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IN-HOUSE LAWYERS

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2026 Canadian In-House Counsel Report

Unparalleled Insight into the Canadian In-House Counsel Profession

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INTRODUCTION

CBA In-House Lawyers and Mondaq are pleased to present the findings of the fifth annual Canadian In-House Counsel Survey. Drawing on nearly 500 responses from in-house counsel across Canada and across varying job levels, this report delivers unparalleled insight into the priorities, challenges, and opportunities impacting the in-house profession and shaping legal departments today. Developed in collaboration with an advisory board of leading in-house counsel, the survey offers a timely analysis of the profession's most pressing issues, along with a forward-looking outlook for 2026.

We'd like to thank the Canadian in-house community for their terrific support of our survey, which has established itself as the definitive annual report into the Canadian-in house profession, as well as our advisory board members for their sage counsel.

Alexandra Chyczij
Executive Director
CBA In-House Lawyers

Tim Harty
CEO
Mondaq

About CBA In-House Lawyers

CBA In-House Lawyers (formerly the Canadian Corporate Counsel Association) is Canada's home for in-house counsel. Founded in 1988, we represent over 5,000 in-house lawyers across every province and territory, spanning all sectors, industries, and stages of practice.

Our work supports in-house counsel as strategic advisors and business partners through a combination of professional development, thought leadership, and peer connection. We deliver practical, relevant programming designed to reflect the realities of in-house practice and the evolving role of legal departments.

Our national platform includes:

- A coast-to-coast-to-coast community across public and private sectors
- High-quality education programs, leadership development, and benchmarking initiatives
- Timely research and insight into trends shaping the in-house profession
- Opportunities for mentorship, networking, and knowledge exchange at every career stage

Together, we help strengthen in-house legal teams and advance the profession by providing trusted insight, practical tools and a connected national community. For more information, visit cbainhouse.org.

About Mondaq & Legal 500

Mondaq and Legal 500 have come together to create one of the most comprehensive legal intelligence platforms available today. By combining Legal 500's globally recognised benchmarking and deep research capabilities with Mondaq's AI-enabled insights, expert analysis, and readership data, we now offer an unparalleled view of the legal landscape.

Our joint platform brings together:

- 150+ researchers, technologists, and data analysts
- 60,000+ law-firm submissions reviewed annually
- 700,000+ client referees surveyed annually
- A global contributor network spanning legal, regulatory, tax, and financial expertise
- Real-time intelligence into trends and developments

Together, we deliver richer, faster, and more actionable insights across 100+ jurisdictions. From benchmarking and market analysis to thought leadership and trend monitoring, our combined capabilities empower law firms, in-house teams, and corporate decision-makers to make smarter, data-driven decisions.

This partnership strengthens our shared mission: to provide the legal market with a single, authoritative destination for research, insight, and strategic intelligence. For more information, visit www.mondaq.com.

METHODOLOGY

In October 2025, CBA In-House Lawyers and Mondaq launched the fifth annual Canadian In-House Counsel Survey, designed to deliver unparalleled insights into the evolving role of in-house counsel in Canada. Widely recognized as the most comprehensive and representative study of in-house legal departments nationwide, this survey provides a definitive snapshot of the profession's current state and emerging trends.

Just under 500 respondents completed an online survey between October and December 2025. The survey featured 36 questions exploring key areas such as organizational and legal department activity, budgets and investment, outsourcing, technology and innovation, as well as priorities, challenges, and people-focused topics. Following the main questionnaire, participants were invited to complete an optional self-identification section consisting of eight questions, which received responses once again from more than two-thirds of participants.

To ensure robust oversight and authoritative input, the survey was developed in partnership with our survey Advisory Board, which includes eminent Canadian in-house counsel.

Advisory Board

Ranj Sangra
Associate General Counsel
Ballard
Power Systems

Heidi Schedler
General Counsel &
Corporate Secretary
Port Halifax

Dev Jagdev
Senior Legal Counsel
Rogers
Communications

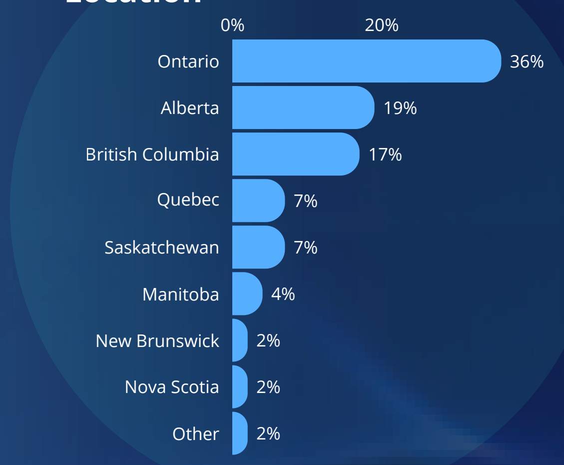
PARTICIPANT PROFILE

The survey successfully obtained a representative view, with notable characteristics in participant roles and organizational affiliations:

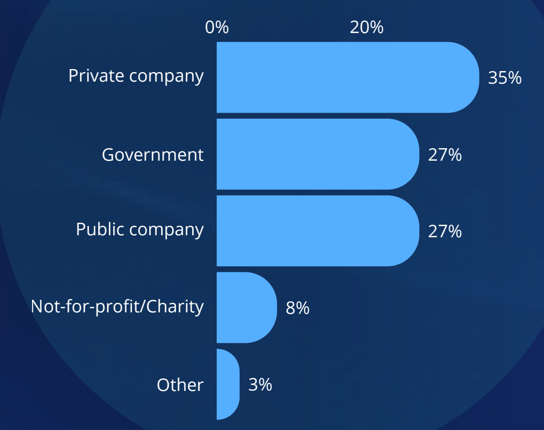
- Representation from across Canada: British Columbia (17%); Alberta (19%); Saskatchewan (7%); Manitoba (4%); Ontario (36%); Quebec (7%); New Brunswick (2%); Nova Scotia (2%).
- Diverse job-level representation across legal departments included responses from CLOs/GCs (29%), EVP Legal/VP Legal (4%) Associate GCs (11%), Senior Counsel (25%), Counsel (18%) and Directors of Legal Services/Legal Managers (9%).
- Excellent response levels from across various sectors, with 17% from public companies, 35% from private companies, 27% from government organizations and 8% from not-for-profits.
- Well balanced distribution based on organizational size, with 38% of responses from organizations with up to 500 employees, 36% with 501 to 5000 employees, and 26% with 5001+ staff.

For further details on survey respondent specifics, refer to the Participant Profile charts to the right.

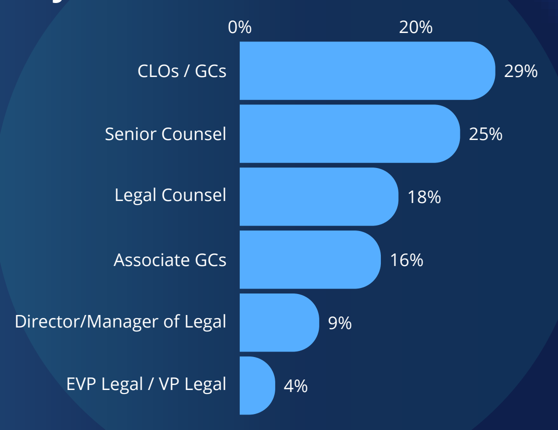
Location



Organization Type



Job Role



Organization Size by Employees

EXECUTIVE SUMMARY

Against the continued backdrop of geopolitical strife, tariff volatility and economic uncertainty across the globe, the CBA In-House Lawyers & Mondaq Canadian In-House Counsel Survey seeks to shine a light on the state of Canada's in-house legal departments and profession.

The extensive questionnaire and widespread participation provides unrivalled insight into legal departments' budgets, investment, staffing, activities, insourcing and sourcing focus. It reveals the biggest challenges and priorities across in-house job levels; and offers insights into what makes a great in-house lawyer in 2026.

- **Hybrid working patterns settle as employee engagement issues stabilize –** More than three-quarters (77%) of legal departments work on a hybrid basis, with most organizations (56%) now mandating three office days – previously the fastest-rising trend. Employee engagement, previously rated the most challenging aspect by two-thirds of organizations, fell back to just 60% – though employee retention issues grew slightly.

- **Demand for in-house legal services continues to grow, but the focus is shifting –** Around half of respondents predict rises in activity across Data Privacy, Risk & Compliance and Contract Management – much as last year. But demand for support in Dispute Resolution & Litigation and in Labour & Employment issues have both risen sharply, overtaking last year's highest riser, Business Strategy & Advice.

- **Technology continues as the main investment priority, with in-house teams also set to grow –** Growth in legal technology investment continues apace, with 49% of organizations now expecting to spend more, up again on the previous year. To meet increased demand for legal services, 36% of organizations will spend more on in-house teams, slightly fewer than a year ago. This slowing will be offset by a marginally higher proportion expecting to increase investment in outsourced legal services.

- **Pressure is easing on outsourcing spend while the 'Big 5' buying criteria remain constant** –37% of organizations expect to grow spend with outside counsel, up 3% for this year, and fewer than last year expect to spend less. As before, over 90% of respondents rate legal expertise, practical advice, client service, understanding of the client's business and value for money as the key factors influencing their buying decisions.

- **In-house counsel's continuing additional accountabilities drive growth investment in legal teams –** Compliance now seems established as integral to the legal function with almost half (47%) of respondents carrying out this role. Government relations work is on the rise, possibly reflecting factors such as the federal election, new government priorities and mandates and the changing landscape in international trade tariffs.

- **Work-related stress and anxiety levels have risen to affect over half the profession –** More than half of respondents (51%) reported increased work-related stress and anxiety. The figure is highest among public companies (53%) but government organizations reported the sharpest increases – up almost a fifth to 47%. This emphasizes an acute and intensifying need to prioritize employee support and wellness.

- **Equality, Diversity & Inclusion in legal departments has tumbled as a priority –** Fewer than half of Canadian legal departments now consider ED&I to be a priority within their organization, 13 percentage points down on last year. The lack of priority reported at CLO/GC level jumped significantly, magnifying concerns around the composition of legal teams and the prospects for employees from different backgrounds.

- **Top in-house priorities and biggest challenges –** Volume of work/managing workload has outstripped other contenders as the greatest challenge facing in-house counsel at every level. Regulatory change and AI compliance / implementation tie for second place some distance behind. In-house counsel rate supporting business growth as their chief priority, but staff support and wellbeing is not being prioritized as much as it perhaps should be – given other data around elevated workload pressures and stress levels. Learning and development is now an increased priority for legal counsel and senior legal counsel.

- **The key attributes of a great in-house lawyer in 2026 -** Business understanding has overtaken communication skills as the most important attribute of an effective in-house lawyer today, with flexibility/adaptability in third place. Such eminently transferable skills may explain why an increasing proportion of respondents (23% up from 19%) are seeing increased movement of legal colleagues into wider business roles, most commonly within HR, Compliance and executive roles.

BUDGETS & INVESTMENT PRIORITIES

Budget growth for in-house legal departments appears to be slowing, continuing the trend over the past three years.

One third (33%) still expect their budget to grow, a shade down from 35% in 2025. For the second year running, around half of respondents expect their budget to remain the same.

But the number expecting a budget reduction in 2026 rose sharply to 17%, up from 12% in 2025. It is the highest rate of projected budget decline in the five annual surveys to date. Public companies are under the greatest budget pressure. Only 26% expect their budgets to rise, down from 30% in 2025. This widens the gap with private companies, which are holding up well with 40% again expecting budget growth.

Expected size of the total in-house legal department budget over the next year:

It is a similar story among those expecting their budget to be cut: 24% of public companies against only 14% of private companies.

The general budget outlook for government organizations is broadly the same as a year ago. 32% are looking at an increased budget (from 33% in 2025), with 14% (from 13%) expecting a reduction.

Demand for in-house legal services continues to increase across a broad range of areas. The top three areas are the same as 2025, with just a couple of points' variation in each case:

Risk & Compliance - 51% (from 53%)

Data Privacy - 51% (from 50%)

Contract Management - 48% (from 50%)

But there are two additional areas where a significantly higher proportion of respondents expect increases in demand for in-house legal support:

Dispute Resolution & Litigation 41% (up from 34%)

Labour & Employment issues 32% (up from 26%)

Both these areas are often markers of tough economic conditions. The figures for dispute resolution and litigation in particular are comparable with 2025's strongest riser, Business Strategy & Advice, which has dropped back slightly to fifth place in the overall rankings.

Few respondents expect decreases in any area of activity. It seems probable that such broad-ranging growth in demand for in-house legal service is a main reason for the corresponding expected spend increases on legal staffing, technology, outside counsel and ALSPs.

Technology is the biggest area of in-house spend growth for the third year in a row, this year rising to 49% – almost half – of all organizations. Among public companies the year-on-year figure has risen almost a fifth to 57%.

49% of legal departments will spend more on technology, the biggest growth area for three years running

57% of organizations now view investment in legal technology as a priority, up another 4 points on the previous year, with the strongest emphasis being among government organizations.

Demand for in-house services continues to increase across a broad range of areas

Previous levels of investment growth in legal department staffing continue to slow. 36% expect to spend more (from 38%) but this downward trend has been sustained for the past 4 years. And there is 2-point rise to 11% of organizations who will spend less on in-house staff in the coming year. Public companies will see the least investment growth (31% more vs. 19% less) and private companies the most (36% more vs 8% less). Public companies will see the least growth (31% spending more vs. 19% less) and private companies the most (36% more vs. 8% less).

Despite this, 24% of respondents expect legal department headcount to grow in 2026, slightly down from 27% last year. The overall trend has now been consistent for five years, but there are great variations between different types of organization.

60% more private companies than public companies expect to increase the size of their in-house team. That's 32% of private companies predicting headcount growth, against just 20% of public companies. Correspondingly 11% of public companies are looking at reduced headcount, compared to just 4% of private companies.

Growth will be weakest within government organizations, where fewer than one-in-five expect their team to grow – a sharp drop from 26% to just 18%. And the number expecting to reduce staff is also up steeply to 10% from 7%. Even so, expectations of headcount growth are significantly higher than for reductions. The figure for those expecting lower headcount edged higher to 7% from 6% last year.
There has also been a near-doubling to 9% of organizations that expect to reduce spending on in-house staff.

Investment growth in legal department staffing continues to slow

The contrast between expectations of growth versus reduction in headcount is greatest among privately owned businesses. Here, six times the number of respondents (30%) plan to grow against 5% that expect headcount reduction. Public companies are the most cautious: just 23% expect to grow against 8% predicting to shrink their legal team size in 2026. In the government sector 26% expect an increase against 7% a reduction in team size.

Over the next 12 months I expect activity in the following in-house legal areas to increase:

The 30+% expecting to grow their legal teams in 2022/2023 slowed to 26% for 2024 – and is about level for the coming year. As to spending on outside counsel, there is an even narrower spread between those who expect to spend more and those who will spend less. The number expecting to increase spend rose slightly this year to 29% from 27%. Those expecting to reduce spend also increased, to 24% of respondents, as against 20% the previous year.

15% of respondents expect to use Alternative Legal Service Providers (ALSPs), the same proportions as in last year's survey. But within that segment, 20% of legal departments expect to spend more on ALSPs, suggesting that there is more reliance on such outsourced services among those organizations that perceive the need.

So, as demand for in-house legal services continues to increase across the range of business activities – and against the backdrop of continuing socio-economic uncertainty – organizations continue to increase investment, primarily in technology and people, to meet the challenge.

OUTSOURCING

Outside Counsel

Pressure appears to be easing on outside counsel expenditure, with the gap widening for the first time in three years between organizations that expect to increase spending and those who expect to spend less.

37% now expect to grow their spend with outside counsel, rising from 34% a year ago. There was also a corresponding fall to 20% (from 22%) in respondents expecting to spend less – widening the gap by five points to 17% – the highest margin since this survey began.

Much of the growth will be driven by government organizations. 45% (from 34%) say they expect increased spending on outside counsel. Growth is less pronounced among both private companies (34%) and public companies (35%).

Indeed, public companies are the only type of organization where a higher proportion expect to reduce rather than increase the volume of work sent to outside counsel (27% less outsourcing vs 23% more). The gap has widened by 2 percentage points in the past year, which will be of concern to legal services providers.

37% now expect to grow their spend with outside counsel

The reverse is true for private companies and government organizations where a higher proportion still expect to outsource more work than to reduce it. Figures are marginally higher than 2025 but with the gap narrowing between more vs less outsourcing.

Regarding the buying criteria considered when instructing outside counsel, the 'Big Five' remains consistent with previous surveys. Legal expertise leads with 98% of respondents – just ahead of practical advice (97%) and client service (95%) unchanged from a year ago.

Understanding the client's business (92% from 94%) and value for money (91% from 87%) retain their Top 5 positions. These two factors have increased in importance the most in the five years of this survey being carried out. The top four factors rated 'very important' match the big five, excluding value for money, with figures and positions virtually unchanged year on year.

The key buying criteria rated as important or very important:

98%	97%	95%	92%	91%
Legal Expertise	Practical Advice	Client Service	Understanding of my business	Value for money

There is then a large gap to the next tier of buy-side criteria, where brand reputation has reasserted its significance (up to 59% from 52%). And half of respondents now rate existing senior-level relationships as important, even higher than its 2022 peak.

Behind that around 1-in-4 respondents (23%) cite outside counsel's investment in technology and innovation as important, in line with recent years. But Diversity and Inclusion has sunk to only 19% (from 28%) of organizations that now rate this factor as important, after minor gains in previous years.

The types of work most likely to be outsourced remain consistent with previous years and are concentrated around shortfalls in in-house capacity or capability.

Work areas most often outsourced:

70%	60%	60%
Seeking expert advice in a new area	Litigation	Transactions and activities where legal departments want external counsel assurance and opinions

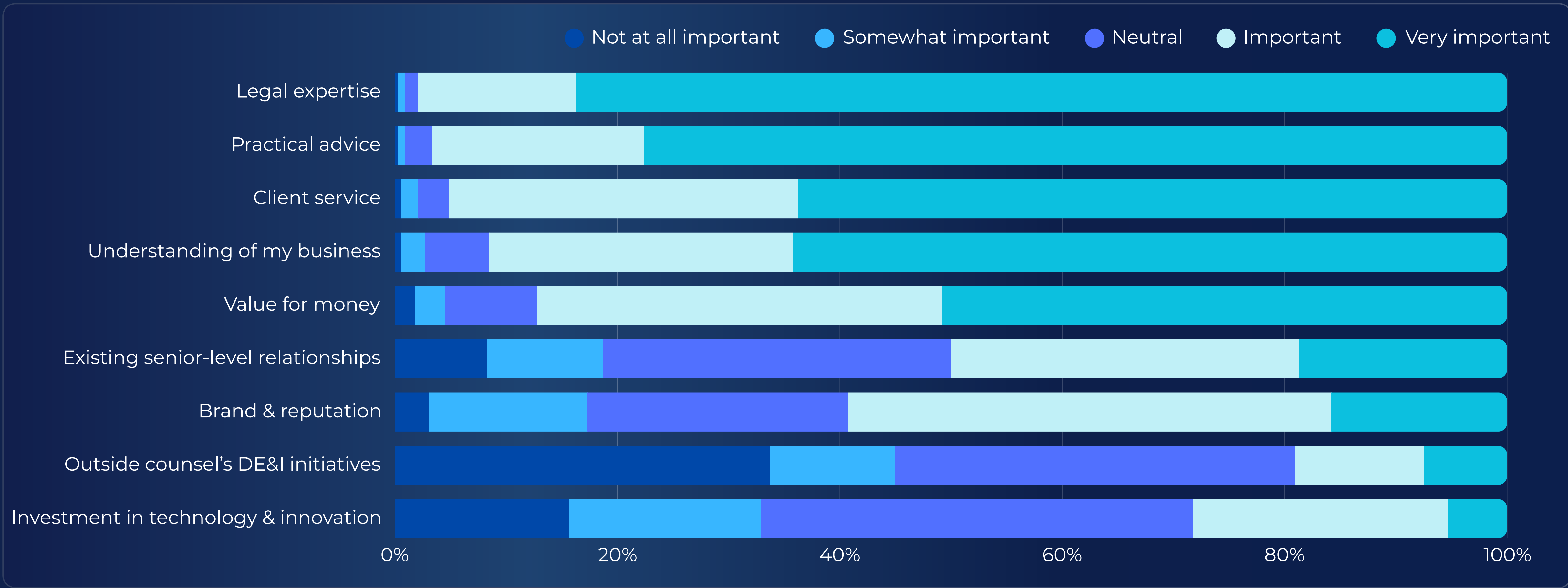
These include areas where legal departments seek expert advice in areas new to them (70%), support with litigation (60%), or external counsel's legal assurance, opinion or coverage (60%). There is also another 5-point year-on-year rise (to 60%) of organizations outsourcing when there is insufficient internal capacity.

Two other areas had distinct increases, which may indicate areas of challenge for in-house counsel. Almost half now say they are outsourcing work required on a short timeframe – up fully 10 percentage points from 38% to 48%. And the proportion of those seeking industry intelligence and perspective is up from just under a quarter (24%) and edging closer towards one-third (29%).

Factors rated important or very important when selecting outside counsel:

OUTSOURCING CONTINUED

How important are the following factors when selecting outside counsel:



Other Outsourcing

Level with last year, 15% of legal departments are outsourcing work to Alternative Legal Service Providers (ALSPs). A fifth of legal departments using ALSPs expect to increase their ALSP spending The increase in spending on ALSPs is fairly consistent across different types of organizations: 21% for both public and private companies, 20% for government organizations.

The split between those offshoring and onshoring outsourced work is consistent with the previous two years. A little under a third (30%) offshore work, while 94% onshore. These figures show only marginal change on 2025. This year, private companies (44%) move ahead of public companies as most likely to send work offshore work. Government organizations remain the least likely to offshore work. But the proportion that do, 17%, is almost double that of a year ago.

When outsourcing:

Increased spending on ALSPs is consistent across different types of organizations

Percentage of legal departments using:

INNOVATION & TECHNOLOGY

Innovation

A majority of respondents (57%) rated innovation as a priority in legal and regulatory risk management. This is a slight increase on 2025's figure of 54% across all types of organizations. It indicates a sustained commitment to innovating, especially among public and privately-owned companies.

Generative artificial intelligence (AI) is the main focus for the second year running. More than a third of legal departments (34%) cited AI as their biggest area for innovation.

57% of respondents rated innovation as a priority in legal and regulatory risk management

But there is a stark difference in priorities across different types of organization, with almost twice as many companies (43%) citing AI as their prime focus over their government counterparts (23%).

Process management innovation rose to become the second highest priority across all organizations – 18% of company respondents, 24% from the government sector – ahead of the previous focuses on contract and document management.

Technology

There is also a clear majority (57%) of organizations prioritizing investment in legal department technology. It's a strong, sustained rise – with this year's figure a third higher than two years ago.

Legal technology is also the biggest area where increases in investment are expected. Almost half of respondents (49%) expect growth of in-house spend over the coming year. Appetite is strongest in public companies, where 57% expect higher investment in legal tech.

87% of organizations are either evaluating, piloting or implementing generative AI legal tech solutions

As might be expected, AI is one of the main drivers. But there are indications that legal departments lag slightly behind the organization as a whole in AI implementations.

For the first time this year, this survey asked respondents to tell us about the stage of their implementation of AI technology solutions at both a departmental and organization level.

39% of respondents cited AI skills gap as a challenge

Number of organizations expecting to invest more in these technologies:

- **36%** Document Management
- **30%** Data Privacy & Security Management
- **29%** Workflow Management
- **27%** Contract Lifecycle Management

86% of organizations are either evaluating, piloting or implementing generative AI legal tech solutions. But the figure for legal departments themselves is slightly under 8 in 10 (78%).

However, the figures do reveal the direction of travel for legal departments embracing AI legal tech solutions:

3% *of legal departments have fully implemented generative AI legal tech solutions.*

22% *of legal departments are currently implementing AI legal tech solutions.*

52% *of legal departments are evaluating or are at pilot or proof stage.*

The spread of other investment growth areas is broadly consistent year to year. Document Management (36%) remains a key focus along with Data Privacy & Security Management (30%). But responses show a shift away from Data Privacy (down 6 points) towards Workflow Management (29%) and Contract Lifecycle Management (27%) – which have both gained 6 percentage points over 2025.

Barriers to technology investment and adoption have seen something of a shake-up, probably driven by the increased focus on AI.

Cost remains the primary barrier but its weighting has dropped markedly from 78% to 62%. After a significant rise in prominence last year, data privacy once again leapt to the fore and is now rated as the second greatest challenge, cited by 53% of responses – more than double the 2023 figure.

Almost 4 in 10 respondents (39%) cited AI skills gap as a new challenge, entering the frame strongly alongside lack of integration with existing tech (42%) and implementation risk (40%). For technology providers these figures imply a need for more cost-effective solutions, greater focus on data privacy and improved support for integration.

PRIORITIES & CHALLENGES

This year, volume of work and managing workloads has outstripped other contenders as the greatest challenge facing the profession. AI implementation / compliance has stabilized as a key challenge for in-house legal departments, along with the more established subject of regulatory change.

Looking at priorities across job levels, there is a concentrated focus on supporting business growth and improving operational efficiency. This is balanced at some levels by more attention being placed on learning and development and other staff support and wellbeing matters.

Volume of work is the single greatest challenge facing in-house lawyers at every job level

Challenges

Volume of work is the single greatest challenge facing legal teams at every level for the third consecutive year. It was cited by more than a third of respondents (34%), almost four times as many as any other topic.

AI compliance and/or implementation – a new category for 2026 – is rated the second greatest challenge. This affirms AI's status as a key issue for legal departments, after recent surges over the previous two years. Regulatory change stands in equal second place alongside AI – with each being cited by 9% of respondents.

There is a broad commonality of opinion across most job levels within legal departments. But there are some nuances:

- **CLOs and GCs:** Behind the clear leader of workload challenges, risk management comes forward as the second greatest challenge at this level – equal with AI with 11% of respondents. 8% of CLOs/GCs are also expressing concerns over staff team support and wellbeing, likely reflecting the persistent issues with workload pressures and the raised stress levels it causes.

- **Legal Counsel and Senior Counsel:** At this level, the challenge of regulatory change gains slightly more prominence than AI, cited by 12% and 11% of respondents respectively. But workload / volume-of-work is the primary issue for Legal Counsels and Senior Counsels, consistent with other role levels.

- **Legal Directors and Managers:** Volume of work reaches its peak at this level with 38% citing it as their greatest challenge. But people challenges also rate more highly at this level, with 16% rating team support and wellbeing as their main challenge – taking this ahead of regulatory change as an issue, which this year drops back into third place.

At an organizational level, there are two standout main challenges for company boards of all types: firstly risk management, with last year's leader regulatory change a close second.

Across all companies, volume of work and lack of budget challenges both feature strongly. But trade and tariffs are also rated highly by both public companies (12%) and private companies (11%).

In fact, trade/tariffs is the 3rd most important challenge for public companies, and in fifth place for private companies – just a single point behind budget challenges. This clearly reflects recent volatility in international trade.

Priorities

Supporting business growth is again the highest priority for more than a fifth (21%) of in-house counsel across all levels. This is a strong indicator of legal departments continuing to embed themselves as core to business growth.

Supporting business growth is the top priority for in-house counsel

Operational efficiency (16%) is rated the 2nd highest priority with personal learning and development a close third on 15%. Risk management, regulatory compliance, and staff/team support and wellbeing – each at 9% – are the next most highly rated priorities.

But even though a top 6 priority, fewer than 1-in-10 are prioritizing staff support and wellbeing. Given other data about still-rising workload pressures and very high levels of work-related anxiety and stress, this suggests that more needs to be done to reduce the risk of burn-out among in-house legal teams.

Top 3 Priorities of In-House Counsel:

21% Supporting business growth

16% Operational efficiency

15% Personal learning & development

CLOs/GCs lead the charge in focusing on improving operational efficiency (25%) and supporting business growth (22%) as their dual main priorities. For Legal Counsel and Senior Counsel, more than a quarter (27%) now place learning and development above other priorities – by far the highest of all job levels. In-house leaders would do well to ensure the right programmes and support are in place to maximise the potential within their teams.

Legal Directors/Managers have also intensified their focus on people issues, with the highest proportion (19%) rating staff support and wellbeing as their top priority. 13% also cited employee retention. Both these figures were higher by some distance than in other job roles.

EQUALITY, DIVERSITY & INCLUSION

More than half of Canadian legal departments (52%) no longer consider Equality, Diversity & Inclusion (ED&I) a priority within their organization. That figure has risen a third, from 39%, in only the past year.

At senior levels, the proportion of CLOs/GCs who say EDI is not a priority for them has jumped to 55% from 44% last year.

This can only magnify existing concerns around the composition of legal teams and career prospects for employees from different backgrounds, as well as their overall working experience.

Differences between provinces have widened since last year. British Columbia reported the sharpest rise of 20 percentage points to 58% of organizations – almost 6 in 10 – who now do not rate ED&I as a priority. There are also steep rises in Ontario (50% from 38%) and Alberta (51% from 42%). The source of such dramatic shifts is unclear. But an increasingly negative stance on ED&I in the US may be reaching over the border into Canada.

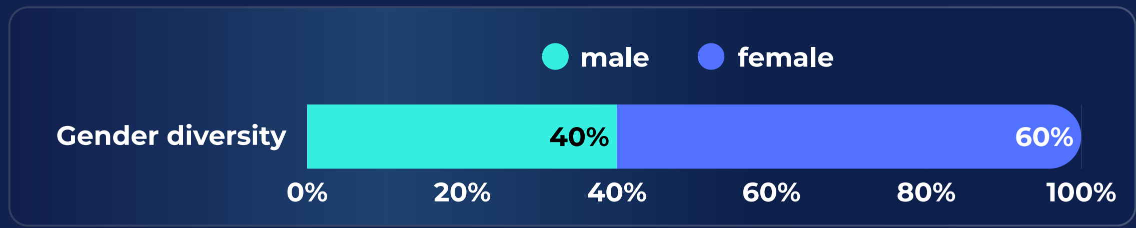
52% of Canadian legal departments no longer consider Equality, Diversity & Inclusion a priority

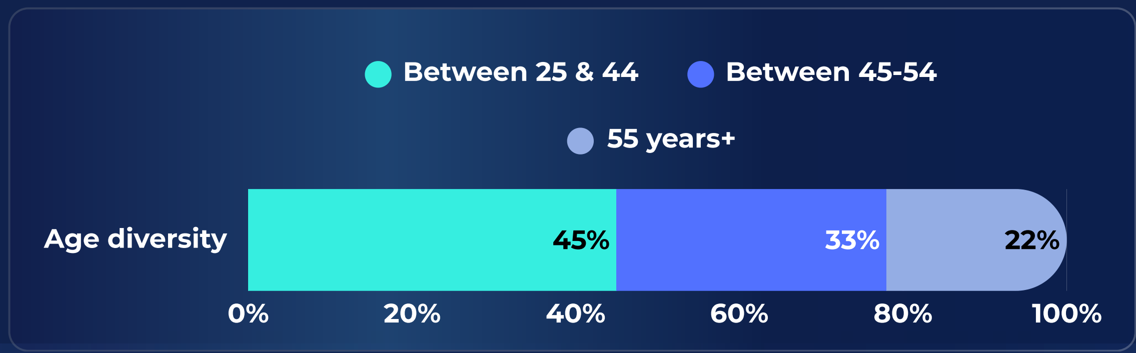
The turning away from ED&I is most pronounced among large organizations of 5,000+ staff – where just 52% now deem it a priority. After last year's huge rise to 75%, this is a significant reduction to a figure even lower than reported in 2024.

Only smaller operations of <500 staff reported an increase (49% from 44%) in the number that deem ED&I a priority. Prioritization of ED&I is holding up best within the legal department itself, but there is still a falling back which echoes the overall picture for organizations as a whole. In fact, most legal teams of more than 10 people still deem it a priority. In departments of 30+ staff the figure is 65% (down from 85%). Of those with 10-30 staff it is 56% (down from 66%). But in small teams of up to ten people the figure is only 40%.

Focusing on diversity data, two-thirds of respondents completed the survey's voluntary self-identification section. The responses show an in-house community that is both gender diverse and age diverse. 60% identified as female, 40% male – and the balance across age-ranges was as follows: 45% age 25-44, 33% age 45-54 and 22% age 55+.

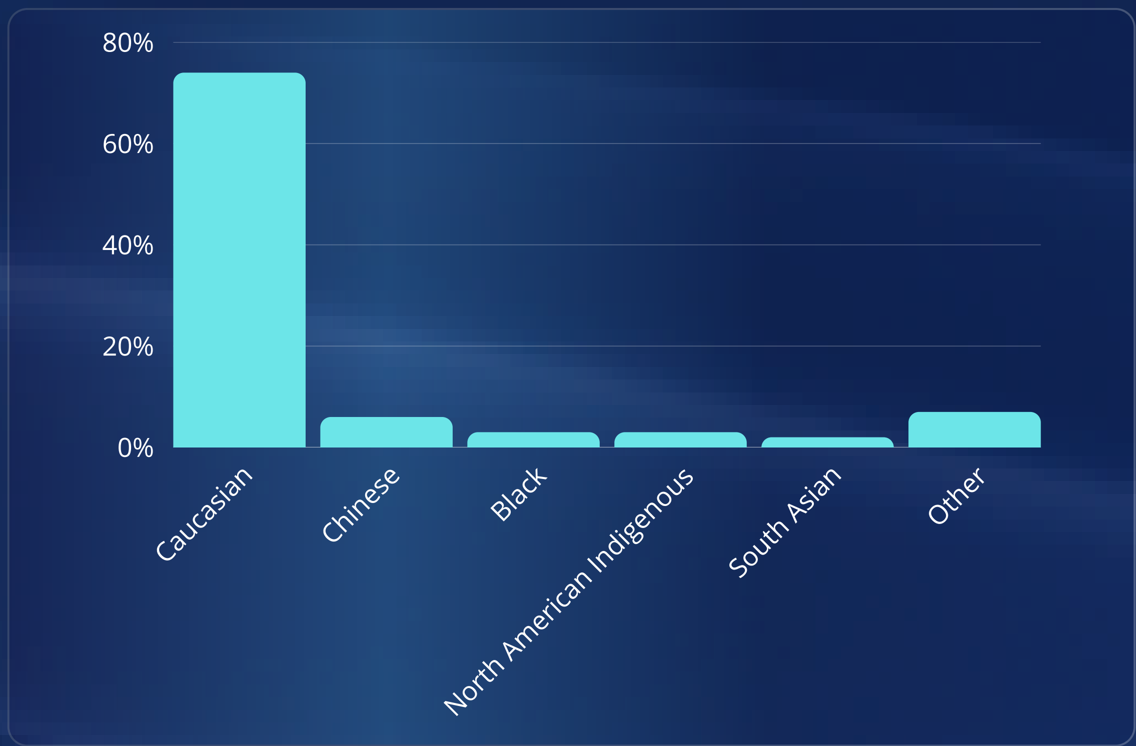
Survey response diversity data based on voluntary self- identification questions:





In terms of diversity of race and ethnicity, more than three-quarters (78% identified as Caucasian. The remaining respondents predominantly identified as Chinese (6%), Indigenous North American (3%) and Black (2%).

Race/ ethnicity of respondents:



PEOPLE & TALENT

Based on the high level of survey participation, we are able to examine a significant number of responses across all job levels, helping us to deliver a view from the top as well as from middle and junior in-house legal roles.

77% of Canadian in-house legal departments still operate a hybrid location model

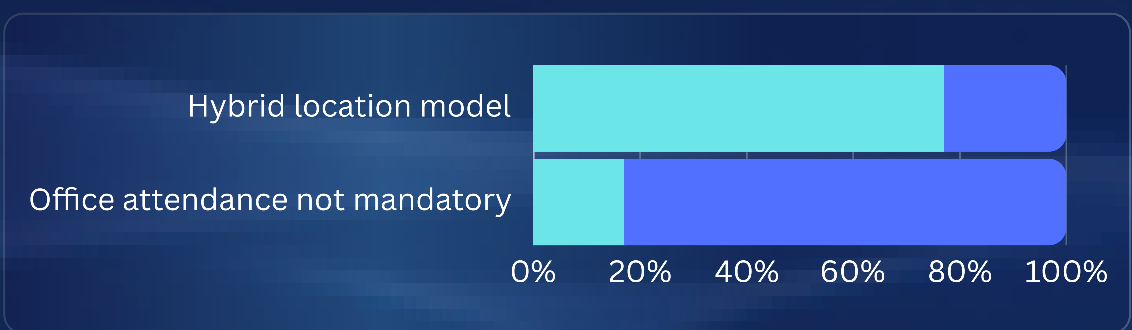
Workplace

A substantial majority (77%) of Canadian in-house legal departments still operate a hybrid location model. This figure is slightly down on 2025 (82%) but the year-on-year numbers appear to be settled within that range.

Government organizations dropped back from last year's peak (88%), but still reported the highest proportion (82%), level with public companies. A smaller proportion (70%) of private companies operate a hybrid policy, roughly in line with 2025.

While hybrid working is now entrenched for the majority of organizations, there is also a firming up of those that have mandated office-days. More than half (56%) now expect their employees to spend at least 3 days a week in the office – a sizeable jump for the second year running. In fact, 40% more organizations than two years ago now require staff to be office-based for more than half of their week.

Remote/hybrid working arrangements:



The highest proportion is in large organizations (5,000+ employees), where 58% mandate 3+ office days – a 7 point rise year on year. This model is less prevalent within smaller organizations (up to 500 staff) where 50% (up from 46% in the previous year) apply the 3-day pattern. Nearly 1 in 5 large organizations also now mandate a full 5 office days a week.

This shift appears to have had some success in addressing the most common challenge of hybrid working: employee engagement – where the proportion rating it as the most challenging aspect fell back notably to 60% from 67% in 2025. But this is offset by another rise in employee retention challenges, which are 10% higher for the second year in a row.

56% of legal departments expect their employees to spend at least 3 days a week in the office

Responsibilities

There is little substantial change in the range or levels of additional responsibilities that in-house counsel carry on top of their legal role.

Government relations is the one area showing an increase – cited by 23% of respondents, up from 17% last year. There has also been a minor shift from company secretarial duties and ESG towards investigations.

Overall, the responses demonstrate a broad-ranging and significant burden of extra accountability, carried over year on year. Here are the figures for the current year, compared with those of 2025 (in brackets): Compliance 47% (47%), Investigations 26% (22%), Ethics 25% (25%), Government relations 23% (17%), Company Secretarial 22% (24%), ESG 11% (12%).

In-house personnel accountability beyond legal:

47% responsible for compliance

26% responsible for investigations

25% responsible for ethics

23% responsible for government relations

24% responsible for company secretarial

11% responsible for ESG

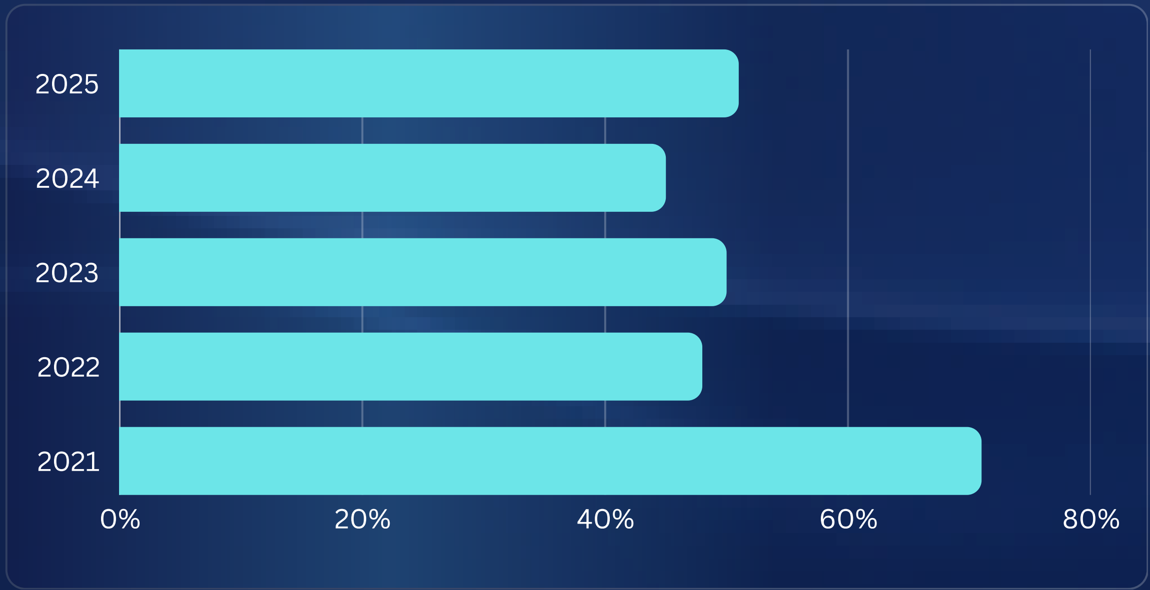
It is reasonable to assume these additional non-legal responsibilities play into the rising demand for in-house legal services. They are likely to be a major factor driving continued investment into the growth of legal departments. Almost a quarter of respondents (24%) expect to see increased headcount within their legal team over the coming year, with almost 7 in 10 (69%) envisaging no reduction at all.

But they also appear to be driving very high and sustained levels of work-related anxiety and stress. This year, a majority of respondents (51%) reported increased work-related stress, edging up over the halfway mark from 47% in 2025. The number reporting a decrease is down again to just 7% - a third less than two years ago.

Stress is most prevalent within public companies (53%) and private companies (51%). But the steepest rise is among government organizations, up by almost a fifth at 47% (from 40%), although this year's elections and geo-political turmoil may be contributory factors.

Reported increase in work-related stress and anxiety:

It is important to note the small increase is on an already highly stressed base



Responses show large increases at both CLO / GC level (54% from 46%) – and among Directors of Legal Services / Legal Managers (57% from 51%), where the highest levels of stress and anxiety were reported.

Over half (53%) of both large organizations (5000+ staff) and smaller organizations (up to 500 staff) reported heightened anxiety and stress – with big leaps in each case. In smaller organizations, this year's figure is up almost a third on last year's survey (53% from 40%).

There are numerous reports of increased workload and burnout being the main sources of work-related stress and anxiety. Once again this emphasizes an acute and intensifying need for employee wellness programs.

There is an acute and intensifying need for employee wellness programs

PEOPLE & TALENT CONTINUED

Skills & Opportunities

Understanding the business has become the top skill deemed necessary to be an effective in-house lawyer. It has risen over communication skills – previously the clear leader – for the first time. It also leap-frogged adaptability and flexibility, which now stand in third place. Overall the top three skills remain the same.

In terms of opportunities, 23% of respondents are seeing increased movement by in-house counsel into pure business (non-legal) roles. This is an upward curve year-on-year, rising from 19% in 2025 and 17% the previous year – which indicates a strengthening trend.

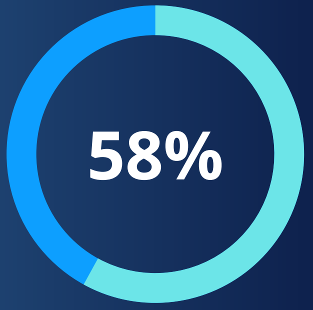
The figures are highest among companies (27% private, 24% public) with government organizations on 18%. All types of organizations reported an increase.

Moves into HR are among the most common, while executive appointments have edged ahead of compliance roles. Evidence remains strong that there is more progression for legal professionals into C-suite positions than when we first conducted the survey in 2021.

Understanding the business is now the top skill deemed necessary to be an effective in-house lawyer

Stress and anxiety levels are increasing across all roles:

of CLOs/CGs reported increased levels



of director of legal services/legal manager reported increased levels

23%

of respondents seeing an increase in in-house counsel moving into non-legal business roles

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