, designed to help socially, economically

and educationally disadvantaged youth gain the skills they needed to find steady jobs. Through a six-month program of classroom education integrated with on-the-job training, young people with less than Grade 10 education could enhance their basic reading, computational and clerical skills while learning to become better communicators and collaborators.

Launched in Montreal in 1970 under the leadership of Ivan Eaton, the Bank of Montreal Youth Project was subsequently extended to Halifax and Winnipeg as well. Guided by a hand-picked group of teacher-counsellors, the program quickly began placing more than 70% of graduates in full-time jobs – a success rate unheard of among comparable initiatives.

One of those success stories was Buddy Boyd.

### Learning to connect

On day one of the program – after nearly a decade outside the school system or any other organized setting – Buddy found himself in a downtown office building with a group of equally nervous-looking kids from across the city. “I felt like a stranger in a strange land,” he recalls. “Everything felt foreign to me, because there was

## Top 50

BMO was included in the *Corporate Knights* 2015 list of the Best 50 Corporate Citizens in Canada.

Buddy Boyd at Gibsons Recycling Depot.







**Best Commercial Bank in Canada**  
*World Finance* magazine rated BMO as the best commercial bank in Canada.

structure. Kids who grow up in alcoholic families don't have structure. I was scared – just being in that building was daunting. But I knew I had to stick it out, because there was just no other option.”

In addition to classes in reading, math and other fundamentals, the program also taught communications skills. The students were told that they would each be making a presentation to the class, and when the time came to pick a topic, Buddy chose one close to his heart: the environment. Then he took this budding interest a step further by founding a mini-chapter of STOP – the Society to Overcome Pollution – an advocacy group that had recently been formed by a group of activists in Montreal.

“That set me on a course to where I am today,” Buddy says, recalling how his passion for the subject matter combined with an even deeper eagerness to express his ideas and share them with others. “I didn’t need to learn the capital of Poland. I needed to learn how to communicate and interact with people.”

After successfully completing the program, Buddy was hired as a collections clerk at the Bank of Montreal. For the first time in his life, he had a regular paycheck and, more importantly, a growing belief in himself and the future. And his story was only beginning.

### The multiplier effect

Launched on a modest scale, the Bank of Montreal Youth Project proved to be so successful that it was soon producing more qualified people than the bank was able to hire, and the number of prospective candidates continued to grow. To meet this demand, in 1977, with assistance from the federal government, the program expanded to include 11 other major corporate sponsors.

Now known as EPOC – for Education, Placement, Orientation and Communication – the not-for-profit organization eventually grew to include more than 50 member companies, which shared in the operating costs, helped guide the program and provided hands-on workplace training, as well as permanent placements. By

2000, about 85% of EPOC participants – who numbered several hundred per year – either found full-time employment or went on to pursue further education.

Why was the program more successful than other youth employment initiatives? According to Harriet Stairs, one of the original teacher-counsellors – who went on to a senior human resources role with the bank (see sidebar) – what distinguished the Bank of Montreal Youth Project was the amount of individual attention students received and the fact that the emphasis was not just on hard work skills, but on personal development as well: “It was really revolutionary for its time.”

### Paying it forward

For Buddy, the program’s blend of academic fundamentals and practical experience provided exactly the springboard he needed. Moving on from the bank to a shipping company, he worked his way up from driving trucks to a manager’s position with responsibility for several provinces. Next he took Outdoor Education at Dawson College. He then ran Breeze Records in Vancouver for seven years before starting

The electric vehicle charging station at Gibsons Recycling Depot.



Gibsons Recycling Depot is committed to the principles of Zero Waste.



a portable sawmill company, followed by a waste disposal company in 2001. And finally, in 2003, Buddy was able to make his lifelong concern for the environment the focal point of his entrepreneurial drive – by launching Gibsons Recycling Depot with his partner Barb Hetherington.

Today, Gibsons Recycling is the largest privately owned, non-subsidized waste diversion and resource recovery business in British Columbia, employing a staff of 17 in the small port community of Gibsons (where CBC's *The Beachcombers* was filmed) on the province's Sunshine Coast. Committed to the principles of Zero Waste, Buddy and his team focus on intercepting discarded items before they reach incinerators or landfills. The company developed one of the first non-thermal resource recovery facilities in B.C. and has been an innovative leader in handling hard-to-recycle products, such as child car seats. The depot also has a machine that compresses polystyrene foam into resin that can be used to make other plastic products, such as crown mouldings. And its curbside recycling and organic food scrap collection service was the first in North America to use electric vehicles.

Active in the global Zero Waste International Alliance, Buddy was invited in 2010 to address an international conference in Brazil. He also shares his insights

### ▼ Harriet Inspired

A young HR staffer asked to select Youth Project candidates, Harriet Stairs went on to become a senior BMO executive and now chairs a not-for-profit focused on addiction.

When program founder Ivan Eaton needed help selecting appropriate candidates for the new Bank of Montreal Youth Project, he turned to Harriet Stairs, a McGill University grad who had recently joined the bank as an employment officer. Harriet interviewed potential participants, assessing both aptitude and attitude, to select those who would benefit most from employment training. And in the process, she became so committed to the program's goals that she took on a full-time role as a teacher-counsellor for the next four years.

"It was life-changing to work with these students," Harriet recalls today. "They were young and fun, even though we were doing serious work. I learned so much." In a long career with the bank that culminated in her role as Executive Vice-President, Human Resources, Harriet constantly sought ways to connect employee initiatives with deeper social values. She played a key role in helping BMO achieve recognition for the advancement of women in management roles, which led to a landmark award from the U.S.-based Catalyst in 1994.

"Education is absolutely the key," says Harriet, who now chairs the Ontario board of Portage, a not-for-profit that helps people with problems related to substance abuse. "If you can turn smart people on to a better direction, the world opens up for them." 🧡



and experience closer to home as a consultant and teacher – and as an inspiring mentor to his own employees. “I’ve come full circle, from learning in the Youth Project to being the teacher.”

At 65, Buddy reflects often on the unique program that helped him find his way from the tough streets of Pointe-Saint-Charles: “I’ve done many wonderful things in my life that I could never have done if it weren’t for the Bank of Montreal Youth Project. Those teachers gave – they cared. I learned how to push through challenges and find confidence. And now I find myself in a position, in our small community, to try and pay it forward. I’m fortunate to be working in collaboration with tremendously talented people – from First Nations leaders and businesspeople to environmental groups and community leaders – looking at ways we can solve some of our environmental issues while building better communities.”

Buddy brings the same sense of mission to building his own business: “The program that helped save my life is present today in our operation. We hire a lot of people who’ve fallen through the cracks, and offer them a hand up. We teach them skills and how to communicate, so when they leave here they can go out into the world and do better.” ☺

“Compassion is certainly a factor, but it is only part of the mix. Our motives are firmly rooted in concern for the healthy development of the total society in which we operate and the knowledge that our own long-run corporate interest will be served if we participate fully in the search for solutions to some of the more difficult problems facing society in our time.”

*G. Arnold Hart, Chairman, 1959–1974, and President, 1959–1967, Bank of Montreal*

### ▼ Our Story Continues...

The Bank of Montreal Youth Project, after a remarkable four decades, has now run its course. (Its multi-sponsor version, EPOC, was phased out during the recent global recession.)

But the innovative spirit that made the program a landmark for its time – and the valuable lessons learned by the people who ran it – are reflected today in a wide range of bank initiatives aimed at fostering social and economic well-being. Here are just a few of our recent programs aimed at increasing opportunities for youth:

- BMO is founding funder of The Learning Partnership’s Entrepreneurial Adventure program. The program brings volunteer business mentors together with teachers and students at all grade levels in projects designed to increase young people’s understanding of business and inspire future entrepreneurs. The year-long program culminates in the annual BMO National Student Innovation Awards and Showcase. The businesses run by the students have raised more than \$2.9 million for Canadian charities over the past 20 years.
- BMO has developed a number of programs, in partnership with Indspire, in support of Aboriginal youth achievement. The Ron Jamieson Aboriginal Scholarship and Internship Program, named for BMO’s former Head of Aboriginal Banking, provides young people with scholarships and the opportunity to compete for summer internships that can lead to permanent jobs on graduation. The internships combine structured training with on-the-job coaching and mentoring from other BMO employees of indigenous descent. ☺

Children playing  
at Next Door, in  
Milwaukee, WI.



## The Kids Next Door

Committed to building “stronger families through education,” Milwaukee-based Next Door gives inner-city children a head start by investing in their greatest asset: their minds.



Contributing to  
our community

“WE KNOW THE HUMAN BRAIN continues to grow until young adulthood,” says Dr. Tracey Sparrow, “but early childhood development is the most critical. Those first experiences set the course for the rest of a person’s life. As young brains develop networks and pathways, you want to help create connections that support growth, rather than inhibit it. And seeing the positive impact when you get those connections right is incredibly gratifying.”

Tracey is President of Next Door, an early childhood education organization that has been serving Milwaukee’s economically challenged North Side since 1969. Committed to helping families in poor urban neighbourhoods find equal opportunities for success, the not-for-profit

organization focuses on nurturing young minds to grow in positive directions. Its mission: To support the intellectual, physical, spiritual and emotional development of children so they become self-sufficient, contributing members of the community.

Next Door is responsible for delivering the Head Start program, created by the U.S. Department of Health and Human Services to provide early childhood education, health, nutrition and parent-involvement services to low-income children and their families. The federal program has two streams: Head Start, aimed at children aged 3 to 5, and Early Head Start, which starts before birth and supports children up to age 3.



## \$1 million

BMO donated \$1 million to expanding Ryerson University's Tri-Mentoring Program, which helps equip students for success.

"The focus on ages 0 through 5 is really important," Tracey explains, "because unless you get kids on the right path before first grade, it can be too late." Many young people raised in poverty experience adversity and trauma at a young age, which can create unhealthy connections in developing brains. Next Door works to ensure that children are in supportive relationships and have the building blocks of a healthy life. "Positive experiences allow kids to develop their potential in the future," says Tracey, who devoted the first part of her career to working with elementary and high school students before shifting her focus to what she sees as the crucial years of early childhood.

From its original location in Metcalfe Park, one of Milwaukee's most disadvantaged neighbourhoods, Next Door has grown steadily over the past 47 years to meet the growing needs of an appreciative community. It is a success story built on

partnerships, as the organization's teaching staff works with parents and other family members, as well as local schools, healthcare providers and university researchers focused on childhood development. Over the years, Next Door has extended its impact through multiple locations and a new network of nine childcare organizations across the community, providing support in everything from teacher training and classroom coaching to consulting on health and safety.

The Next Door team closely monitors children's progress against key developmental benchmarks. Tracey notes that the latest data shows Head Start participants exceeding national norms for language comprehension, vocabulary, and use of conventional grammar. At the same time, there's a strong emphasis at Next Door on social and emotional development, as children are shown how to channel their emotions in ways that help rather than impede

Next Door is a lead agency for Head Start, one of two streams in a U.S. early childcare program.





Chad Swalheim of BMO Harris Bank, with Dr. Tracey Sparrow, President of Next Door.



**600,000 Students** participated in 2016 in Talk With Our Kids About Money Day, an educational program created by the Canadian Foundation for Economic Education in partnership with BMO.

learning. To foster empathy, for instance, Next Door has a therapeutic dog named Maggie who helps children learn to display affection and talk about their feelings.

The success of this holistic approach has earned wide acclaim from community leaders, including Wisconsin's governor. It's also won a thumbs-up from Washington: in 2013, Next Door was designated as a lead agency for Head Start. This expanded scope of responsibility brought an immediate spike in enrolments, from about 300 children to more than 1,000. With the rapid growth in demand, there was an urgent need to invest in more staff and additional facilities – and that's when BMO, already a Next Door partner, stepped forward to play an even larger role.

#### **A strong partnership**

"We knew that to gain the kind of impact we wanted to have as a Head Start lead agency," Tracey recalls, "we had to use our expertise and leadership to reach more

children and families. And at a practical level, that meant we needed more space."

Unable to afford a brand-new facility, Next Door located an existing building in north-central Milwaukee: a 103,000-square-foot former hospital that had been vacant for several years and could be economically renovated through philanthropy and financing. BMO Harris Bank arranged US\$3.9 million in loans – including US\$1.5 million under the federal government's New Markets Tax Credit Program – to finance the acquisition and a three-year phased revitalization, which is nearing completion. The result is a state-of-the-art educational centre with 20 classrooms and enough space to accommodate more than 400 children, bringing the total served by Next Door to well over 2,000 children and their families.

"With BMO's help, we've been able to expand and serve all the kids we want to support in a beautiful renovated building," Tracey says. Consolidating services in the new facility has also made it far easier to maintain the consistent quality of care that's so important to Next Door. For Tracey and her team, it's been gratifying to see that the spirit of partnership and collaboration – so vital to their work in the community – also guides their work with BMO to finance Next Door's vision. "No one can do everything alone," she says. "We leverage the strength of our partners."

That thought is echoed by Chad Swalheim of BMO Harris Bank, who specializes in commercial and real estate lending: "Next Door has been a wonderful organization to work with over the past eight years. They have outstanding leadership, both at the staff level and on the board of directors. Thanks to our collaboration, young people and their families have access to the facilities and programs they need and deserve."

Looking out her office window as children come and go from the new building, Tracey is clear about the positive impact that Next Door continues to deliver after nearly half a century: "This is some of the most important work you can do for a community – because kids are our future." ☺



# Higher Learning

When Pavneet Kaur emigrated from India to Canada, one of BMO's not-for-profit partners helped her get the workplace experience she needed. Now she's helping others learn to get ahead.

Pavneet Kaur at BMO's Institute for Learning, in Toronto, Ontario.



Diversity and inclusion

Learning and development

Talent attraction and retention

**TWO YEARS AGO**, Pavneet Kaur arrived in Canada with a university education and a solid record of experience. After earning a commerce degree in India, she'd worked in training and development with a multi-national technology and consulting company. And before emigrating, she took the initiative to earn her Certified Training Practitioner (CTP) designation from the Canadian Society for Training and Development (CSTD).

Still, when Pavneet moved to suburban Toronto, she found it difficult to gain career traction. She took on various freelance projects while caring for her infant twins and searching for opportunities that better matched her experience. Then an acquaintance steered her toward the

not-for-profit Peel Multicultural Council's program in support of new immigrant professionals – delivered in partnership with BMO.

For Pavneet, it was a turning point: "They helped me get a foot in the door, and I haven't looked back."

## Getting with the program

The Peel Multicultural Council is a government-funded agency that provides guidance, learning and support to newcomers of all ages. The immigrant professionals program addresses an all-too-familiar challenge: ensuring that newcomers with marketable credentials and experience don't end up unemployed, or in jobs for which they're overqualified.

▼  
**\$93  
million**

BMO's annual investment  
in employee learning  
and development  
in 2015: \$1,980 per  
full-time employee.

Underutilizing the knowledge and skills of internationally educated professionals is estimated to cost the Canadian economy billions of dollars annually in lost potential. That waste of talent also results in more tax revenue being allocated to support programs. And the frustration felt by newcomers has a generally detrimental effect on social well-being.

The Peel program works closely with BMO's human resources team, highlighting positions that we are hoping to fill and proposing co-op candidates based on its knowledge of our hiring needs. As new kinds of roles emerge across our organization, the program's participants are often a welcome addition to the potential talent pool – as was the case with Pavneet Kaur.

#### Learning to excel

"From the moment I arrived, I was part of the team," Pavneet says of her co-op placement at the BMO Institute for Learning (IFL), the bank's training and development centre in Toronto. She immersed herself in her role, eager to understand every aspect of a facility that has delivered more than half a million learning sessions to BMO employees since 1994.

Pavneet's potential was immediately evident to the IFL team. Faelyne Templer, Program Delivery Manager, recalls the initial interview: "Pavneet was engaging, personable, asked great questions, and she was passionate about learning – and learning systems, which is not so common! We knew immediately she'd fit into our team."

What was originally meant to be a six-week co-op placement evolved into a contract position she's held for more than a year. "She demonstrated so much value to our organization, we knew we had to keep her here," says Faelyne.

Pavneet is keen to earn added credentials, and is now pursuing a certificate in e-learning at the University of Toronto. "BMO is very supportive of education," she says. "They encourage me to learn and train for new skills. Now that I've landed this great opportunity, working for one of the biggest brands in Canada, I just want to keep excelling." ☺

#### ▼ Including Everyone

At BMO, we are proud of our long-standing commitment to diversity and inclusion right across our organization – and to creating a work environment where every talented employee is supported and empowered to succeed.

For our bank, a diverse workforce and an inclusive workplace are not only the building blocks of a deep commitment to employees, they're essential to delivering on our vision: *to be the bank that defines great customer experience*. We have taken a strategic approach to setting ambitious workforce diversity goals, such as achieving 40% female representation in our senior leadership ranks, and rigorous goals for minorities, Aboriginal people and people with disabilities – goals we are proud to have achieved.

Just as importantly, we're working to evolve individual attitudes and reaffirm the collective values that shape our corporate culture. The bank's Leadership Committee for Inclusion & Diversity, comprised of senior leaders from all business and functional groups, is developing strategies and action plans to help foster accountability for diversity and inclusion across all dimensions of BMO's operations. This includes realigning organizational structures and work processes, as well as strengthening programs to support a wide range of groups, including women, people with disabilities, visible minorities, Aboriginal people and the LGBT+ community. BMO's commitment to workforce diversity and inclusion extends beyond our workplace to include the communities and millions of customers we serve. ☺





## Pride of a Nation

For the Piikani Nation of southwest Alberta, economic transformation is the key to future well-being, while the deeply held values that drive it are firmly rooted in the past.



### Responsible lending

**“WE WERE CONSIDERED NIITSITAPI**, the real people of the plains, ruling from time immemorial across the prairies,” says Chief Stanley Grier of the Piikani Nation. “We have a distinct world view, spiritual history, language and community. That’s what has made us strong. Through all the adversity we’ve experienced – smallpox, residential schools, intertribal wars – our Creator has promised that we will always be here. So it’s a sacred honour for me to serve my community. I’ll do the best I can to contribute to the betterment of my people.”

The Piikani Nation is part of the Blackfoot Confederacy, or Siksikaitsitapi, an alliance of four indigenous First Nations

whose communities are located in Alberta and Montana. Today most of the 3,700 Piikani people live on reserve lands around the small town of Brocket, within an expanse of prairie that ends at the foothills of the Rocky Mountains in the southwest corner of Alberta.

The reserve includes agricultural land for growing crops and raising cattle. The Piikani also earn revenue from natural gas development, and more recently their significant wind and water resources have opened up opportunities in green energy production.

The fact that so many Piikani people remain on the reserve helps to strengthen

Above: Lisa Brodtrick of BMO Financial Group, with Chief Stanley Grier of the Piikani Nation.

▼  
**\$1.83  
billion**

Total value of business  
conducted by BMO's  
Aboriginal Banking unit  
in 2015.

the community. But it can place significant stress on housing infrastructure. This was one of the main challenges faced by the newly elected Chief Grier when he took office in January 2015.

### **Building for the future**

In recent years, the Piikani Nation has wrestled with issues of consistent governance and financial accountability as the community worked to become more self-sustaining while continuing to respect traditional values. Chief Grier and his eight fellow council members have built on the efforts of their immediate predecessors to aggressively repay debts and introduce electoral reforms.

"I want to ensure we don't forget the accomplishments of past leaders," says the chief, who took on his current role after serving 34 years with the Royal Canadian Mounted Police and the Tsuu T'ina Nation Police Service, where he served as Chief of Police. "With the education and skills past councils had, they did the best they could. Now we're building on our strengths and improving on our weaknesses."

The new council embarked immediately on a substantive change agenda, creating a long-term agricultural strategy, launching a housing program, building a state-of-the-art hockey arena and exercising an option to purchase 51% of a large electrical transmission line that crosses Piikani Nation lands. The council has also tightened its own governance practices, designating sectors of responsibility and establishing clear lines of accountability. The finance department has been similarly restructured, and new staff members have been hired with the necessary skills and education to manage the community's accounts.

"We're also holding more public meetings," Chief Grier explains, "so we can engage the community and tell them what's going on. We believe in strong communications."

During its first year in office, the council oversaw construction of 15 new housing units. Another 35 are slated for completion in 2016, advancing toward the target of 130 new homes set for the

council's four-year term – with more to follow. There are also plans for a new service centre on the highway nearby. And the council is exploring potential opportunities with representatives of the renewable energy and coking coal industries.

In all of these initiatives, Chief Grier notes, the community's efforts are supported by a key partnership: "This is only possible through our business relationship with BMO."

### **A respectful partnership**

One of the first things the new council did was arrange meetings with representatives of Canada's major chartered banks. "All five institutions showed us interesting business arrangements," the chief recalls. "However, Lisa Brodtrick of BMO demonstrated a greater degree of commitment to us. We entered into an agreement with BMO solely due to her sincerity and integrity. Lisa has been very accommodating and supportive, walking us through everything on the business end with the time and interpretation that's needed. And she does it all in a very respectful manner."

That respect is mutual. "BMO was the first financial institution to recognize what

The new Multipurpose  
Centre on the Piikani  
lands in Brocket, Alberta.





## 89

First Nations participating in the bank's On-Reserve Housing Loan Program.

the Piikani Nation has done to create and sustain sound governance, fiscal accountability and financial stability,” says Lisa, whose team works with First Nations across Alberta and the Northwest Territories. “Those are important factors that, when paired with the traditions and cultural identity of a Nation, empower self-determination – and support community health and economic prosperity.”

Between their many housing and construction projects, credit facilities extended to the community total \$25 million. That investment reflects the closeness of a relationship that frequently sees bank representatives joining council work groups and participating in public information sessions. They’re supported by the expertise and resources of BMO’s Aboriginal Banking unit – unique among Canadian financial institutions for having a national office to provide strategic direction, evaluate risk and nurture customer relationships.

“We have a special partnership with the Piikani Nation that transcends a purely transactional banking relationship,” Lisa says. “Personally, I’m in awe of all that Chief Grier and the councillors have accomplished. When leaders show the character necessary to follow through on what they said they were going to do, even in hard times, you know this is a partner you can count on – and invest in.”

### Sustaining a legacy

Looking ahead, Chief Grier is encouraged by a new level of goodwill toward First Nations from the provincial and federal governments – against the broader backdrop of social change reflected in milestones such as the United Nations Declaration on the Rights of Indigenous Peoples and the report of the Truth and Reconciliation Commission of Canada. “This is a window of opportunity,” he says, “not just for the Piikani, but for all indigenous peoples. We’re working on a number of major new initiatives to create wealth for our community.” Among the examples he cites are the renegotiation of oil, gas and mineral rights on Piikani lands, as well as a settlement for damages caused by the Oldman River dam in the early 1990s.

At the same time, the community continues to view education as vital to long-term prosperity. “The Piikani Nation leads all Canadian First Nations in our total number of postsecondary graduates on a per capita basis,” the chief says. “Because we’ve been neglected when it comes to wealth, we’ve had to create our own opportunities. We want our people to go out and be successful in anything they do. We also have a responsibility to be mentors to our youth, and to set strong examples in the way we live our lives.”

Following in the footsteps of his father – a decorated Korean War veteran who served as a councillor – and carrying on a legacy of leadership stretching back generations, Chief Grier sees his role as embodying the aspirations of his people: “Because we have such a strong history here, and such a love for our community, we want to contribute in a meaningful way to its long-term sustainability. We work hard to create opportunities and instill pride. We’re trying to do better so that our nation can do better – which is an extension of our forefathers making a better life for us.” ☺

New housing being constructed on the Piikani lands in Brocket, Alberta.



# Greater Montreal

Under the banner *Je vois Montréal*, one of North America's oldest cities is revitalizing itself through a grassroots collaboration that blends commerce, culture and social change.

Decorating a wall at the *Je vois Montréal* conference at Place des Arts.



Contributing to  
our community

ON NOVEMBER 17, 2014, more than 1,000 people gathered in Montreal to share diverse perspectives on a topic close to everyone's heart: the future of their city. One of North America's key economic hubs since its founding in 1642, and the commercial capital of Canada well into the 1970s, Montreal entered the 21st century with its dynamism depleted. Compared to Canada's five largest cities, it had the lowest GDP growth and the highest rate of unemployment. Population growth was half that of its peers.

What could be done to restore the energy that had always distinguished this vibrant, cosmopolitan city? This was the subject of the daylong conference at Place des Arts, as representatives from various sectors – including business, education, the arts and scientific research – came together with community leaders to share ideas. United by the slogan *Je vois Montréal* ("I see Montreal"), delegates sensed an inflection

point where shared concerns could become a movement for positive change. And one of its strongest voices was a well-known champion of Montreal's economic growth: Jacques Ménard, Chairman of investment advisors BMO Nesbitt Burns and President of BMO Financial Group in Quebec.

## Seeing what's possible

*Je vois Montréal* grew out of a pro bono study conducted in 2014 by Boston Consulting Group in partnership with BMO. Examining 78 major cities around the world, the research team identified seven that had faced challenges comparable to Montreal's and successfully revitalized their economies. The study identified important factors those cities have in common, such as: strong leadership at the metropolitan level, supported by higher levels of government; an emphasis on fostering human capital, especially through





### \$1.5 Million

BMO pledged \$1.5 million for the naming of the new BMO Theatre Centre in Vancouver, in partnership with Bard on the Beach and Arts Club Vancouver Theatre Society.

higher-education institutions; and, above all, perseverance – because turning around a slow decline requires long-term effort.

More than 50 leaders from key sectors and every area of Greater Montreal were consulted for the study. The final report was both hopeful and candid, highlighting the city's weaknesses alongside its strengths. Advantages included the robust aerospace, high-tech, multimedia and biopharmaceutical industries; a well-educated population (with proportionally more university students than, for example, Boston); a multilingual workforce; and the positive impact, for both tourism and employment, of the city's many major cultural and sporting events.

The report made 10 specific recommendations in areas such as engagement, infrastructure, talent retention and long-term ambitions. When it was published, Montreal's civic leaders were galvanized into action and began developing a framework for implementing some of the key recommendations. Je vois Montréal evolved from a conversation into a social movement, and it was citizens who would create the revitalization initiatives and see them through – with the municipal government, the Board of Trade of Metropolitan Montreal and BMO playing strategic supporting roles.

"Montreal will be what we make of it," Jacques Ménard stresses. "We've developed this bad habit of waiting for solutions to come from up high. Well, you know what? They never do. Cities come back when people mobilize themselves and decide that they can make their communities a better place."

The organizers of Je vois Montréal engaged with community groups, colleges and universities, and the business, scientific and cultural sectors. Through this consultative process, 181 initiatives were deemed to be worth pursuing. And as various proposals gained traction, the movement took on a new name for its execution phase: Je fais Montréal ("I make Montreal").

### An idea worth sharing

An advisory board chaired by Montreal's mayor helps to oversee and drive mobilization efforts. And a committee comprising representatives from the business and academic sectors is creating an index of socioeconomic impacts from the initial Je fais Montréal projects, with the goal of measuring their contribution to renewed momentum.

By June 2016, more than 100 projects had been launched or were at the testing stage. They encompass many different aspects of the city's life, from media and technology to public health and the environment. For example, Montréal Houblonnière ("Montreal Hopfield" – see page 47) has arranged for thousands of hops to be planted around buildings across the city. AéroPortail is a digital ecosystem that helps young people access information on Quebec's aerospace industry and potential career opportunities. And L'Extension is a clinic offering remedial education and health services to residents of Parc-Extension, a multicultural neighbourhood in the north part of the city.

The sheer variety of Je fais Montréal projects reflects the multifaceted nature of the city and the diversity of its citizens. The common threads are civic pride, a sense of empowerment and a belief in positive change. As Jacques Ménard sums it up: "We've made people participants in the future of their city. This project understands the importance of human capital – from the literary, artistic, cultural and educational worlds, as well as the private and public sectors. I'm convinced that what we've achieved so far can be a blueprint for other cities, providing insights, a template and tools for making decisions that represent the best of their communities." ☺

BMO's Jacques Ménard speaking at the Je vois Montréal conference.



# Hops in the City

A unique green project invites Montrealers to plant hops around their homes, offices and factories – with the harvest to be used in a special beer brewed for the city’s 375th birthday.



## Contributing to our community

**FOR YEARS MATHIEU GARCEAU-TREMBLAY**, the master brewer at Montreal microbrewery Brasserie Harricana, has been growing hops in his backyard and using them to create small-lot craft beers. So when he read about the Je fais Montréal initiative encouraging people to suggest projects that would help to revitalize the city (see previous story, page 46), he immediately thought of extending his personal hobby into a community-wide phenomenon. His proposal was accepted, and he’d soon launched Montréal Houblonnière (“Montreal Hopfield”), inspiring fellow gardeners to plant hops around houses, apartment buildings and commercial properties across the city.

This experiment in urban agriculture has had an immediate greening effect. Hops are climbing plants, and when they cover vertical structures their foliage helps to absorb the summer heat. Also, because they grow vertically, their footprint is much smaller than that of traditional flower and vegetable gardens. But of course what the hop plant ultimately provides is its flower, which has long been used by brewers as a stabilizing agent and one of the key ingredients from which each beer gets its unique flavour.

Montreal is known for its avid beer culture, so having hops as the focus of a community-building project made perfect sense. But from the outset, Mathieu had something bigger in mind. As the city prepares to celebrate its 375th birthday in 2017, why not brew something special for the occasion – from hops grown right in the city? He has since enlisted support from 15 microbreweries, all of which plan to make commemorative craft beers for the birthday celebration. These limited-run products will only be available on tap, so local residents and tourists will have to visit the



breweries in person – adding to the social dimension of the project.

“We’re creating links between citizens and businesses, and between brewers and local hops producers,” says Mathieu, who has recruited more than 300 people to grow hops for the project – either to contribute to the birthday beers or to flavour their own homebrews. “Using hops that your neighbours are growing is a great symbol of community.”

Indeed, the spirit that Montréal Houblonnière captures goes far beyond the camaraderie of raising a glass together. “This is a volunteer and non-profit project,” Mathieu says. “We do it because we believe in it. Bringing like-minded people together inspires you to keep doing more, with everyone working in the same direction to make this city a better place. In the coming years we’re going to see major transformations as we use plants to create a more pleasant living environment and support the global effort to safeguard our environment.” ☺

Above: Hops growing in Montreal, Quebec.





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### Section 3

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## Sharing one purpose

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BMO employees Lily Kith and Natalia Munteanu, working with a customer at our Peel branch, Montreal, Quebec.





Far left: Rebecca Darr, CEO of WINGS, and two graduates of the WINGS program.

## Safe and Sound

For more than 30 years, the WINGS domestic violence program has given refuge to Chicago-area women fleeing abusive partners, and then helped them restart their lives.



### Contributing to our community

**EVERY THREE SECONDS**, a woman somewhere in the United States is assaulted by her partner. On a typical day, domestic violence hotlines across the country receive more than 20,000 calls from victims in distress. Many children are adversely affected as well, either directly as victims, or as witnesses to the abuse of their mothers. Nationally, intimate partner violence accounts for 15% of all violent crime.

The physical and emotional suffering experienced by these families also carries an economic cost, as abused women miss more than 8 million workdays annually and in many cases lose their jobs as a result of constant disruption and anxiety in their home lives. This perpetuates their inability to escape a cycle in which they're often trapped because of financial need and a lack of support systems, not to mention the

crippling effect of post-traumatic stress disorder (PTSD) and other forms of psychological damage.

Since 1985, a pioneering program called WINGS has been helping women escape the trap of chronic abuse in Chicago – a city where domestic violence is the number one reason for 9-1-1 calls and the principal cause of homelessness among women and children. Although the organization's original plan was to locate affordable housing for homeless women and children, WINGS is now the largest provider of domestic violence housing and services in Illinois, with two emergency shelters, various walk-in community centres that offer support and counselling, and 31 homes and apartments where victims and their children can begin making the transition to new lives.



15,000

Nights of shelter provided to over 800 guests at the WINGS Safe House in 2015.

### Breaking the cycle

“When you provide options for going forward, that changes the whole game,” says Rebecca Darr, who has led WINGS since 1999 as Executive Director (and more recently as CEO). “People think a woman who is being abused should be able to leave easily, despite having no access to money and no help from the police. That’s just not the case. Having an advocate by your side makes something that felt impossible suddenly seem possible.”

Many women fleeing abusive situations seek refuge with family members. But that can be dangerous, as their partners can easily track them down. That’s why access to a secure, confidential emergency shelter is so important. Once a woman is safely in a shelter, she can contact the police and get a judicial order of protection in place. She can also seek counselling for the most common outcomes of abuse, PTSD and depression.

WINGS differs from most emergency domestic violence programs in that it also provides post-shelter housing. Women escaping abusive relationships tend to be financially vulnerable, and in many cases are at risk of becoming homeless. “The dynamics in these relationships are about power and control,” Rebecca explains, “and men often control the money.” All too frequently, women return to violent partners simply because they can’t afford to stay on their own – and the old pattern of abuse soon returns.

Women who qualify for WINGS transitional housing pay a percentage of their rent and receive all the essentials of life, including clothing, food, furniture, counselling, guidance and training at no cost. The two-year stay with WINGS gives women the time they need to get back on their feet, so they can focus on restoring their emotional health, resolving legal issues, going back to school (if desired), and saving money for the future. For those who complete the full two-year stay in WINGS housing, the program has a 100% success rate: they emerge self-sufficient and don’t go back to their abusers.

The WINGS program also takes care of children from abusive homes, which increases the number of clients threefold.

### Journey to Freedom

In 2005, Jami Lynn left her abusive husband, taking their 18-month-old son with her. With no income, she was forced to live in a car. Then she found the help she needed to reinvent her life.

“I basically came to WINGS with nothing. I’d lost our home, our car, our dog, most of our belongings. I had no family in Illinois, and that left me with no real support structure or way out. I received immediate assistance from the shelter: housing, food and a safe place to be. This help was crucial.”

“I came from a history of childhood abuse, so I’d normalized terrible behaviour for so long, I had to do a lot of unlearning and learning again. What stands out to me, when I look back on my journey, is that they gave me a new view on life. Peace, a different way of doing things. A place where I was not judged. Somewhere I could start again, a free woman.”

“I received counselling over many years and worked on my issues. I grew to love myself and be a successful mom, a career woman and a loving partner to my guy of almost 10 years. We have a real life, one that’s enjoyable and free. My kids get to grow and enjoy their freedom and see an example of a happy, engaged mother who’s not caged by her abuser. Someone they can model themselves after.”

“WINGS gave me an opportunity to grow, to believe I was someone more than who my abuser shaped me to believe I was. Without that opportunity, I truly shudder to think how long my journey to freedom could have taken... if I could have found freedom at all.” ☺

▼  
**1,400+**

Residents getting  
a new start in life at  
WINGS transitional  
housing in 2015.

“For children, going to a shelter is confusing and scary, so stability is essential,” Rebecca says. “Many of the kids are very stressed out. We create a calm, safe environment where they can just be children and not worry about what’s happening to their mom.” WINGS helps with counselling, school and transportation, creating stability at a critical point in these children’s lives. “The earlier we can help kids, the greater the chance they won’t grow up to be victims – or abusers themselves.”

#### **Taking responsibility**

In February 2016, WINGS opened the first new emergency domestic violence shelter in downtown Chicago in more than a decade. Among the corporate donors that helped to make the new shelter possible was BMO Harris Bank. For more than 20 years, BMO has supported WINGS with financial donations, volunteer outreach efforts and strategic advice. Both directors and executives of the bank have collaborated with the WINGS board and Rebecca’s leadership team on fundraising initiatives, as well as ongoing efforts to raise the organization’s profile with clients, colleagues and a wider circle of corporate and private donors.

“We rely on private companies for money, but also for expertise and support,” Rebecca explains. “BMO has been our most hands-on corporate partner in terms of helping us grow the organization.” Such partnerships are especially important when government funding can be uncertain – to the point where some shelters have had to close. Adding to the fundraising challenge is the fact that many consumer-facing companies aren’t comfortable associating their names with the painful topic of domestic violence.

“We’ve known that we can continue to count on BMO for support every year,” says Rebecca. “This is essential for an organization like ours.” Having led WINGS through 17 years of steady growth – from a 10-person team with annual funding of \$400,000 to the current staff of 46 with a budget of \$6.3 million – the veteran counsellor and caseworker sees where corporate responsibility aligns with the broader social good: “As a society, we have an obligation to help people out. But domestic violence also carries a huge economic cost in terms of social services, hospital care and people missing work. So by helping to stop the cycle of abuse, we’re benefiting the whole community.” ☺

#### **Investment Opportunity**

For Ellaine Sambo-Reyther, a BMO Private Wealth Advisor in Chicago, early exposure to domestic violence fuels the conviction she brings to her role as a WINGS board member.

“When I moved to a new job in suburban Chicago in 2005, I saw that it was a very community-oriented area, and that inspired me to volunteer with WINGS. Time is valuable, and I wanted to spend mine on something that was near and dear

to me. I joined the board three years later.”

“To take a tour of the WINGS Safe House, seeing the women there and hearing how their lives have changed – it’s amazing. It keeps me coming back, because I want to hear more good stories.”

“I’ve been involved with a number of non-profits, and WINGS people really are doers. From their donor relations to their operations, they’re working so hard – and thriving. The staff is phenomenal.”

“Everyone on the board donates their expertise, so WINGS doesn’t have to invest as much in senior leaders. In my case, I review budgets and offer advice

on the business model. But my main function is creating awareness for this amazing organization. When I talk to people in the community, it’s not that different from when I’m sitting down with clients. You have to understand what matters to people, and gear the conversation toward them.”

“It’s important to help better the communities where we work. That means we have to be involved in those communities. And it means making sure we’re giving people in organizations like WINGS the opportunity to better the community as well.” ☺



# Here Comes the Neighbourhood

We take an innovative approach to economic development under the U.S. *Community Reinvestment Act* (CRA), creating opportunities that reach far beyond affordable housing.



Responsible  
lending

Contributing to  
our community

Access/Financial  
inclusion

**“PEOPLE TEND TO THINK** of CRA initiatives as providing affordable housing in low- and moderate-income neighbourhoods,” says Cynthia Mufarreh, BMO’s recently appointed Chief CRA Officer. “And while that’s definitely an important part of our focus, we also try to be creative in how we help communities fuel their future economic development. A good example is our investment in a new hotel in downtown Milwaukee, which will inject new life into the city and create badly needed jobs.”

Scheduled to open in 2017, the new Westin hotel will offer a great view of both Lake Michigan and the city skyline. It will have direct indoor connections to nearby office buildings where some 3,000 people work each day, and is close to cultural and performance venues such as the Milwaukee Art Museum and Henry Maier Festival Park. In short, the Westin complex will be a welcome new landmark in a city that is committed to revitalization.

BMO’s CRA Governance team knows that a well-placed hotel typically creates hundreds of new jobs in a community. The Westin’s developer expects to create more than 170 new full-time and part-time jobs, about 80% of them entry-level. That infusion of new incomes into nearby communities will further extend the economic impact of an important new downtown hub.

## The value of community

The Milwaukee hotel development is just one project in our portfolio. In 2015, we provided US\$947.3 million in CRA-related loans to support economic development, affordable housing and local services in communities where we operate across the United States. And while many of these



activities reflect the fundamental CRA goal of helping qualified borrowers at lower income levels afford their own homes, for our bank that’s just one dimension of a broader commitment that extends from neighbourhood financial literacy programs to major redevelopment initiatives.

“Whether we’re helping people buy their first homes, financing small businesses, enabling others to create jobs, or providing not-for-profit community agencies with working capital and other support, it’s all part of a bigger vision,” says Cynthia, who also serves as the bank’s Chief Administrative Officer, U.S. Retail and Business Banking. “For us, CRA initiatives aren’t just a matter of compliance. This is about investing in the communities where we work and live, and in people who expect a bank that says ‘We’re here to help’ to support their aspirations for a better future. It’s about living our values – and leveraging our skills and resources – to create lasting impact.” ☺

Above: Cynthia Mufarreh  
in Chicago, IL.



Responsible  
investing

Consumer  
protection and  
transparency

# Investing Responsibly

Over the past 30 years, sustainable investment has evolved from a niche product offering into a cornerstone of global finance – and that trend continues to gain momentum.

**ON APRIL 24, 2013**, in Dhaka, Bangladesh, the Rana Plaza apparel factory collapsed, causing more than 1,100 fatalities. The disaster, caused by inferior building construction, drew worldwide attention to local working conditions, as well as the practices of many well-known clothing brands that rely on Bangladeshi factories for inexpensive manufacturing.

Responding to calls for reform at home and abroad, businesses and the government introduced new labour and workplace safety legislation. Over the following two years, various delegations visited Bangladeshi garment factories to monitor progress and promote more responsible practices in this critical part of the supply chain. Among them were experts in responsible investment from BMO Global Asset Management.

## It pays to do good

“Society’s expectations are changing,” says Vicki Bakhshi, who leads BMO Global Asset Management’s Governance and Sustainable Investment team. “Short-term returns are no longer the only metric we’re judged on. To protect clients’ financial security, we need to understand all risks and opportunities that may have an impact on long-term performance, including those presented by environmental, social and governance (ESG) issues.”

Responsible investment is no longer just a niche product offering. A 2014 report by the Global Sustainable Investment Alliance showed that 30% of assets under management are now governed by some form of ESG framework. And according to recent analysis by the University of Oxford, 88% of research studies on the subject concluded that companies with robust sustainability practices demonstrate positive operational performance.



“BMO is committed to integrating ESG factors into our investment activities,” says Vicki, whose U.K.-based team assesses sustainability around seven key themes, including climate change, corporate governance and labour standards. “Our work reflects investors’ own commitment to considering how their activities affect the broader global economy, and the social and environmental challenges we’re all facing together.”

This philosophy is evident in the team’s assessment of progress in Bangladesh. For many years, corruption and poor working conditions have led to social unrest, which in turn erodes productivity, quality and security of supply. But when the BMO team visited, they found manufacturers working with apparel brands, trade unions and government in a legally binding framework that includes corrective measures and inspections. And to their surprise, orders are up. There is still much to accomplish, especially in the area of workers’ rights. But by showing companies the value of doing the right thing, our sustainability champions are helping to make the world a bit better for everyone – including investors. ☺

Anna-Sterre Nette,  
former BMO employee,  
in Bangladesh.



# The Spirit of Community

When a wildfire devastated Fort McMurray and several smaller communities, BMO employees rallied to offer support – including many who’d been forced to flee themselves.

Fort McMurray branch staff welcome residents back to their community.



Access/Financial inclusion

Employee engagement

Contributing to our community

**ON MAY 1, 2016, A WILDFIRE** was spotted in a forested region southwest of Fort McMurray, Alberta. Two days later, it swept through the community, forcing a mass evacuation of 88,000 people – the largest in the province’s history. When rain finally came in mid-June, bringing relief to exhausted firefighting crews, the fire had destroyed some 2,400 homes and buildings in Fort McMurray alone.

It will take years for the city and surrounding region to recover. Those who experienced it will carry memories of the trauma, and of what they lost, forever. Many BMO employees were among those who experienced the fire’s devastating power first-hand – and many more sprang into action to help their colleagues, and

thousands of bank customers, cope with the aftermath.

## Fleeing Fort Mac

“All of a sudden, I could see the flames from my office,” recalls Imran Ahmed, who manages one of two BMO branches in Fort McMurray. “There was so much smoke, it was completely dark at two in the afternoon.”

Imran shut down the branch, sending staff home to prepare for the evacuation, and was about to leave himself when a man rushed up to the front doors, banging on the glass with a pleading expression. He’d forgotten his bank card, he explained, in the rush to flee the fire, and now he had no money to get his family to safety. Imran



### Free Banking

BMO provided free or discounted banking services to 1,627,284 seniors and students in 2015.

quickly got some cash from where it had already been secured and sent the relieved customer on his way. “He was so grateful – he thought I wouldn’t open the door.”

For Imran, it was all part of the community spirit that makes “Fort Mac” such a great place to live: “When we moved here four years ago, I wasn’t sure what to expect. But we’ve been so happy here. There are a lot of people with young kids, which is the same stage my family is at. And it’s a tightly-knit community – people here try to help each other.”

As Imran and his family joined the backed-up traffic on the only highway south, he tried to contact the branch staff to make sure they’d all evacuated safely. When he reached Edmonton 12 hours later – nearly triple the usual drive time – he’d managed to connect with most of the team, but there were still people unaccounted for. So Imran created an instant messaging group, added all his team members, and soon everyone was connected and sharing information on where to find shelter, food, clothing and other essentials. “Most of us left with nothing,” Imran explains. “I left home wearing a t-shirt, shorts and slippers.”

### Are our people okay?

There were 36 BMO employees in Fort McMurray, and the bank’s first concern was confirming that they were all safe. Some had driven to Edmonton or Calgary. Others, not knowing how long they might have to stay away – or if they even had homes to go back to – drove or flew to cities across Canada to stay with family or friends. It took more than two days to track everyone down.

“I knew people had fled with nothing,” says Susan Brown, BMO’s Senior Vice-President for Alberta – for whom the evacuation brought back memories of her own family’s experience with a devastating house fire. “I wanted to get our employees out of the evac centres as quickly as possible.” Susan and her team quickly got everyone settled into hotels and short-term apartments.

The next priority was making sure people could pay for whatever they needed

as they set up temporary homes. Susan led a discussion exploring account overdrafts and other possibilities. “Then someone said, ‘Why don’t we just give them some money?’ I thought that was a great idea! Working together, we arranged to get everyone a prepaid MasterCard. This was the kind of support we had across the company. Every time we asked for assistance, someone was there to help – and make our ideas even better.”

In a conference call with all affected employees, Susan assured everyone that they were on paid leave for three weeks, their jobs were secure and they would continue to receive housing support and money to cover unexpected expenses. Payment deferrals had been arranged on their mortgages, loans and credit cards. Other forms of personal support were available under the BMO Employee Assistance Program. They could also count on help in finding housing, if necessary, when they returned to Fort McMurray. And if anyone preferred not to go back, the bank would try to find them a position elsewhere – though in the end nearly everyone chose to return.

“We forged such strong bonds in our team across the province in the wake of this tragedy,” says Susan, who also attended



BMO employees showing their community support.



▼  
**\$1.3  
million**

The total amount raised in one day in 2015 to benefit organizations that provide educational opportunities, through BMO Capital Markets' Equity Through Education day.

a barbecue in Edmonton for evacuated employees and their families, planned by Edmonton branch staff. "We wanted to give our Fort Mac people a big collective hug, and tell them they're family and we're so happy they're safe."

#### **What about our customers?**

Once it was clear that employees were secure, the focus shifted to customers – although Carrie Lentz, a Regional Vice-President based in Edmonton, notes that for many people, it was actually the other way around: "When Sue Brown opened up that conference call to questions, the very first one was 'How can we help our customers?' These are people who've lost their own homes, and they're asking what they can do for everyone else. It was incredible."

Within four days of the evacuation, BMO employees had sent nearly 10,000 emails to customers concerned about their financial situations. Messages went out from branch managers on the Saturday morning, answering questions and providing details of a special support program that included enhanced overdraft protection and skip-payment options for up to four months on mortgage, credit and MasterCard products.

"Two hours after the messages went out, I'd received over 2,000 replies," says Imran Ahmed. "People were overwhelmingly happy – they weren't expecting that level of relief. There are many contractors in this town, and they don't have any coverage through work. The overdraft was hugely meaningful to them."

BMO had about 26,000 customers in Fort McMurray – more than the local team could contact on its own. But when the word went out, employees across Canada stepped up to ensure every customer received a personal call. "This really was all hands on deck," Imran says. "From the east coast to the west coast, every branch was willing to help out."

For Susan Brown, the key to leading the initiative was simply empowering BMO people to recognize customers' needs and come up with the best ideas to address them: "I gave employees reassurance that

we just needed to do what was right, and they used their creativity and initiative to figure out what that was. People jumped into action."

#### **We're here to help**

The bank established a physical presence at the evacuation centres that had opened around the province, setting up tables or tents where staff helped BMO customers – and evacuees generally – sort out banking issues, deposit cheques from their insurers and regain confidence that their financial lives were intact.

"A lot of people just wanted to talk," says Dean Holloway, a Regional Vice-President who travelled to the centre in Lac La Biche, the largest evacuation site, with branch manager Ashley Brown. "Many of the conversations were about reassurance, helping people connect and listening to their stories. Customers from other banks came to talk to us as well, and were so appreciative that we were there."

Because there was no local branch in Lac La Biche, Dean arranged for a daily cash supply so people could withdraw from their accounts and get their insurance payouts right away. Each night the day's cheques were driven to BMO's branches in Vegreville and Edmonton – long journeys, but from his perspective, just one more contribution to the collective commitment of employees across the bank: "When you see literally thousands of people who've lost their homes, you want to help out – it's just the right thing to do."

For Carrie Lentz, who volunteered at BMO's booth at the Northlands evacuation centre in Edmonton, the help that mattered most often took the form of small gestures, like setting up a charging station for mobile phones or giving people BMO t-shirts because they'd left all their own clothes behind – and hadn't changed in days. At a certain point, after many evacuees had secured medium-term housing and left the site, it became clear that those who stayed included more vulnerable people, such as temporary foreign workers, people who were unemployed and those with special needs. So BMO partnered with the Calgary



### Top Corporate Citizen

United Way of Metro Chicago named BMO its Top Corporate Citizen in 2015.

Stampede Caravan Committee to host a giant pancake breakfast for the group.

“It was Mother’s Day,” says Carrie, remembering one of the days she was volunteering, “and I thought, ‘I can be with my family, or I can help these people, who don’t have family around.’ And like everyone else at every stage of this response, I jumped in. It wasn’t what I did, it was what we did.”

#### Welcome home

On June 1, Fort McMurray residents could finally begin returning to their community. BMO’s main Fort McMurray branch was open and decorated with large signs bearing a simple message: Welcome Home.

It will take time for the community to recover, and the scars left by the wildfire will never entirely disappear. But as many have said, the slow process of healing is helped enormously by the caring and generosity demonstrated by other communities right across the country.

BMO employees have added to that widespread support, raising nearly \$75,000 through grassroots fundraising efforts. The bank has also contributed at the corporate level on behalf of our employees and shareholders, donating an initial \$100,000

to the Canadian Red Cross Alberta Fires Appeal, and then allocating an additional \$1.9 million to support Fort McMurray’s return to social and economic well-being.

But for BMO employees, the spirit of goodwill that this tragedy tapped into runs much deeper.

“I’ve never experienced anything so representative of our guiding values – what we call Being BMO,” says Sue Nicholas, whose Calgary branches raised over \$20,000 in less than two weeks. “And we didn’t do it for attention or publicity,” adds her colleague Mervin Hardy, a Regional Vice-President. “It was just the right thing to do. We were looking out for our staff and our customers.”

Susan Brown echoes a sentiment expressed by countless BMO employees in seeing the desire to help as deeply rooted in the bank’s culture: “I think BMO is a different kind of company. It’s built into our values, this concept of helping people be successful. From mentoring and coaching to the way we treat one another at work – all those things form the web that is our culture. And that means people at BMO always know the right thing to do in a difficult time. It’s been incredible to see what’s possible when we unleash the talents and passions of our employees. This was an opportunity to show customers that we really mean our brand promise: we’re here to help.”

And on a personal level, knowing that four BMO employees lost their homes to the wildfire inevitably caused Susan to reflect on the pain of losing her own home to fire in the mid-1990s. Just two years into her career with the bank at that point, she was overwhelmed by the emotional and material support from colleagues and senior leadership. “That’s when my heart turned BMO blue,” says Susan.

For Imran Ahmed, now back in his Fort McMurray office, the legacy of the wildfire is the goodwill that it brought out in everyone involved: “It was such an overwhelming experience to see people being so generous and helpful to each and every one of us – it still gives me goosebumps. And that’s why I’m confident that this town will recover well.” 🙏





# Lest We Forget

A century after the Newfoundland Regiment was decimated in the Battle of the Somme, we're helping to ensure its members' brave sacrifice is appreciated by a new generation.



Contributing to  
our community

**JULY 1, 1916 MARKS** a significant milestone in the history of the First World War. Allied forces, hoping to engineer a turning point in the two-year-old conflict, launched the Battle of the Somme – a massive offensive that proved to be one of the longest and fiercest on the Western Front, ultimately claiming more than a million casualties.

Joining British, French, Canadian and other Allied troops were volunteers of the recently formed Newfoundland Regiment, who left their island home – then a self-governing dominion within the British Empire – to fight for king and country. That first morning, 778 Regiment soldiers scrambled out of their trenches and into a hail of machine-gun fire. The next day, only 68 were available for roll call. It was a huge toll for such a tiny nation.

Now, a century later, Newfoundland and Labrador, which became part of the Canadian Confederation in 1949, joins in the nationwide observance of Remembrance Day on November 11, and Canada Day on July 1. But for many residents of “The Rock,” the second date retains even deeper significance as Memorial Day, when people pause to remember those who fought so bravely at Beaumont-Hamel.

To help ensure future generations understand that sacrifice, BMO is the principal funder of the First World War Education and Outreach Program, as well as a sponsor of a permanent exhibit at The Rooms, the province's largest public cultural centre, which includes a museum, art gallery and archives. The program has three components:

- A social studies program launched in the 2015–2016 school year and aimed at large groups of students visiting a newly created 5,600-square-foot exhibit.



- A mobile education program based on The Rooms exhibit and delivered by teachers across the province, in collaboration with visual artists, historians and performers.
- BMO First World War Interactive, an online program offering access to digital artifacts, historic documents and more, which can serve as a preface to The Rooms exhibit, an interactive component of the mobile program or a stand-alone educational tool.

Above: BMO became the first corporate sponsor of The Rooms in 2005, establishing a long-term partnership for education and outreach.

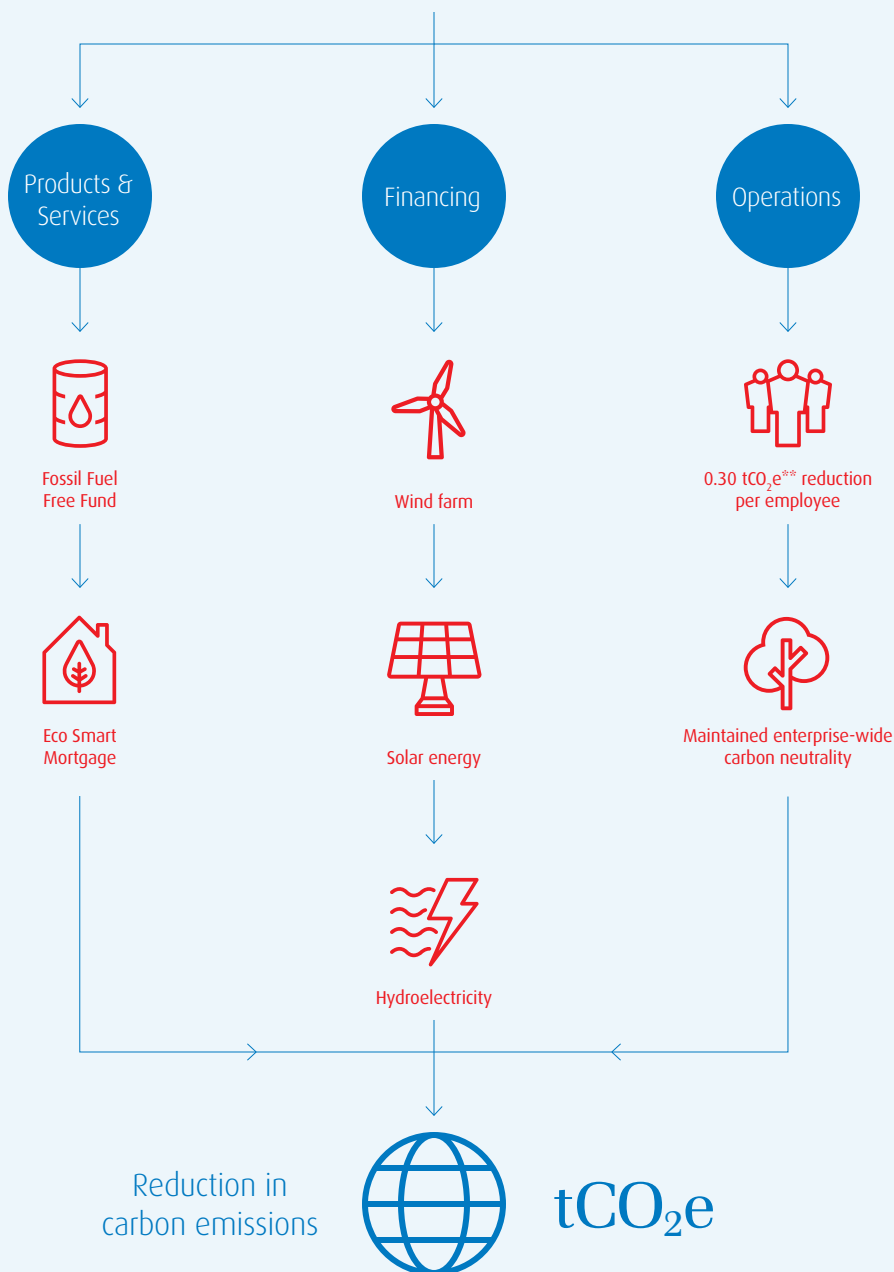
The bank's total donation of \$1 million to The Rooms was announced at a February 2016 ceremony by the Honourable Brian Tobin, Vice-Chair, BMO Capital Markets and a former Premier of Newfoundland and Labrador: “BMO Financial Group has a long history of meeting the financial needs of this province. And after more than 125 years, our bank continues to support people and communities everywhere we do business. We're proud to help honour the legacy of those brave young volunteers from Newfoundland and Labrador, who sacrificed so much on the far-off battlefields of France.” 🇳🇸

# Reducing Our Impact

BMO aims to be a leader in environmental sustainability. We have maintained enterprise-wide carbon neutrality since 2010 and offer products and services to support a low-carbon economy.

Total amount invested  
toward greening our planet\*

**\$237.3**  
million



\*in fiscal 2015 \*\*tonnes of carbon dioxide equivalent





BMO employees volunteer at a food bank in Montreal, Quebec.

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Kids Help Phone is a registered trademark of Kids Help Phone

## Employee Giving

BMO's promise to customers, "We're here to help," also applies to our role in the communities where we live and work. We offer our employees regular opportunities within business hours to take part in volunteer activities. United by our shared values, we work together to improve people's lives, build stronger communities and make a positive impact on the planet – which in turn makes us more effective leaders and problem-solvers.

### Employee Giving Campaign

More than 42,000 employees participated in the award-winning BMO Employee Giving Campaign in 2015. Donations totalling more than \$18.5 million went to local United Way organizations and other charities across North America.

### BMO Volunteer Day

Launched in 2001, this annual event encourages employees to spend a workday volunteering with a wide range of not-for-profits, including organizations for children, youth, families and seniors; community housing and healthcare facilities; food banks; parks and recreational centres; relief organizations; and homeless shelters. In June 2016, nearly 4,000 bank employees helped out with everything from refurbishing an inner-city school in Chicago, to telephone career counselling for young job-seekers, to book-reading events with primary school students in eight Canadian cities.

### Kids Help Phone

In 2016, nearly 7,600 BMO participants in communities across Canada joined in the 15th annual Walk so Kids Can Talk event, raising over \$1.5 million in support of Kids Help Phone. Strongly supported by BMO since its founding in 1989, Kids Help Phone is the only 24/7 national support service for youth that offers free, bilingual, confidential and anonymous counselling and referrals.

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## Advancing Gender Equity



At a June 2016 roundtable hosted by the University of Toronto's Rotman School of Management, Ontario Premier Kathleen Wynne and members of the new Women in Business Steering Committee were joined by Deborah Gillis, President and Chief Executive Officer of Catalyst Inc., and Phumzile Mlambo-Ngcuka, Director of UN Women, the United Nations organization dedicated to gender equality and women's empowerment.

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### Contact Us

BMO Financial Group's 2016 Corporate Responsibility Report is available for viewing or printing on our website. If you have any questions regarding our corporate responsibility activities, contact us at [corporate.responsibility@bmo.com](mailto:corporate.responsibility@bmo.com).

In June 2016, a landmark report was released by Catalyst, a not-for-profit organization dedicated to accelerating progress for women through workplace inclusion. *Gender Diversity on Boards in Canada* sets out recommendations to help private-sector and government leaders advance gender equity on boards – and at all levels of an organization. The government of Ontario, which commissioned the report, has established the Women in Business Steering Committee, co-chaired by the Ontario Minister of Finance and the Minister Responsible for Women's Issues, to develop a strategy for implementing the recommendations.

BMO's contributions to the report reflect a decades-long partnership. In 1991, Tony Comper, then the bank's President and COO, led The Task Force on the Advancement of Women in the Bank. BMO was also a founding signatory of the Catalyst Accord, which aims to expand opportunities for women in business. Bill Downe, our current CEO and chair of the Catalyst Canada Advisory Board, added his perspective to the report: "As long as this issue is on the agenda, and companies are committed to setting measurable objectives and reporting against them, I am optimistic that progress will continue." Women currently make up 37.5% of BMO's senior leadership, and we are on track to achieve our goal of 40% representation by 2017.



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