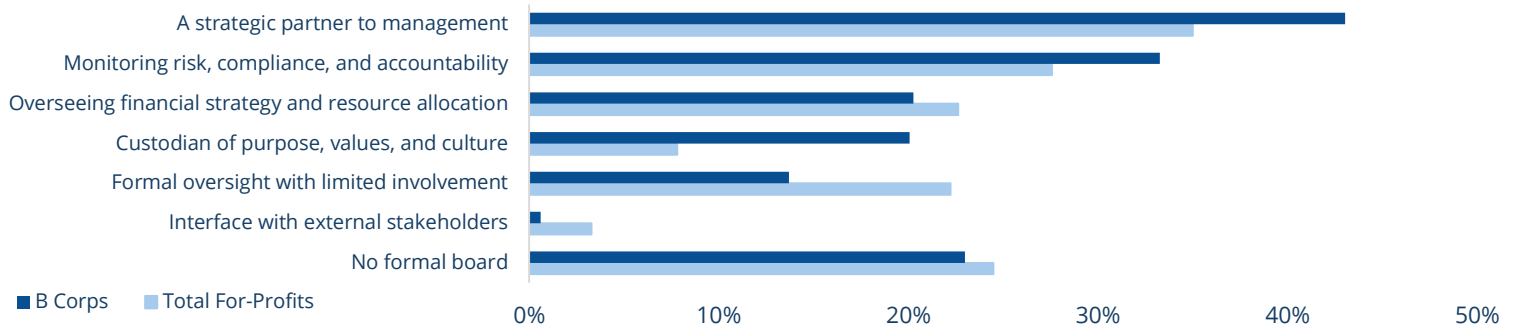


For-profit: 31 CEOs from B Corporations

Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



CEOs most frequently identify their board's primary purpose as a strategic partner to management (43%), followed by monitoring risk, compliance, and accountability (33%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). B Corps were 12 percentage points more likely than total for-profits to report 'custodian of purpose, values, and culture' as their board's primary purpose.

Board and management alignment



Alignment between board and management roles is important for governance because it underpins clear decision rights, accountability, and effective oversight. While alignment is generally strong, with 59% 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.

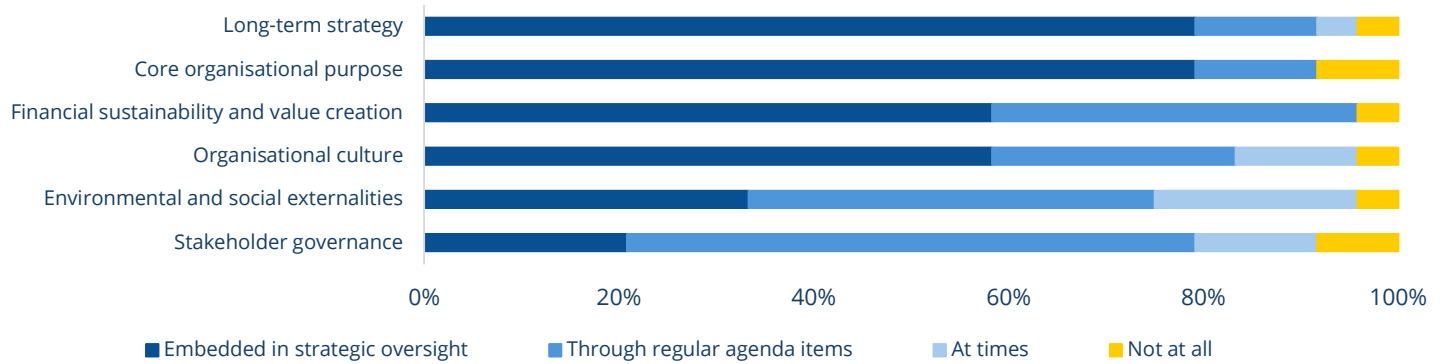
Board structure and composition for effective governance



Boards most commonly report that their structure ensures sustainability aligns with strategy and purpose (67%) and aligns composition to reflect skills and expertise for long-term strategy oversight (63%). In contrast, fewer report that their board structure oversees performance metrics on culture (38%) and aligns composition to reflect the gender and ethnic diversity of stakeholders (25%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. B Corps are 37 percentage points more likely to report that their board fully ensures sustainability aligns with strategy and purpose.

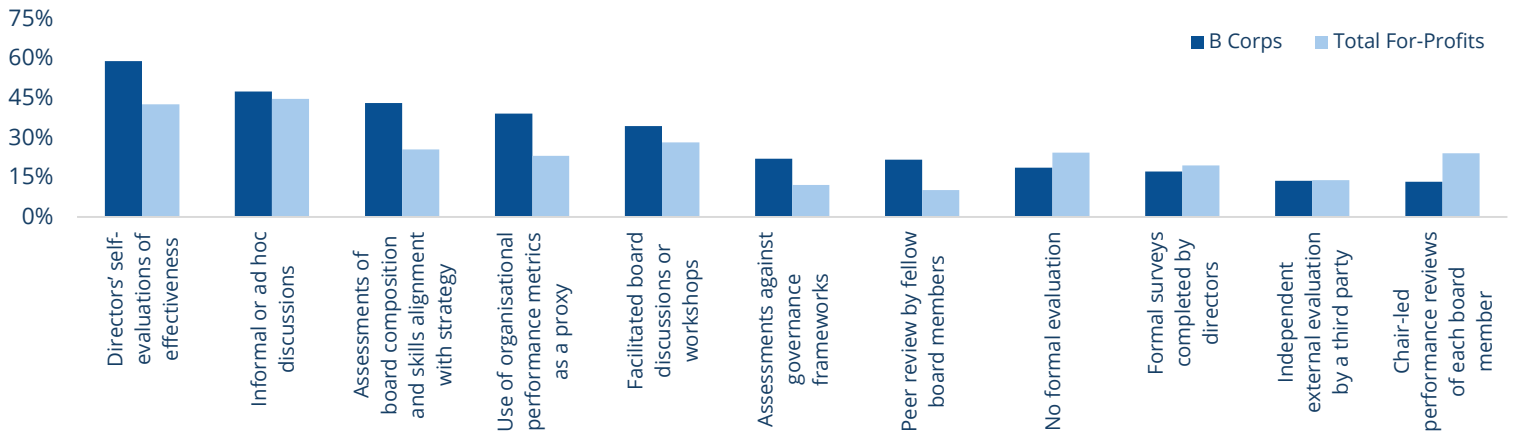
For-profit: 31 CEOs from B Corporations

Extent of formal board oversight across key areas



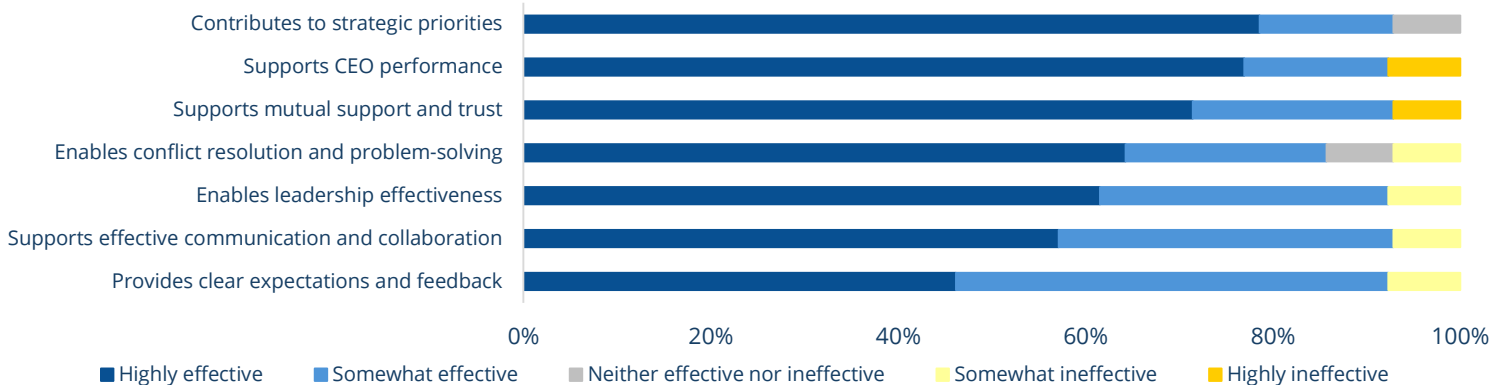
Many boards embed oversight of long-term strategy (79%), core organisational purpose (79%), and financial sustainability and value creation (58%) within strategic oversight. However, fewer boards embed organisational culture (58%), environmental and social externalities (33%), and stakeholder governance (21%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. B Corps are more likely to report that their board embeds organisational culture 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 59% relying on directors' self-evaluations of effectiveness and 48% 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. B Corps are more likely to rely on 'assessments of board composition and skills alignment with strategy'.

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: 79% of CEOs rated the chair "highly effectively" 'contributes to strategic priorities', followed by 'supports CEO performance' (77%), and 'supports mutual support and trust' (71%). The lower ratings for 'supports effective communication and collaboration' and 'provides clear expectations and feedback' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

For-profit: 31 CEOs from B Corporations

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 65% of CEOs rate their board as 'highly effective' in supporting long-term orientation, followed by 52% in providing strategic guidance and decision-making, and 48% in supporting social sustainability (worker rights, fairness and equity). More than 35% 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. B Corps are more likely than total for-profits to rate highly on 'supporting environmental sustainability initiatives' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

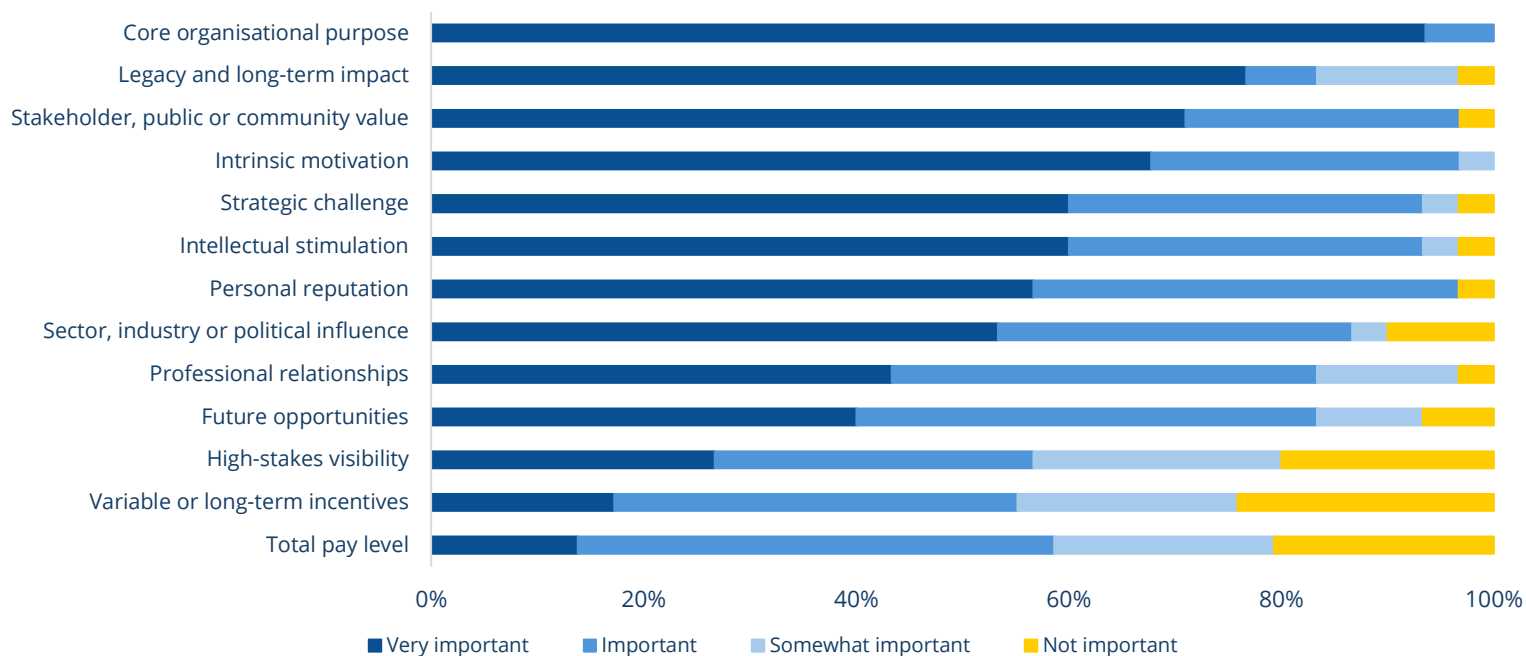


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 54% highlighting more diverse skills and expertise on the board, 38% more frequent reflection on board effectiveness, and 33% agreement on clear metrics for organisational value and impact. B Corps are 21 percentage points more likely than total for-profits to identify a need for more diverse skills and expertise on the board to enable organisational purpose.

For-profit: 31 CEOs from B Corporations

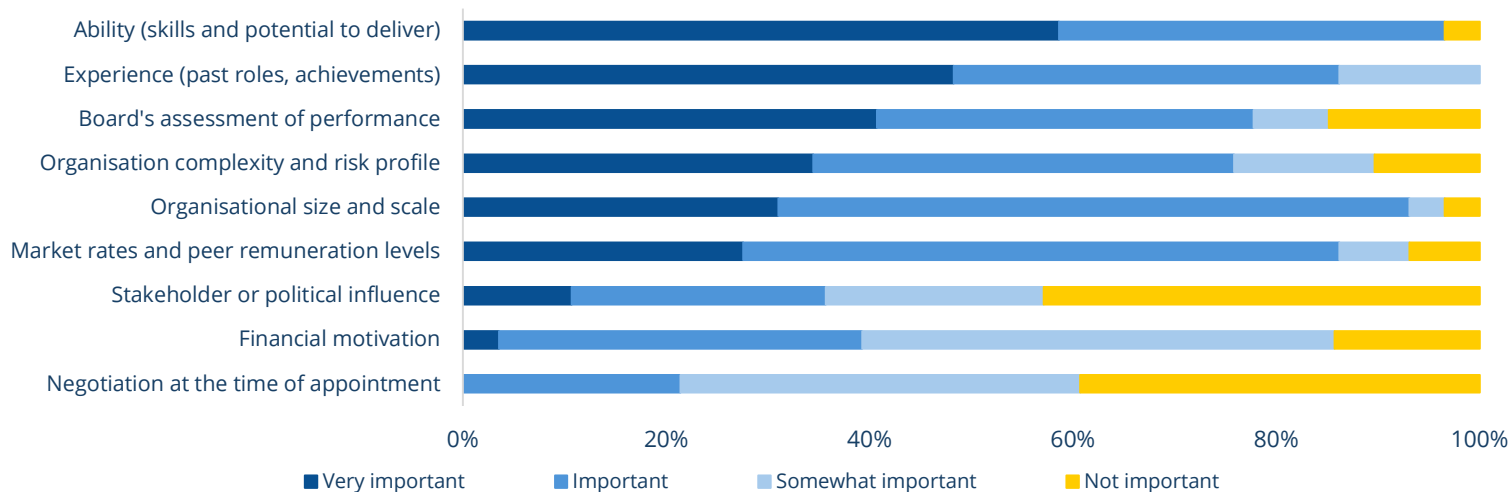
Section 2: CEO Personal Motivation, Values, and Alignment

Personal CEO motivations



CEO motivation is an important issue that has not been studied by directly asking CEOs. Attracting and retaining the right CEOs is an important governance issue. The existing literature does not 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, 94% of CEOs rated core organisational purpose as very important, followed by legacy and long-term impact (77%), and stakeholder, public or community value (71%), whereas only 17% rated variable or long-term incentives and 14% rated total pay level as very important motivators.

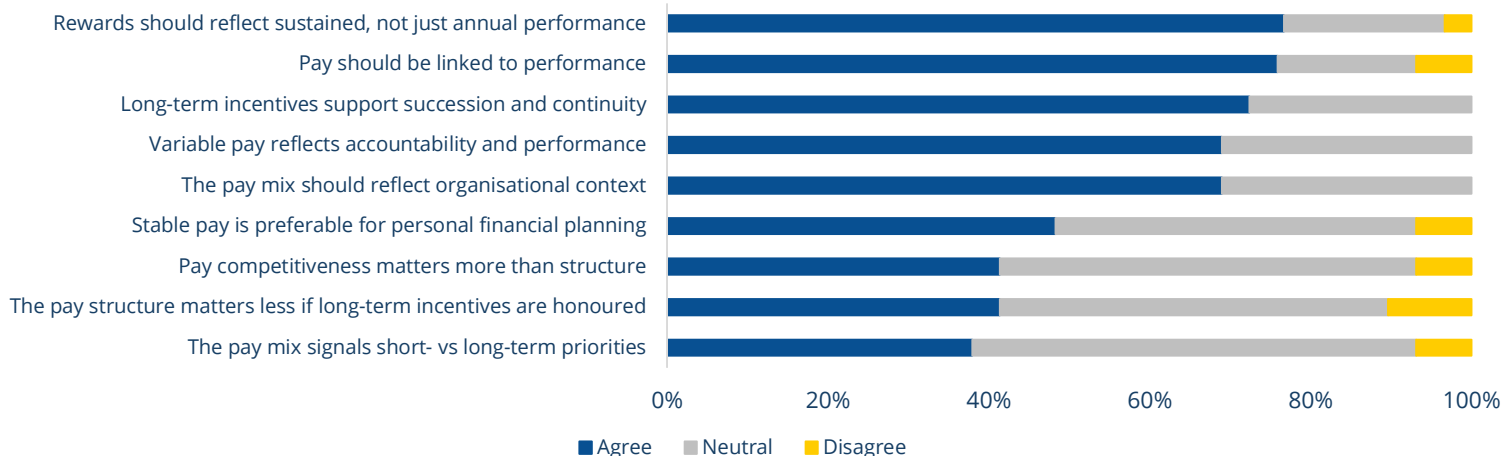
Key factors CEOs view as determinants of their pay



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, 59% rating ability (skills and potential to deliver), 48% experience (past roles, achievements) and 41% board's assessment of performance as very important determinants of pay, compared with 11% for stakeholder or political influence, 4% for financial motivation and 0% 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. B Corps are 11 percentage points less likely than total for-profits to consider the negotiation at the time of appointment as a key determinant.

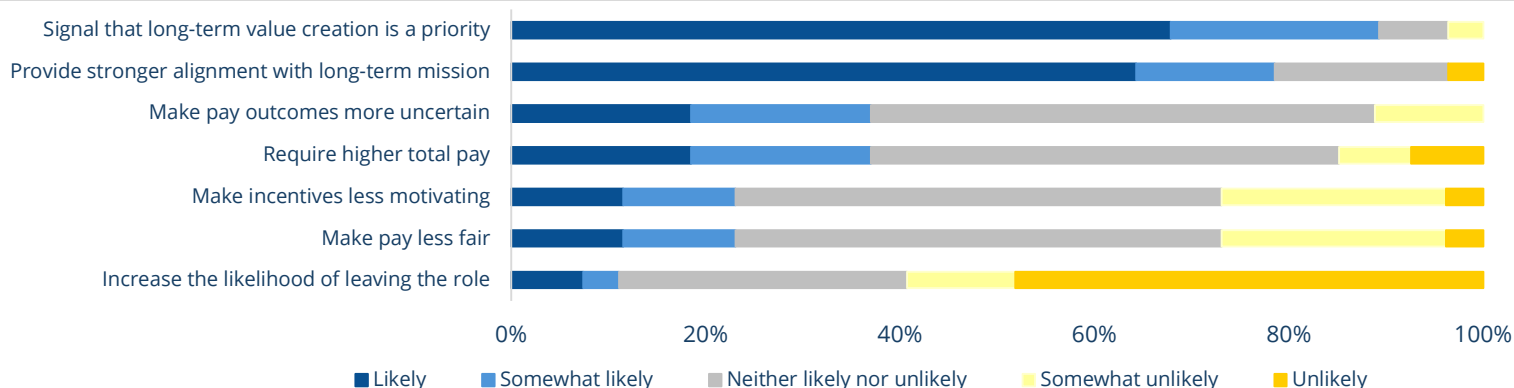
For-profit: 31 CEOs from B Corporations

CEO's views on fixed and variable pay



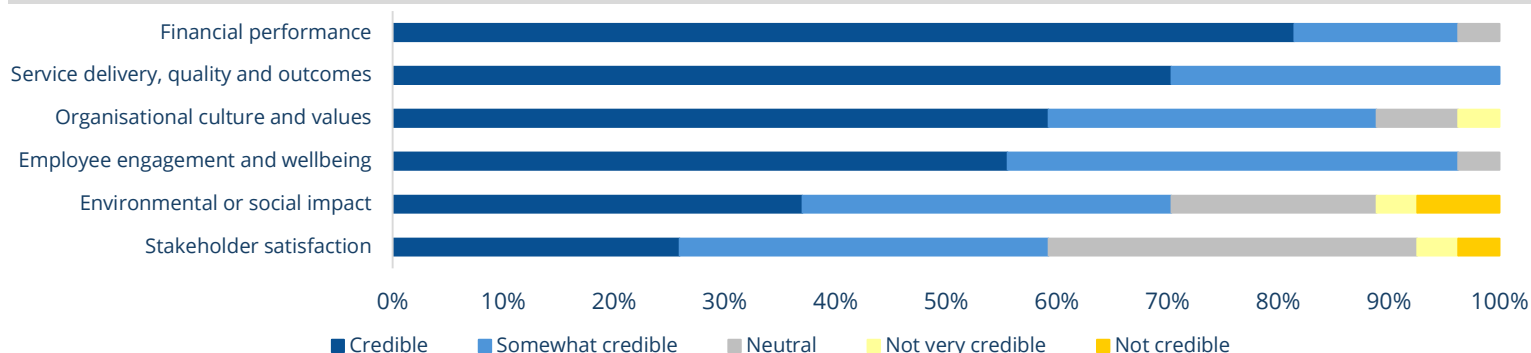
Most CEOs agree that 'rewards should reflect sustained, not just annual performance' (77%), that 'pay should be linked to performance' (76%), and that 'long-term incentives support succession and continuity' (72%). In comparison, CEOs are most neutral on 'the pay mix signals short- vs long-term priorities' (55%) and on whether 'the pay structure matters less if long-term incentives are honoured' (48%), 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 'signal that long-term value creation is a priority' (89%) and 'provide stronger alignment with long-term mission' (79%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make pay less fair' and 'make incentives less motivating'. Most 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

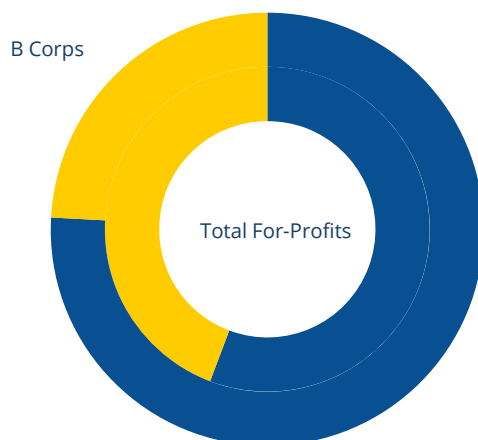


CEOs believe that pay-linked KPIs are most credible for 'financial performance' (81%) and 'service delivery, quality and outcomes' (70%), moderately credible for 'employee engagement and wellbeing' (56%) and 'organisational culture and values' (59%), and least credible for 'stakeholder satisfaction' (26%) and 'environmental or social impact' (37%). Many see these measures as somewhat credible, with very few rating any measure as not credible. B Corps are 21 percentage points more likely than total for-profits to agree that environmental or social impact are a credible and fair way to assess CEO performance.

For-profit: 31 CEOs from B Corporations

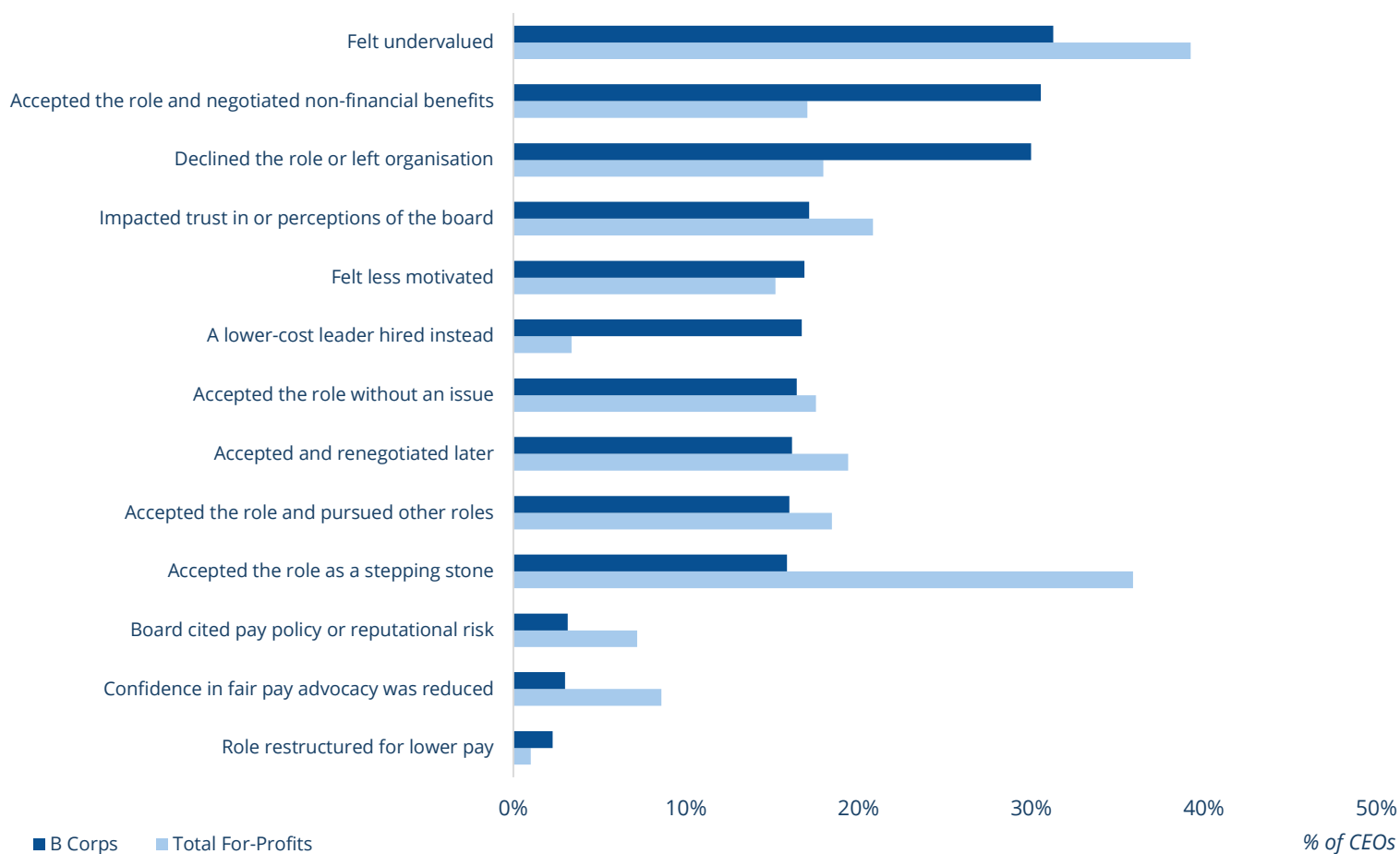
CEOs offered below-expected remuneration during their time in leadership

- 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, 23% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 71% did not. CEOs in B Corps were 21 percentage points less likely than total for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

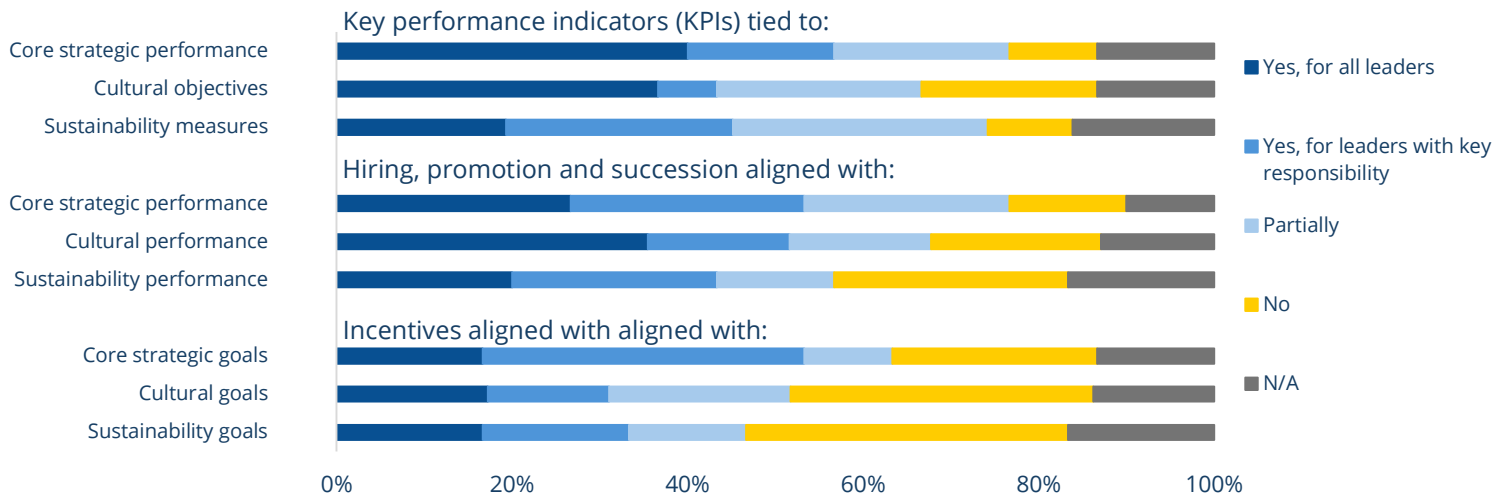


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they felt undervalued (31%) and accepted the role and negotiated non-financial benefits (31%), 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 B Corps were 20 percentage points less likely than total for-profits to have accepted the role as a stepping stone.

For-profit: 31 CEOs from B Corporations

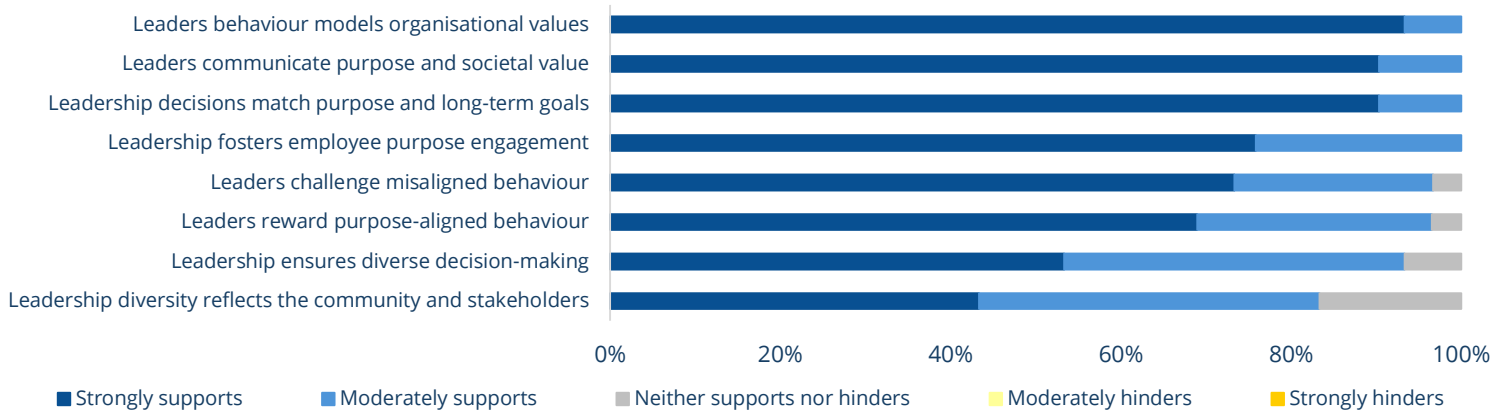
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



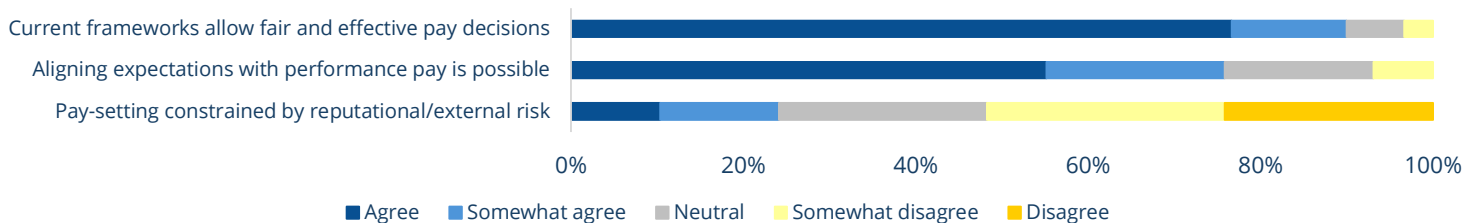
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 53%–57% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 43%–52% for culture and 43%–45% 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



Between 69% and 93% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling, decision-making and behavioural reinforcement. In comparison, only 53% believe leadership ensures diverse decision-making, and 43% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity. CEOs in B Corps were 23 percentage points more likely than total for-profits to report that leadership ensures diverse decision-making.

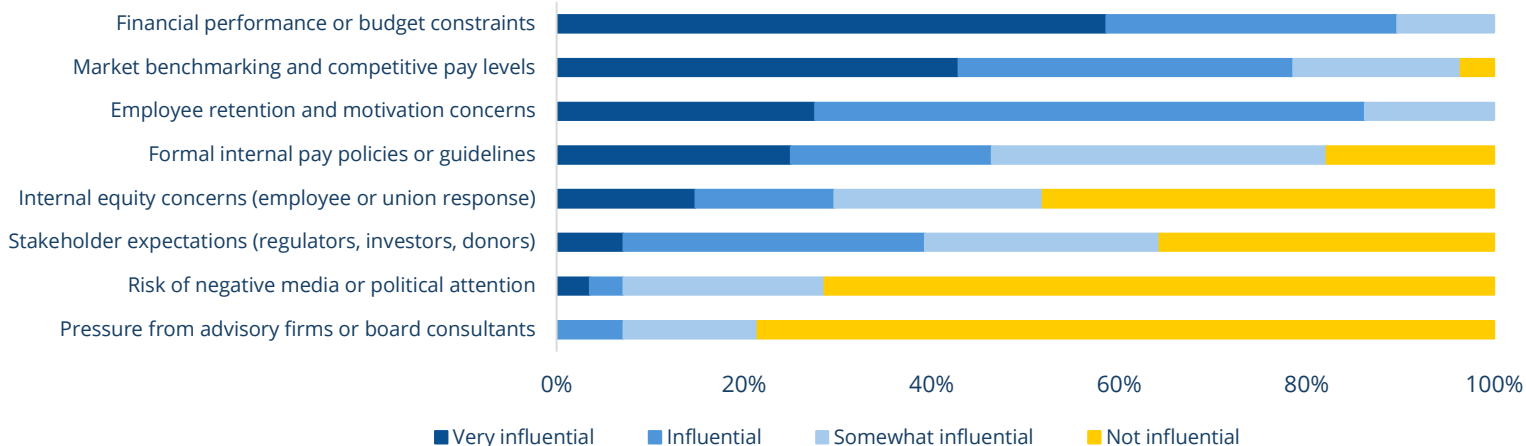
Executive remuneration framework effectiveness



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. 90% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 76% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 24% perceive pay-setting to be constrained by reputational or external risk.

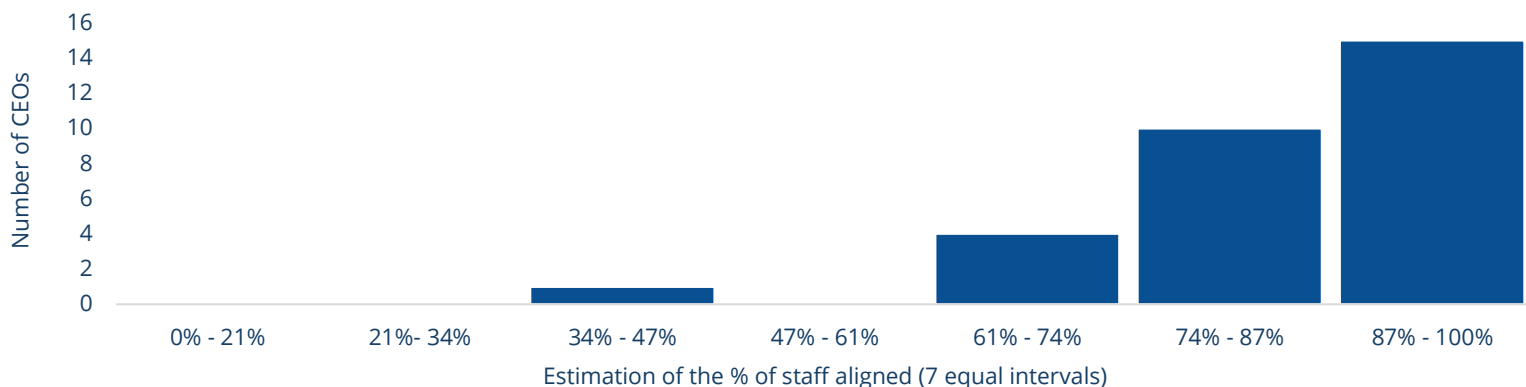
For-profit: 31 CEOs from B Corporations

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 B Corps were 11 percentage points more likely than total for-profits to cite market benchmarking and competitive pay levels.

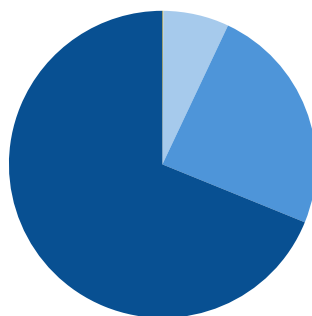
Percentage of staff motivated by sustainability goals



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 85% 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. 93% of organisations are willing to pursue cultural change to support sustainability goals, with 24% favouring structured change and 69% 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 B Corps were 37 percentage points more likely than total for-profits to be fully open to transformational change.

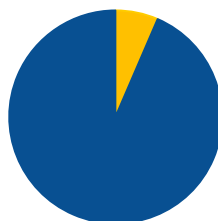
Authors: Susanna Lee (Leadership and Governance Collective), Professor Claire Matthews and Dr Jeffrey Stangl (Massey University)

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Section 4: Sustainability Strategy and Investment Priorities

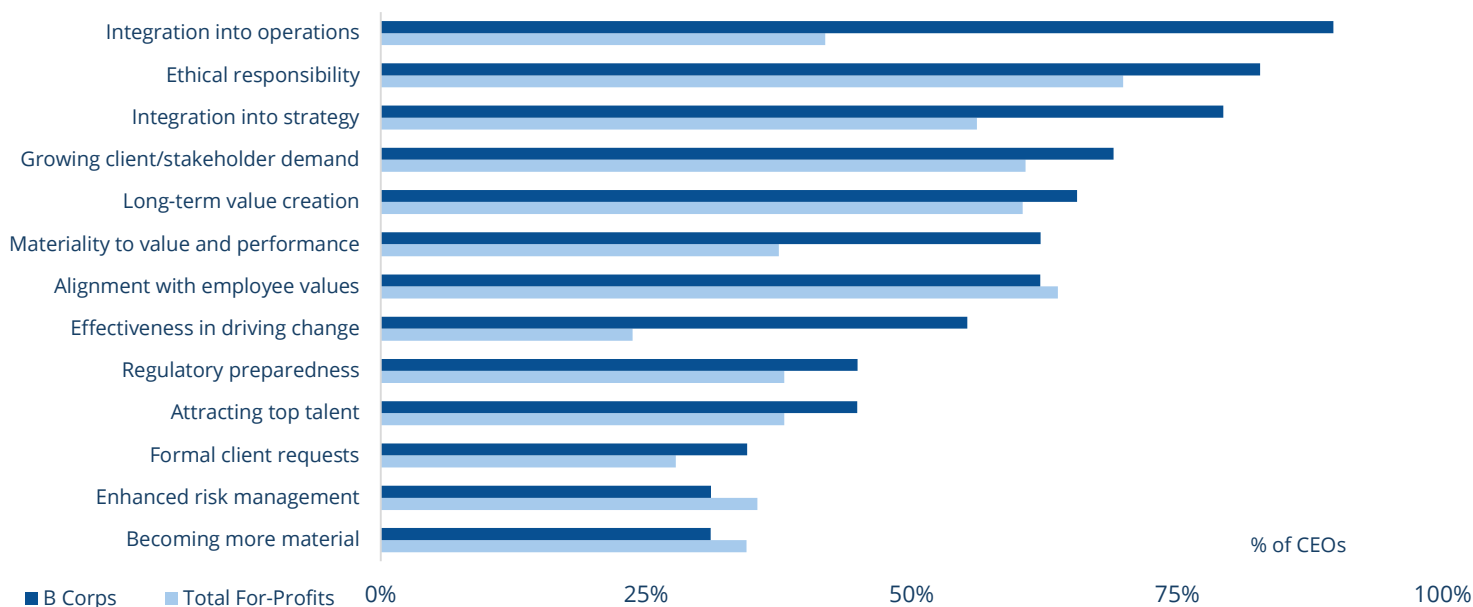
Impact of environmental and social investments on organisational value

■ Do not add value
■ Add value



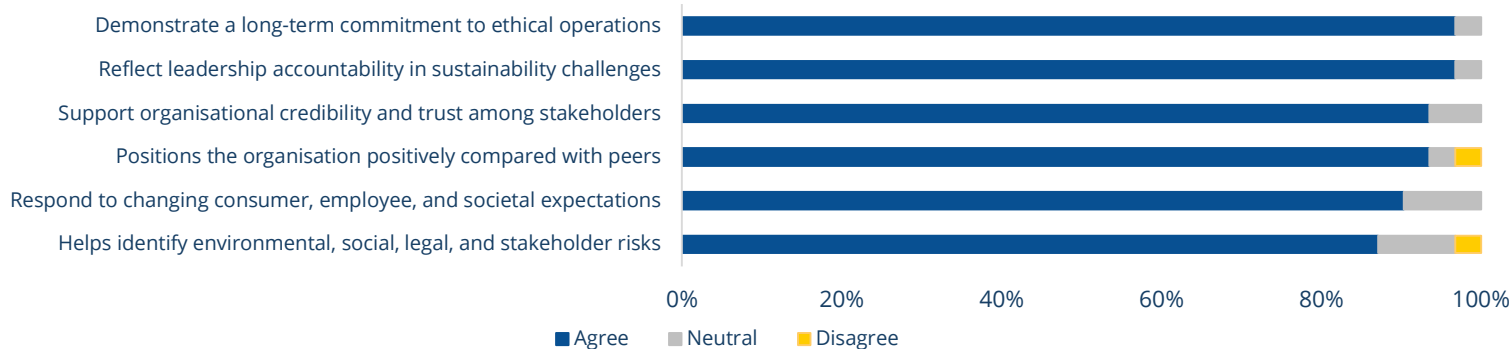
The majority of CEOs (94%) believe investing in environmental and social practices enhances their organisation's value, while 6% say it does not. This highlights that most CEOs view environmental and social practices as value-enhancing, reinforcing their role as a core driver of long-term strategic decision-making rather than a peripheral concern. CEOs in B Corps were 12 percentage points more likely than total for-profits to believe these practices add value.

Reasons investments in sustainable practices add value



94% of CEOs say sustainable practices enhance their organisation's value, primarily due to integration into operations (90%) and ethical responsibility (83%). CEOs in B Corps were 48 percentage points more likely than total for-profits to believe these practices aid in integration into operations.

Agreement with statements on sustainable business practices

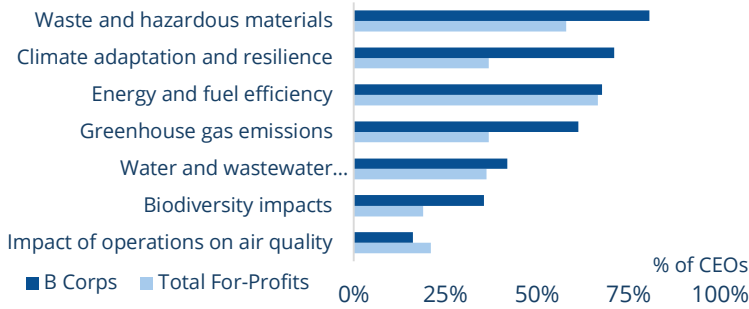


The majority of CEOs agree that sustainable practices demonstrate a long-term commitment to ethical operations (97%), reflect leadership accountability in sustainability challenges (97%) and support organisational credibility and trust among stakeholders (94%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

For-profit: 31 CEOs from B Corporations

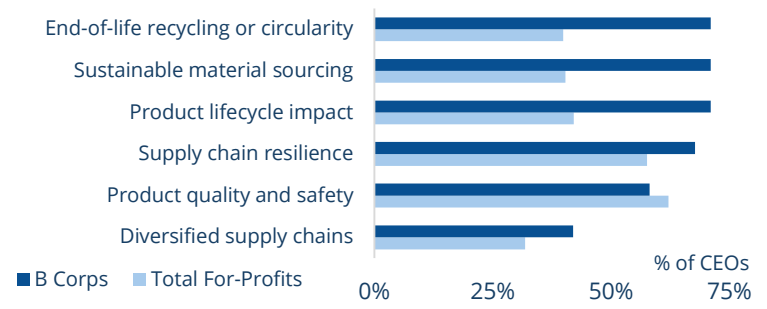
Material environmental factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view waste and hazardous materials (81%) and climate adaptation and resilience (71%) as primary environmental drivers of long-term value. B Corps are more likely to find climate adaptation and resilience as a material factor.

Product and supply chain sustainability factors



CEOs view end-of-life recycling or circularity (71%) and sustainable material sourcing (71%) as the primary drivers for products and the supply chain. B Corps are more likely to view end-of-life recycling or circularity as material.

Material social factors influencing strategic priorities and long-term value

Workforce sustainability factors



CEOs view employee well-being (100%) and employee health and safety (97%) as the primary workforce sustainability value drivers. B Corps are more likely to consider diversity and inclusion as material.

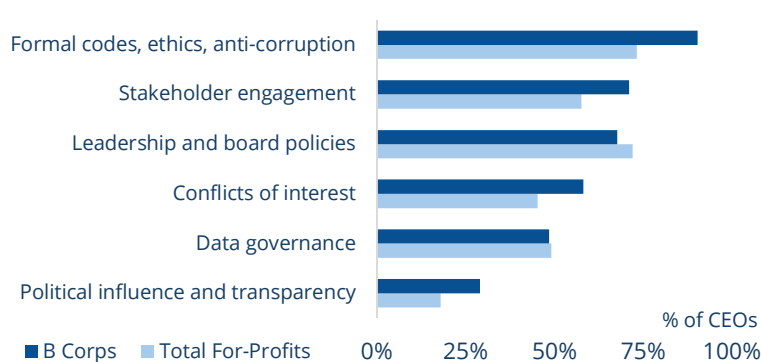
Stakeholder sustainability factors



CEOs view customer sustainability satisfaction (81%) and community relations (71%) as primary social stakeholder drivers of long-term value. B Corps are more likely to view human rights as material.

Material governance factors

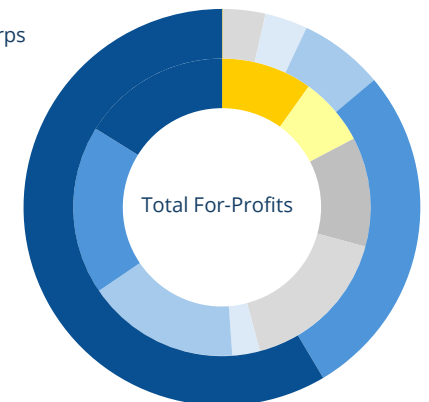
Governance sustainability factors



CEOs view 'formal codes, ethics, anti-corruption' (90%) and 'stakeholder engagement' (71%) as the primary governance drivers of long-term value. B Corps are more likely to consider 'formal codes, ethics, anti-corruption' as material.

Approach to sustainability strategy

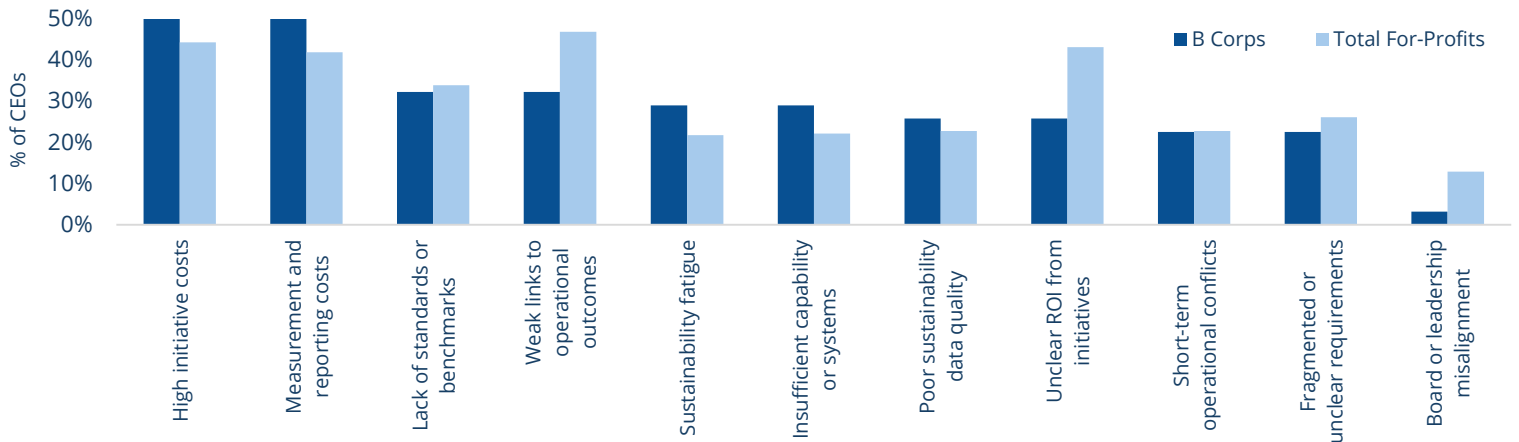
B Corps



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 (59%).

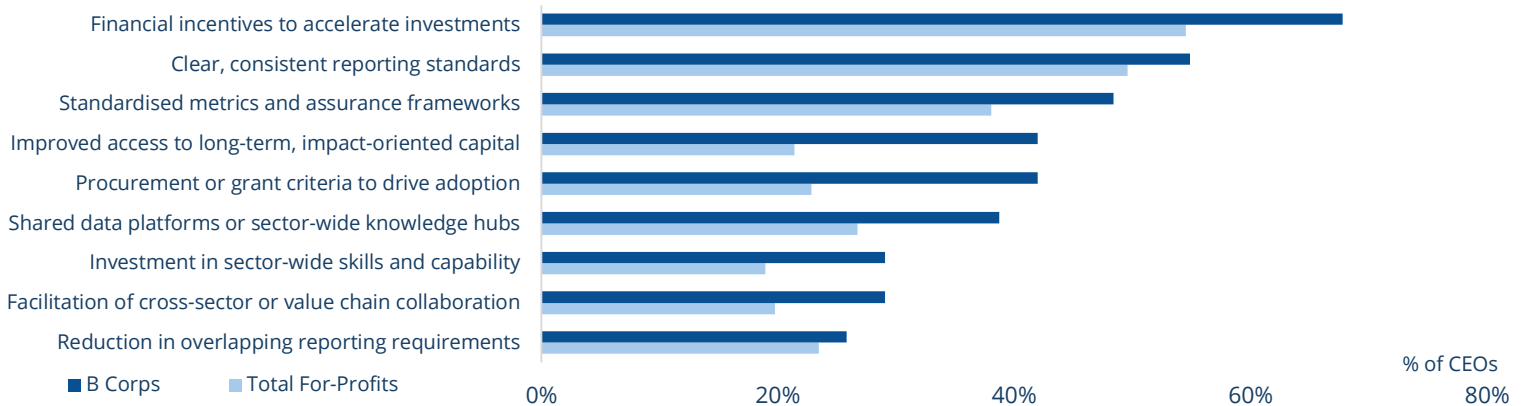
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Key barriers to integrating sustainability into strategy and operations



Organisations see high initiative costs (58%) as the most common barrier to integrating sustainability into strategy and operations, followed by measurement and reporting costs (52%) and lack of standards or benchmarks (32%). CEOs in B Corps were 17 percentage points less likely than total for-profits to see unclear ROI from initiatives as a barrier.

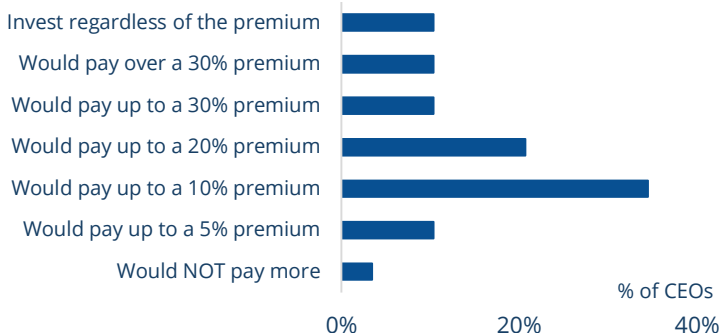
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify financial incentives to accelerate investments (68%) and clear, consistent reporting standards (55%) as the most important actions government or industry bodies can take to support sustainability goals, followed by standardised metrics and assurance frameworks (48%). CEOs in B Corps were 21 percentage points more likely than total for-profits to see improved access to long-term, impact-oriented capital as important.

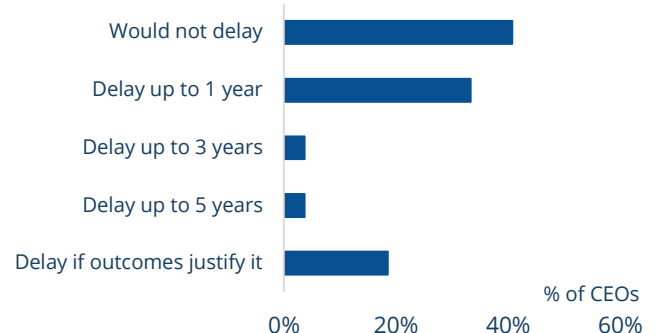
Willingness to pay for greener outcome Tolerance for sustainable project delays

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



45% of CEOs would pay a moderate premium (5%–10%) for greener technology: 52% would pay a premium of over 20%, while 3% would not pay more. CEOs in B Corps were 17 percentage points less likely than total for-profits to say they would NOT pay more.

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

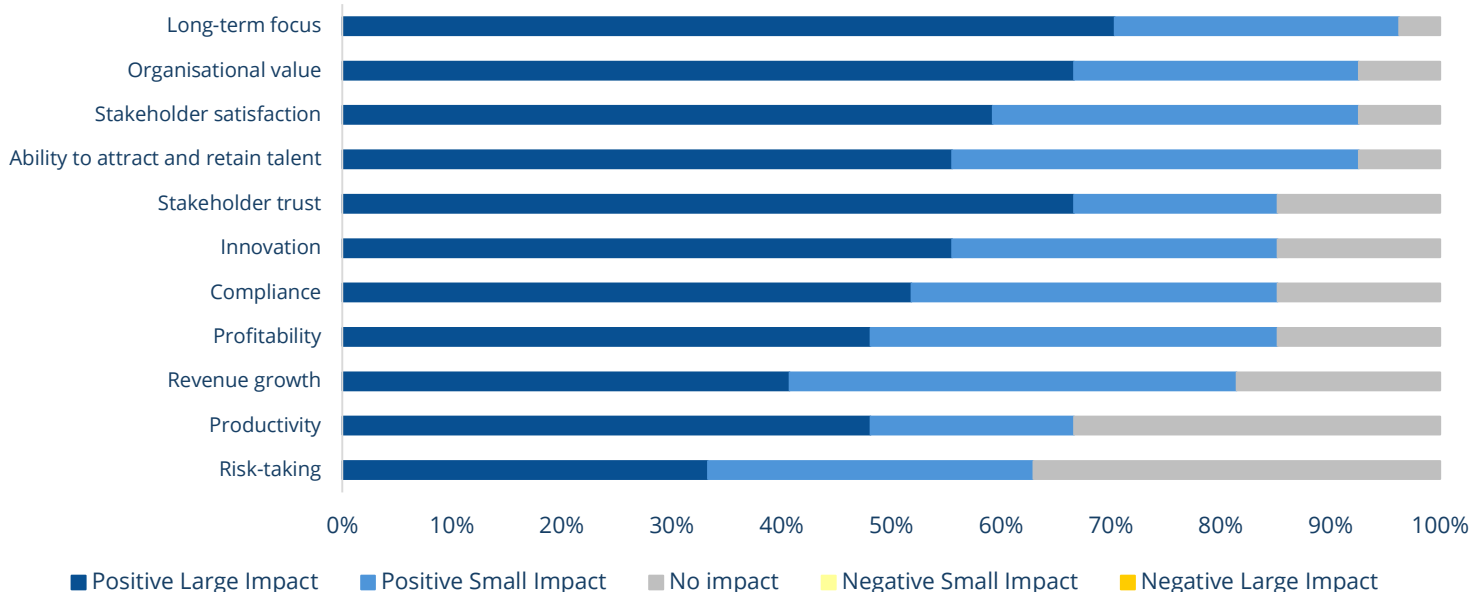


Most CEOs tolerate short delays for higher environmental or social gains: 33% up to 1 year, 7% up to 3–5 years, and 41% would not delay. CEOs in B Corps were 5 percentage points more likely than total for-profits to say they delay up to 1 year.

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Summary: Overall influence on long-term organisational performance

Impact of environmental, social and governance sustainability on factors



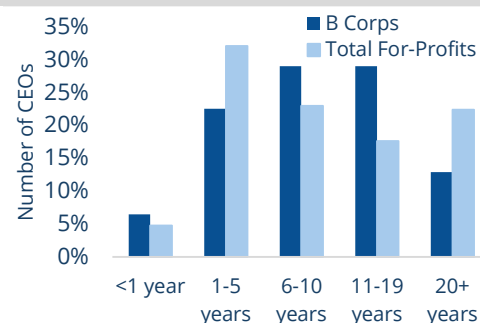
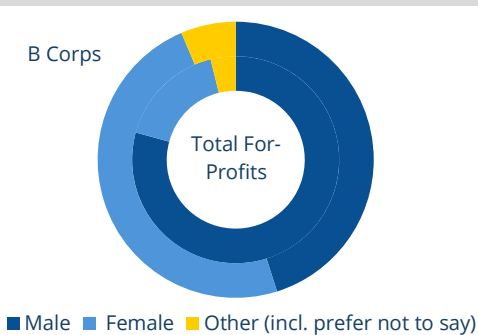
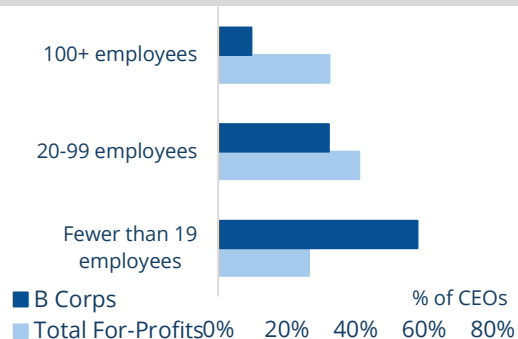
Environmental, social and governance sustainability positively impacts long-term performance, particularly in long-term focus and value creation. CEOs in B Corps were 27 percentage points more likely than total for-profits to say their ESG approach positively impacts profitability.

Demographics: CEOs and Boards

Number of employees

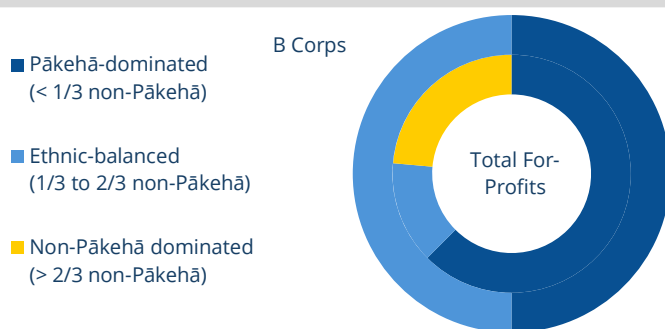
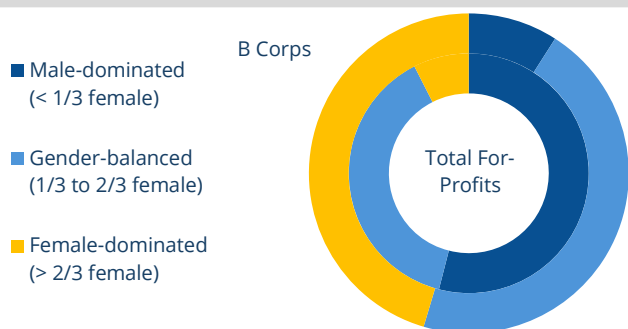
CEO gender identity

Tenure as CEO



Female board representation

Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023). Compared to total for profits B Corps have high levels of diversity in leadership and governance roles.

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. Boards do not reflect this, emphasising the need to understand the barriers.