

# Your BMO Takes Its Responsibilities to Heart

As one of Canada's largest banks, BMO has a responsibility to a diverse group of stakeholders. We are committed to succeeding as a business, thereby creating wealth for our shareholders, employees and society. At the same time, we believe that the quality of all our lives is improved and our business best served when economic performance is integrated with respect for our people, communities and the environment.

In 2006, we revised BMO's Corporate Responsibility Policy, which combines our Environmental Corporate Policy and Social Responsibility Corporate Standard. Along with *FirstPrinciples*, our Code of Business Conduct and Ethics, this updated policy will provide us with guidance and a sound framework as we pursue our corporate responsibility objectives.

The following highlights how we continued to fulfill our social and environmental responsibilities.

## Your Employees

Ensuring that we have the right people to execute our strategies, a performance-driven culture and all of our people focused on our strategic priorities is how we will achieve our business objectives. On an ongoing basis, we promote continuous learning to ensure that our employees have the skills, knowledge and tools they need to provide exceptional customer service and fulfill their own career aspirations. At the same time, we provide a respectful, equitable and inclusive workplace – an environment that promotes diversity, well-being and excellence.

### Developing Our Leaders

In response to changing demographics, including an aging workforce as well as heightened competition for top talent in the financial services sector, BMO has adopted a more strategic approach to retaining our most talented employees. Specifically, we have introduced a consistent, disciplined and enterprise-wide program to assess promising individuals and integrated leadership development in our succession planning process. By investing our resources in recruiting, identifying and developing current and future leaders, we do much to ensure BMO's continued success.

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**Rose M. Patten**  
Senior Executive Vice-President,  
Human Resources,  
BMO Financial Group

### 2006 Awards

#### Canada's Top 100 Employers

For the fifth consecutive year, BMO was named one of Canada's Top 100 Employers by *Maclean's* magazine and *Mediacorp* Inc.

#### Training Top 100

*Training* magazine recognized BMO Financial Group as 14th overall, the highest ranked Canadian company in its annual survey.

#### 50 Best Employers for Diversity

Harris was recognized by *DiversityInc* magazine in the following areas: CEO commitment, human capital (retention across all racial, ethnic and gender categories), corporate communications and supplier diversity.

#### Corporate Diversity Award

The Chicago Council on Urban Affairs recognized Harris' commitment to developing a diverse and inclusive workplace.

Your Employees cont'd

**A Culture of Learning**

BMO Institute for Learning, our corporate learning centre, plays an essential role in the development of our future leaders – and in the creation of a culture of learning. For the fifth consecutive year, the U.S.-based *Training* magazine gave the IFL high marks in its annual survey – 14th in its Top 100 list – for linking training to business strategy, the uniqueness of our learning programs and our overall commitment to employee development.

**A Supportive Workplace**

Creating a healthy, supportive workplace is the right thing to do. It's also an important part of building a high-performance organization. As part of this commitment, we provide a range of programs to help employees balance their work, family and community responsibilities. These include flexible work arrangements and the largest internal Employee Assistance Program in North America, which is offered to employees, pensioners and their families. This also includes People Care

days, time off as requested to help a charitable organization, and our Volunteer Grants program, which makes donations to support employees' community volunteer efforts.



**Diversity is Good for Business**

BMO is committed to creating a diverse workforce that reflects our society. To this end, there are 26 Diversity Councils and nine Affinity Councils within the organization in Canada and the United States.

6.5  
training days

**Investing in Learning**

In 2006, BMO averaged 6.5 training days per employee and has seen a total investment in learning and development increase to more than \$500 million in the past decade.

## Our Environment

At BMO, we believe in – and act upon – the principles of sustainable development. That means that we are committed to delivering economic growth while at the same time serving as stewards of the environment.

**Carbon Disclosure Project**

BMO is a signatory to the *Carbon Disclosure Project (CDP)*, a coordinating secretariat for a coalition of

the world's largest institutional investors seeking disclosure on the business implications of climate change. In 2006, BMO was a member of the CDP Canada Report Advisory Group. In the CDP Report, BMO CEO Tony Comper noted, "This initiative clearly focuses and informs corporate Canada's thinking on global climate change, one of the most unsettling prospects faced by modern humankind."



**Learning to be Green**

BMO has pledged \$375,000 over the next three years to Evergreen, an organization that is at the forefront of Canada's urban greening movement. Our support will go toward the establishment of six outdoor training institutes for teachers in Toronto, Halifax and Winnipeg. They will be used to enhance Evergreen's Learning Grounds program, which encourages children to green their school grounds and develop the awareness and know-how to become stewards of the environment in their own communities.

**United Nations Environment Program Finance Initiative (UNEP FI)**

The UNEP FI mission is to identify, promote and effect the adoption of best environmental and sustainability practices at all levels of financial institutions' operations. BMO Financial Group is an active member of the UNEP FI North American Task Force (NATF).

**Equator Principles**

The *Equator Principles* were established in 2002 by the International Finance Corporation, a member of the World Bank Group that promotes sustainable, private sector investment in developing countries as a way to reduce poverty and improve people's lives. BMO continues to adhere to the *Equator Principles*, applying environmental and social criteria in the consideration of financing for projects with capital costs in excess of US\$10 million.

**Environmental Management System**

In 2006, we launched an initiative to develop and implement a sustainable Environmental Management System (EMS) that will make environmental awareness and protection part of our day-to-day business. This system is designed to: assess the environmental impacts of our operations and activities; set targets for performance; and ensure organizational accountability.

**Supporting a Sustainable Future**

BMO is partnering with Learning for a Sustainable Future (LSF), pledging \$100,000 over the next three years to help the organization implement sustainable development education in schools across Canada. LSF was founded in 1991, and its mission is to increase awareness about sustainable development practices among young people. The organization has provided support to more than 15,000 teachers and 200,000 students across Canada.

# Our Commitment to Communities

BMO has a long-standing tradition of actively supporting the communities where we do business and where our employees live and work. We believe that by helping our regions, towns and neighbourhoods be vital, healthy and strong, we best serve our company – and society.



## Focus on Learning

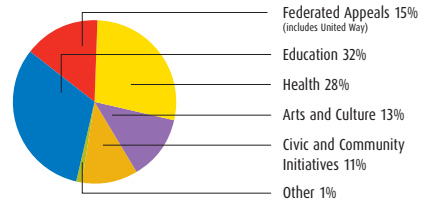
In 2006, we maintained BMO's focus on support for learning, particularly at the post-secondary level. We committed \$2.9 million in new funding over the next 10 years to 10 colleges and universities across Canada. We announced a \$1.25 million pledge to York University's Glendon College to establish the BMO Financial Group Conference Centre and fund development of public affairs programming. BMO also announced a total of \$2.4 million in capital campaign support to Acadia University and Saint Mary's University in Nova Scotia, University of Sherbrooke and University of Quebec at Montreal, and the University of Lethbridge in Alberta.



## Employee Giving

Through BMO Fountain of Hope®, a national charitable foundation managed by BMO Financial Group employees, our employees raised a record \$8 million in 2006. Many of our people also actively supported local community organizations. For instance, hundreds of Harris employees in Chicago participated in the 2006 March of Dimes WalkAmerica event, raising more than US\$100,000.

Donations: Where the Money Goes (2006)



In 2006, BMO Financial Group contributed \$40.8 million in corporate donations, sponsorships and events, supporting communities, charities and not-for-profit organizations in Canada and the United States.

## Supporting Health

We also maintained our commitment to supporting health organizations across Canada. In 2006, this included \$2 million pledged over the next five years to establish the BMO Financial Group Chair in Cardiology at The Hospital for Sick Children (HSC) in Toronto. HSC is considered one of the top children's hospitals in the world and treats children with serious injuries and the most complex childhood diseases. We also committed \$2 million as part of our ongoing support of the Inner City Health Research Unit at Toronto's St. Michael's Hospital.

## Awards for the Arts

BMO was honoured to be a recipient of a 2006 *Globe and Mail Business for the Arts Award*, which recognizes "outstanding partnerships between business and the arts." Our contribution to the arts and culture in 2006 included our sponsorship of the Elinore and Lou Siminovitch Prize in Theatre. The \$100,000 prize – the largest in Canadian theatre – was won by Toronto set and costume designer Dany Lyne. We also made a gift of \$1 million to the Canadian Opera Company (COC) to present the inaugural celebrations at the COC's magnificent new home, the Four Seasons Centre for the Performing Arts.

## Partners in Sport

In the belief that sports and athletics promote well-being and build life skills, BMO continues to support Skate Canada<sup>®2</sup> and Spruce Meadows<sup>®3</sup>, Canada's premier equestrian facility. We also announced a new sports partnership, acquiring the naming rights for the new soccer stadium being built in Toronto. Scheduled to open in the spring of 2007, the 20,000-seat BMO Field™ will provide a home to Major League Soccer's Toronto FC and Canada's national soccer teams.