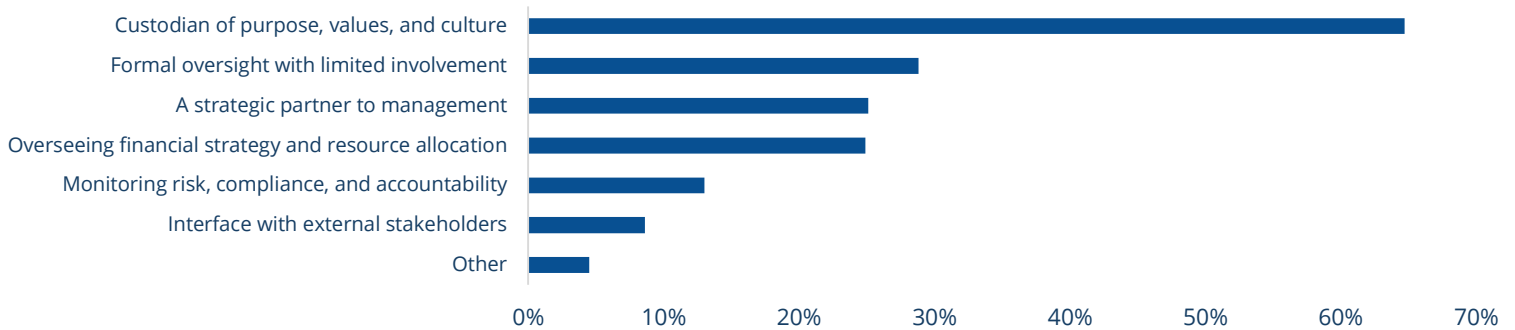


Iwi or PSGE: 25 CEOs

Section 1: Purpose-led Governance and Board Leadership

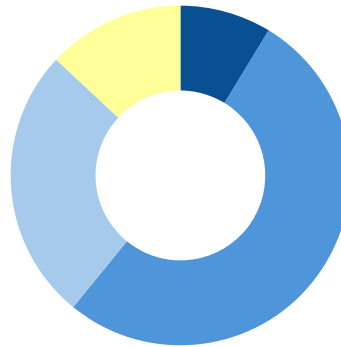
Primary Purpose of Board



Iwi or PSGE CEOs (CEOs) most frequently identify their board’s primary purpose as custodian of purpose, values, and culture (65%), followed by formal oversight with limited involvement (29%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%).

Board and management alignment

- Completely aligned
- Mostly aligned
- Partly aligned
- Mostly unaligned
- Completely unaligned



Alignment between boards and management understanding and respecting their roles is generally strong, with 9% 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.

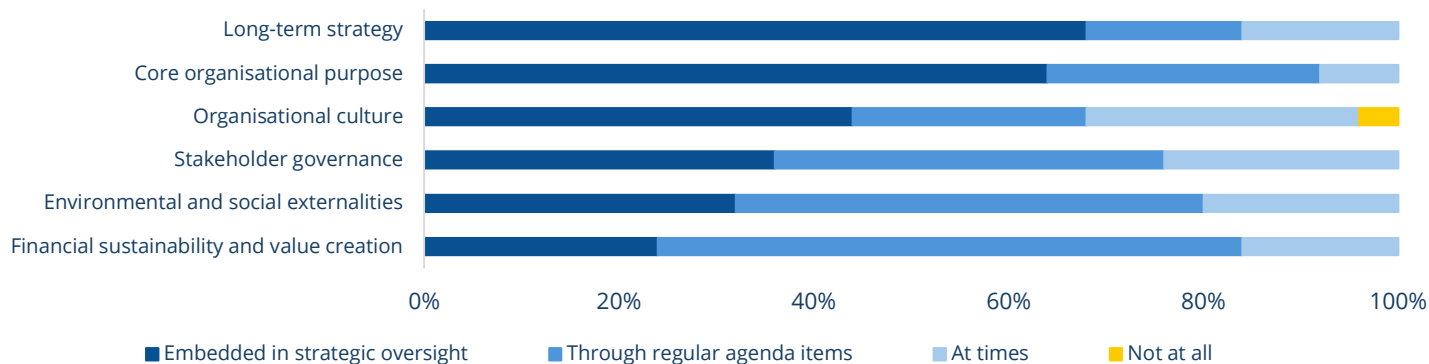
Board structure and composition for effective governance



Boards most commonly report that their structure aligns composition to reflect the gender and ethnic diversity of stakeholders (52%) and aligns composition to reflect stakeholder experience and perspectives (48%). In contrast, fewer report that their board structure oversees performance metrics on sustainability (16%) and oversees performance metrics on culture (12%), highlighting an opportunity to strengthen how board structures support broader organisational priorities.

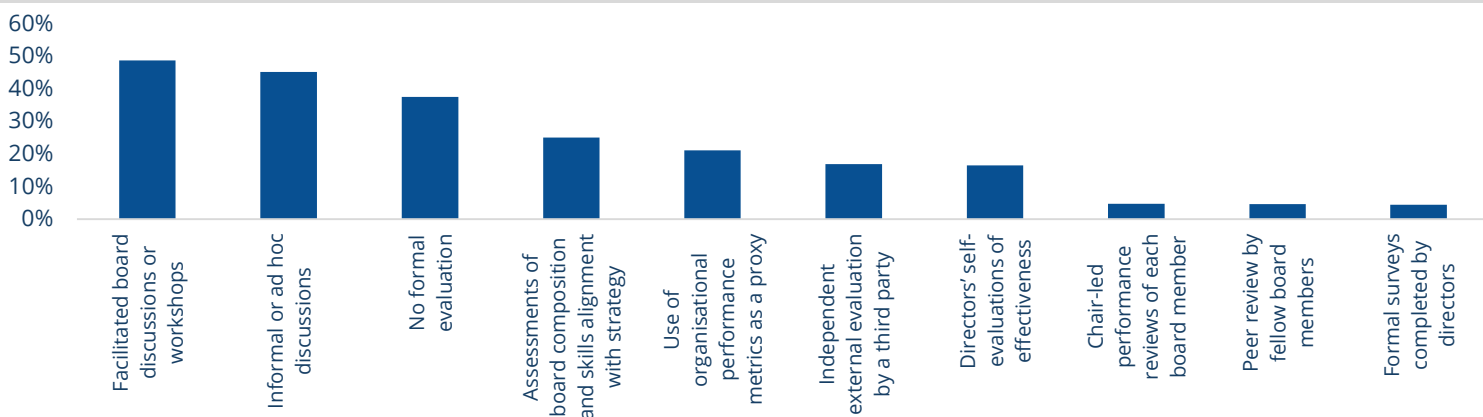
Iwi or PSGE: 25 CEOs

Extent of formal board oversight across key areas



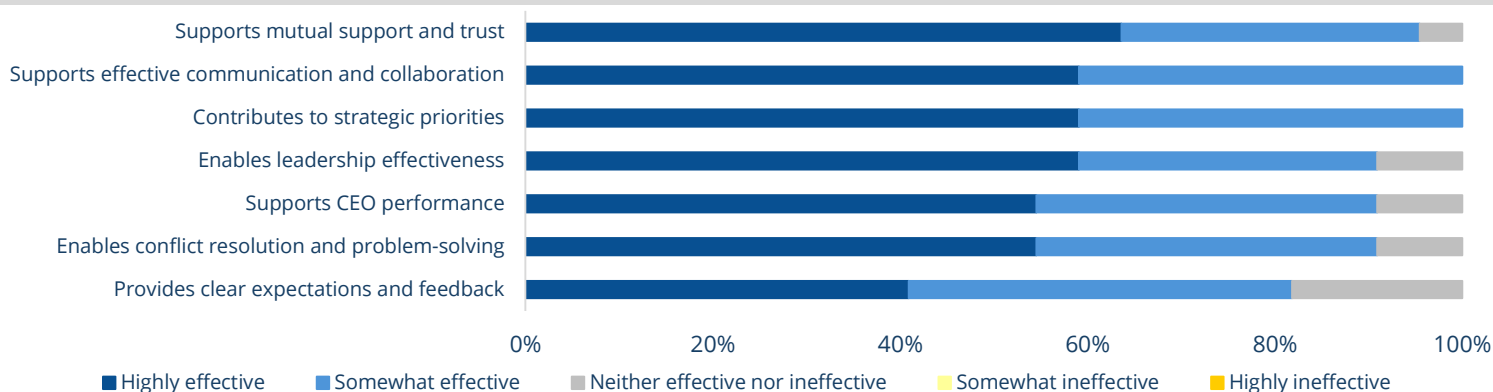
Many boards embed oversight of long-term strategy (68%), core organisational purpose (64%), and organisational culture (44%) within strategic oversight. However, fewer boards embed stakeholder governance (36%), environmental and social externalities (32%), and financial sustainability and value creation (24%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value.

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 49% relying on facilitated board discussions or workshops and 45% using informal or ad hoc discussions. Many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods.

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: 64% of CEOs rated the chair "highly effectively" 'supports mutual support and trust', followed by 'supports effective communication and collaboration' (59%), and 'contributes to strategic priorities' (59%). The lower ratings for 'enables conflict resolution and problem-solving' and 'provides clear expectations and feedback' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

Iwi or PSGE: 25 CEOs

Board effectiveness in enabling organisational purpose



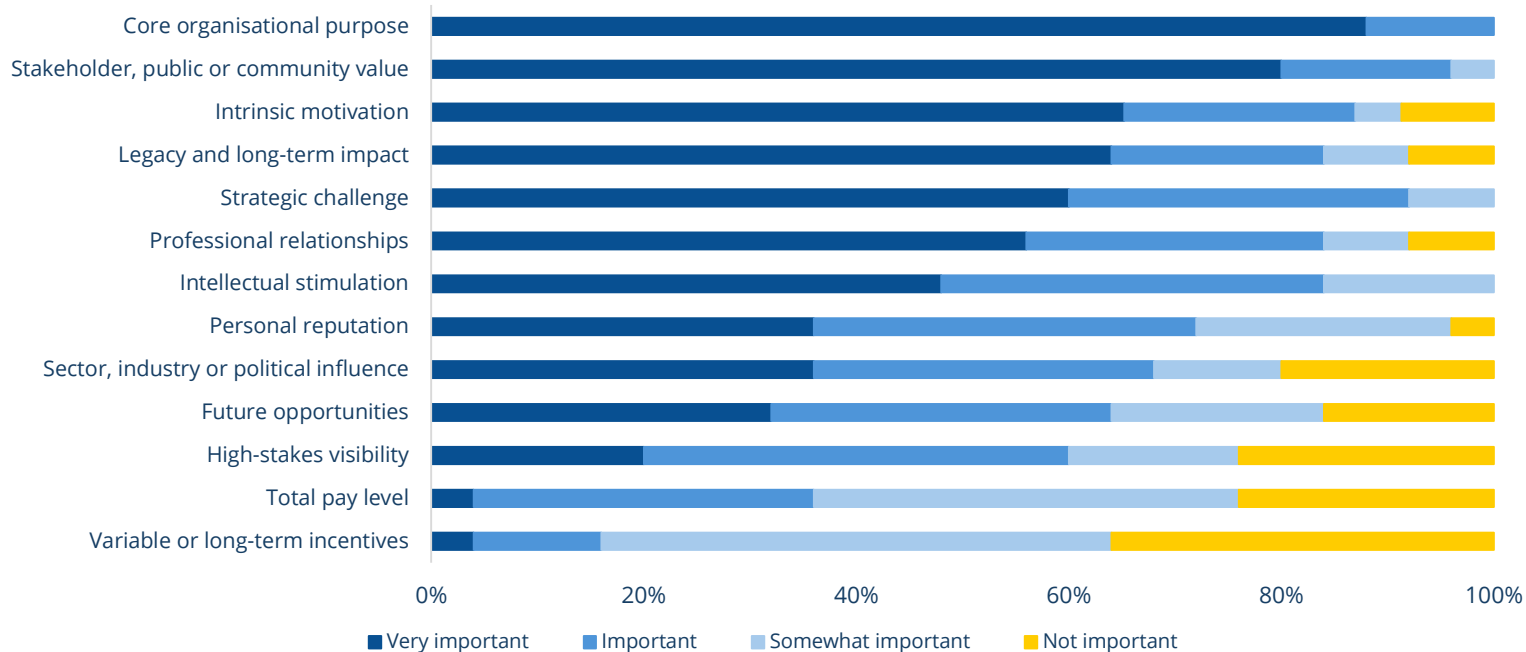
Even some of the strongest boards have room for improvement: 36% of CEOs rate their board as 'highly effective' in supporting long-term orientation, followed by 32% in supporting alignment of organisational culture with purpose and strategy, and 32% in supporting oversight of compliance and organisational risks. More than 64% 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.

Areas the board could more effectively support and enable leadership



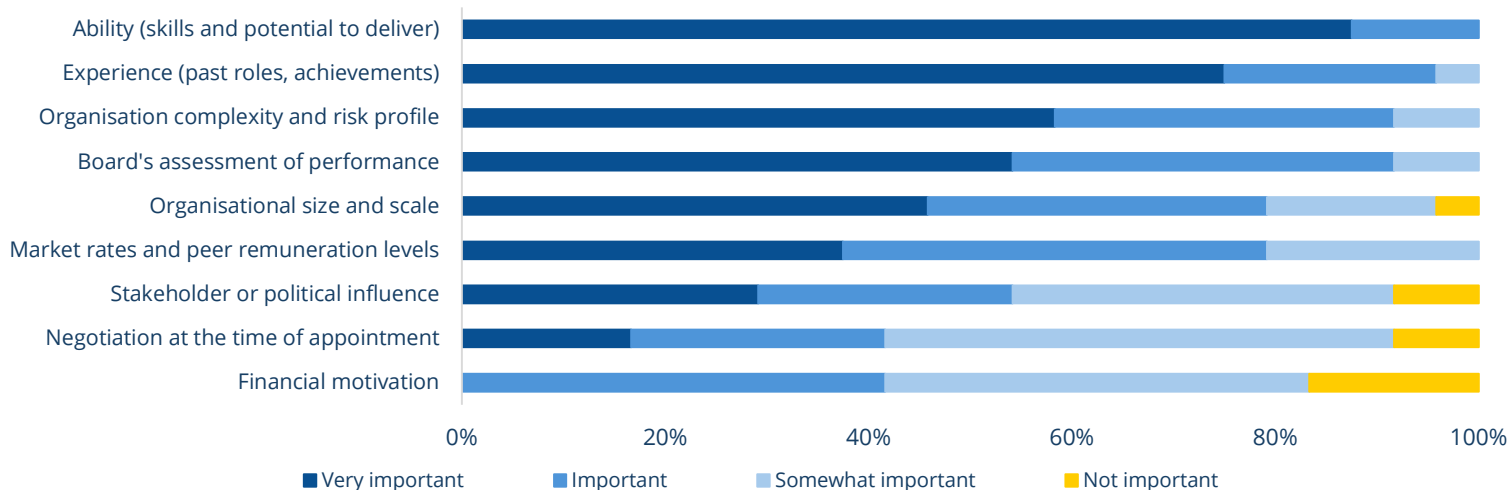
CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 56% highlighting greater willingness to take the right level of strategic risk, 52% more frequent reflection on board effectiveness, and 52% stronger member engagement and commitment.

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 intrinsic and purpose-driven motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 88% of CEOs rated core organisational purpose as very important, followed by stakeholder, public or community value (80%), and intrinsic motivation (65%), whereas only 4% rated total pay level and 4% rated variable or long-term incentives as very important motivators.

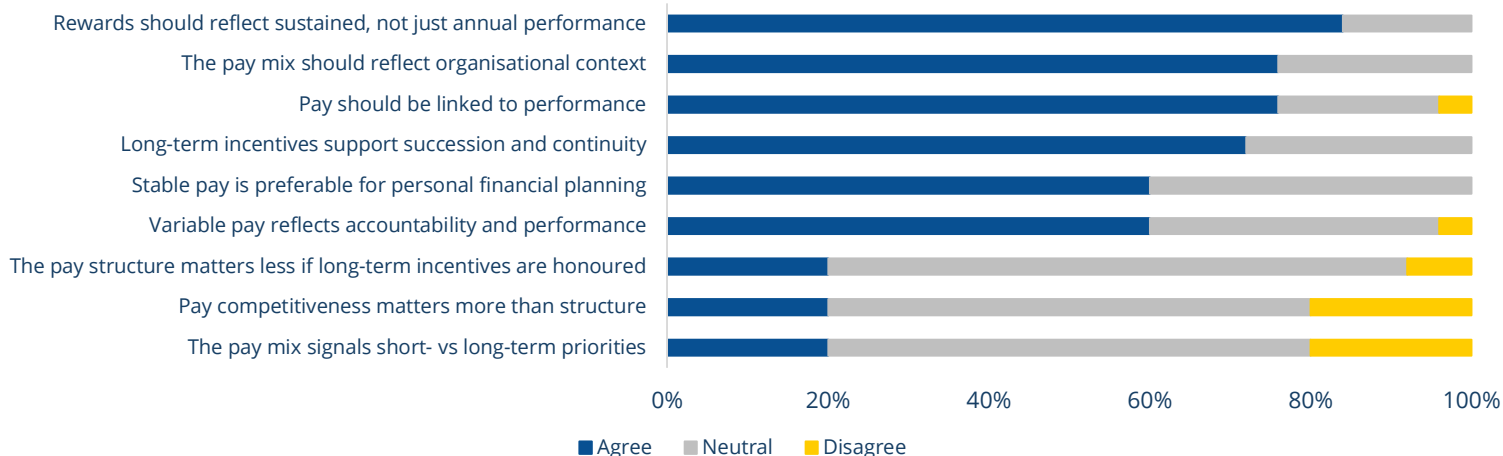
Key factors CEOs view as determinants of their pay



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, 88% rating ability (skills and potential to deliver), 75% experience (past roles, achievements) and 58% organisation complexity and risk profile as very important determinants of pay, compared with 29% for stakeholder or political influence, 17% for negotiation at the time of appointment and 0% for financial motivation. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes.

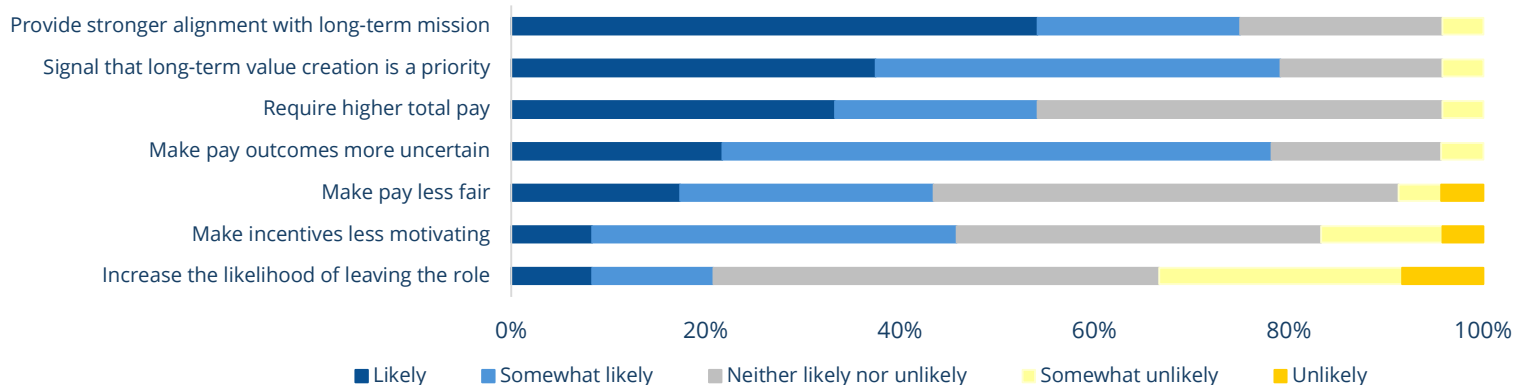
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CEO's views on fixed and variable pay



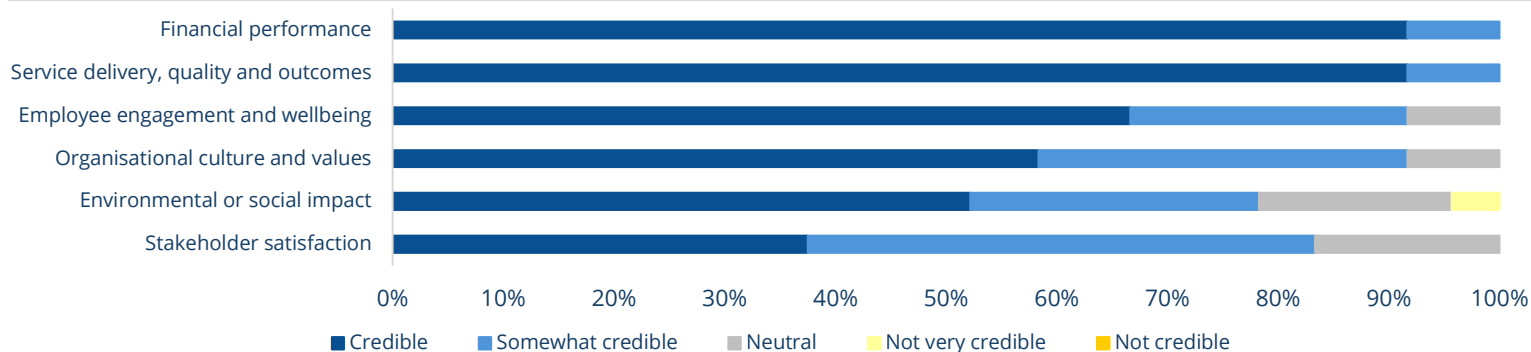
Most CEOs agree that 'rewards should reflect sustained, not just annual performance' (84%), that 'the pay mix should reflect organisational context' (76%), and that 'pay should be linked to performance' (76%). In comparison, CEOs are most neutral on 'the pay mix signals short- vs long-term priorities' (60%) and on whether 'pay competitiveness matters more than structure' (60%), indicating comfort with variable-based pay structures. CEO responses show limited evidence of self-interested, short-term or rent-extractive behaviour as 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 'provide stronger alignment with long-term mission' (75%) and 'signal that long-term value creation is a priority' (79%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make incentives less motivating' and 'make pay less fair'. 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

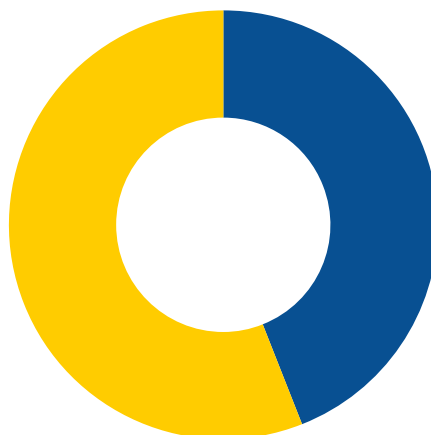


CEOs believe that pay-linked KPIs are most credible for 'financial performance' (92%) and 'service delivery, quality and outcomes' (92%), moderately credible for 'employee engagement and wellbeing' (67%) and 'organisational culture and values' (58%), and least credible for 'environmental or social impact' (52%) and 'stakeholder satisfaction' (38%). Many see these measures as somewhat credible, with very few rating any measure as not credible.

Iwi or PSGE: 25 CEOs

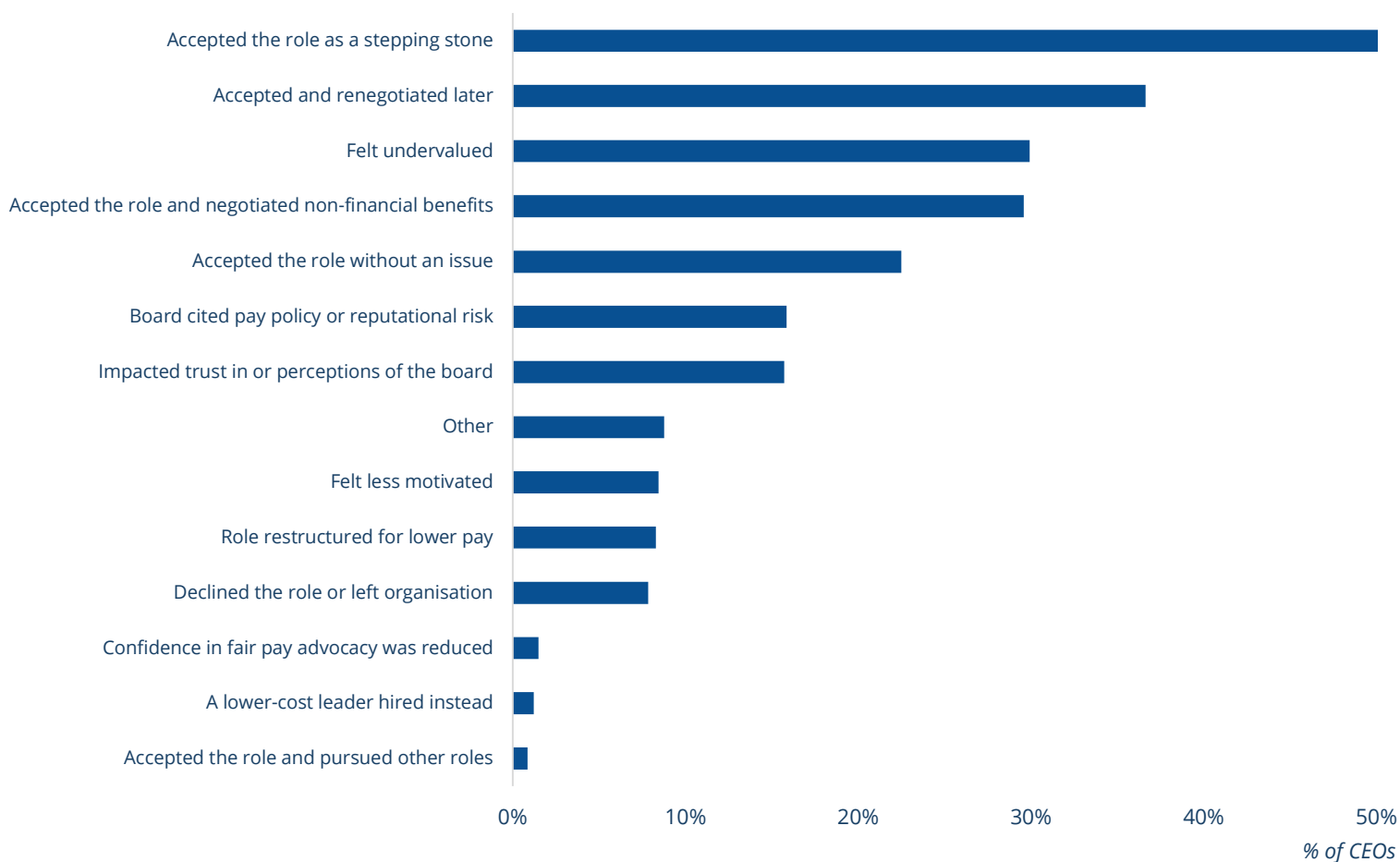
CEOs offered below-expected remuneration during their time in leadership

- 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, 56% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 44% did not.

Leader consequences of lower-than-expected pay offers

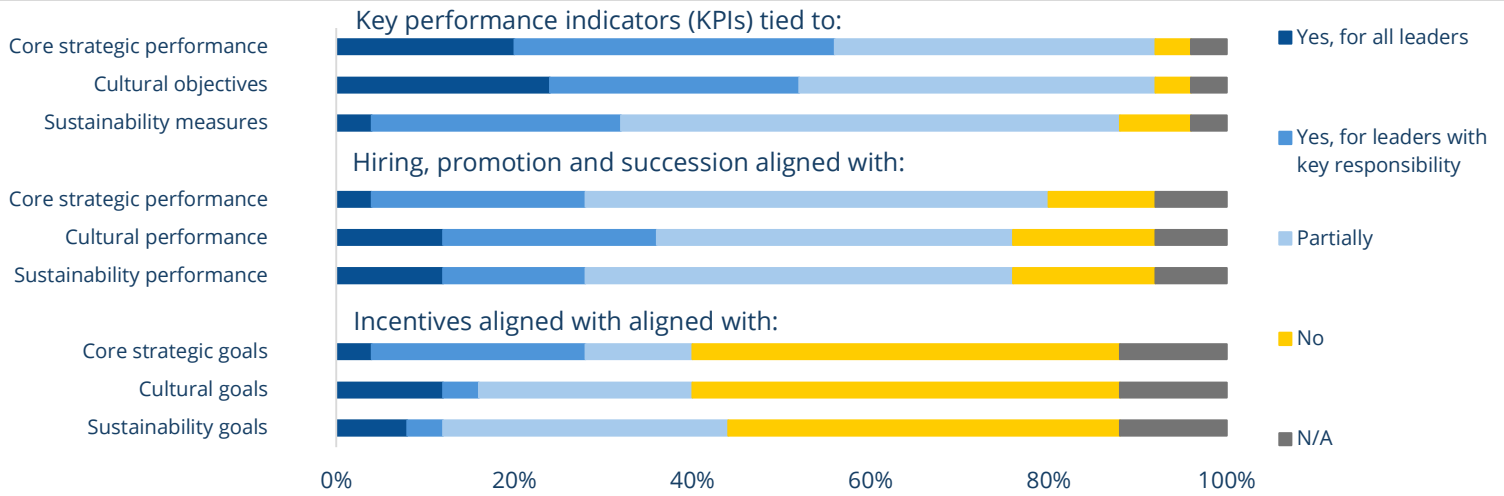


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they accepted the role as a stepping stone (65%) and accepted and renegotiated later (37%), 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.

Iwi or PSGE: 25 CEOs

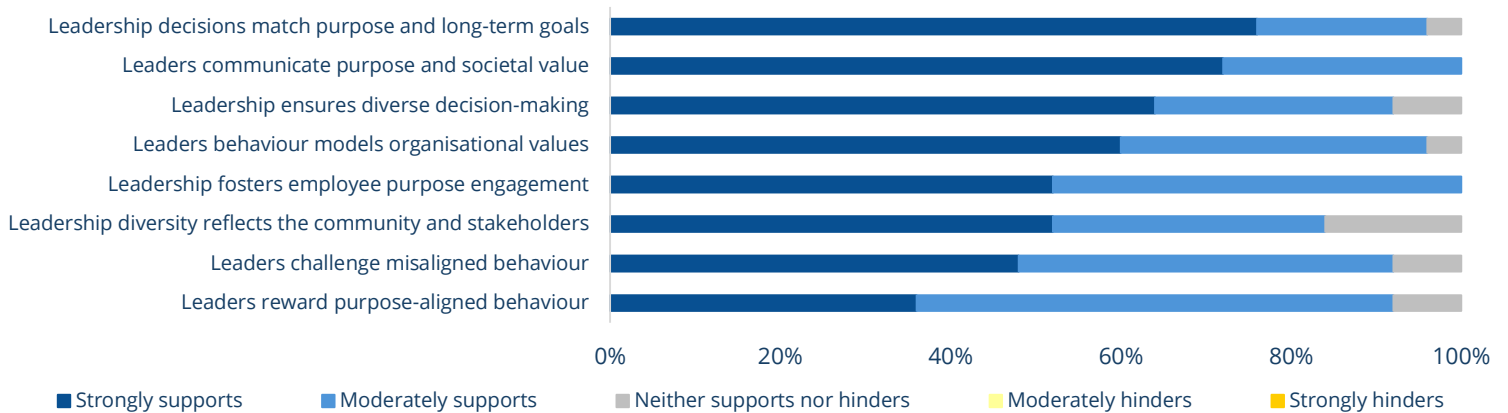
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



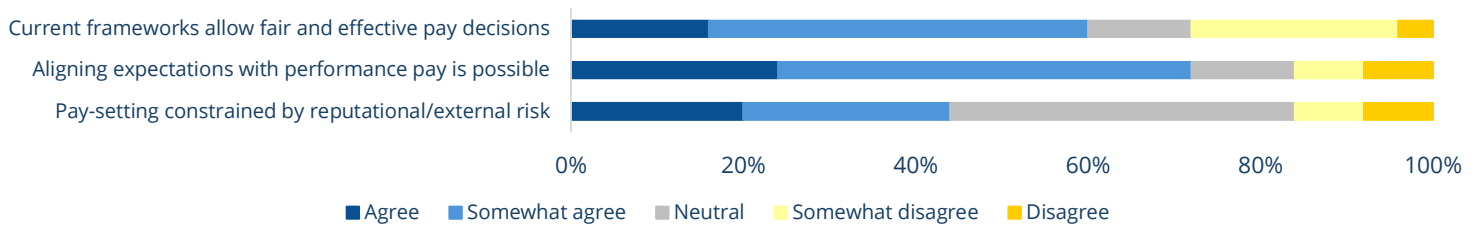
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 28%–56% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs. Compared with the broader sample, iwi and PSGE reward systems place greater emphasis on linking leadership evaluation and incentives to organisational culture and 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 60% and 76% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling and decision-making. In comparison, only 48% believe leaders challenge misaligned behaviour, and 36% say leaders reward purpose-aligned behaviour, highlighting an opportunity to align behaviour.

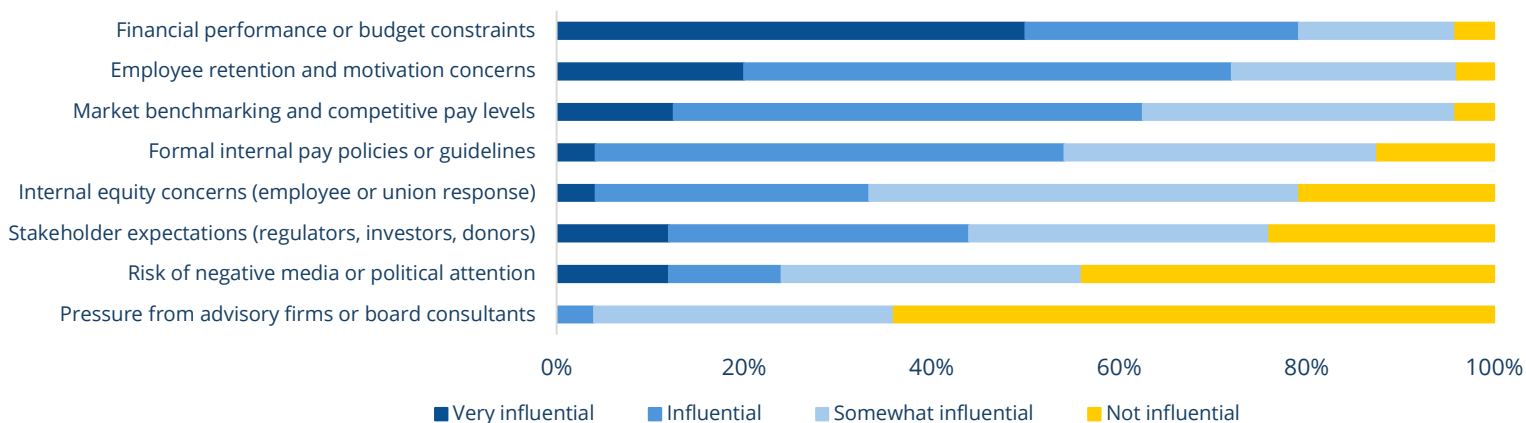
Executive remuneration framework effectiveness



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. 60% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 72% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 44% perceive pay-setting to be constrained by reputational or external risk.

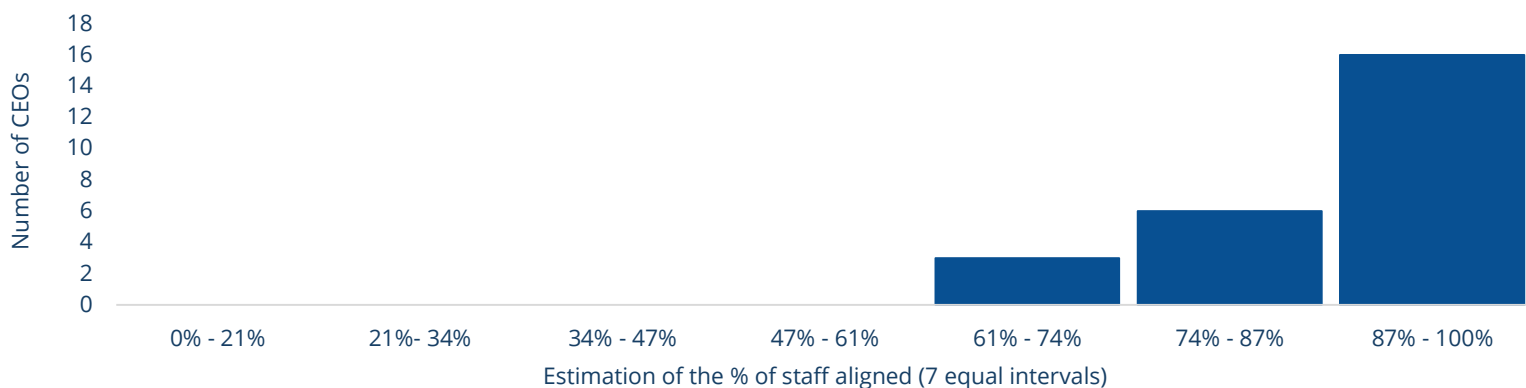
Iwi or PSGE: 25 CEOs

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.

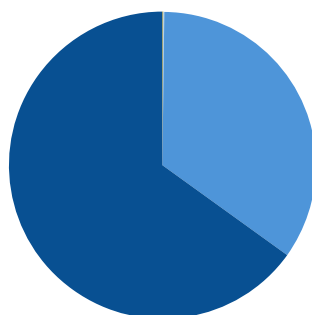
Percentage of staff motivated by sustainability goals



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 35% favouring structured change and 65% 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.

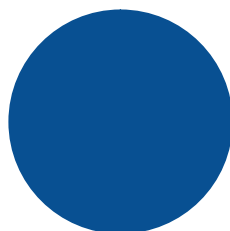
Iwi or PSGE: 25 CEOs

Section 4: Sustainability Strategy and Investment Priorities

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

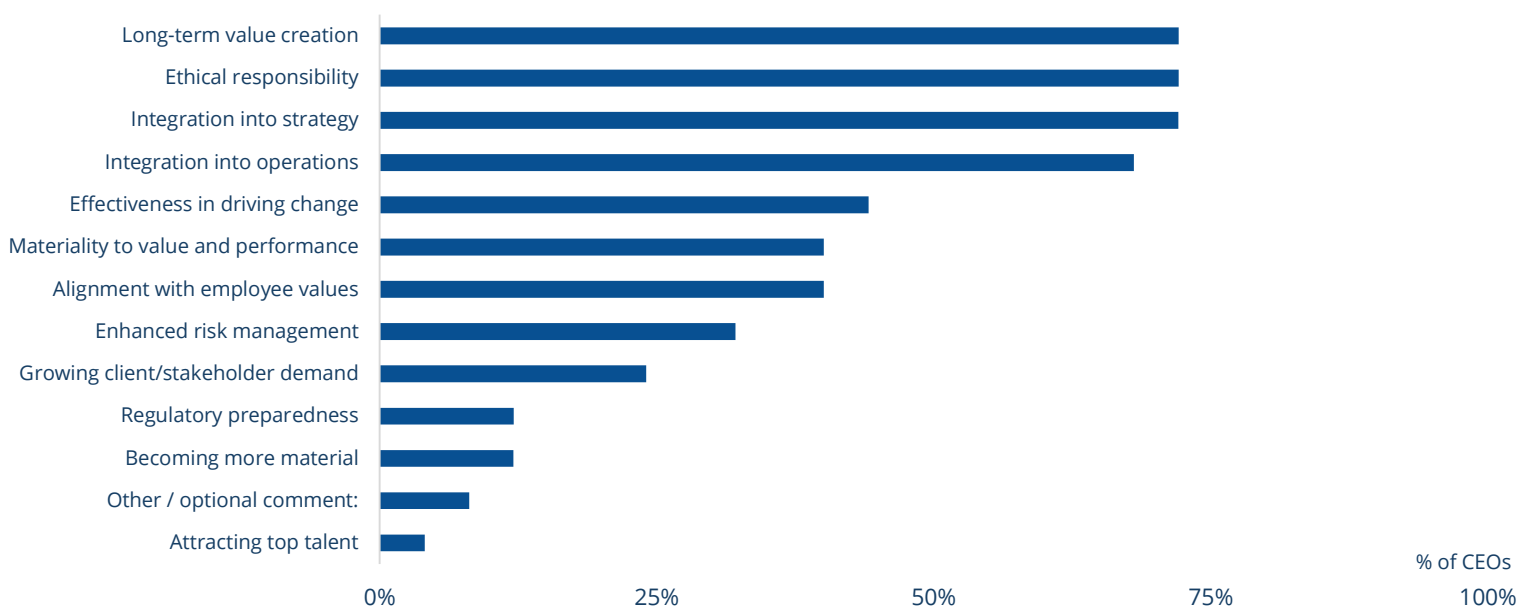
■ Do not add value

■ Add value



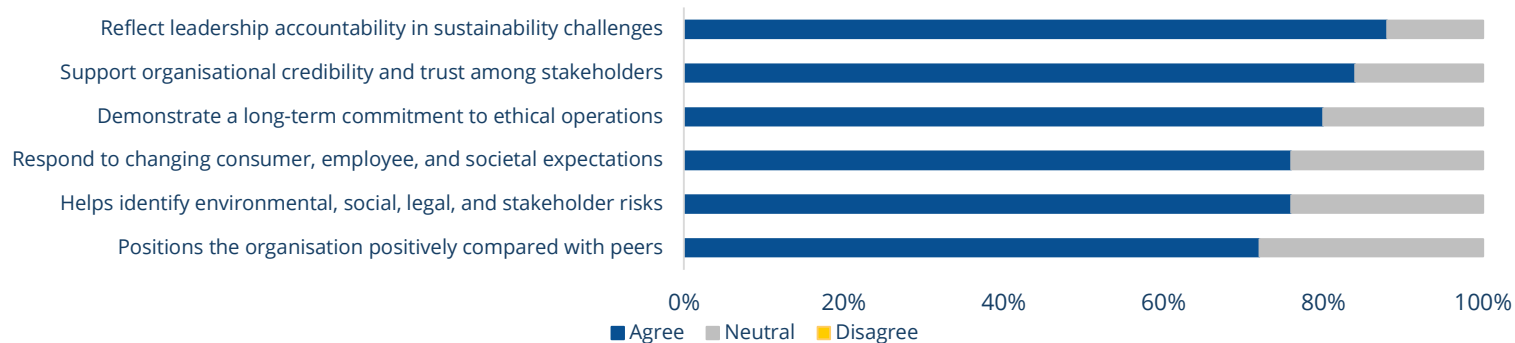
All iwi and PSGE CEOs surveyed (100%) believe investing in environmental and social practices enhances organisational value, with none indicating otherwise. This suggests these practices are viewed as integral to long-term value creation and strategic decision-making, rather than peripheral organisational considerations.

Reasons investments in sustainable practices adds value



100% of CEOs say sustainable practices enhance their organisation's value, primarily due to long-term value creation (72%) and ethical responsibility (72%).

Agreement with statements on sustainable business practices

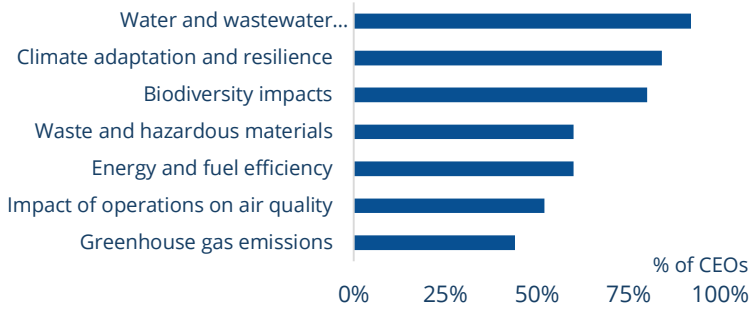


The majority of CEOs agree that sustainable practices reflect leadership accountability in sustainability challenges (88%), support organisational credibility and trust among stakeholders (84%) and demonstrate a long-term commitment to ethical operations (80%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Iwi or PSGE: 25 CEOs

Material environmental factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view water and wastewater management (92%) and climate adaptation and resilience (84%) as primary environmental drivers of long-term value.

Product and supply chain sustainability factors



CEOs view end-of-life recycling or circularity (40%) and supply chain resilience (36%) as the primary drivers of long-term value for products and the supply chain.

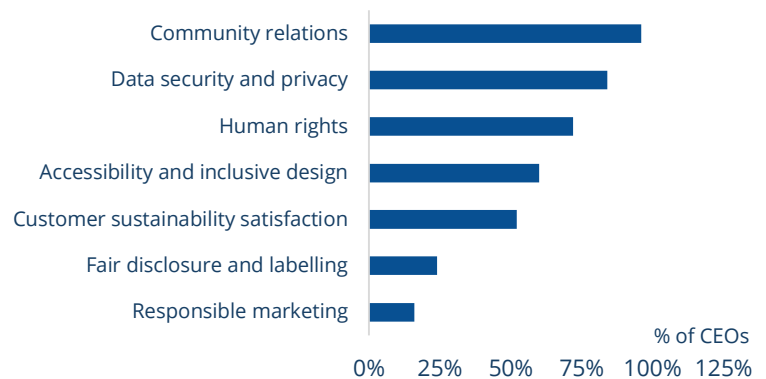
Material social factors influencing strategic priorities and long-term value

Workforce sustainability factors



CEOs view employee health and safety (100%) and leadership and succession planning (96%) as the primary workforce sustainability value drivers.

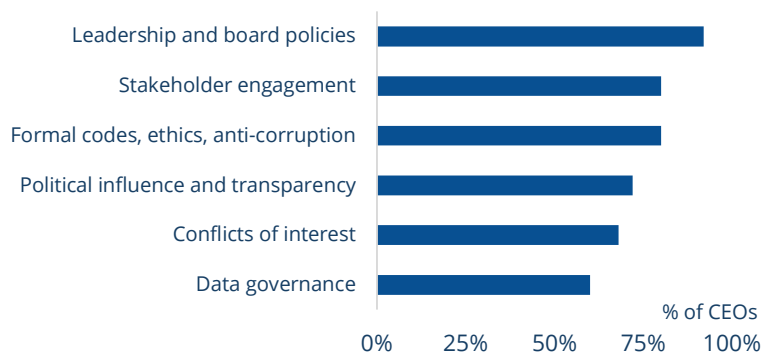
Stakeholder sustainability factors



CEOs view community relations (96%) and data security and privacy (84%) as primary social stakeholder drivers of long-term value.

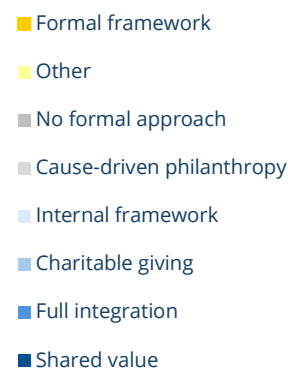
Material governance factors

Governance sustainability factors



CEOs view 'leadership and board policies' (92%) and 'stakeholder engagement' (80%) as the primary governance drivers of long-term value.

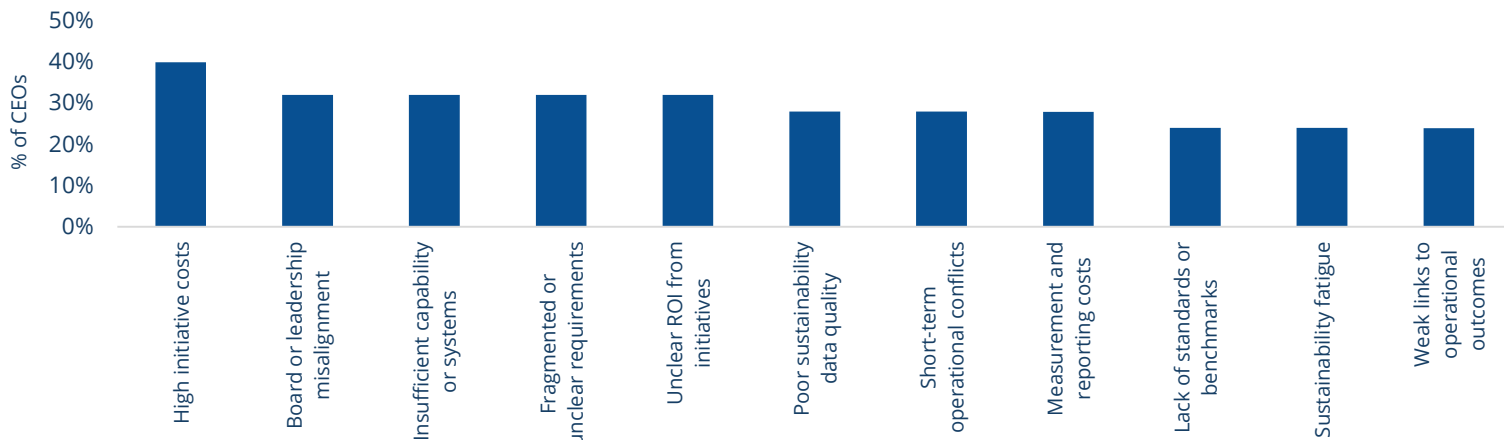
Approach to sustainability strategy



The most common approach to sustainability is shared value: creating business opportunities that also generate measurable social or environmental benefits, aligning profitability with positive impact (33%).

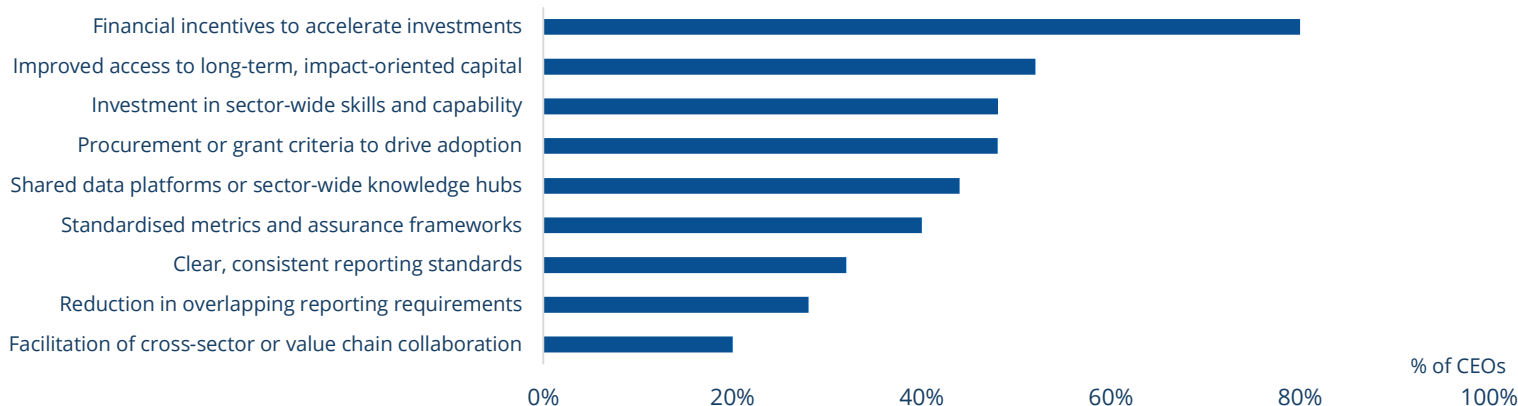
Iwi or PSGE: 25 CEOs

Key barriers to integrating sustainability into strategy and operations



Organisations see high initiative costs (40%) as the most common barrier to integrating sustainability into strategy and operations, followed by board or leadership misalignment (32%) and insufficient capability or systems (32%).

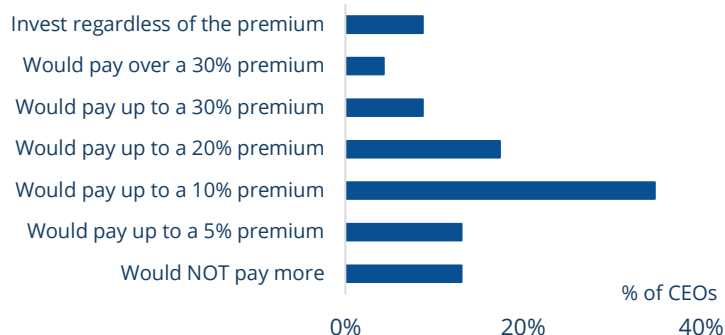
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify financial incentives to accelerate investments (80%) and improved access to long-term, impact-oriented capital (52%) as the most important actions government or industry bodies can take to support sustainability goals, followed by investment in sector-wide skills and capability (48%).

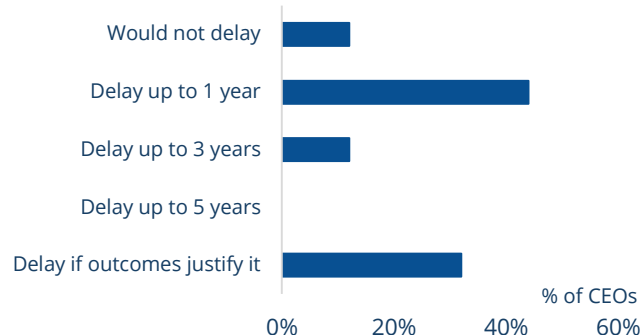
Willingness to pay for greener outcome Tolerance for sustainable project delays

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



48% of CEOs would pay a moderate premium (5–10%) for greener technology: 39% would pay a premium of over 20%, while 13% would not pay more.

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

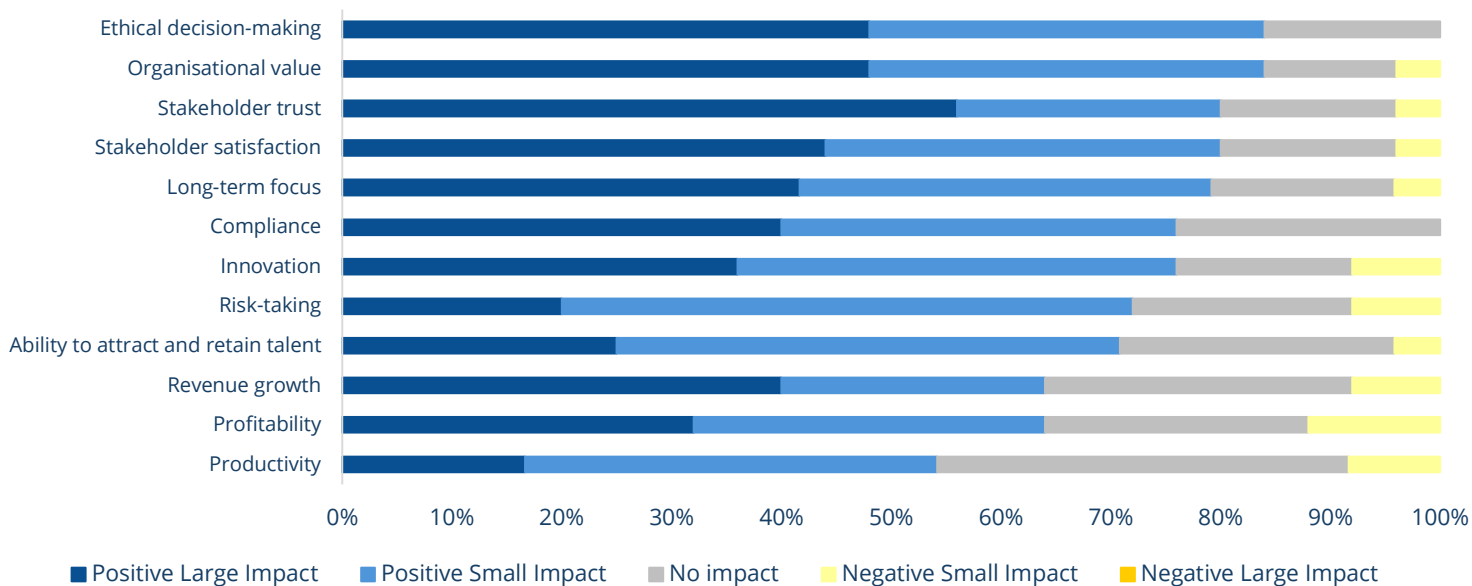


Most CEOs tolerate short delays for higher environmental or social gains: 44% up to 1 year, 12% up to 3–5 years, and 12% would not delay.

Iwi or PSGE: 25 CEOs

Summary: Overall influence on long-term organisational performance

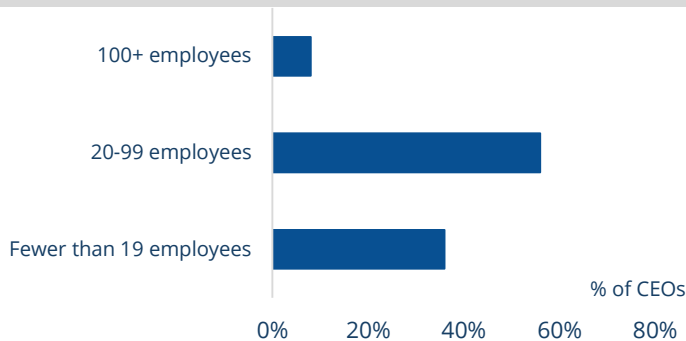
Impact of environmental, social and governance sustainability on factors



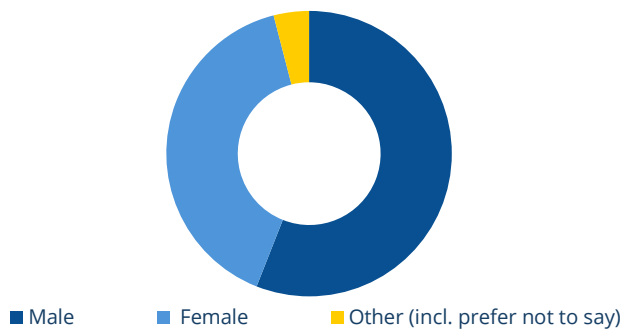
Environmental, social and governance sustainability positively impacts long-term performance, particularly value creation and ethical decision-making.

Demographics: CEOs and Boards

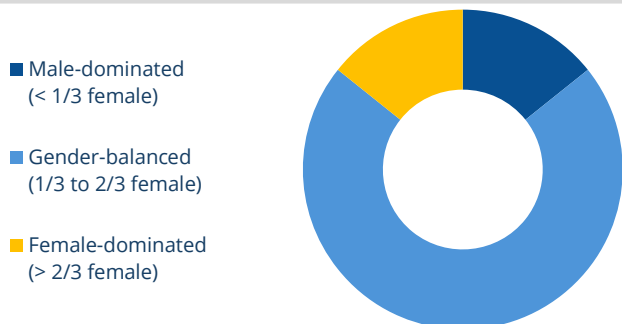
Number of employees



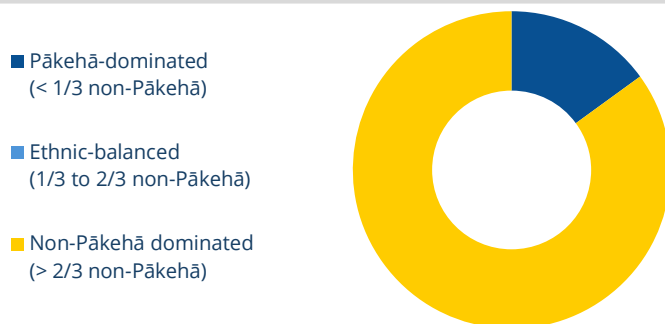
CEO gender identity



Female board representation



Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023). Iwi and PSGE boards and leadership structures exhibit strong gender diversity compared to for-profits.

Iwi and PSGE governance structures demonstrate stronger Māori stakeholder representation given their ownership, mandate and beneficiary base.