



# Investors Group Inc.

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Industry Sector Primary: investment companies and funds

Industry Sector Secondary: financial services

Revenues (in \$ mil.): \$1,649.00 Database ID #: 6190

Name of Company President: Jeffrey Orr Issue in Monitor: 77

Year This Update: 2002 Ticker Symbol: IGI

Year Founded in Canada: 1940 Exchange: FTSE, TSX

Provinces of Operation: all provinces

Banners: Investors Group, Mackenzie Financial, Master Series, iProfile, Investors Group Advantage Plus

Candor Essay: The company has a candor quotient of 77%, which is highest within its investment companies and funds sector.

Description:

Winnipeg-based Investors Group is a leading provider of personal financial planning services and related products in Canada with a network of 3,480 consultants servicing more than two million clients. It is Canada's largest sponsor and distributor of mutual funds, as well as a significant provider of a wide range of managed asset, brokerage, mortgage and insurance products. Investors Group was founded in 1940 as Investors Diversified Services, the Canadian subsidiary of Minnesota-based Investors Syndicate Ltd. Financial products include mutual funds, managed asset pools, brokerage services, RRSPs, insurance, annuities and mortgages. Investors Group, which has 102 financial planning centres coast-to-coast, earns money on the assets its employees, consultants, and financial consultants administer. It acquired Mackenzie Financial in April 2001. The two operating units are Investors Group and Mackenzie Financial. Assets under administration in 2001 were \$80 billion. Investors Group is a member of the Power Financial Corporation group of companies. Revenues in 2001 were \$1,649 million, changed from \$1,218 million in 2000, and \$1,060 million the previous year.

## Canadian Content

### Board Composition and Policy

Investors Group Inc. is a subsidiary

Name of major shareholder(s) or parent: Power Financial Corporation

Percent of Ownership: 59.7

Notes: Investors is part of the Power Corporation group of companies. The company is traded on the TSE.

## Corporate Governance



## Investors Group Inc.

### Board Composition and Policy

Total number of directors:	21	Directors are nominated individually not by slate:	No
Number of independent directors:	13	Limit on director tenure:	No
Existence of CSR committee of the board:	No	Full disclosure tenure:	No
Independent compensation committee:	No	Board assurance procedures for monitoring ethical policies:	No
Independent nominating committee:	No		

Notes: The number of directors increased from 16 to 21 in 2001. Of the 13 independent Directors in 2000, 8 were executives of either Power Corporation of Canada or Power Financial Corporation (a subsidiary of Power Corp), which holds significant interest in Investor Group Inc. (59.7%). There is no Corporate Governance Committee of the Board. Of the six person Audit Committee, three have Power group of company affiliations. Of the four person Public Policy Committee, two are Power executives.

### Executive and Shareholder Policies

President/CEO compensation based on of multiple average or lowest employee pay level:	No	Minority shareholder resolutions tabled at AGM:	No Info
Executive performance evaluation includes non-financial factors:	Yes	Report of company failing to circulate CSR related minority shareholder resolution:	No Info
Separation of Chairman and CEO:	Yes	Resolutions left uncirculated:	
CSR report in annual report or at AGM:	No	Existence of poison pill:	No

Notes: There have been \_\_\_ minority shareholder proposals tabled or proposed at annual shareholder meetings in the last three years.

## Ethical Management Practices & Consumer Relations

### Written Code of Ethics

Code of Ethics:	No Info	Employee sign-off:	Yes
Written/Modified for Canadian operations:	No Info	Integrated with Corporate Code of Conduct:	Not Applicable
Human rights provision (non-discrimination):	No	Translated into languages spoken in operations:	Yes
Year Code was Initiated:	No Info		
Year of last code update reported:	Yes		

Notes: The code of ethics, introduced in 19\_\_ and last updated in 1996, receives a sign-off from employees.

### Ethics Policies (in code or separate)

Whistleblower protection:	No	Privacy of employee records is assured:	Yes
Guidelines for exchange of business gifts:	No	Other:	No Info



## Investors Group Inc.

### Ethics Code Support

Ethics training:	Yes	Audit results are publicly reported:	Not Applicable
Ethics hotline / Independent ombudsperson:	Yes	Formal employee input into code's creation and/or evaluation of code:	Yes
Independent social / ethics audit:	No	Compliance with code is part of employee and manager evaluation:	No

Notes: Since 1986, Investors has offered an ethical fund among its family of equity funds. [why would compliance with code being part of employee and manager evaluation be not-applicable?]

### Consumer Protection Policies

Toll-free consumer phone line:	Yes	Advertising guidelines:	Yes
Product recall system:	Not Applicable	Consumer safety process assurance (beyond regulation):	Yes

Notes: Ex-employees have been critical of the company's "independent contractor" employment agreement which prevents them from taking their financial products customers with them if they leave the firm.

[Financial Post, Dec 9 1998: "Mr. Hudson also believes he should be able to pursue the business of clients whom he used to represent at Investor's Group." Also, an affidavit from Stephen Gadsden, 13 Sept 1999, "all terminated sales representatives gave up all and any clients they brought to Investors Group Financial Services." What is the nature of the employment agreement? Does it indeed prevent representatives/consultants from doing so?]

### Cases and Convictions

<b>Company reports 0 cases or convictions for:</b>			
False Advertising:	Yes	Competition Act:	Yes
# of Cases:	0	# of Cases:	0
# of Convictions:	0	# of Convictions:	0
Product recall / safety	Not Applicable	Bribes:	No Info
# of Cases:	0	# of Cases:	
# of Convictions:	0	# of Convictions:	
Kickbacks:	No Info	Other:	Yes
# of Cases:		# of Cases:	0
# of Convictions:		# of Convictions:	0

## Employee Relations

### Employment Information

Employment This Year Canada:	3,650	Employment This Year Worldwide:	3,650
Last Year Canada:	2,050	Last year Worldwide:	
Five Years Ago Canada:	3,187	Five Year Ago Worldwide:	
Employment One Year Change:	78.05%	Employment One Year Change (Worldwide):	
Employment Five Year Change:	14.53%	Employment Five Year Change (Worldwide):	



## Investors Group Inc.

Notes: IG has 3,650 employees and 3,409 consultants or financial planners in 2001. This compares with 2,050 employees and 3,480 consultants in 2000. The number of consultants was 3,774 consultants in 1998, 3,150 in 1995, and 1,941 in 1991. The number of employees was 2,050 in 2000, 1,592 in 1998, and 1,407 in 1997. As a result of serious compensation plan changes, as many as 25% of Investors' representatives left the firm's various offices in 1994-1995.

### Union Representation

Unionized Staff:	No	Unionized Percentage:	0
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### Layoffs

Any layoffs in last 5 years:	Yes	<b>Company reports:</b>	
Number of layoffs in last 5 years:	1	% of production contracted out:	0
Locations:		<b>Formal policies to mitigate effects of downsizing:</b>	
		Redeployment:	Yes
Any layoffs in previous 5 years:	Yes	Retraining:	Yes
Number of layoffs in previous 5 years		Severance packages beyond government minimum:	Yes

Notes: In July 2001, Investors Group laid off five fund managers and cut 88 jobs in a bid to reduce costs after its acquisition of Mackenzie Financial Corp. Staff in 45 of the 88 eliminated positions will be offered jobs either with IG or Mackenzie.

### Work Stoppages

<b>Company reports:</b>			
Total strikes/lockouts last 5 years:	0	Total strikes/lockouts in previous 5 years:	0

### State of Relations Indicators

<b>Company reports:</b>			
Number of union decertification cases:	No	Employee turnover rate reported:	No
Number of unjust dismissal cases:	Yes	Employee turnover rate:	
Number of unjust dismissal convictions:	0	Average annual grievances reported: (Reaching arbitration stage)	No
		Average annual grievances:	

Notes: In December 1998, the company initiated a lawsuit against an ex-employee named Douglas Hudson, who has maintained a critical website and whose wrongful dismissal suit was not upheld. He was fired in July 1997. The 2001 corporate spokesperson stated that Mr. Hudson had withdrawn his suit.

[Do you mean his website? Or had Mr. Hudson launched a counter-suit? What was the end result - were any damages awarded to IG?]



## **Investors Group Inc.**

### **Health and Safety**

Injuries Last Year:	0	Fatalities Last Year:	0
Injuries Year Before Last:	0	Fatalities Year Before Last:	0
Disclose Health and Safety Statistics:	Yes	Health and Safety training:	No
Joint health and safety committee:	Yes	Ergonomic workplace assessments for employees:	Yes

### **Training**

Training Dollars Per Employee Last Year:		External course tuition and book compensation:	Yes
Some training for all levels of employees:	Yes		
Percentage of reimbursement:		Formal employee input into training program:	No Info

Notes: Investors is said to provide consultants with some of the best financial products training in the sector, as well as administrative and technical support. Investors Group spent \$\_\_\_\_ in staff training and development in 2000. There are personal and educational leaves of absence as well as tuition subsidies of \_\_\_\_% of expenses, up to a maximum of \$\_\_\_\_ a year. The amount of reimbursement varies according to program.

Consultants attend a two level career training program, the second one for financial planners about nine months after they successfully complete the first level, nine week course. Advanced training takes place at the Investors Group Institute. All are required to complete their CFP designation, or equivalent, within five years.

### **Gainsharing Programs**

Employee Share Ownership Plan (ESOP):	Yes	ESOP Percentage Company Contribute:	50
Profit Sharing:	Yes	Profit Sharing Who:	Management level
Stock Options:	Yes	Stock Options Who:	Senior Management

Notes: About 77% of eligible employees participate in an employee share ownership purchase plan, in which Investors Group matches 50% of those purchases, up to a maximum of \_\_\_\_% of annual compensation. Certain executives are eligible for stock options.

## **Equity and Family Issues**

### **Women In Management**

Women In Management:	78	Women On Board of Directors:	2
Total staff In Management:	161	Total Number On Board of Directors:	21
Women In Senior Management:	1		
Total staff In Senior Management:	13		

Notes: There are 2 women among 21 directors, one among 13 executive officers, and 3 among 27 senior managers at Investors Group and its subsidiaries in the year 2001. The number of women in senior management is 1 of 13 in 2001, changed from 2 of 14 in 2000. In 1998 Investors Group had 2 women among 16 directors and one woman among 19 officers.



## **Investors Group Inc.**

### **Visible Minorities/Disabled in Management**

Does company track data: No

### **Formal Employment Equity Program**

Employment Equity Program: No

Notes: Investors Group conducts training on diversity awareness, sponsors educational courses and seminars specifically for women, and conducts employee surveys on how to increase womens' role in management.

### **Family Support**

Extended Maternity Leave:	Yes	Daycare Provision:	No
Paternal Leave:	Yes	Paid days off for child/elder care:	Yes
Adoption Leave:	Yes		

Notes: There is a maternity-leave "top up" program up to 90% of salary, but no third-party-provider daycare referral. Paid days off for child / elder care are available at supervisors' discretion.

### **Support for Disabled**

Access to all buildings and facilities: Yes Accommodation policy including training: No Info

### **Anti-Harassment Protection**

Policy Exists:	No	Annual review or audit:	No
Sign-off on Policy:	No	Training on policy:	No
<b>Policy Covers:</b>			
Sexual Issues:	No Info	Race:	No Info
Sexual orientation:	No Info	Disability:	No Info
Protection and training included in collective agreement language: No Info			

### **Accommodation of Diverse Groups**

Paid days off for cultural and religious observances: Yes Same sex couples benefits: No Info

Notes: Paid days off for cultural and religious observances are available at supervisors' discretion.

### **Advancement of Diverse Groups**

Advisory committee on diversity issues:	No	Management responsible for progress:	No
Gender guidelines for Board nominating committee:	No	Public report:	No
Goals set for advancement targets:	No	Formal mentoring or counselling:	No Info
Support for scholarships and networks:	Yes	Audit of performance:	No

Notes: The company has a partnership with the University of Manitoba through which up to five positions are reserved for female Investors Group agents or staff in the Certificate Program in Management



## **Investors Group Inc.**

Development for Women.

### **Human Rights Cases**

<b>Does company report cases or convictions involving:</b>			
Sexual Issues:	No Info	Religion:	No Info
Sexual orientation:	No Info	Family status, marital status:	No Info
Disability / Handicap:	No Info	# of total cases:	0
Age:	No Info	# of dismissals:	
Ancestry, national or ethnic origin, race, colour:	No Info	# of convictions:	
		Use external investigator for allegations:	No Info

## **Progressive Staff Policies**

### **Formal Employee Assistance Plan**

Employee Assistance Plan (Y/N):	Yes	Retirement Planning:	Yes
Employee Assistance Plan (#):	4	Eldercare:	No
Alcohol Abuse Counselling:	Yes	Services for children with special needs:	Yes
Drug Abuse Counselling:	Yes	Other:	No Info

Notes: Substance abuse counselling and counselling services for children with special needs are available through the EAP. Free retirement planning advice is available through Investors Group Financial Consultants fee-free financial products.

### **Health Promotion Plan**

Health Promotion Plan (Y/N):	Yes	Smoking cessation program:	No
Health Promotion Plan (#):	1	Workplace Wellness Training:	No
Fitness Club Subsidy:	No	Drug coverage as part of health benefits:	Yes
Head Office Only for Fitness Facilities:	No	Enhanced Wellness Program:	No Info
Fitness Facilities on Site:	No	Other:	No

### **Communications**

Employee Newsletter:	Yes	Formal employee feedback on internal practices:	Yes
Orientation program for new employees:	Yes	Feedback sessions/surveys conducted by external verifiers:	Yes
Reward Incentives:	Yes	Other - Please Specify:	No
Open Door To Managers:	Yes	Enhanced Internal Communications Program:	No Info
Communications Program(s) (#):	6		

Notes: Investors Group has an employee newsletter, an open door to managers, and employee satisfaction surveys.



## Investors Group Inc.

### Human Development

Refund Tuition/Books > 75%:	Yes	Scholarship for children of employees:	Yes
Tuition Refund & Book Compensation:	100	Other Staff Policies (#):	Yes
Employee scholarship for external degree/diploma programs:	Yes		

Notes: Scholarships for children of employees are available through some Region offices. Honorariums are provided upon completion of Educational programs.

### Worklife Policies

Flexible scheduling:	Yes	% of employees job-sharing:	
% of employees on flexible schedules:		Guarantee of compensation for time worked beyond 40 hour week:	No Info
Telecommuting programs:	Yes	% of employees working beyond 40 hour week:	
% of employees telecommuting:		Other:	No Info
Job-sharing program:	Yes		

Notes: As part of a Working Together For Success Program, employees have access to non-traditional work arrangements such as working at home and job sharing.

## Sensitive Business Activity Ranking

### Does the company produce, sell, distribute or invest in any of these sensitive products:

	Direct	Indirect		Direct	Indirect
Tobacco:	No	No Info	Alcohol:	No	No Info
Percentage of Revenues (%):	0		Percentage of Revenues (%):	0	
Pornography:	No	No Info	Weapons and Strategic Devices:	No	No Info
Percentage of Revenues (%):	0		Percentage of Revenues (%):	0	
Gambling Products:	No	No Info	Nuclear Energy Related:	No	No Info
Percentage of Revenues (%):	0		Percentage of Revenues (%):	0	
Defence Sales:	No Info	No Info	<b>Animal Testing</b>		
Percentage of Revenues (%):			In - house:	No Info	No Info
			Contracted:	No Info	No Info
			On market (Within 5 years):	No Info	No Info

## Sourcing and Trading Practices





## **Investors Group Inc.**

### **Canadian Sourcing**

Disclosure of percentage of Canadian sourcing:	No
Policy on preferential Canadian sourcing:	No
Percentage of sourcing from Canada:	

### **Disclosure of Foreign Activity**

Country List:

**Management ensures company does not source from:**

Repressive Regimes:	No	Slave labour/child labour/suppliers contractors:	No
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Notes: There is no mention of any international activities by the Investors Group.

### **Foreign Sourcing Code**

Code:	No	Translated into local languages:	No
Applied to contractors, licensees:	No		
<b>Worker protections guaranteed in all plants:</b>			
Child labour standards:	Yes	Maximum work hours:	Yes
Exploitation of women, forced labour:	Yes	Living or sustainable wages:	No Info
Health and safety standards:	Yes	Support apprenticeship/education programs:	No Info
Disciplinary practices:	Yes	Company confirms no breach of above list:	No Info
Freedom of association & collective bargaining:	Yes	Number of breaches:	

Notes: Investors Group has not publicly subscribed to any voluntary international standards involving human rights or labour standards such as the United National Global Compact or the Caux Principles.

### **Audit Verification**

Applied to operations, contractors, licensees:	No	Publicly report results:	No
Independent auditors included:	No	Surprise visits:	No Info
Rectification procedure:	No	Follow international labour standards:	No Info
Employee recourse:	No	# of standards followed:	

## **Environmental Management**



## **Investors Group Inc.**

### **Corporate Policy**

Written formal Environmental Code:	No	Employee sign-off:	No
Applicable to all subsidiaries:	No	Train employees on code and environmental management:	No
Last update (year):			

### **Monitoring Results**

Council:		Certified by an independent standards council:	No
Performance audited:			

### **Environmental Reporting**

Performance results reported by:			
<b>Reports set:</b>			
Principles / Standards	No Info	Separate EHS Report:	No
Targets:	No Info	Environment section in annual report:	No
Progress to Date:	No Info	Frequency of environmental reports to board:	

Notes: Annual reports are printed on recycled, acid-free paper.

### **Environmental Organization**

Highest ranking full time environmental officer:		# of full-time environment staff:	0
Environmental committee of Board:	No	Environment officer at each business unit:	No
Outside environmentalist on Board:	No	Community stakeholders included on environmental panels:	Not Applic
Staff environmental health & safety committee	No		

### **Environmental Waste/Energy Investments**

Capital expenditures for waste management / energy efficiency:	No
Number of investments:	\$ Value of Investments:

Notes: Environmental responsibilities worth reporting on could include audits when buildings are acquired or sold, office recycling initiatives, waste reduction and energy conservation programs, telecommunications substitution for travel, repair and reuse of computer equipment, and use of fibre optic networks.

## **Environmental Performance**



## **Investors Group Inc.**

### **Waste Reduction Targets**

Emission reduction targets are included in process development and product design:	Not Applicable	Signator to voluntary government or multi-lateral protocols:	No
Life cycle environmental systems:	Not Applicable	Voluntary environmental systems:	No Info
# of protocols:		Other voluntary environmental systems:	No

Notes: Given the nature of its business, it is not surprising that the Investors Group failed to provide the National Pollutant Release Inventory with information on chemical releases and transfers from its sites in 1999, and so this information was not available for analysis on [www.pollutionwatch.org](http://www.pollutionwatch.org).

### **Recycling and Restoration**

Energy resource conservation program:	No Info	Packaging and process materials recycling:	Not Applicable
Quantities conserved:		Quantities recycled:	
Waste reduction program:	No	Workplace recycling programs:	Yes
Quantities reduced:		Number of recycling programs:	3
Commodity recycling program:	Yes	Quantities recycled reported by company:	No
Quantities recycled:		Environmental restoration program:	No Info

Notes: The company has implemented various environmental initiatives, including recycling programs for paper, toner cartridges, and aluminum cans, the use of reusable coffee mugs, and monthly draws for a transit pass or bus tickets.

### **Violations, Fines and Awards**

Zero EH&S violations or convictions reported:	Yes	Total value of EH&S fines:	\$0.00
Total number of EH&S violations:	0	Total EH&S awards:	0
Name awards:	None	Total number of EH&S convictions:	0

Notes: Investors Group and its various affiliated had no fines over the last five years.

### **Stakeholder Relations**

Product attributes called "environment friendly" are verified by independent third party:	Not Applicable	Demands made of suppliers are monitored for compliance:	Not Applicable
Reductions/environmental improvements to packaging:	Not Applicable	Charitable giving to environmental causes:	Yes
Environmental demands made of suppliers' packaging or production:			Not Applicable

Notes: Starting in \_\_\_\_, Investors Group began donating a percentage of the fees earned from an environmental card it issues to environmental groups or projects selected by cardholders. The cards, called \_\_\_\_, are held by \_\_\_\_ Canadians.

## **Investors Group Inc.**

### **Genetically Modified Organisms**

Use of Genetically Modified components in products:	Not Applicable	Demands are made of suppliers regarding use of GMOs:	Not Applicable
Policy on use of GM ingredients:	Not Applicable	Labels inform consumers of any products containing GM ingredients:	Not Applicable
Research is conducted/supported into the effects of GMOs:	Not Applicable		

### **Eco-Efficiency**

Core Energy Intensity Ratio:		Life Cycle Energy Intensity:	No Info
Core Waste Intensity:	No Info	Total Excess Energy Generated:	No Info
Core Water Intensity Indicator:	No Info	Waste Utilization:	No Info
		Water Discharge Intensity:	No Info

## **Community Responsibilities**

### **Community Giving**

Imagine campaign commitment:	Yes	Staff donations last year (\$):	\$162,000
Pre-tax earnings given to charity (%):	1.10	Staff donations as % of corporate (%):	5
Corporate donations last year (\$):	\$3,200,000	Total corp. & staff donations last year (\$):	\$3,365,00
Corporate donations previous year (\$):	\$2,850,000	Total corp. & staff donations previous year (\$):	

Notes: The company, which first pledged to the Imagine Campaign in 1992, gave 1.1% of its pre-tax earnings to charity in 2000, or \$3,200,000. Staff gave a further \$162,000, for a total of \$3.365 million. Between fiscal 1997 and 1999, Investors Group donated about \$6.6 million in cash to charities through its Community Investment Program, representing 1% of pre-tax earnings.

### **Donations Policy and Support**

Cash donations as a percent of total:	100	Publish itemized list of recipients and amounts:	No
In-kind donations as a percent of total:	0	Employees help set corporate citizenship program:	Yes
Publish donation guidelines:	Yes	Donations committee: # of members:	8
Publish report on community giving:	No		
Discretion for donations given to individual business units:	Yes		

Donations committee: composition of members:

4 - Head office; 4 - Consultants from across Canada

Notes: The company has a half-page description of its community giving in its 2000 Annual Report. The company has undertaken to publish a report of community giving, and an itemized list of recipients and amounts, starting in 2002.



## Investors Group Inc.

### Charitable Community Activities

Formal corporate citizenship program targets less than 4 areas:	No	In-kind donation of products/services:	No
Loan of corporate facilities to community groups:	No	Paid-time loan of staff:	No Info
		Gift matching program:	Yes

Notes: Through its Community Service Support Program, Investors Group encourages employees to participate in the community by providing \$\_\_\_ in cash to each group that has an Investors representative as a volunteer. The company also matches employee donations to such charitable organizations through a matching gift program.

### Areas of Giving

Health / medical:	Yes	Civic / welfare:	No
Education:	Yes	Culture / arts:	Yes
External scholarship program:	Yes	Athletic / sports:	Yes
Economically disadvantaged:	Yes	Other:	No

Notes: One of the key areas of Investor Group's support is youth education, development, and athletics.

### Community Engagement

Involvement in multi-stakeholder dialogues:	No	Operating in areas of unsettled aboriginal land claims without aboriginal involvement:	No Info
Funds to monitor company impact on community:	No	Community consultation during plant closing:	Not Applica
Agreements and preferred contracts with aboriginal groups:	No Info	Community development investments:	Yes

Notes: Launched in 1986, Investor's SUMMA mutual fund was one of the two earliest socially-screened funds in Canada. IG sells most of its funds through its network of 3,500 advisers.

## Contact Information

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