

# Statement on Human Rights

BMO's Purpose is to Boldly Grow the Good *in business and life*. We are a partner for our customers seeking to fulfill their dreams, an employer for the thousands of people who work together at BMO every day and are proud members of the communities where we live and work.

## Our Human Rights Commitment

BMO has made a commitment – to our customers, employees, communities, shareholders, and other interested parties – to respect human rights everywhere we do business. This commitment is integral to our strategy for sustainable growth and our ability to Boldly Grow the Good *in business and life*.

All individuals are entitled to human rights – without discrimination – regardless of race, sexual orientation, gender identity, nationality, ethnicity, language, religion, or any other status. Human rights includes the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to education and employment, and many more.

In furtherance of this commitment, BMO supports the 'Protect, Respect and Remedy' Framework of the United Nations Guiding Principles on Business and Human Rights as endorsed by the UN Human Rights Council (UNGP).

### Our commitment to respect human rights means:

- Through our Code of Conduct, policies and procedures, and compliance with applicable laws and regulations, we adhere to the principles set forth in the International Bill of Human Rights, Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, UN Declaration on the Rights of Indigenous Peoples and the principles of the eight International Labour Organisation Core conventions.
- We take responsibility to respect human rights across all our business activities, including our relationships with third parties, such as our suppliers and customers.
- We commit to implementing programs for robust 'human rights due diligence', including identifying and assessing actual and potential human rights impacts, and acting upon findings.
- We commit to engaging continuously with external interested parties to strengthen capacity to improve.
- We commit to tracking progress and performance and providing best-in-class transparency and disclosure, including through the publication of this statement, and our ongoing engagement with interested parties on human rights topics.
- We will develop mechanisms to remedy adverse human rights impacts, consistent with the principles of the UNGP framework, on our own and working with industry peers to enhance good practice.

## Our Human Rights Priorities

To uphold our commitment to respect fundamental human rights, BMO proactively identifies and assesses potential human rights impacts and risks. These are regularly reviewed through engagement with interested parties, and systematically through our sustainability materiality assessment process. We have identified the human rights areas most salient for our interested parties as follows:

Human Rights Priorities	Interested Parties			
	Employees	Customers	Supply Chain	BMO GAM Investments
Diversity & Inclusion	✓	✓	✓	✓
Health & Safety	✓	✓	✓	✓
Information Security & Privacy	✓	✓	✓	
Indigenous Peoples	✓	✓	✓	✓
Financial Inclusion		✓		
Anti-Bribery & Anti-Corruption		✓	✓	
Anti-Human Trafficking & Anti-Modern Slavery		✓	✓	✓

BMO's approach to managing each of these issues is outlined in our Code of Conduct and Supplier Code of Conduct, as well as in statements on our website. In approaching key issues, we are guided by our values of integrity, empathy, diversity and responsibility, as well as our assessment of potential risks.

## Our Approach

We strive to integrate the UNGPs' approach to human rights into the enterprise-wide governance of our business practices and operations. Accordingly, responsibility for human rights is shared across BMO. BMO's Chief Sustainability Officer and Chief Inclusion Officer lead our efforts to embed human rights considerations and the UNGPs into our policies and procedures, which are implemented by operating groups and corporate support areas. Our Corporate Policies and Standards apply enterprise-wide (including all subsidiaries) and are supported by documents applicable to human rights such as our Statement on Modern Slavery and Human Trafficking, BMO's Code of Conduct, and Supplier Code of Conduct. It also includes our human resources policies, how we respect human rights by building a diverse and inclusive work environment, and by working to mitigate adverse impacts on human rights that are caused by, or linked to, our business operations.

Additionally, because exposures to adverse human rights impacts in our business activities can present legal, financial, operational, strategic and reputational risks to BMO, human rights is treated as one of several social factors that may give rise to environmental and social ("E&S") risk. Human rights is reflected in our Enterprise Risk Taxonomy as a subset of E&S risk, alongside Diversity, Equity, and Inclusion; Community health, safety, and security; and Indigenous Peoples rights. We are continuing to embed E&S Risk considerations across our Enterprise Risk Management Framework (ERMF). A description of our ERMF as well as our approach to managing E&S risk, including human rights risk, is discussed in the Enterprise-Wide Risk Management section of our Annual Report and Management's Discussion & Analysis.

BMO also takes leadership positions in global industry working groups to develop innovative approaches to the application of the UNGPs in the banking sector. We will continue to further the UNGPs' spirit and approach into the way that we consider and address human rights impacts and risks in our business and industry more broadly. Further information regarding our participation in industry, government and academic working groups can be found in our Sustainability Report.

## Employees

We comply with employment standards and human rights legislation everywhere we do business. Our recruitment and promotion procedures are developed to ensure a fair and equitable approach to hiring. We regularly monitor our practices to ensure employees are treated fairly and high-risk areas are identified, and concerns are addressed.

The bank's operations must be consistent with BMO's Code of Conduct and BMO human resources policies and standards. We continue to develop our human rights program and incorporate emerging best practices as the UNGPs are adopted by companies around the world. These principles set out the duties of companies to respect human rights, and to conduct due diligence to identify and mitigate adverse impacts that their operations may have on human rights.

We are committed to respecting and promoting diversity, equity and inclusion (DEI) and human rights across our workforce, recognizing that some groups face higher risk of discrimination such as: women, people of colour, Indigenous Peoples, persons with disabilities, and 2SLGBTQ+ individuals. We recognize gender equality as a fundamental human right; support the right to freedom of association and collective bargaining (see BMO Statement on Freedom of Association and Collective Bargaining); stand against forced, compulsory and/or child labour; and have a zero-tolerance policy for harassment and discrimination of all kinds. We pledged support for the UN LGBTI Standards, and signed the Women's Empowerment

Principles, in addition to the Catalyst Accord 2022. We are undertaking efforts to educate employees about the Truth & Reconciliation Call to Corporate Canada Action #92 with respect to Indigenous Peoples.

We are committed to DEI, which is one of our core corporate values. We strive to create an environment where all of our people can succeed, for example by:

- ensuring strong executive leadership for inclusion programs by closely monitoring progress of publicly stated goals and annual priorities through bi-monthly meetings, annual planning and quarterly updates to all employees (e.g., quarterly reporting tracker);
- providing employees with disabilities with workplace accommodations, technical devices and/or additional support to succeed at work; and
- providing employees with a respectful workplace that is free from violence, harassment and discrimination of any kind.

To support our commitment to DEI, BMO's operating procedures aim to ensure a safe and inclusive workplace for all. These include programs about health and safety, anti-harassment (including sexual and non-sexual harassment and discrimination), bullying and victimization at work, workplace violence, resolution programs – which include defined escalation processes for reporting incidents of harassment, violence, and discrimination, employee protection plans, drug and alcohol guidelines, and flexible work arrangements.

## Customers

As a global financial services provider, we recognize that we may simultaneously be exposed to human rights risks and provided with opportunities to support and protect human rights through engagement with our customers. Accordingly, in our wholesale lending transactions, we evaluate the E&S risks associated with our client relationships, including human rights impacts and risks.

Our Commercial Banking and Capital Markets businesses have regularly reviewed policies in place to help identify, manage and mitigate these types of risk in financing transactions. Our lines of business submit E&S risk due diligence findings as part of their transaction approval processes. In assessing such risks, we review the performance of a current or potential client in managing regulatory issues and other concerns related to engagement with interested parties, including Indigenous consultation. More information can be found in the Responsible Lending section of BMO's Sustainability Report.

### Protecting Our Customers' Privacy.

BMO is committed to respecting and protecting the privacy and confidentiality of the personal information customers have entrusted to us. Our information security management framework and governance processes follow applicable regulatory requirements and industry standards for security, including ISO 27001 and the frameworks of the Control Objectives for Information and Related Technologies, National Institute of Standards and Technology and the Information Technology Infrastructure Library (NIST). In building and maintaining a robust cyber security framework, we implement a number of policies, standards, procedures and guidelines that are aligned with the NIST framework and are updated regularly to ensure they continue to address current risks.

Our Global Privacy Principles apply to all of our customers, wherever they reside, and they are supplemented by our Privacy Codes for the jurisdictions in which BMO does business. These Principles and Codes detail how we safeguard and handle personal information, including how we limit collection, use, disclosure and the retention of that information, as well as our customers' choices and rights regarding the data. For instance, our customers have the right to decide whether they would like to receive marketing from BMO.

### Indigenous Peoples.

Free, prior and informed consent (FPIC) is defined in various international standards and frameworks, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In 2021, the Canadian parliament passed Bill C-15, An Act respecting the United Nations Declaration on the Rights of Indigenous Peoples, committing governments to make Canadian law consistent with UNDRIP over a number of years, through consultation and collaboration with Indigenous peoples.

BMO recognizes the importance of FPIC, along with the rights of Indigenous peoples to participate in decision-making. Recognizing the risks associated with a failure to adequately address Indigenous rights, we have integrated this topic into our risk management policies and processes, including expressly referencing Indigenous rights in our Environmental and Social Risk Corporate Policy, requiring enhanced due diligence for heightened risk sectors where Indigenous rights impacts are identified, and establishing escalation processes to help manage reputational risks associated with Indigenous rights issues.

We have consulted with our Indigenous Advisory Council regarding FPIC, inviting them to share their thoughts and feedback with us. Based on recommendations received, BMO is currently planning further education to help deepen BMO personnel's understanding of FPIC and Indigenous Rights, in the context of our commitments to human rights and Indigenous partnerships, and to further embed an understanding of these important issues in our risk management approach. This builds on existing training on FPIC delivered in the context of E&S risk management and implementation of our other strategic commitments.

## **Financial Inclusion.**

BMO is committed to meeting the needs of its communities and creating specialized products and services that make our offerings more accessible, consistent with our applicable legal and regulatory obligations. This includes tailored offerings for small business and entrepreneurs, with a focus on advancing economic opportunities for communities that have been historically marginalized and underserved. BMO also does not discriminate in the provision of products and services. More information can be found in BMO's Sustainability Report.

At our branches, we aim to remove barriers to inclusion by implementing standards as outlined in BMO's Accessibility Plan. We provide training for employees to help them provide services that are accessible and comply with accessibility policies and regulations. We also focus on ensuring that our customers feel comfortable in their interactions with branch staff. For example, we implemented gender pronoun training to provide guidance to employees on the importance of pronouns. The training outlines steps that can create a safer and more inclusive environment for customers and colleagues to help employees better communicate with our transgender and gender non-binary customers.

## **Anti-Bribery & Anti-Corruption.**

BMO is committed to maintaining public trust by complying with anti-bribery and anti-corruption legislation and taking a zero-tolerance approach to unethical business practices. All employees are required to comply with BMO's Anti-Bribery and Anti-Corruption Operating Directive and receive training to interpret and apply the directive as well as understand and identify bribery and corruption risks in their daily work. For more information, see our Statement on Anti-Bribery and Anti-Corruption.

## **Anti-Human Trafficking and -Modern Slavery.**

BMO maintains a robust Anti-Money Laundering (AML) program consistent with applicable legal and regulatory obligations, which supports our efforts to address the risks of dealing with customers engaged in human trafficking or modern slavery. In addition, BMO complies with all sanctions measures in the jurisdictions in which we operate — prohibiting dealings with sanctioned persons, including those that violate human rights.

The AML program requires that we identify and assess higher-risk areas, and that we identify and report to regulatory authorities activity suspected to money laundering, terrorist financing, or sanctions evasion. This includes identifying financial transactions that are indicators of possible human trafficking related activity.

In addition, BMO is the lead Bank for Project Protect<sup>1</sup>, launched in 2016, which represents a public-private partnership between Canadian law enforcement, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), and reporting entities such as banks, that targets human trafficking by focusing on the money laundering aspects of the crime. The Project is designed to improve the collective understanding of human trafficking, and to improve the detection of money laundering activity associated with the criminal proceeds. In 2019, BMO joined a coalition of leading banks and survivor organizations to launch Finance Against Slavery and Trafficking (FAST) at the United Nations General Assembly. FAST aims to provide financial institutions, service providers, regulators, government agencies and others around the world with a framework to match survivors with basic financial services. BMO also works closely with service providers, that support trafficking survivors to gain access to basic financial services, easing their return to society and aims to support survivors of human trafficking in addressing the financial fraud and debt burden arising from their exploitation.

Further information on BMO's AML program can be found in BMO's Statement on Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Measures.

## **Supply Chain**

BMO's Supplier Code sets out the standards that we expect our Suppliers to meet in respecting human rights, upholding ethical business practices and complying with the law.

## **Risk Management.**

The TPRM framework defines how the enterprise governs, identifies, measures, mitigates, monitors, and reports Third-Party risks. As required by the TPRM framework, we conduct due diligence before entering into an arrangement with a new Third-Party provider, as well as ongoing due diligence with existing Third Parties to ensure they remain in compliance with BMO's policies. If we or one of our Third Parties recognizes a potential gap or weakness in their control environment, or if they identify a risk that they are unable to mitigate or manage, we will work with them to assess the impact and determine a solution. We also have incorporated supplier diversity and inclusion into BMO's procurement practices allowing for more opportunities for diverse Suppliers.

## **Anti-Human Trafficking and -Modern Slavery.**

We are continuously working to address the risk of modern slavery and human trafficking in our supply chain, and address broader supply chain diversification, including due diligence on human rights matters. We are leveraging tools and developing processes to integrate identification, management, and mitigation of supply chain-related environmental, social and governance.

## Minerals from Conflict-Affected and High-Risk Areas.

In recognition of the risks of significant adverse human rights impacts associated with extracting, trading, handling and exporting minerals and metals from conflict-affected and high-risk areas, BMO has adopted a supply chain policy in line with the European Union Conflict Minerals Regulation on responsible sourcing of minerals from conflict-affected and high-risk areas.

In particular, BMO will not tolerate, and will take appropriate action in relation to, instances of:

- torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour, which means work or service which is extracted from any person under the menace of penalty and for which said person has not offered themselves voluntarily;
- the worst forms of child labour, as set out in ILO Convention No. 182 on the Worst Forms of Child Labour (1999);
- other gross human rights violations and abuses such as widespread sexual violence;
- war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
- direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals or metals;
- direct or indirect support to public or private security forces who: (i) illegally control mine sites, transportation routes and upstream actors in the supply chain; (ii) illegally tax or extort money or minerals or metals at the point of access to mine sites, along transportation routes or at points where minerals or metals are traded; or (iii) illegally tax or extort intermediaries, export companies or international traders; and
- bribery or money laundering.

BMO expects similar standards of those with whom we have business relationships and will endeavour to ensure that adherence with the standards enshrined in this statement and related policies, are incorporated into our contracts and agreements with counterparties.

## Responsible Investing

BMO Global Asset Management (BMO GAM) is committed to respecting human and labour rights as aligned with the UN Guiding Principles for Business and Human Rights (UNGPs) and in accordance with international standards<sup>2</sup> through its investment-related practices, stewardship (corporate engagement, proxy voting and public policy work) and reporting activities. Our Expectations for Social Practices statement outlines expectations for investee companies to manage social risks and impacts of their operations and supply chains. Further, we identified Social Equality and Climate Action as priority themes that guide our top-down efforts to address systemic risks to financial systems, democracies and society, with both touching on aspects of human rights. BMO GAM's Responsible Investment team carries out an extensive program of investor engagement to encourage the companies in which we invest to manage financially material Environmental, Social and Governance (ESG) factors and adopt best practices, including UNGP-aligned human rights and environmental due diligence (HREDD) to manage adverse business impacts on people and the planet. BMO GAM has retained a third party engagement service provider known as reo© to ensure broad global engagement coverage and increased impact. This includes monitoring for and engaging companies on severe adverse impacts and adherence to global norms, for example companies alleged to be in contravention of the United Nations Global Compact Principles, and having a proxy voting strategy for companies operating in high-risk sectors that lack policies related to forced labour and child labour.

BMO GAM's Responsible Investment team strives for continuous improvement in its approach to human rights due diligence using guidance from the UN Principles for Responsible Investment (UN PRI), as well as the Investor Alliance for Human Rights, where BMO GAM serves on the advisory committee. In 2023, the team conducted and published research on the state of corporate human rights due diligence in Canada, as part of its own due diligence approach and to inform engagement prioritization. In 2023 BMO GAM also signed the UN PRI's Advance Investor Statement recognizing the role investors can play in advancing human rights globally, and co-leads collaborative engagements on human rights in high-risk sectors under the UN PRI Advance banner. In addition, the team prioritizes engaging with investee companies on the principles of UNDRIP to advance Indigenous reconciliation in Canada, advance respect for Indigenous rights globally, and to support a Just Energy Transition.

## Access to Remedy

Our interested parties can seek access to remedy for perceived human rights violations through multiple channels.

### Our Employees & Suppliers.

BMO is committed to creating an environment where employees can speak up without fear of retaliation. Employees can raise concerns confidentially by contacting Employee Relations, Global Investigations, the Ethics and Conduct Office and, if preferred, our Speak Up! whistleblower reporting service for anonymous reporting. Speak Up! is available to employees and BMO interested parties (e.g. customers and suppliers) 24 hours per day, every day of the year. All concerns are reviewed or investigated and responded to and there are a number of resolution options available to employees including early resolution, conciliation and investigation. Outcomes depend on whether allegations are substantiated and range from no required action, coaching and training, to disciplinary action, which may include termination. Privacy legislation prohibits sharing investigation outcomes.

## Our Customers.

For customer complaints, BMO's Customer Complaint Appel Office (CCAO) reviews unresolved Canadian customer complaints and attempts to facilitate a resolution. Every complaint is carefully considered, and is assessed with fairness, integrity and respect. The appeal process considers the interests of all parties, as well as standard industry practices and applicable BMO policies. Customers can also take their concerns to an external dispute resolution provider – the Ombudsman for Banking Services and Investments or the Ombuds Service for Life & Health Insurance – for a further impartial and confidential review. In the U.S., the Complaint Management Customer Advocacy Team review customer feedback and concerns in a timely, fair and consistent manner.

## Other Interested Parties.

BMO regularly engages with interested parties, including non-governmental organizations and community groups, on various sustainability topics, including potential human rights matters. These parties may also engage with BMO through the Office of the Chief Sustainability Officer, which can be contacted at [sustainability@bmo.com](mailto:sustainability@bmo.com).

## Training and Awareness

All BMO employees must complete an annual Ethics, Legal and Compliance Training program. This training includes courses on our Code of Conduct and human rights risks in the areas of Anti-Money Laundering, Information Security & Privacy Matters, Health & Safety, Accessibility & Our Customers, and Anti-Corruption. The Health & Safety training includes information on BMO's anti-harassment and workplace violence operating procedures, which includes BMO's zero tolerance for discrimination, targeted training on harassment, discrimination and violence in the workplace, and our process for raising concerns. The AML training includes information on predicate offences for money laundering, including human trafficking, and associated red flags.

On Diversity & Inclusion, BMO offers several learning programs that have been developed to reinforce the culture of belonging within BMO by helping our employees reach a greater awareness of the lived experiences of peers and customers, and by sharing strategies that can enable them to create a more inclusive environment for our colleagues, customers and communities.

The rates of completion and human rights learning hours are reported in BMO's Sustainability Report. Additional and specialized training is provided to employees, agents, suppliers and other persons who may be responsible for control activities, outcomes or oversight, as appropriate.

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<sup>1</sup> FINTRAC: Project Protect

<sup>2</sup> Including the Universal Declaration of Human Rights, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the International Labour Organizations (ILO) core conventions on the rights of workers, the OECD Guidelines on Responsible Business Conduct for Institutional Investors, and others.