

Investor Relations Professionals Continue to Demonstrate Their Strategic Value to Management and Boards of Canadian Issuers

Toronto, Ontario – The role of investor relations is increasingly being recognized for its strategic value as more IROs are contributing to the company’s strategic plan and executing the IR elements of that plan. According to new reports released by the Canadian Investor Relations Institute (CIRI) and Global Governance Advisors (GGA), over half of IROs (investor relations officers) are contributing to the company’s strategic plan and almost three-quarters are executing the IR elements of the company’s strategy. In addition, over three-quarters of IROs counsel executives and Boards on IR matters and over one-quarter develop the company’s ESG/sustainability strategy. With these expanded responsibilities come enhanced compensation with over half (59%) of IROs earning at least \$225,000 in total cash compensation, including 28% who earn more than \$300,000.

“Over the last several years, the investor relations profession has been impacted by changes in the Canadian capital markets, the economy and the environment, some of which have been driven by the pandemic. This has required IROs to evolve their practices and take on additional, more strategic responsibilities,” commented Yvette Lokker, President and Chief Executive Officer of CIRI. “These factors have contributed to IROs being recognized by Boards and executives for the strategic value and insights they provide thereby elevating the stature of the role, which is reflected in higher compensation.”

“Average total cash compensation for IR professionals spending more than half of their time on IR activities increased to \$220,470 representing a 5% increase from \$210,800 when this survey was last conducted,” commented Peter Landers, Senior Partner at Global Governance Advisors. “We saw a material increase in the percentage of IROs earning \$200,000 or more in total cash compensation. In addition, most IROs (79%) received long-term incentive awards this year which is an increase from 59% in the last survey. This indicates the relative seniority of participants in this year’s survey and that companies want to align their pay with longer-term performance given the critical role they play beyond one year.”

Key survey findings:

- **Investor relations is a valued corporate function**
 - **Recognition as a distinct corporate function:** Three-quarters (74%) of IROs work for companies with separate IR departments, in line with 2019.
 - **Closer proximity to C-suite:** More IROs are working more closely with the company’s key decision makers with 88% reporting to C-suite executives, up from 79% in 2019: 34% report to the CEO and 54% report to the CFO.
 - **Greater financial resources:** Average IR budget is \$830,150 (excluding allocated overhead, but including compensation), up 6% from 2019.
- **IROs increase strategic influence by providing insights to management and Boards**
 - **Delivering strategic value:** Recognizing that IR is viewed as a strategic role, over half (57%) of IROs contribute to the company’s strategic plan, up from 53% in 2019, and three-quarters (73%) execute IR elements of company strategy, in line with 2019.
 - **Expanding responsibilities in ESG:** IROs have taken on increased responsibilities related to ESG/sustainability: 55% engage with investors on ESG/sustainability; 50% write or edit the company’s ESG/sustainability report; and 28% develop the company’s ESG/sustainability strategy. These are new additions to the 2022 survey therefore comparisons are not available.



- **Stronger engagement with the Board:** The strategic value IROs provide is further supported by their increased engagement with the Board. Most IROs (82%) prepare reports for the Board while over half (53%) present to the Board. Over three-quarters (77%) of IROs counsel executives and Boards on IR matters. IROs also facilitate Board-shareholder engagement with one-third (36%) of IROs managing the engagement process between institutional shareholders and the Board. These are largely in line with 2019.
- **IR compensation is on the rise**
 - **With expanded responsibility comes enhanced compensation:** Total cash compensation for all IROs averaged \$223,000, up from \$202,000 in 2019. Over half (59%) earned at least \$225,000, up significantly from 34% in 2019, including 28% who earned more than \$300,000, up from 22% in 2019.
 - **Gender gap closing...marginally:** While the compensation gap between men and women has closed, a considerable disparity remains. On average, male IROs received total cash compensation of \$246,000 while female IROs earned \$206,000. This \$40,000 pay gap, representing a 19%, is drop of \$5,000 or 11% from 2019.

The survey results were published in two separate reports, which can be accessed [here](#).

About the Survey

CIRI and GGA conducted the ninth Investor Relations Compensation and Responsibilities Survey during the first and second quarters of 2022. One hundred and ninety-two investor relations professionals took part.

The research objectives from this survey were to:

- Provide members, non-members and industry professionals with IR budget information for benchmark analysis; and
- Track key trends in the roles, responsibilities, resourcing and compensation of IR professionals in Canada.

About CIRI

CIRI is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital markets by advancing the practice of investor relations, the professional competency of its members and the stature of the profession. With close to 500 members and four Chapters across the country, CIRI is the voice of IR in Canada. For further information, please visit CIRI.org.

About GGA

Global Governance Advisors (GGA) is a human capital consulting firm providing executive compensation and governance advisory services to boards of directors and senior management. The value we offer our clients stems from our unique combination of independence, experience, rigor and integrity. This means advice that is strategic, objective and conflict-free. Our extensive range of advisory services is backed by a database that stems from over a decade of analyzing compensation, design, performance metrics and pay levels. We bring a strategic, innovative and practical approach to maximizing executive talent. The result is better shareholder returns, solutions that align with shareholder advisory firm guidelines and pay for performance that truly rewards for generating exceptional returns. For further information about GGA, please visit www.ggainc.com



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