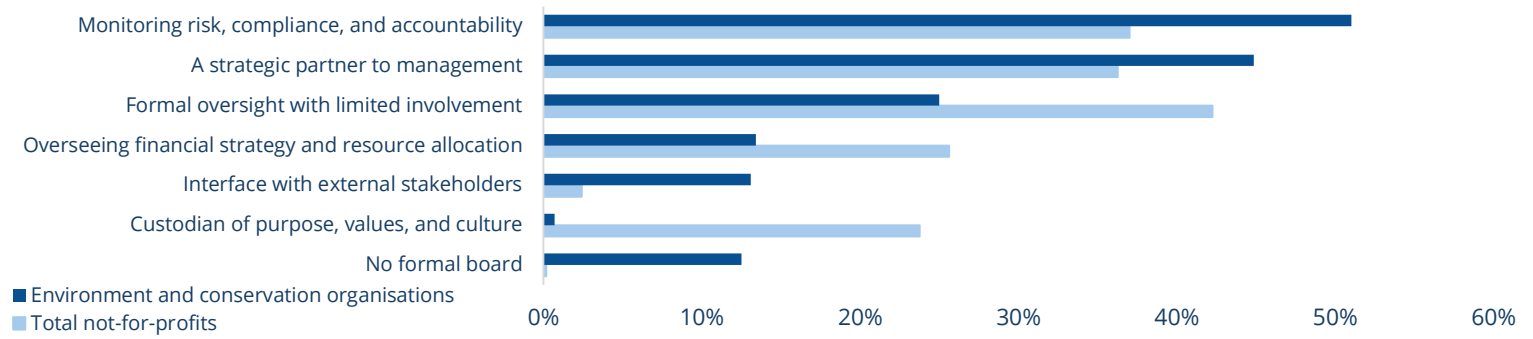


Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



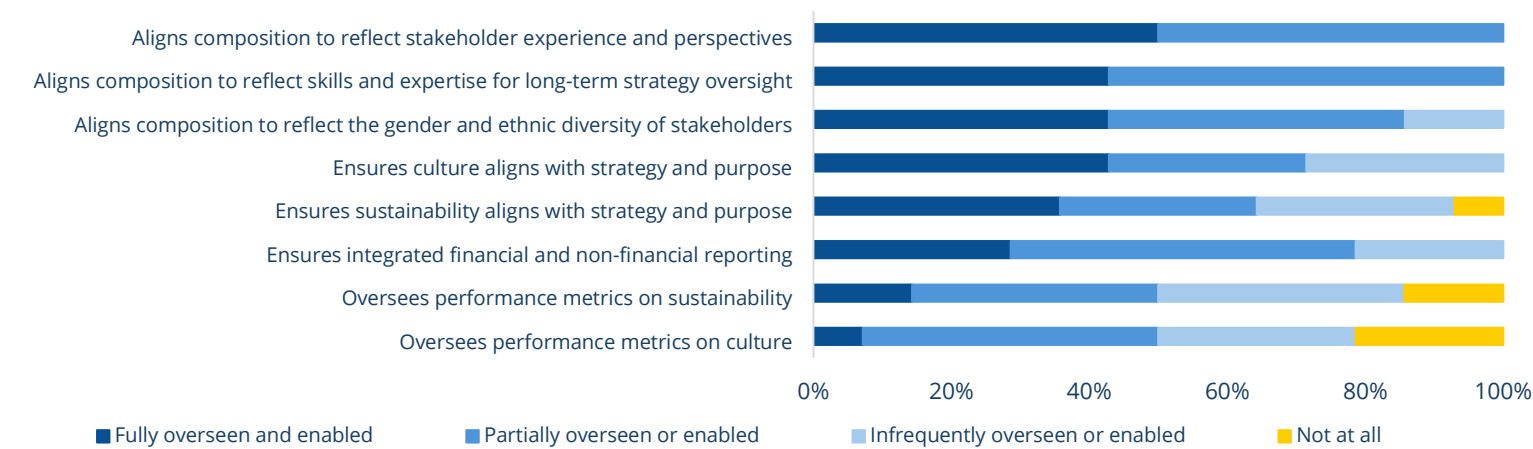
CEOs most frequently identify their board's primary purpose as monitoring risk, compliance, and accountability (51%), followed by a strategic partner to management (45%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Environment and conservation organisations were 23 percentage points less likely than total not-for-profits to report 'custodian of purpose, values, and culture' as their board's primary purpose.

Board and management alignment



Alignment between boards and management understanding and respecting their roles is generally strong, with 17% of CEOs stating that the roles are completely aligned. However, some organisations may still face risks associated with role ambiguity or boundary overlap. It highlights an opportunity to enhance role clarity and optimise governance effectiveness. Environment and conservation organisations are 26 percentage points more likely to report that board and management roles are mostly aligned.

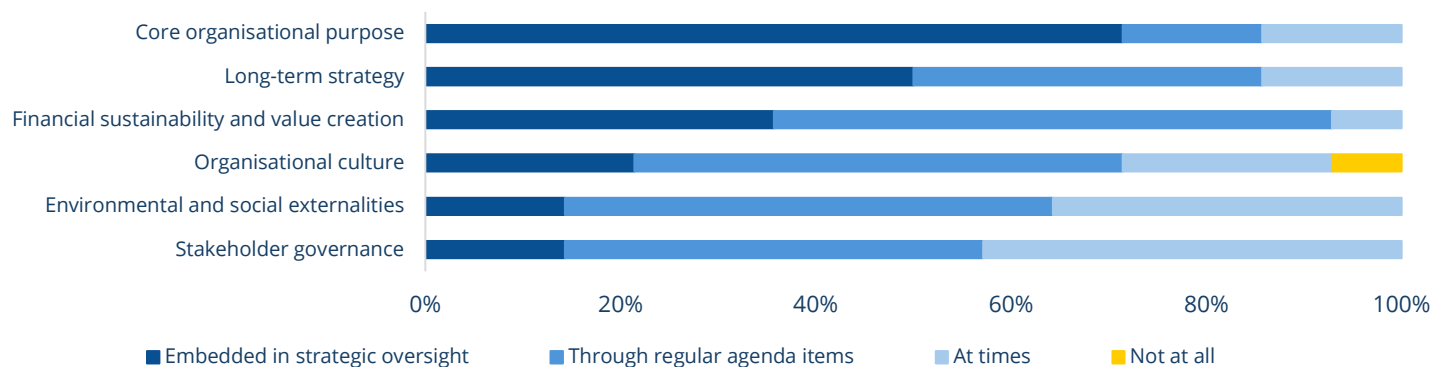
Board structure and composition for effective governance



Boards most commonly report that their structure aligns composition to reflect stakeholder experience and perspectives (50%) and aligns composition to reflect skills and expertise for long-term strategy oversight (43%). In contrast, fewer report that their board structure oversees performance metrics on sustainability (14%) and oversees performance metrics on culture (7%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Environment and conservation organisations are 25 percentage points less likely to report that their board fully ensures integrated financial and non-financial reporting.

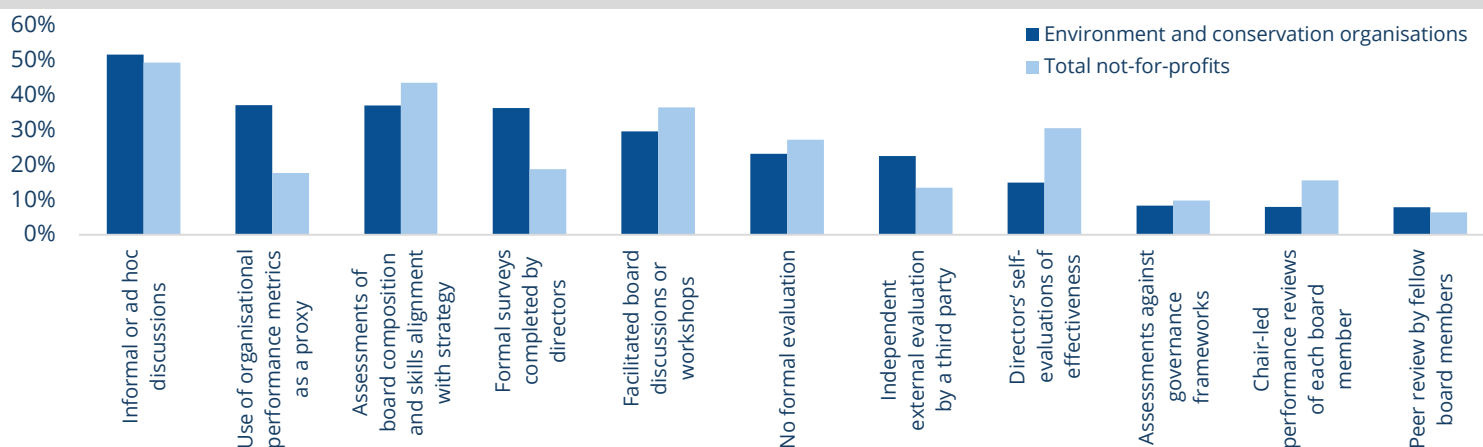
Environment and conservation: 16 CEOs

Extent of formal board oversight across key areas



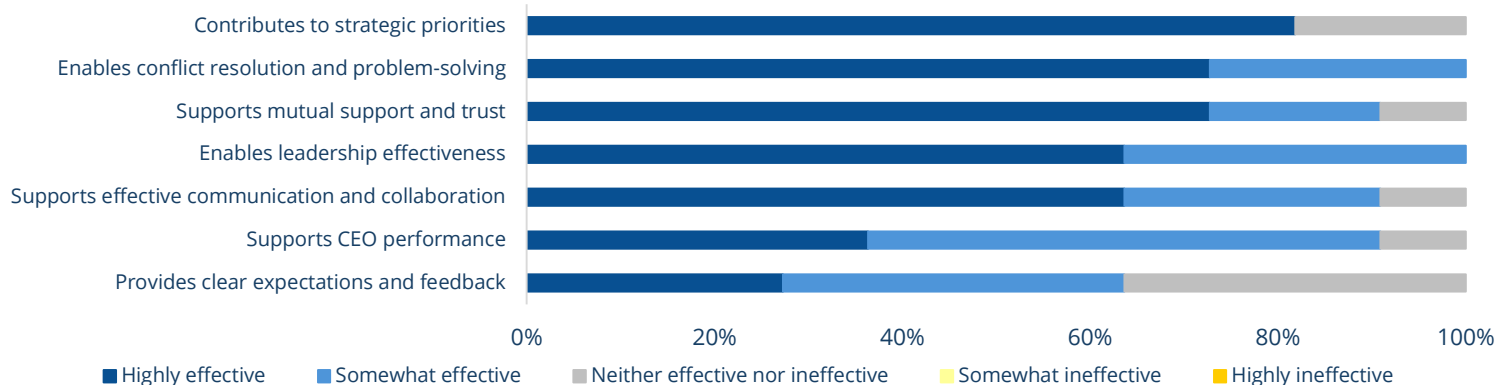
Many boards embed oversight of core organisational purpose (71%), long-term strategy (50%), and financial sustainability and value creation (36%) within strategic oversight. However, fewer boards embed organisational culture (21%), environmental and social externalities (14%), and stakeholder governance (14%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Environment and conservation organisations are more likely to report that their board embeds core organisational purpose into strategic oversight.

Board methods of evaluating own governance and oversight effectiveness



While organisations routinely evaluate management and organisational performance, board governance itself is often assessed more informally. With 51% relying on informal or ad hoc discussions and 37% rely on the use of organisational performance metrics as a proxy, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Environment and conservation organisations are more likely to rely on the 'use of organisational performance metrics as a proxy'.

Effectiveness of CEO–chair relationship



The CEO–Chair relationship is central to governance, sitting at the interface between board and management and shaping oversight, communication, and strategic alignment. CEO–Chair relationships are generally strong: 82% of CEOs rated the chair "highly effectively" 'contributes to strategic priorities', followed by 'enables conflict resolution and problem-solving' (73%), and 'supports mutual support and trust' (73%). The lower ratings for 'supports CEO performance' and 'provides clear expectations and feedback' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

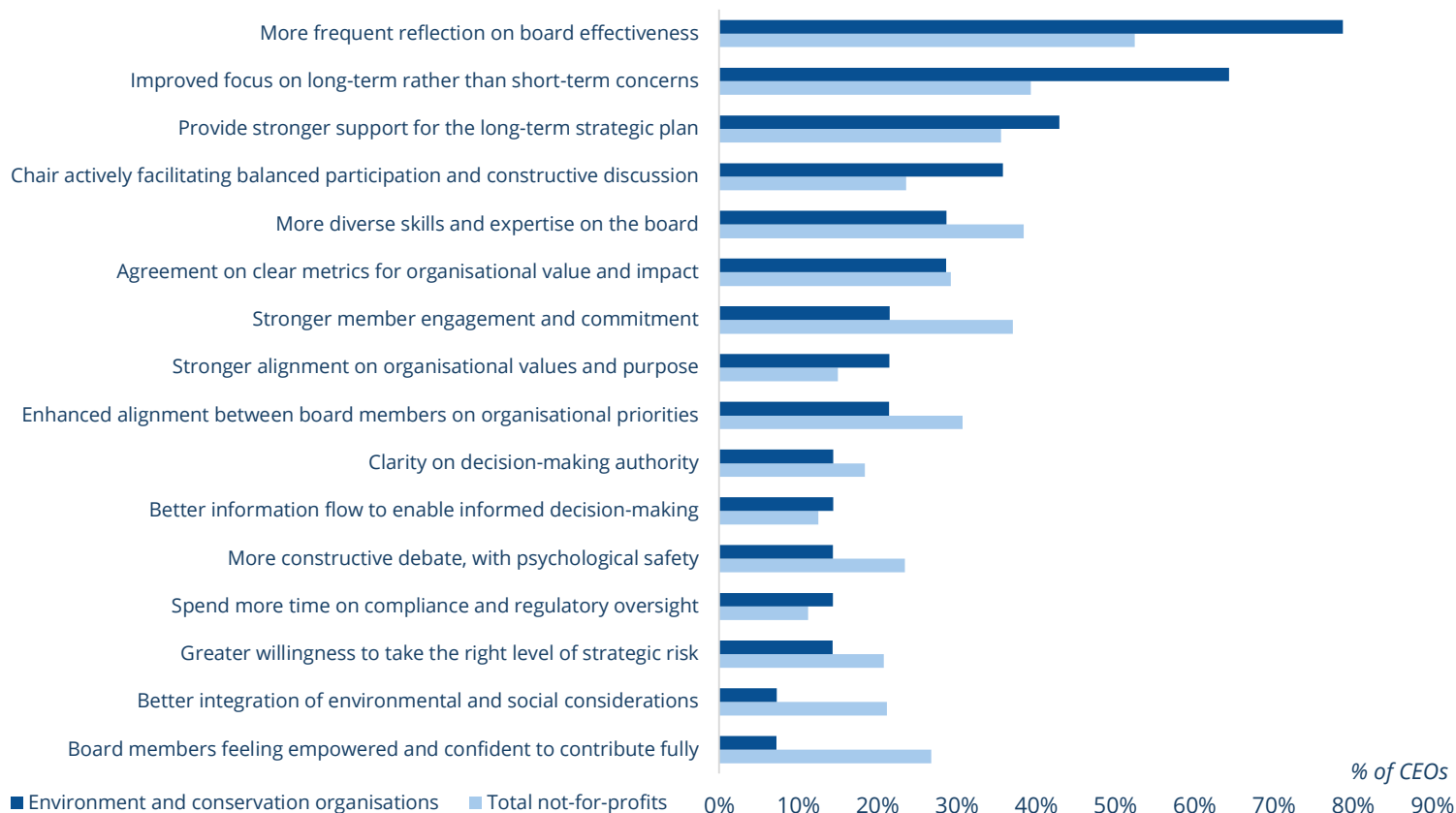
Environment and conservation: 16 CEOs

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 43% of CEOs rate their board as 'highly effective' in supporting constructive board culture and dynamics, followed by 36% in supporting environmental sustainability initiatives, and 29% in providing strategic guidance and decision-making. More than 57% of boards are not highly effective in enabling organisational purpose in these factors; if these are not addressed, they risk leaving value on the table. Environment and conservation organisations are more likely than total not-for-profits to rate highly on 'supporting environmental sustainability initiatives' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

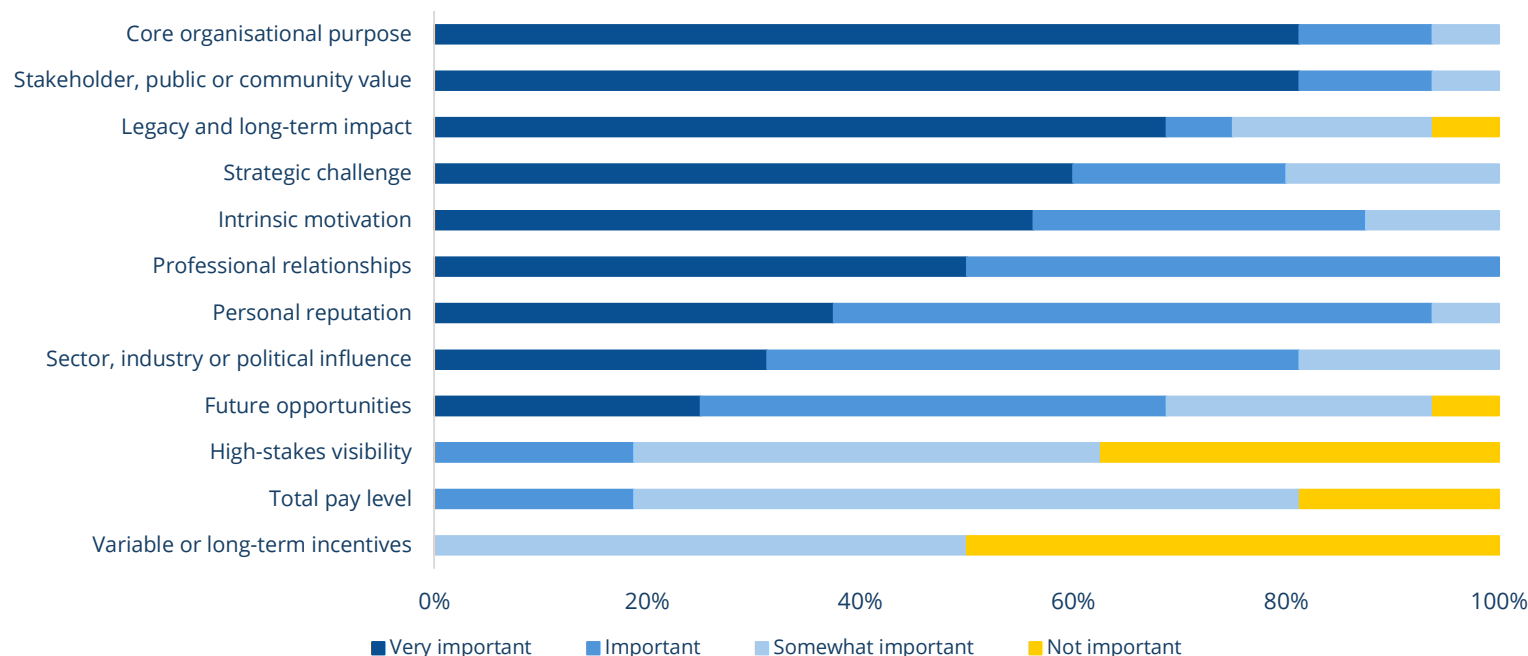


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 79% highlighting more frequent reflection on board effectiveness, 64% improved focus on long-term rather than short-term concerns, and 43% provide stronger support for the long-term strategic plan. Environment and conservation organisations are 26 percentage points more likely than total not-for-profits to identify more frequent reflection on board effectiveness to enable organisational purpose as an area for improvement.

Environment and conservation: 16 CEOs

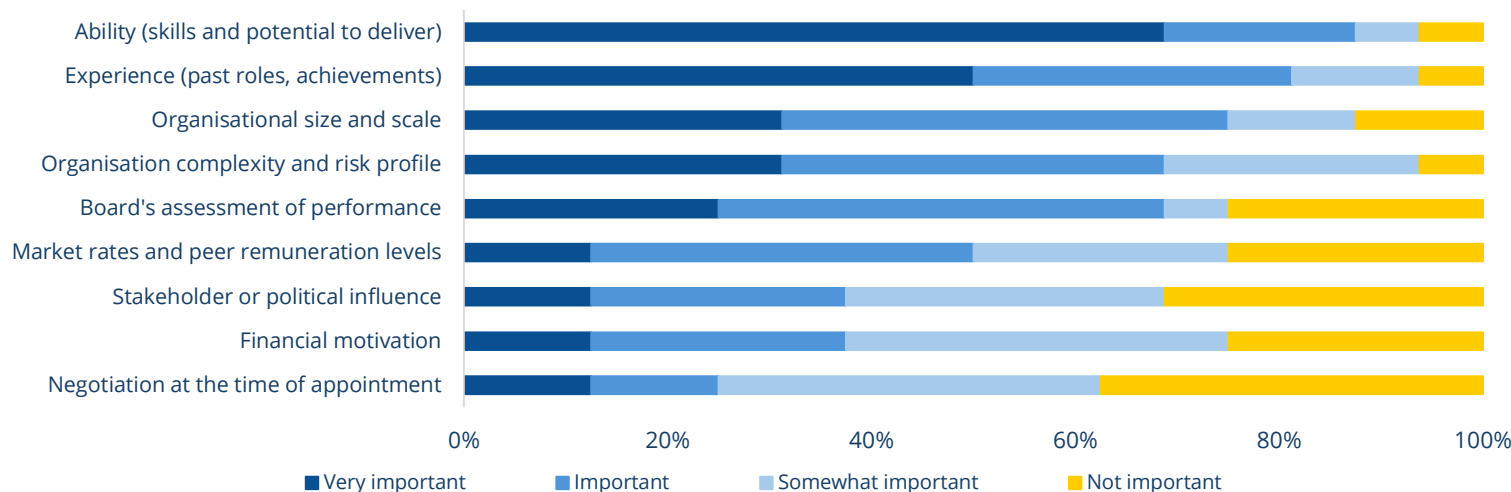
Section 2: CEO Personal Motivation, Values, and Alignment

Personal CEO motivations



CEO motivation is an important issue that has not been studied directly by asking CEOs. Attracting and retaining the right CEO is an important governance issue. The existing literature does not directly measure CEO motivation, instead inferring it from incentive structures (such as compensation design), observed CEO behaviour (e.g. risk-taking or earnings management), and governance outcomes (e.g., pay-performance sensitivity or compensation levels). CEO responses suggest that purpose-driven and intrinsic motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 81% of CEOs rated core organisational purpose as very important, followed by stakeholder, public or community value (81%) and intrinsic motivation (56%), whereas none rated total pay level and variable or long-term incentives as very important motivators.

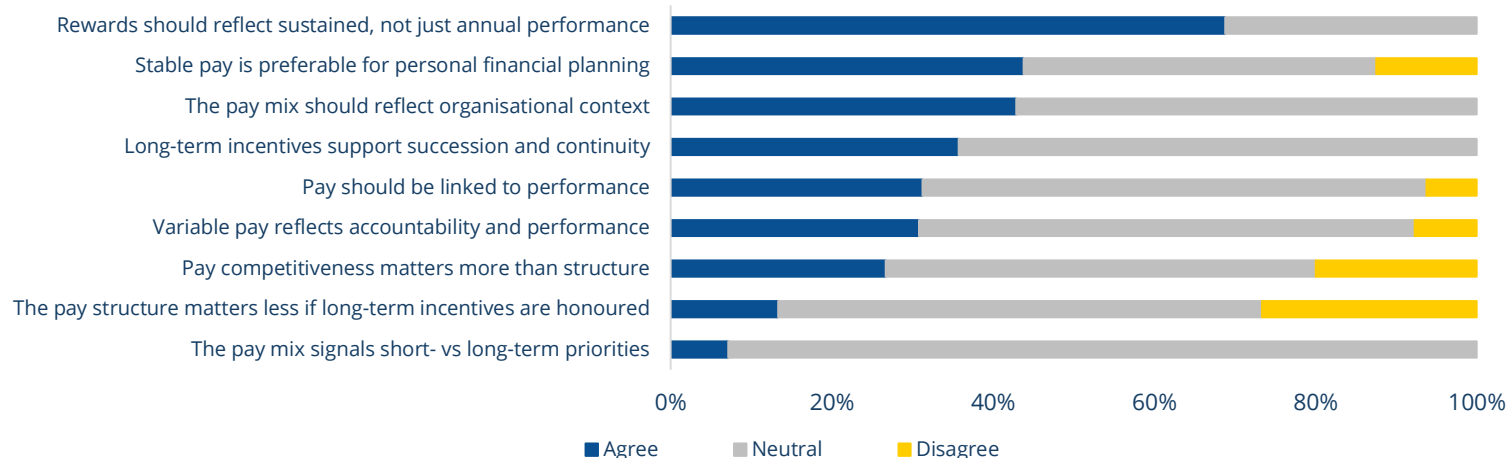
Key factors CEOs view as determinants of their pay



While the literature emphasises market benchmarks, managerial bargaining power, and incentive alignment, CEOs instead view pay as primarily driven by perceived individual ability and board judgment, with relatively little importance placed on negotiation or financial motivation. Specifically, 69% rating ability (skills and potential to deliver), 50% experience (past roles, achievements) and 31% organisational size and scale as very important determinants of pay, compared with 13% for stakeholder or political influence, 13% for financial motivation and 13% for negotiation at the time of appointment. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes. Environment and conservation organisations are 25 percentage points less likely than total not-for-profits to consider the board's assessment of performance as a key determinant.

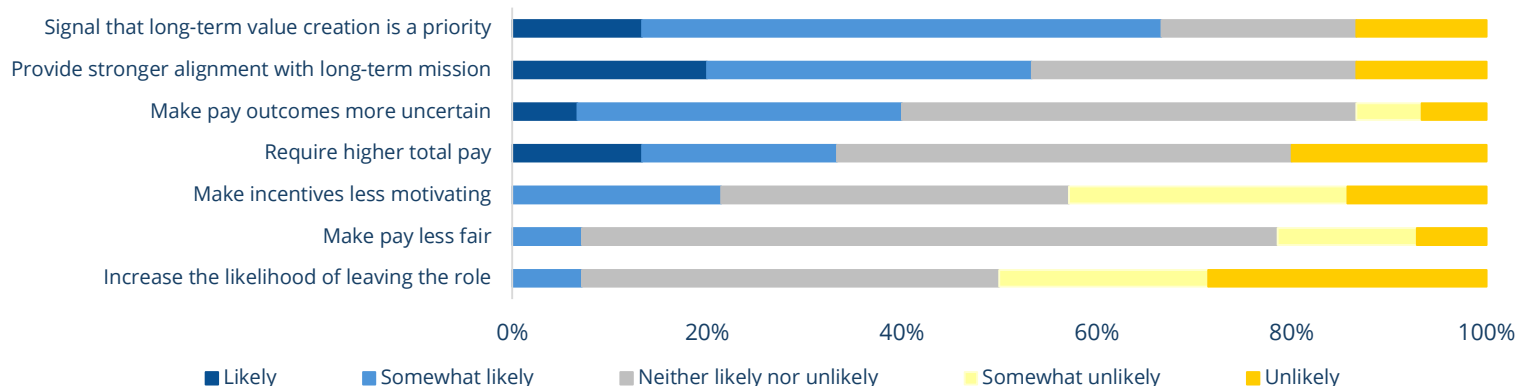
Environment and conservation: 16 CEOs

CEO's views on fixed and variable pay



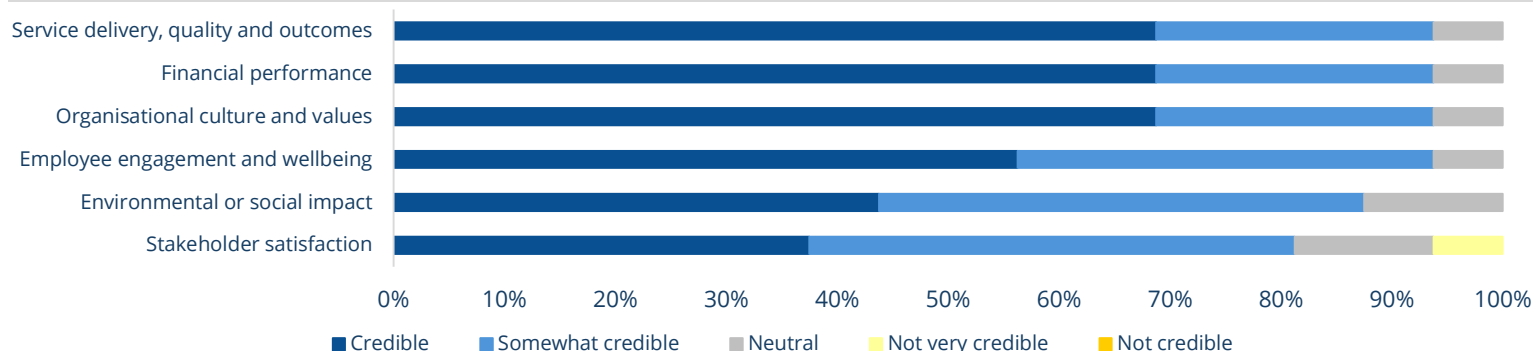
Most CEOs agree that 'rewards should reflect sustained, not just annual performance' (69%), that 'stable pay is preferable for personal financial planning' (44%), and that 'the pay mix should reflect organisational context' (43%). Not-for-profit CEOs are 26 percentage points more likely than for-profit CEOs to agree that stable pay is preferable for personal financial planning, showing a stronger preference for income predictability, likely reflecting lower, more constrained remuneration levels. Overall, CEO responses show no evidence of self-interested, short-term, or rent-extractive behaviour assumed in the academic literature.

CEO perspective on the impact of current incentives being made longer-term



Most CEOs agree that longer-term incentives tend to 'signal that long-term value creation is a priority' (67%) and 'provide stronger alignment with long-term mission' (53%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make pay less fair' and 'make pay outcomes more uncertain'. Many said it is unlikely or somewhat unlikely that it would 'increase the likelihood of leaving the role'.

CEO's views on the credibility of pay-linked KPIs for their own performance

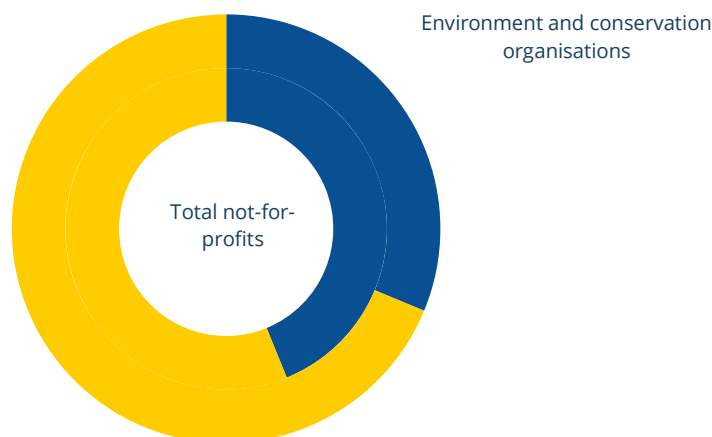


CEOs believe that pay-linked KPIs are most credible for 'service delivery, quality and outcomes' (69%) and 'financial performance' (69%), moderately credible for 'organisational culture and values' (69%) and 'employee engagement and wellbeing' (56%), and least credible for 'environmental or social impact' (44%) and 'stakeholder satisfaction' (38%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Environment and conservation organisations are 16 percentage points more likely than total not-for-profits to agree that environmental or social impact is a credible and fair way to assess CEO performance.

Environment and conservation: 16 CEOs

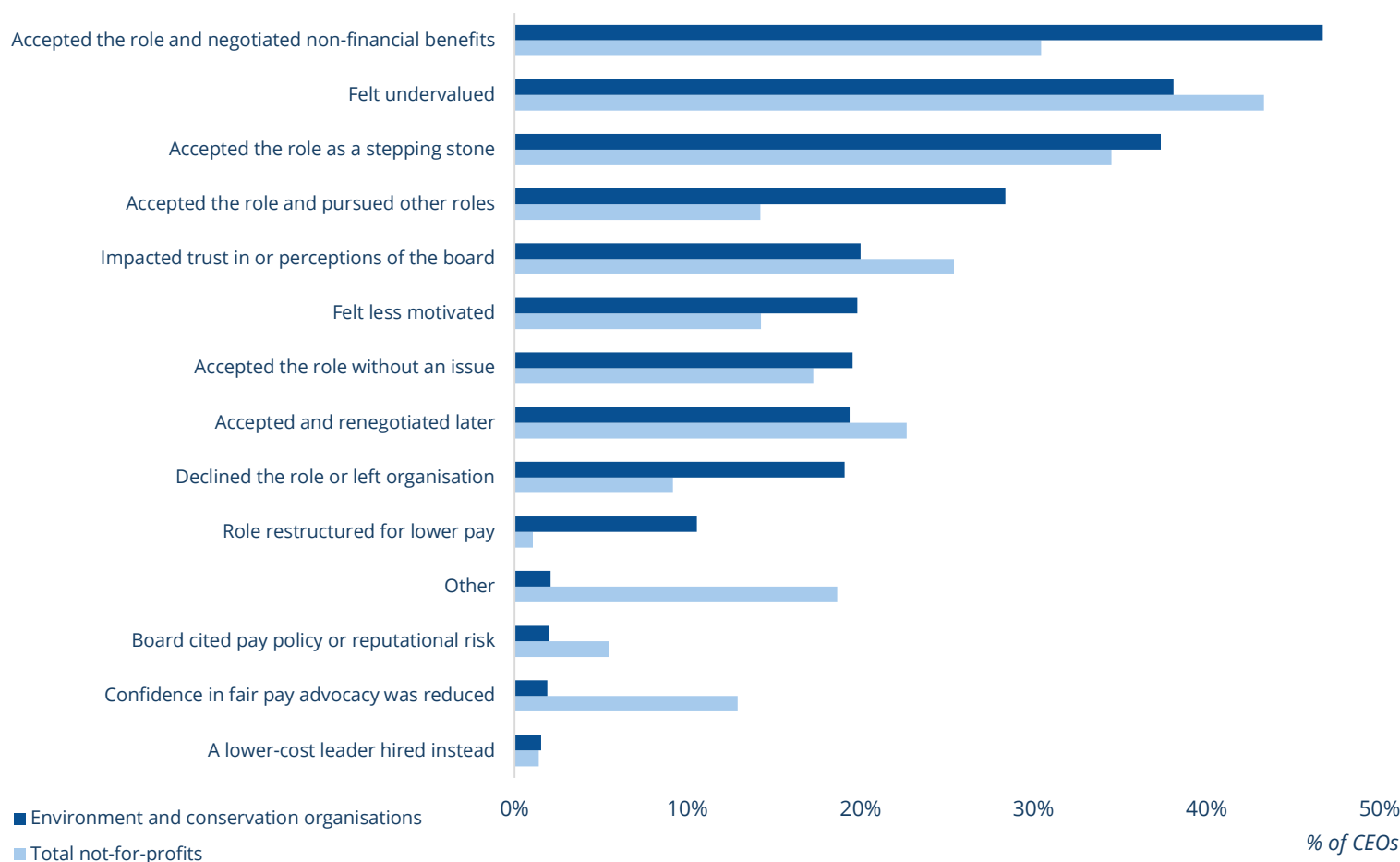
CEOs offered below-expected remuneration during their time in leadership

- Not offered below-expected pay
- Offered below-expected pay



A key governance signal is potential misalignment between CEO remuneration and candidate expectations, creating attraction, retention, and leadership continuity risk. During their time in leadership, 69% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 31% did not. CEOs in environment and conservation organisations were as likely as total not-for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

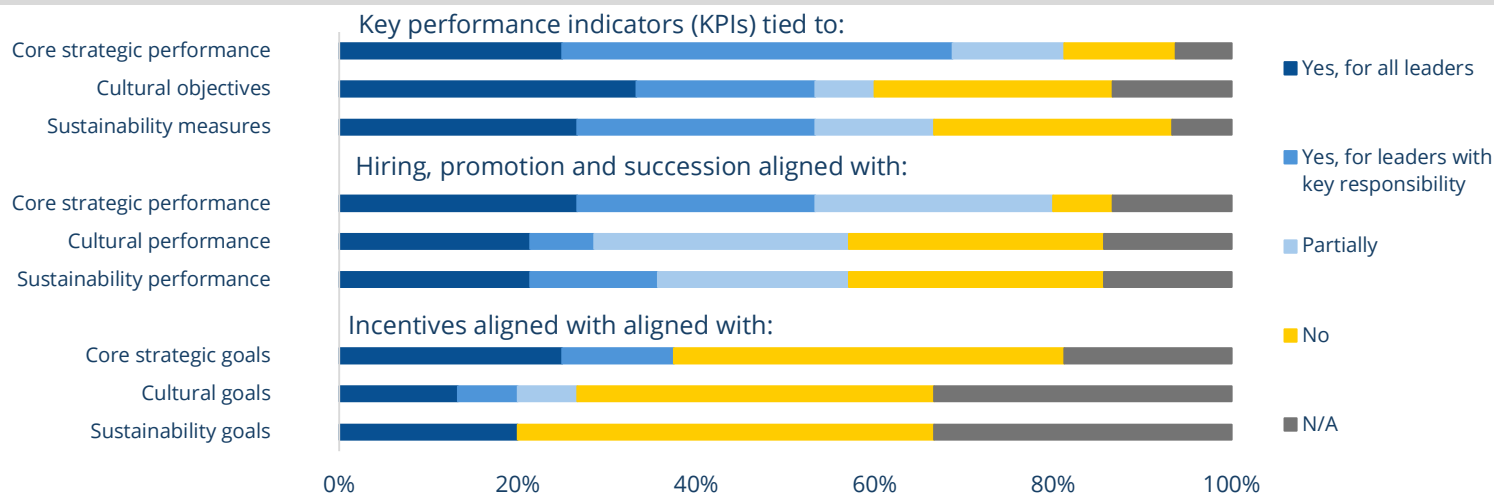


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they accepted the role and negotiated non-financial benefits (47%) and felt undervalued (38%), highlighting that executives often respond to perceived underpayment by managing their career trajectory around it, with potential implications for longer-term commitment and board-CEO alignment. CEOs in environment and conservation organisations were 17 percentage points less likely than total not-for-profits to have other.

Environment and conservation: 16 CEOs

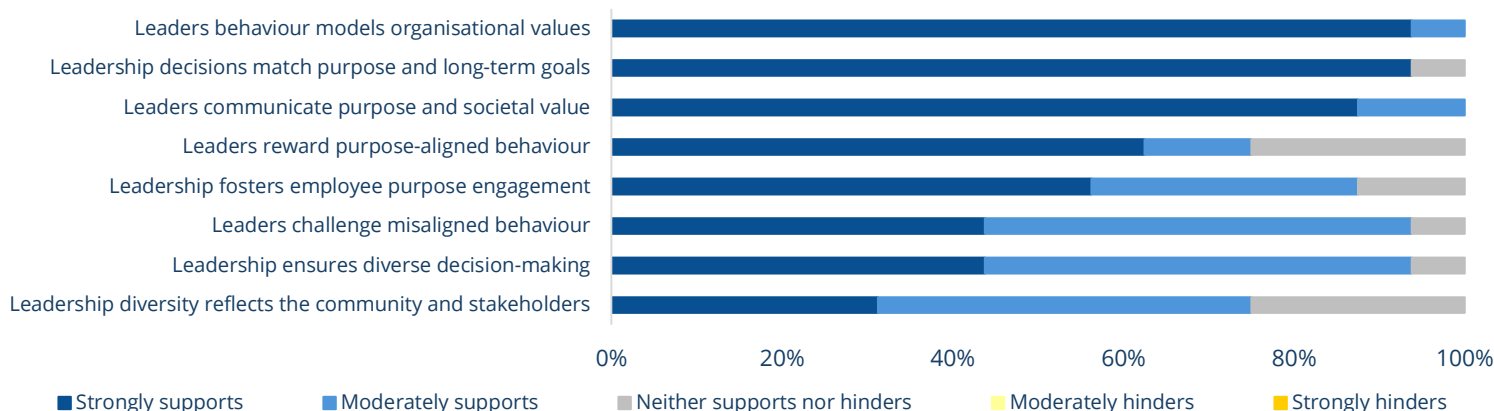
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

Signals of strategy, culture, and sustainability for executive & senior leaders



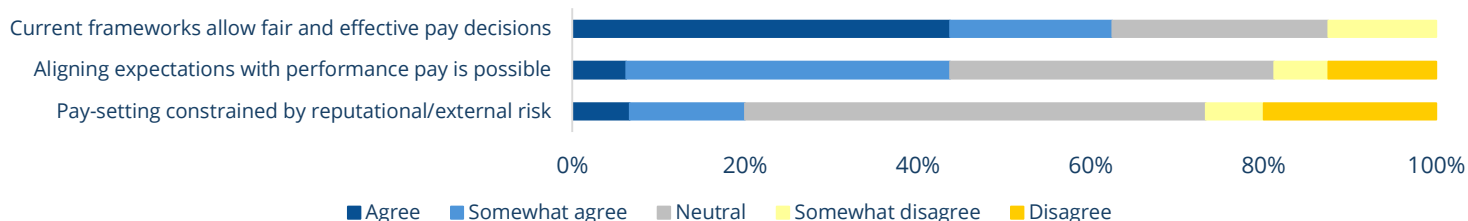
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 53%–69% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 29%–53% for culture and 36%–53% for sustainability. Reward systems have a stronger focus on strategic goals rather than their execution (culture) or being a responsible citizen (sustainability).

Senior leader behavioural alignment with organisational purpose and values



Alignment between leadership behaviour, decision-making and representation influences organisational trust, inclusivity and long-term effectiveness. Between 88% and 94% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling and decision-making. In comparison, only 44% believe leadership ensures diverse decision-making, and 31% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity.

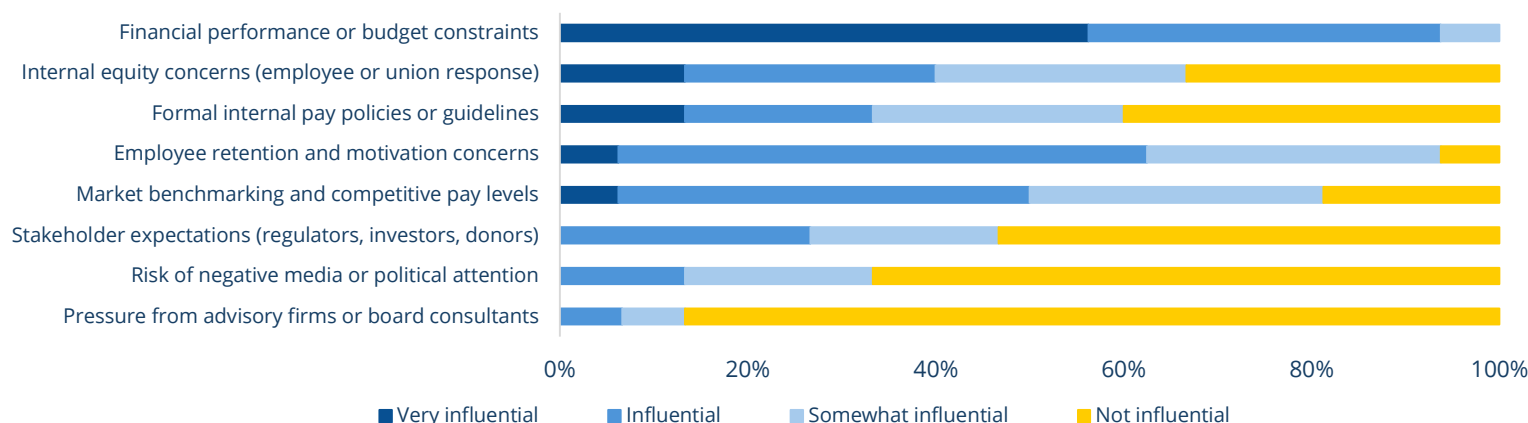
Executive remuneration framework effectiveness



Effective remuneration systems are important because they support fair, performance-linked pay, strengthen accountability, and help align leadership behaviour with organisational objectives while maintaining trust in social and governance processes. 63% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 44% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 20% perceive pay-setting to be constrained by reputational or external risk.

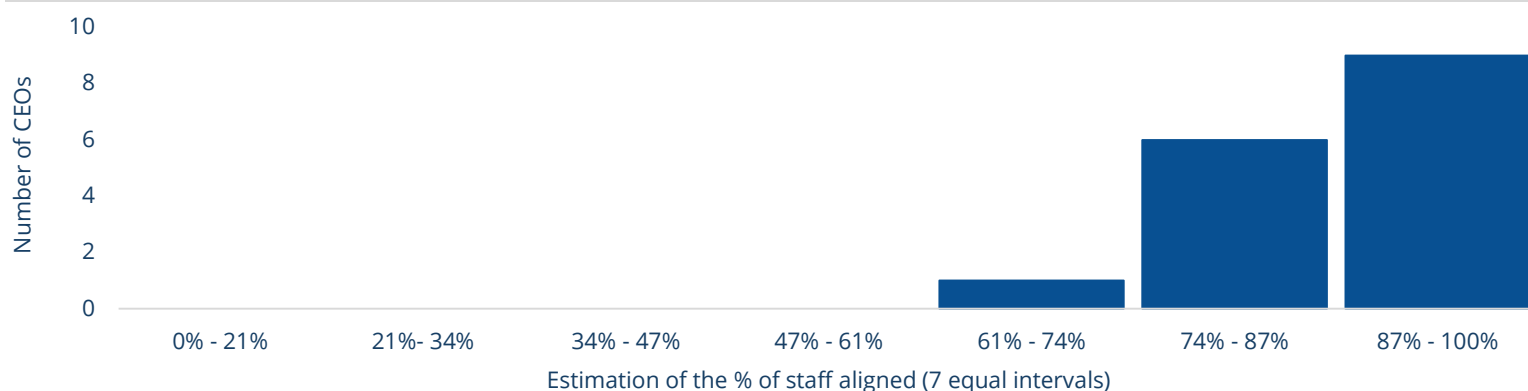
Environment and conservation: 16 CEOs

Factors influencing executive or senior leader pay decisions



Executive and senior leader pay decisions are driven primarily by governance factors, including financial performance, benchmarking, stakeholder expectations and formal pay policies, which reflect how boards exercise oversight, manage accountability and align remuneration with organisational objectives. Social factors are also evident, with employee retention, motivation and internal equity concerns reflecting workforce and cultural implications of executive pay decisions, including fairness, trust and cohesion. Comparatively, external pressures such as advisory firms, media or political risk have limited influence. CEOs in environment and conservation organisations were 19 percentage points less likely than total not-for-profits to cite market benchmarking and competitive pay levels.

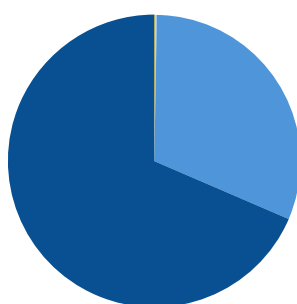
Percentage of staff motivated by sustainability goals



The majority of CEOs believe that staff are highly aligned with the organisation's purpose, including social, environmental, and broader stakeholder objectives, with the average CEO estimating alignment at around 87% of all staff. This percentage is meaningful because it indicates the extent to which that purpose is embedded in employee behaviour, shaping execution capability, cultural coherence, and the credibility of the organisation's ESG commitments.

Willingness to support culture shift for sustainability goals

- Not at all open to change
- Minimally open to change within current norms
- Moderately open to change with structured plans
- Fully open to transformational change



An organisation's willingness to pursue cultural change for sustainability is important because it signals whether environmental and social commitments can be embedded in organisational behaviour and governance, rather than remaining at the level of policy or reporting. 100% of organisations are willing to pursue cultural change to support sustainability goals, with 31% favouring structured change and 68% open to transformational change. Because willingness is high, organisations may benefit from targeted support such as practical tools for embedding sustainability, leadership guidance, and staff or board training to enable deeper, systemic change. CEOs in environment and conservation organisations were 14 percentage points more likely than total not-for-profits to be fully open to transformational change.

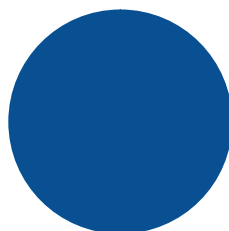
Environment and conservation: 16 CEOs

Section 4: Sustainability Strategy and Investment Priorities

Impact of **environmental** and **social** investments on organisational value

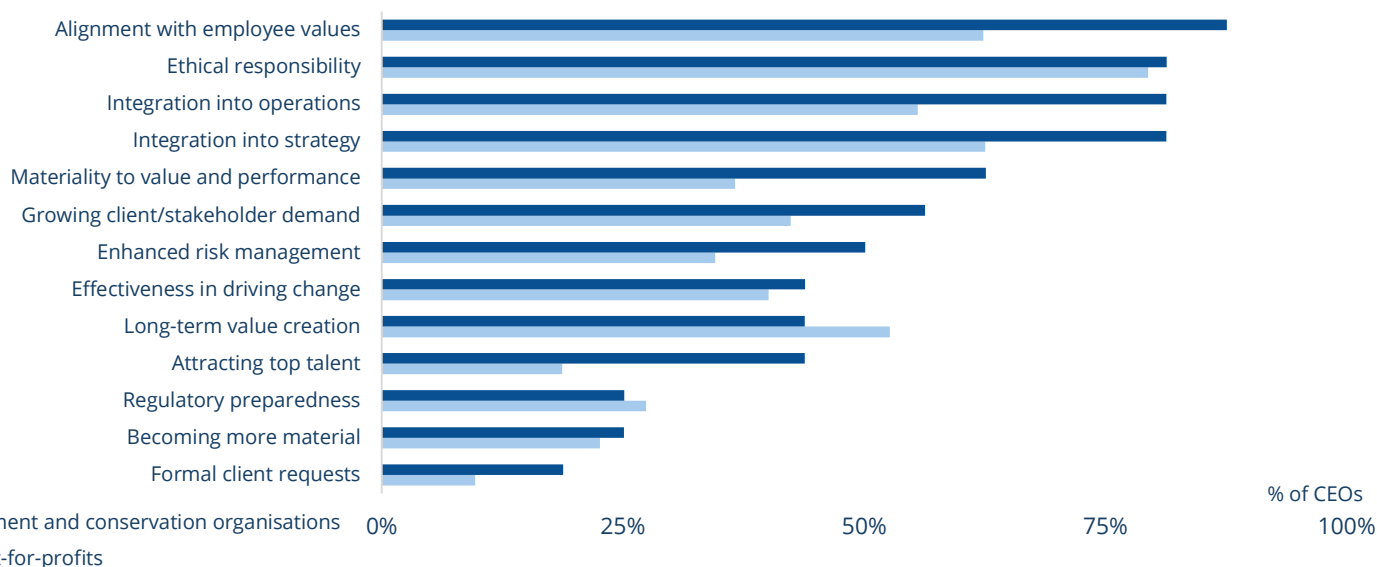
■ Do not add value

■ Add value



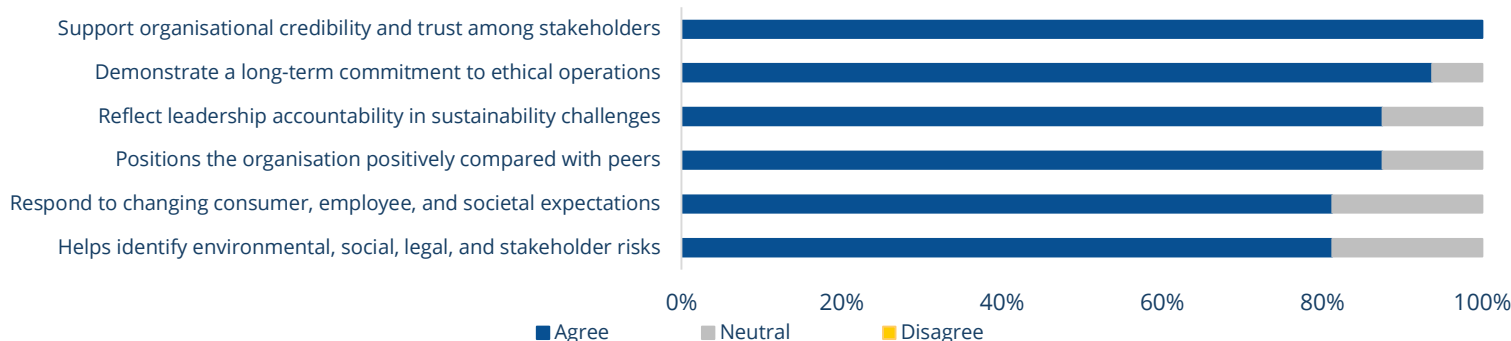
All CEOs believe investing in environmental and social practices enhances their organisation's value. This highlights that most CEOs view environmental and social practices as value-enhancing, reinforcing their role as a core driver of long-term strategic decision-making rather than a peripheral concern. CEOs in environment and conservation organisations were 8 percentage points more likely than total not-for-profits to believe these practices add value.

Reasons investments in sustainable practices add to organisational value



100% of CEOs say sustainable practices enhance their organisation's value, primarily due to alignment with employee values (88%) and ethical responsibility (81%). CEOs in environment and conservation organisations were 26 percentage points more likely than total not-for-profits to believe these practices aid in materiality to value and performance.

Agreement with statements on sustainable business practices

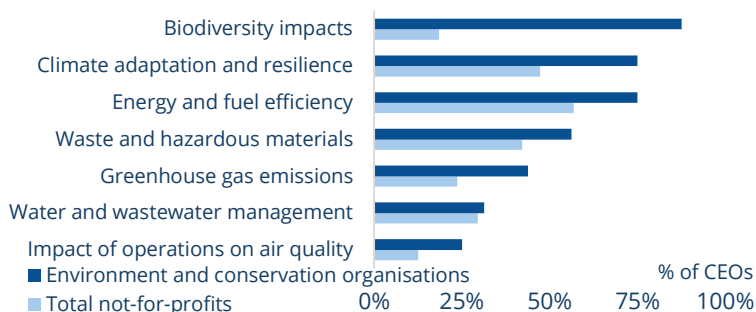


The majority of CEOs agree that sustainable practices support organisational credibility and trust among stakeholders (100%), demonstrate a long-term commitment to ethical operations (94%) and reflect leadership accountability in sustainability challenges (88%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Environment and conservation: 16 CEOs

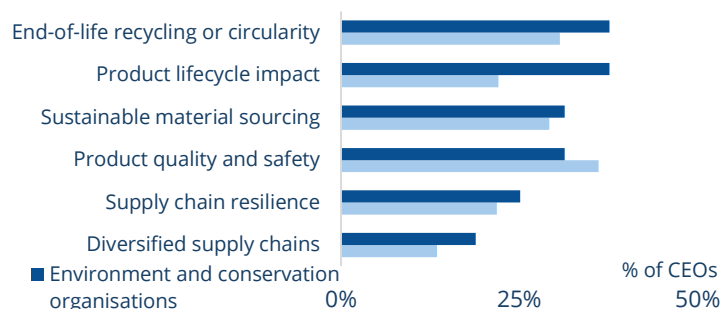
Material **environmental** factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view biodiversity impacts (88%) and climate adaptation and resilience (75%) as primary environmental drivers of value. Environment and conservation organisations are more likely to view biodiversity impacts as material.

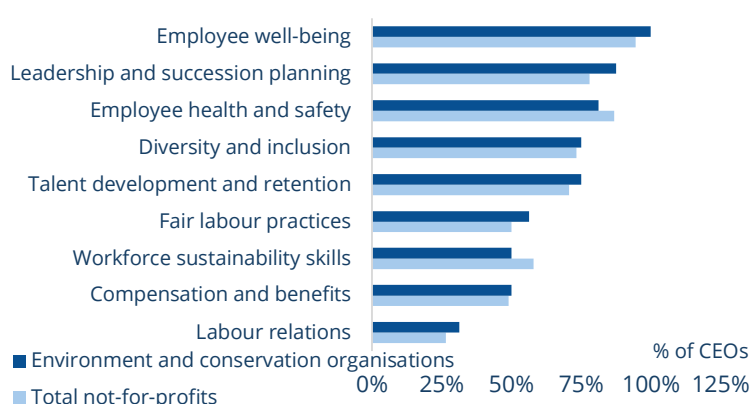
Product and supply chain sustainability factors



CEOs view end-of-life recycling or circularity (38%) and product lifecycle impact (38%) as the primary drivers of long-term value. Environment and conservation organisations are more likely to view product lifecycle impact as material.

Material **social** factors influencing strategic priorities and long-term value

Workforce sustainability factors



CEOs view employee well-being (100%) and leadership and succession planning (88%) as the primary workforce sustainability value drivers. Environment and conservation organisations are more likely to consider leadership and succession planning as material.

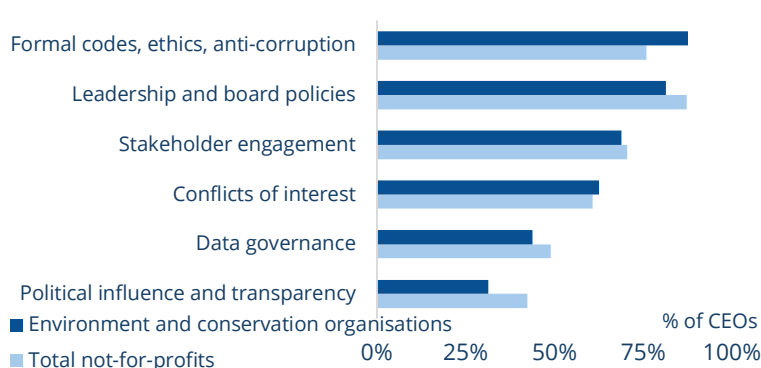
Stakeholder sustainability factors



CEOs view community relations (94%) and accessibility and inclusive design (63%) as primary social stakeholder drivers of long-term value. Environment and conservation organisations are less likely to view human rights as material.

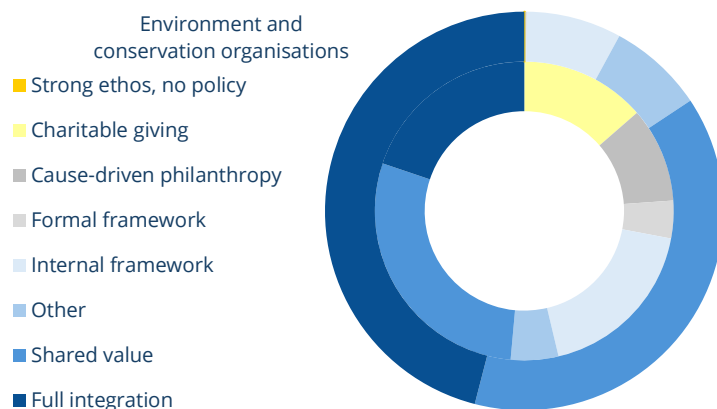
Material **governance** factors

Governance sustainability factors



CEOs view 'formal codes, ethics, anti-corruption' (88%) and 'leadership and board policies' (81%) as the primary governance drivers of long-term value. Environment and conservation organisations are more likely to consider 'formal codes, ethics, anti-corruption' as material.

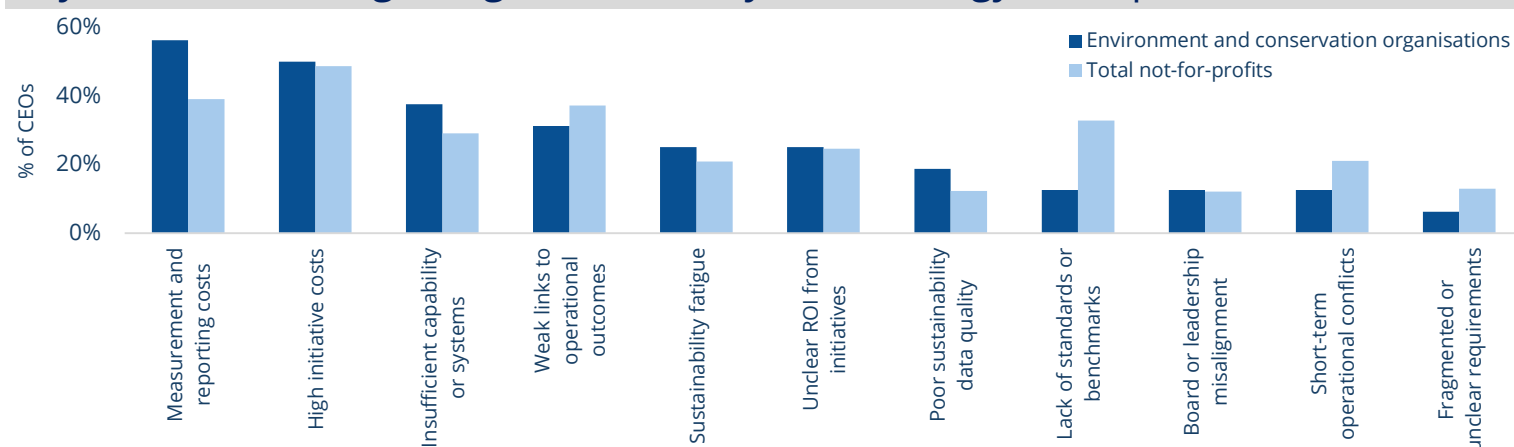
Approach to sustainability strategy



The most common approach to sustainability is full integration: sustainability is woven into the fabric of the organisation, embedded in strategy, culture, operations, and innovation (46%).

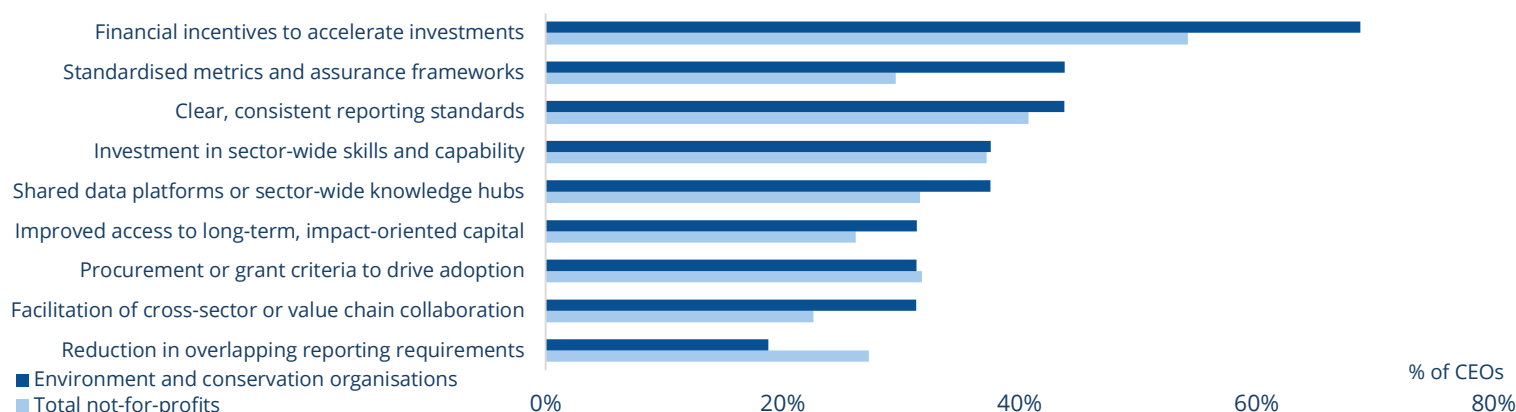
Environment and conservation: 16 CEOs

Key barriers to integrating sustainability into strategy and operations



Organisations see measurement and reporting costs (56%) as the most common barrier to integrating sustainability into strategy and operations, followed by high initiative costs (50%) and insufficient capability or systems (38%). CEOs in environment and conservation organisations were 20 percentage points less likely than total not-for-profits to see a lack of standards or benchmarks as a barrier.

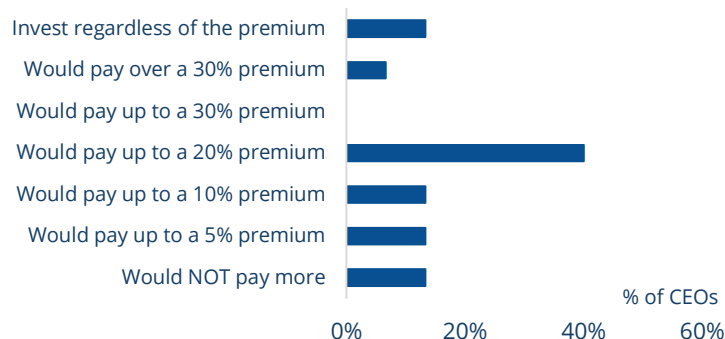
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify financial incentives to accelerate investments (69%) and standardised metrics and assurance frameworks (44%) as the most important actions government or industry bodies can take to support sustainability goals, followed by clear, consistent reporting standards (44%). CEOs in environment and conservation organisations were 15 percentage points more likely than total not-for-profits to see financial incentives to accelerate investments as important.

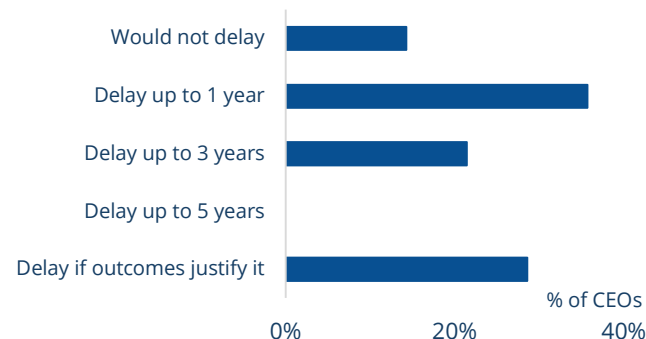
Willingness to pay for greener outcome Tolerance for sustainable project delays

Greener versus conventional options (% of CEOs across premium levels)



27% of CEOs would pay a moderate premium (5%–10%) for greener technology: 60% would pay a premium of over 20%, while 13% would not pay more. CEOs in environment and conservation organisations were 19 percentage points less likely than total not-for-profits to say they would pay up to a 10% premium.

Time delay for environmental or social gains (% of CEOs by delay length)

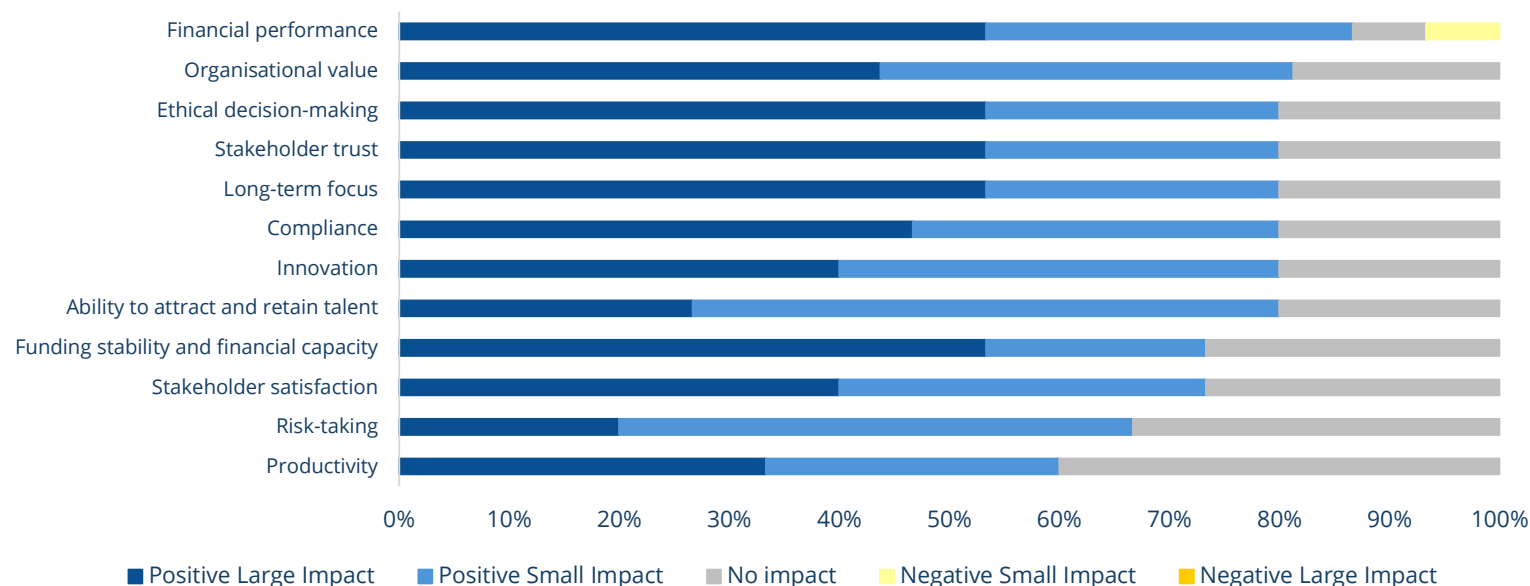


Most CEOs tolerate short delays for higher environmental or social gains: 36% up to 1 year, 21% up to 3–5 years, and 14% would not delay. CEOs in environment and conservation organisations were 13 percentage points more likely than total not-for-profits to say they would delay up to 3 years.

Environment and conservation: 16 CEOs

Summary: Overall influence on long-term organisational performance

Impact of environmental, social and governance sustainability on factors



ESG sustainability positively impacts long-term performance, particularly financial performance and value creation. CEOs in environment and conservation organisations were 14 percentage points more likely than total not-for-profits to say their ESG approach positively impacts their ability to attract and retain talent.

Demographics: CEOs and Boards

Number of employees

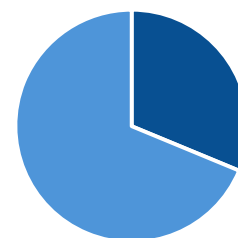
CEO gender identity

For-profit / not-for-profit

■ Environment and conservation organisations
■ Total not-for-profits



Environment and conservation organisations



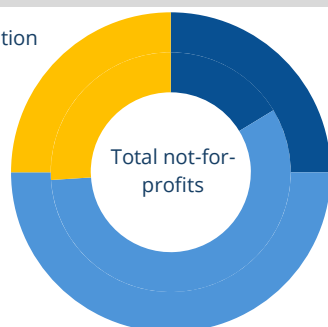
■ For-profit ■ Not-for-profit

Female board representation

Ethnic board representation

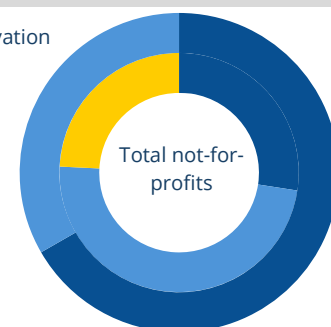
Environment and conservation organisations

■ Male-dominated (< 1/3 female)
■ Gender-balanced (1/3 to 2/3 female)
■ Female-dominated (> 2/3 female)



Environment and conservation organisations

■ Pākehā-dominated (< 1/3 non-Pākehā)
■ Ethnic-balanced (1/3 to 2/3 non-Pākehā)
■ Non-Pākehā dominated (> 2/3 non-Pākehā)



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023). The not-for-profit sector is more gender-balanced than the for-profit sector, with just over half of CEOs being women and most boards gender-balanced, with slightly more female- than male-dominated boards.

The 2023 NZ Census showed 47% identify as either Māori (17.8%), Pasifika (8.9%), Asian (17.3%), or other (3%), with 53% primarily NZ European/Pākehā. Not-for-profit boards closely reflect this ethnic diversity, indicating comparatively stronger ethnic representation in governance than in for-profit boards.