

Modern Slavery and Human Trafficking Statement

The Bank of Montreal (BMO) is committed to protecting human rights and stands against all forms of slavery and human trafficking.

This statement is issued pursuant to section 54 of the Modern Slavery Act 2015 (the Act) for the financial year ending 31st October 2017.

This is a consolidated statement of BMO and its subsidiaries that are subject to the reporting requirements under the Act: F&C Asset Management plc, F&C Asset Management Services Limited, F&C Management Limited, BMO Capital Markets Limited (BMO CML), BMO Real Estate Partners LLP and F&C Fund Management Limited.

Our structure, business, and supply chains

BMO is a highly diversified financial services provider headquartered in Canada. BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to more than 12 million customers. We operate primarily in Canada and the United States and also have operations in Europe, the Caribbean and Asia.

BMO Capital Markets offers a complete range of products and services to corporate, institutional and government clients. BMO Capital Markets has approximately 2,400 professionals in 30 locations around the world. Its lines of business comprise Investment and Corporate Banking and Trading Products. BMO Capital Markets operates in the United Kingdom (UK) through the London branch of BMO, and through BMO CML, our UK broker-dealer.

BMO Global Asset Management is the asset management arm of BMO, providing investment management, retirement, and trust and custody services to institutional, retail and high net worth investors around the world, with over 25 offices in 15 countries. Its primary investment centres in London, Chicago, Toronto and Hong Kong are complemented by a number of specialist investment boutiques across Europe and North America. BMO Global Asset Management (EMEA), based primarily in London, is the European investment centre of BMO Global Asset Management. The centre builds on the heritage of the F&C Group acquired by BMO in 2014. The parent of the F&C Group is F&C Asset Management plc, a wholly owned subsidiary of BMO Global Asset Management (Europe) Limited.

BMO and its subsidiaries engage with a diverse range of suppliers who provide products and services, including those relating to business activities that BMO outsources as part of its own service delivery and offerings to customers. Services include personnel recruitment, advertising and marketing, information technology, business operations, and real estate. To a lesser extent, we engage with suppliers that may employ workers who provide cleaning services, catering, travel, hospitality and call centres.

Our standards, policies, and codes of conduct relating to slavery and human trafficking

BMO is committed to protecting human rights in every jurisdiction where we do business. We guide our conduct by the principles in the United Nations Universal Declaration of Human Rights which our standards, policies, and codes of conduct reflect.

[BMO's Code of Conduct](#) (Code) is based on our values of integrity, empathy, diversity, and responsibility. It guides our decisions, actions, the way we work and to do what's right. The Code's principles are not negotiable and oblige employees to follow the letter and spirit of the law.

We must not only follow the Code ourselves, but also make sure we apply its principles in our relationships with our suppliers. Our [Supplier Code of Conduct](#) (Supplier Code) sets out specific expectations related to integrity, fair dealing, and sustainability. During the year, we updated the Supplier Code to state that our suppliers must not tolerate slavery, servitude, forced or compulsory labour, human trafficking, or child labour in their business or supply chain.

[BMO's Statement on Human Rights](#) expresses that we stand against forced and compulsory labour, including child labour.

BMO has an established Anti-Money Laundering (AML) Program comprised of policies, procedures, and risk assessments on anti-money laundering, anti-terrorist financing, and sanction measures designed to safeguard against financial crime.

Our Outsourcing and Supplier Risk Management Corporate Standard outlines our procurement practices and describes the processes, structures, controls, and systems we use to manage outsourcing and supplier risk throughout the supplier lifecycle.

Due diligence and steps taken related to slavery and human trafficking

Employees

We comply with all applicable employment standards and human rights legislation and/or regulation in all jurisdictions in which BMO operates. Our hiring and recruitment procedures comply with applicable legislation to ensure a fair and equitable approach to hiring.

We are committed to protecting and promoting human rights in our workforce. In particular, we recognize [gender equality as a fundamental human right](#), support the right to freedom of association and collective bargaining ([BMO Statement on Freedom of Association and Collective Bargaining](#)), stand against forced and compulsory labour, including child labour, and [stand against discrimination in employment](#).

We are committed to workplace [Diversity and Inclusion](#), which is one of our core corporate values, and have created an environment where all our people can succeed. In doing so, we strive to create a diverse and inclusive workplace that supports individual needs through:

- accommodating employees with disabilities who may require technical devices, workplace modifications, or additional support at work; and
- providing the tools and resources so that each employee can contribute to their full potential.

To support our commitment to diversity and inclusion, BMO has operating procedures that address personal safety and protection concerns for employees. These include, but are not limited to: Health & Safety (North America), Anti-Harassment (North America)/ Harassment, Bullying and Victimization at work Procedure (UK), Resolution Program (North America)/Grievance Procedure (UK), Workplace Violence (North America), Employee Protection Plan (North America), Drug-Free Workplace (North America)/Drug and Alcohol Misuse Guidelines (UK), and Flexible Work Arrangements (North America)/Flexible Working Procedure (UK).

We provide multiple channels for our employees to report any Code, legal or regulatory violations, including a confidential, and if preferred, anonymous external whistleblower service that is available to our employees and other BMO stakeholders (for example, our suppliers) 24 hours per day, every day of the year.

Suppliers

Our supplier due diligence process validates any proposed supplier's ability to provide services on a one-time or continuous basis while identifying and assessing the risks associated with them providing products and/or services.

BMO's Outsourcing and Supplier Risk Management Framework (OSRMF) governs our supplier due diligence process. The OSRMF proactively identifies, assesses, monitors, and mitigates risks associated with our third-party suppliers, including the risk of us not complying with regulatory requirements. All new or renewed supplier arrangements, or any significant changes to existing arrangements with any ongoing supplier, must comply with OSRMF requirements.

During the year, we evaluated the extent to which our supplier due diligence process addresses the risk of slavery and human trafficking in our supply chain and started a process to leverage existing supplier risk management programs for this purpose.

Customers

As a financial services provider with customers in multiple jurisdictions, we recognise that we may be exposed to customers who engage in slavery and human trafficking when providing certain services.

Example of business activities with heightened exposure to slavery and human trafficking include:

1. raising capital on behalf of an issuer for a particular transaction;
2. managing portfolios for clients whose own operations may serve to facilitate slavery or human trafficking; and
3. investing in, or holding for clients securities of companies that might themselves compromise respect of human rights or have human rights issues in their supply chains.

Our AML Program seeks to identify and verify customer information, monitor customer transactions for unusual activity, and report suspicious activity to the relevant authorities in an effort to identify criminal activities, such as human trafficking, that may be linked to money laundering, terrorist financing, or sanctions avoidance. We examine our AML strategies, goals, and objectives on an on-going basis.

Our EMEA asset management operation includes a specialist Governance and Sustainable Investment team, which runs an extensive programme of investor engagement aimed at encouraging best practice in respect of environmental, social, and governance (ESG) issues at the companies it invests in. This has included engagement projects with companies in high-risk sectors on topics such as the protection of migrant worker rights, collective bargaining, and health and safety standards. The team also monitors companies alleged to be in breach of the United Nations Global Compact (UNGC) Principles, and engages with these companies where we see a significant issue of concern. Additionally, we run a range of ethically-screened funds which systematically screen every investee company on their ethical, social, and environmental standards.

Training and Awareness

During the year, we raised awareness of our role in preventing slavery and human trafficking by delivering training, education sessions, and communications across various channels of BMO. We will continue to look for further opportunities to educate our staff.

On an annual basis, BMO provides mandatory training to relevant staff across the enterprise on predicate offences for money laundering, including human trafficking and the associated red flags which may identify a predicate offence.

Approval

The Boards of Directors of BMO, F&C Asset Management plc, F&C Asset Management Services Limited, F&C Management Limited, BMO CML, BMO Real Estate Partners LLP and F&C Fund Management Limited approved this statement.



Philip S. Orsino
Director
February 26, 2018