

Modern Slavery and Human Trafficking Statement

This statement is issued pursuant to the Modern Slavery Act 2015 (the Act) for the financial year ending 31st October 2016.

This is a consolidated statement of the Bank of Montreal (BMO) and its subsidiaries that are subject to the reporting requirements under the Act: F&C Asset Management plc, Thames River Capital (UK) Limited, 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.

BMO is committed to protecting human rights and stands against all forms of modern slavery and human trafficking.

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 through the London branch of the Bank of Montreal, 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 business activities outsourced by BMO as part of the delivery of its own service offering 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 adheres to the highest standards of business conduct and ethics which includes our commitment to protect 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 are reflected in our standards, policies and codes of conduct.

[BMO's Code of Conduct](#) is rooted in our values of integrity, empathy, diversity and responsibility. The Code's principles are not negotiable and oblige employees to follow the letter and spirit of the law.

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

We expect our suppliers to support our standards for integrity, fair dealing, and sustainability, which are set out in [BMO's Supplier Code of Conduct](#). It also includes specific requirements in the area of human rights.

Our Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Measures Program Corporate Policy describes our commitment to manage our exposure to money-laundering, terrorist financing and sanctions avoidance.

Our Outsourcing and Supplier Risk Management Corporate Standard outlines our procurement practices and describes the processes, structures, controls and systems used 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 within 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:

- options for managing multiple commitments - work, family, education and community;
- 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 Victimisation 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 BMO Code of Conduct, 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 sustained basis while identifying and assessing the risks associated with supplier provision of products, services, activities, functions or processes.

Currently, our supplier due diligence processes are governed by BMO's Outsourcing and Supplier Risk Management Framework (OSRMF), and include assessments related to ensuring compliance with regulatory requirements. The OSRMF proactively identifies, assesses, monitors and mitigates risk associated with our third party suppliers through defined governance practices. Compliance with the OSRMF is required for all new or renewed supplier arrangements or any significant changes to existing arrangements with any ongoing supplier. We will evaluate the extent to which our supplier due diligence addresses the risk of modern slavery and human trafficking in our supply chain and take appropriate action.

BMO requires suppliers to be aware of, understand, and respect the principles of its [Supplier Code of Conduct](#).

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 areas of business practices 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
3. investing in, or holding, on behalf of clients securities of companies that might themselves be impacting 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 including the protection of the rights of migrant workers; collective bargaining; and health and safety standards in apparel supply chains. The team also monitors companies alleged to be in breach of the United Nations Global Compact (UNGC) Principles, and engages 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

On an annual basis, BMO provides mandatory training 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, Thames River Capital (UK) Limited, 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 27, 2017