



BMO Statement Against Modern Slavery and Human Trafficking¹

BMO Financial Group (BMO) is committed to respecting human rights and stands against all forms of slavery and human trafficking.

Respect for human rights is reflected in our core values. This means promoting a diverse and inclusive working environment and mitigating adverse human rights impacts caused by, contributed or linked to BMO in every jurisdiction where we do business.

This Statement describes elements of our human rights program for our 2020 fiscal year, which continues to evolve and incorporate global best practices like those embodied by the United Nations Guiding Principles on Business and Human Rights. More information about our approach to human rights and sustainability is found in our [Statement on Human Rights](#) and our 2020 Sustainability Report and Public Accountability Statement available at <https://our-impact.bmo.com/>.

Our structure, business, and supply chains

BMO is a highly diversified financial services provider headquartered in Canada with more than 43,000 employees. BMO is driven by a single purpose: to Boldly Grow the Good in business and life. To this end, by 2025, BMO will mobilize \$400 billion CAD for sustainable finance, increase support for small businesses and women entrepreneurs, and reduce barriers to inclusion.

BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to approximately 12 million customers. We operate primarily in Canada and the United States and also have operations in the United Kingdom (UK), Europe, the Caribbean, Asia and Australia.

BMO Capital Markets offers a complete range of financial products and services to corporate, institutional and government clients. BMO Capital Markets has approximately 2,700 professionals in 35 locations around the world. Its lines of business include Investment and Corporate Banking and Global Markets. BMO Capital Markets operates in the UK through the London branch of BMO, and through BMO Capital Markets Limited, our UK broker-dealer and direct subsidiary of BMO. BMO Capital Markets Limited also carries on business in Australia through a representative office located in Melbourne, providing both investment banking and securities lending services to wholesale clients.

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 20 offices worldwide. A number of specialist investment teams across Europe and North America complement its primary investment centres in London, Chicago, Toronto and Hong Kong. BMO Global Asset Management (EMEA), based primarily in London and the Netherlands, is the European investment centre of BMO Global Asset Management.

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 product 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, catering, travel, hospitality and call centre services.

In 2020, we purchased goods and services in North America with a total cost of approximately \$5.3 billion CAD from approximately 7,903 suppliers. Of that amount, approximately \$3.7 billion was spent through our Canadian operations and \$1.6 billion was spent through our U.S. operations. Through our operations in EMEA, we purchased goods and services with a total cost of approximately £130.4 million.

¹This statement is issued pursuant to section 54 of the United Kingdom *Modern Slavery Act 2015* (the UK Act) and Part 2 of the *Australian Modern Slavery Act 2018* (the Australian Act) for the financial year ending 31st October 2020. This is a consolidated statement of BMO and its subsidiaries that are subject to the reporting requirements under (a) the UK Act, being: BMO Asset Management (Holdings) plc, BMO Asset Management (Services) Limited, BMO Asset Management Limited, BMO Capital Markets Limited, BMO Real Estate Partners LLP and BMO Fund Management Limited, and (b) the Australian Act, being BMO Capital Markets Limited.

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

BMO has a suite of policies, standards, and guidelines that reduce the risk of modern slavery and human trafficking in our operations, and business and supply chain. Our Corporate Policies and Standards apply enterprise-wide (including all subsidiaries) and establish frameworks to identify, measure, manage and report risks. Our policy development process is initiated with an assessment that identifies and articulates significant risks that require Board and/or senior management oversight. BMO requires Policies and Standards to be assessed at least every two years and updated as necessary. Internal stakeholders provide input during the policy development and update process, as well as when developing supporting documents such as guidelines and directives.

BMO's [Code of Conduct](#) (Code) is the ethical guide for BMO's Board of Directors, the directors of BMO's subsidiaries Boards and all employees. Based on our values of integrity, empathy, diversity, and responsibility, the Code requires we consider the impact of our business decisions on our stakeholders and the communities where we do business. It encourages also us to do the right thing and follow both the letter and spirit of the law.

Our [Supplier Code of Conduct](#) (Supplier Code) sets out specific expectations related to integrity, fair dealing, and sustainability. Suppliers must abide by applicable employment standards, labour, non-discrimination and human rights legislation. In jurisdictions where employment standards and laws do not address discrimination or human rights, we expect suppliers to do what's right. Suppliers must not tolerate slavery, servitude, forced or compulsory labour, human tracking or child labour in their business or supply chain. Harassing conduct — intentional or not — should be prohibited in the supplier's and their suppliers' workplace. Suppliers must comply with workers' right to join a trade union, or to have recognized employee representation under local law and follow the applicable wage and hour laws and regulations in the jurisdictions in which they operate.

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 and identify risks of human trafficking or modern slavery.

Our Third Party Risk Management Directive and Outsourcing and Supplier Risk Management Operating Guide outline our procurement practices and describe the processes, structures, controls, and systems we use to manage outsourcing and supplier risk throughout the supplier lifecycle.

BMO's Human Resources Management Corporate Policy, and our supporting recruitment and diversity and inclusion guidelines, reflect our commitment to ensure that all human resources policies, procedures, programs and practices comply with regulatory and legal requirements in the jurisdictions that we operate in, and formalize our commitment to non-discrimination and equality of opportunity.

Risk Assessment and Management

Employees

We comply with all applicable employment standards and human rights legislation 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 respect and promote diversity, equality and 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 (see [BMO Statement on Freedom of Association and Collective Bargaining](#)); stand against forced, compulsory and/or child labour; and stand against discrimination in all parts of the employment life cycle, including discrimination on the grounds of ethnicity and race. Moreover, we are committed to providing access to opportunities and enabling growth for groups who have historically encountered systemic social and economic barriers to inclusion.

We are committed to workplace diversity and inclusion, which is one of our core corporate values. We strive to create an environment where all our people can succeed, supporting individual needs by:

- providing employees with disabilities with workplace accommodations, technical devices or additional support to succeed at work; and
- making available the tools and resources to assist every employee to contribute to their full potential.

To support our commitment to equality, diversity and inclusion, BMO has operating procedures that aim to create a safe and inclusive workplace for all. These include, but are not limited to, programs regarding health and safety, anti-harassment, bullying and victimisation at work, resolution programs and grievance procedures, workplace violence, employee protection plans, drug-free workplace program, drug and alcohol guidelines, and flexible work arrangements. We also have programs that encourage and support employees to speak up about a concern, and protection against any form of retaliation for raising a concern.

Suppliers

BMO's Supplier Code sets out the standards we expect our suppliers to meet in respecting human rights, upholding ethical business practices and complying with the law. We encourage our suppliers to adopt policies and codes of conduct similar to our own, and to convey their expectations to their own suppliers along the supply chain.

BMO's Third Party Risk Management Framework (TPRMF) governs risk assessment and management associated with our suppliers, as well as the due diligence process. The TPRMF proactively identifies, assesses, monitors, and mitigates risks associated with our third-party suppliers, including the risk of us not complying with regulatory requirements. We identify risks associated with outsourcing and our suppliers by developing an understanding of material business strategies, products and services, processes, systems, activities, and characteristics of the business environment. All new or renewed supplier arrangements, or any significant changes to existing arrangements with any ongoing supplier, must comply with TPRMF requirements.

Where required by the terms of the TPRMF, we conduct due diligence before entering into any agreement with a new supplier, as well as ongoing due diligence with existing suppliers to ensure they remain in compliance with BMO's policies. If one of our suppliers recognizes a potential gap in their internal capacity to identify any relevant risks, or if they identify a risk that they are unable to manage, we will work with them to find a solution. This collaborative approach includes working with our suppliers as they develop policies of their own that address best practices, leadership, sustainability and innovation.

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. We have also incorporated stipulations for supplier diversity into BMO's procurement practices to open up more opportunities for diverse suppliers.

Since 2018, we have been in the process of enhancing our existing third party risk management programs to address the risk of slavery and human trafficking in our supply chain, and address broader supply chain sustainability, including due diligence on human rights matters. We will continue to identify effective tools and processes to integrate identification, management and mitigation of supply chain-related environmental, social and governance risks into our procurement program. BMO's sustainability and procurement teams are collaborating to spearhead these efforts.

Customers

As a financial services provider with customers in multiple jurisdictions, we recognise that we may encounter customers who engage in slavery and human trafficking when providing certain services. To address this risk we have incorporated specific processes into our AML program for identifying risks of human trafficking or modern slavery.

Risks related to our customers are evaluated on factors including customer type, geography and product. We identify customers connected to high-risk countries (e.g., customers that are established in or have significant business operations in a high-risk country), as well as customers operating in certain industries and occupations that are higher-risk, such as arms manufacturers, dealers and intermediaries; cash-intensive businesses; and dealers in precious metals, stones or jewels. High-risk countries are subject to enhanced diligence. Our AML program requires identification of adverse media or adverse information from law enforcement or regulatory authorities related to our customers.

Examples 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.

BMO's AML program conducts assessments to identify higher-risk areas of our business. Enhanced measures apply to these high-risk areas, which include specific customers, products or services, delivery channels, transactions and geographies.

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 ongoing basis.

BMO's AML program also collaborates with Project Protect, which aims to raise awareness and increase suspicious transaction reporting in relation to human trafficking. In 2019, BMO joined a coalition of 12 leading banks and six 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 other stakeholders around the world with a framework to match identified survivors to basic financial services, easing their return to society.

As a signatory to the Equator Principles, BMO Capital Markets has committed to assessing and managing the environmental and social risks associated with all lending transactions that are within the scope of those principles. Meeting this commitment involves considering human rights matters related to any such transactions, including the health and safety of communities, Indigenous rights, workers' rights and community relations. The number of reviewed Equator Principles transactions for 2020 are reported in BMO's Sustainability Report.

Asset Management

Human rights are central to the approach that BMO Global Asset Management takes in its responsible investment, corporate engagement, voting and reporting activities. Our asset management operations include a specialist Responsible Investment team based in the UK, the Netherlands, and Canada, which undertakes investor engagement aimed at encouraging companies in which we invest to adopt best practices in respect of environmental, social and governance issues. This includes initiatives to engage with companies operating 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 contravention of the United Nations Global Compact Principles and engages with those companies if there is an issue of significant concern. In addition, BMO Global Asset Management offers a range of funds with investment portfolios in which every investee company has been systematically screened for specified ethical, social and environmental standards.

In 2019, BMO Global Asset Management published a statement on [Expectations for Social Practices](#), which outlines the commitment to respect human and labour rights through investment practices, as well as through engagement and voting activities.

Mechanisms to Address Concerns and Complaints

We provide multiple channels for our employees to report any Code, legal or regulatory violations, including an 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.

BMO regularly engages with non-governmental organizations and community groups on various sustainability topics, including potential human rights matters. External stakeholders may also engage with BMO through feedback channels including at sustainability@bmo.com.

Training, Awareness and Consultation

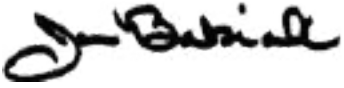
All BMO employees must complete our Ethics, Legal and Compliance Training program on a regular basis. This training includes information on predicate offences for money laundering, including human trafficking, and the associated red flags which may identify a predicate offence. This program also includes training on human rights policies and procedures. The rate of completion of such training and completed hours of training are tracked and reported in BMO's Sustainability Report.

Additional and specialized training is provided to employees, agents, suppliers/outsourcers and other persons who may be responsible for control activities, outcomes or oversight, as appropriate.

This joint Statement is updated on an annual basis in collaboration with all relevant corporate areas and representatives from each of the reporting entities. The Statement is approved by Directors of the BMO Board and all Boards of the subsidiaries subject to the reporting requirements.

Approval

This Statement has been approved by the Board of Directors of Bank of Montreal.



NAME: Jan Babiak

TITLE: Director

Dated: 23 February 2021

Approval

This Statement has been approved by the Board of Directors of BMO Asset Management Limited.



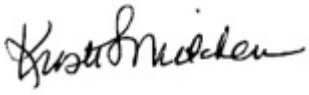
NAME: David Logan

TITLE: Chief Executive Officer, BMO Asset Management Limited

Dated: January 27, 2021

Approval

This Statement has been approved by the Board of Directors of BMO Asset Management (Holdings) plc.



NAME: Kristi Mitchem

TITLE: Chief Executive, BMO Asset Management (Holdings) plc

Dated: 3 February 2021

Approval

This Statement has been approved by the Board of Directors of BMO Asset Management (Services) Limited.



NAME: Richard Watts

TITLE: Director

Dated: January 18, 2021

Approval

This Statement has been approved by the Board of Directors of BMO Capital Markets Limited.



NAME: William Smith

TITLE: Managing Director, Head of International, BMO Capital Markets Limited

Dated: December 7, 2020

Approval

This Statement has been approved by the Board of Directors of BMO Fund Management Limited.



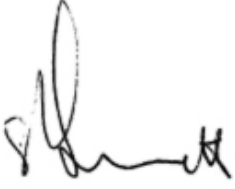
NAME: David Logan

TITLE: BMO Fund Management Limited

Dated: January 27, 2021

Approval

This Statement has been approved by the Board of Directors of BMO Real Estate Partners LLP.



NAME: Stewart Bennett

TITLE: Board member, BMO Real Estate Partners LLP

Dated: January 20, 2021