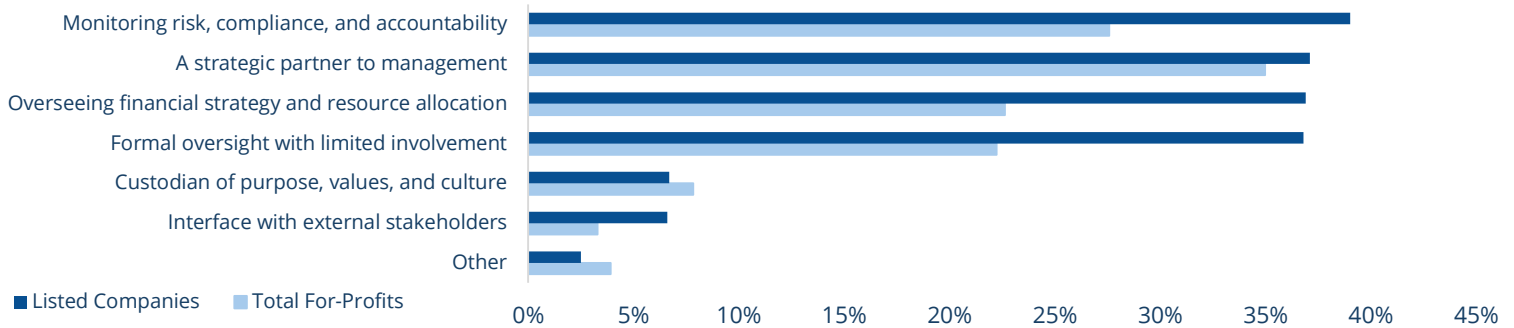


For-profit: 50 CEOs from Publicly Listed Companies

Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



Listed company CEOs (CEOs) most frequently identify their board’s primary purpose as monitoring risk, compliance, and accountability (39%), followed by a strategic partner to management (37%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Listed companies were 15 percentage points more likely than total for-profits to report 'formal oversight with limited involvement' 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. Alignment is generally strong, with 18% 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.

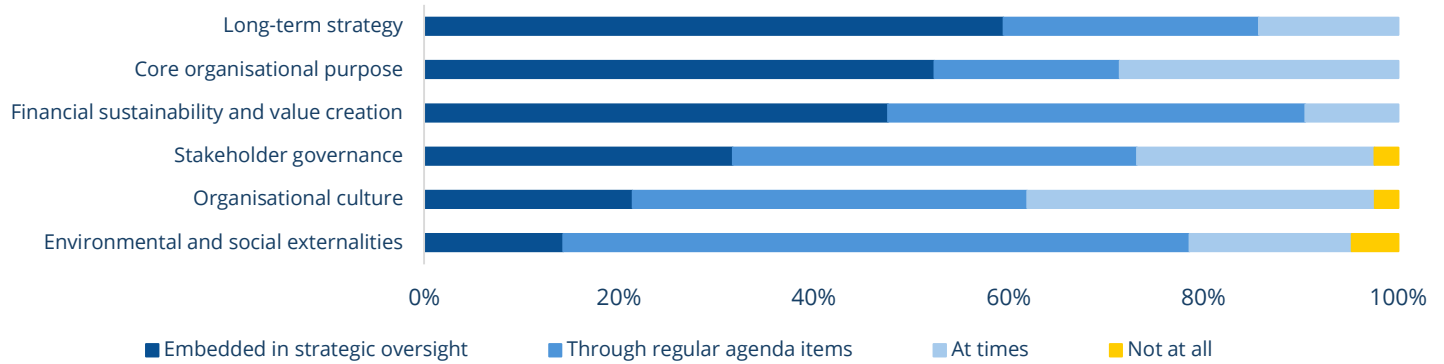
Board structure and composition for effective governance



Boards most commonly report that their structure ensures integrated financial and non-financial reporting (48%) and ensures sustainability aligns with strategy and purpose (40%). In contrast, fewer report that their board structure ensures culture aligns with strategy and purpose (26%) and oversees performance metrics on culture (26%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Listed companies are 13 percentage points more likely to report that their board fully aligns composition to reflect the gender and ethnic diversity of stakeholders.

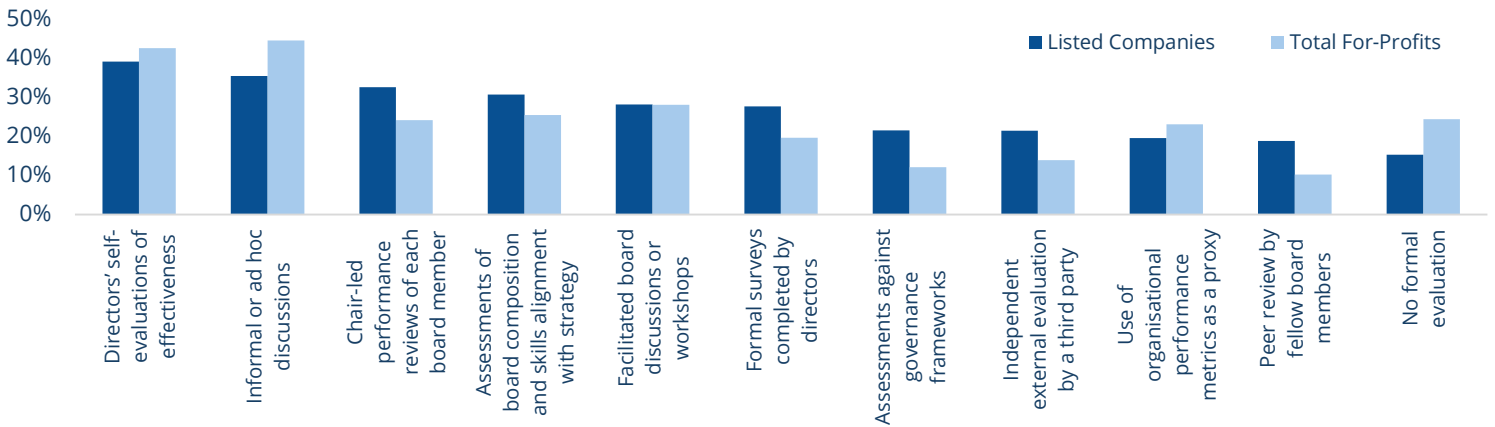
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Extent of formal board oversight across key areas



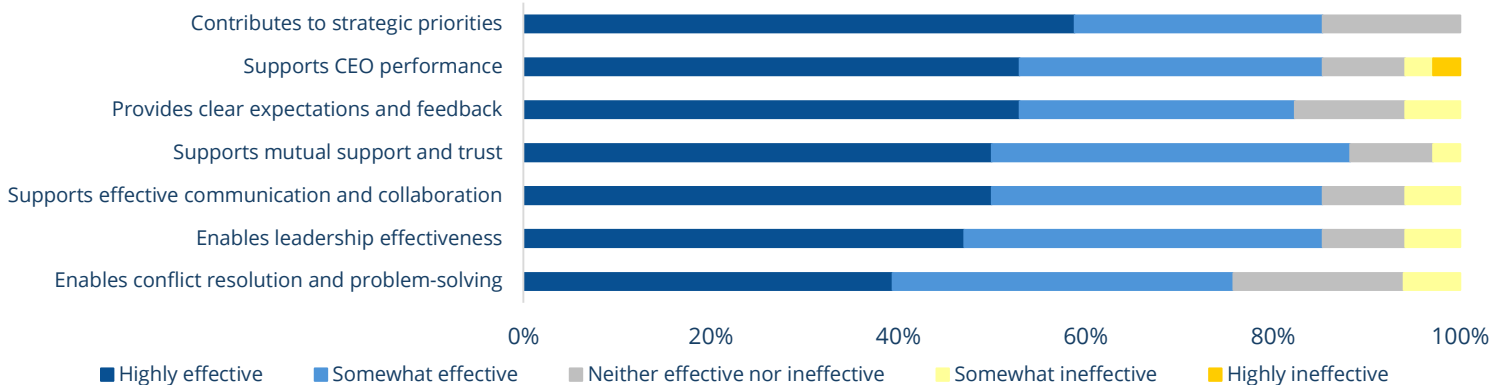
Many boards embed oversight of long-term strategy (60%), core organisational purpose (52%), and financial sustainability and value creation (48%) within strategic oversight. However, fewer boards embed stakeholder governance (32%), organisational culture (21%), and environmental and social externalities (14%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Listed companies are less 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 39% relying on directors' self-evaluations of effectiveness and 36% 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. Listed companies are more likely to rely on 'assessments against governance frameworks'.

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: 59% of CEOs rated the chair "highly effectively" 'contributes to strategic priorities', followed by 'supports CEO performance' (53%), and 'provides clear expectations and feedback' (53%). The lower ratings for 'enables leadership effectiveness' and 'enables conflict resolution and problem-solving' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

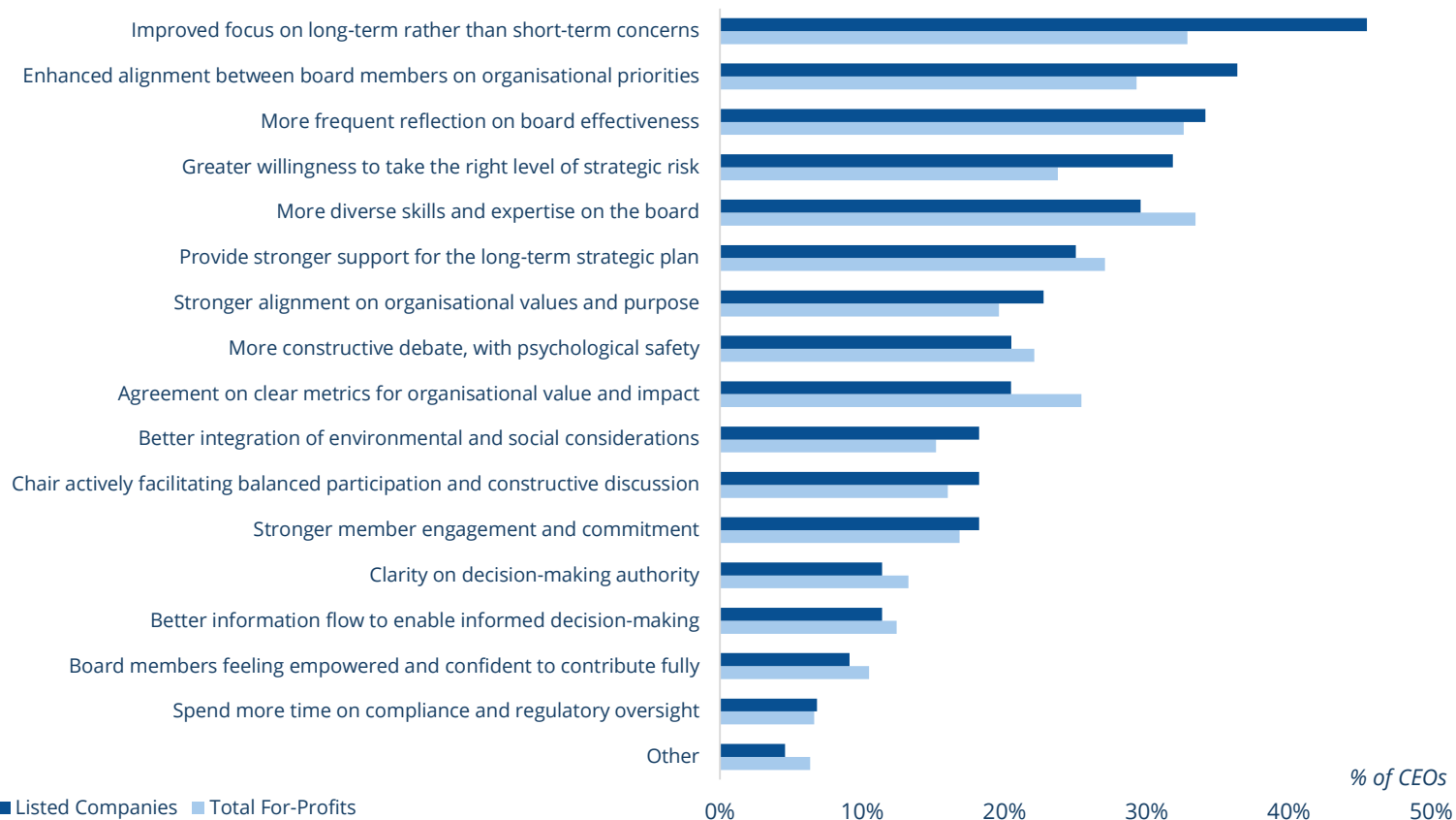
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Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 51% of CEOs rate their board as 'highly effective' in supporting constructive board culture and dynamics, followed by 36% in supporting oversight of compliance and organisational risks, and 33% in supporting long-term orientation. More than 49% 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. Listed companies are more likely than total for-profits to rate highly on 'supporting constructive board culture and dynamics' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

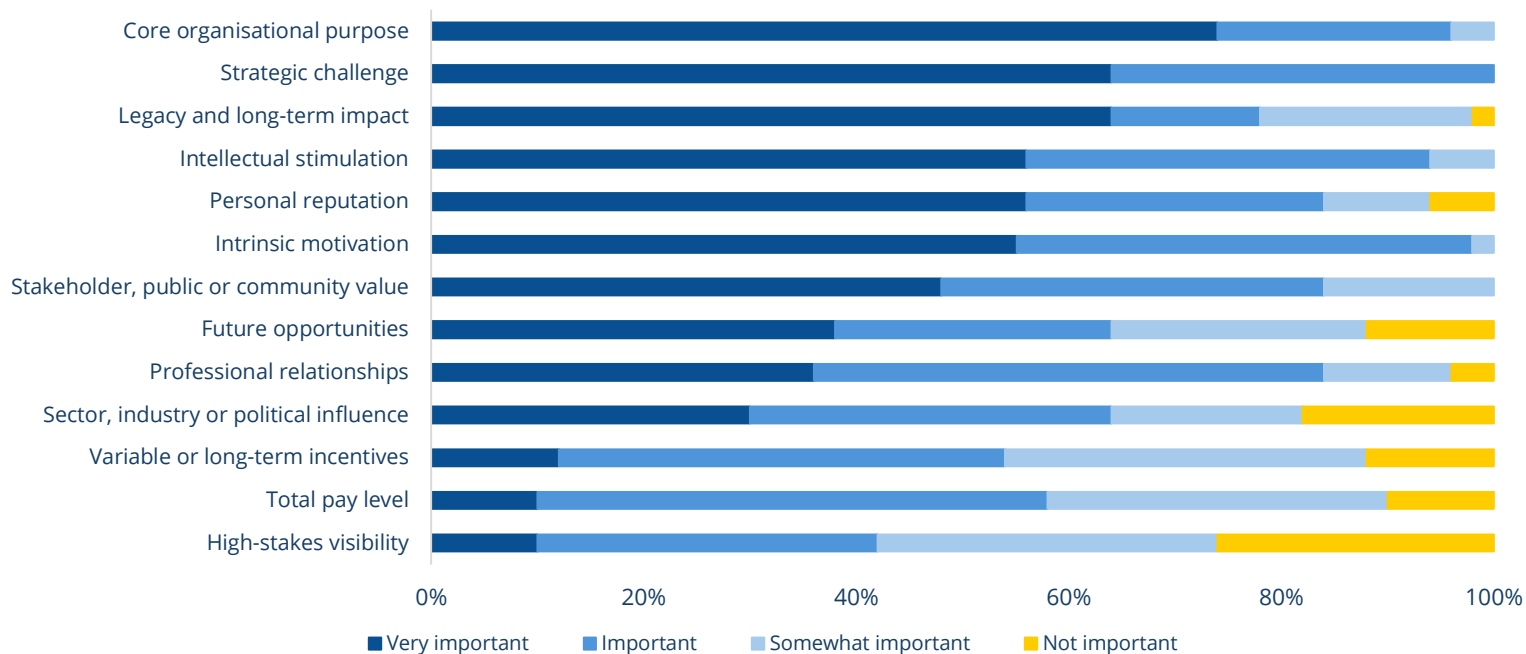


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 45% highlighting improved focus on long-term rather than short-term concerns, 36% enhanced alignment between board members on organisational priorities, and 34% more frequent reflection on board effectiveness. Listed companies are 13 percentage points more likely than total for-profits to identify a need for improved focus on long-term rather than short-term concerns to enable organisational purpose.

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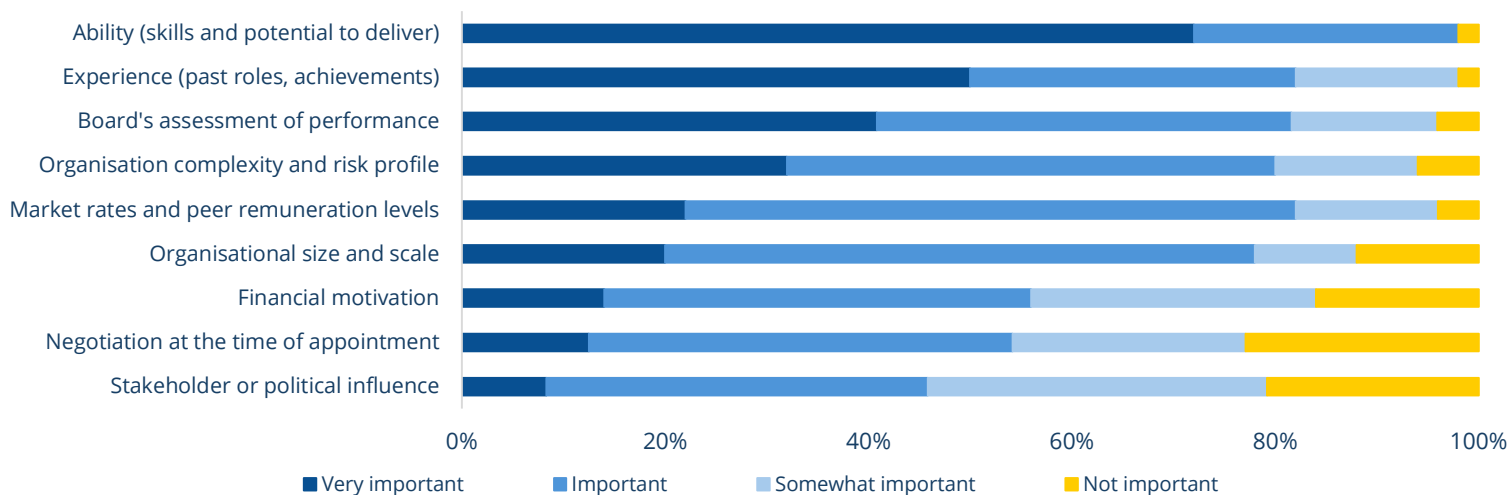
Section 2: CEO Personal Motivation, Values, and Alignment

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 intrinsic and purpose-driven motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 74% of CEOs rated core organisational purpose as very important, followed by strategic challenge (64%), and legacy and long-term impact (64%), whereas only 10% rated total pay level and 10% rated high-stakes visibility as very important motivators.

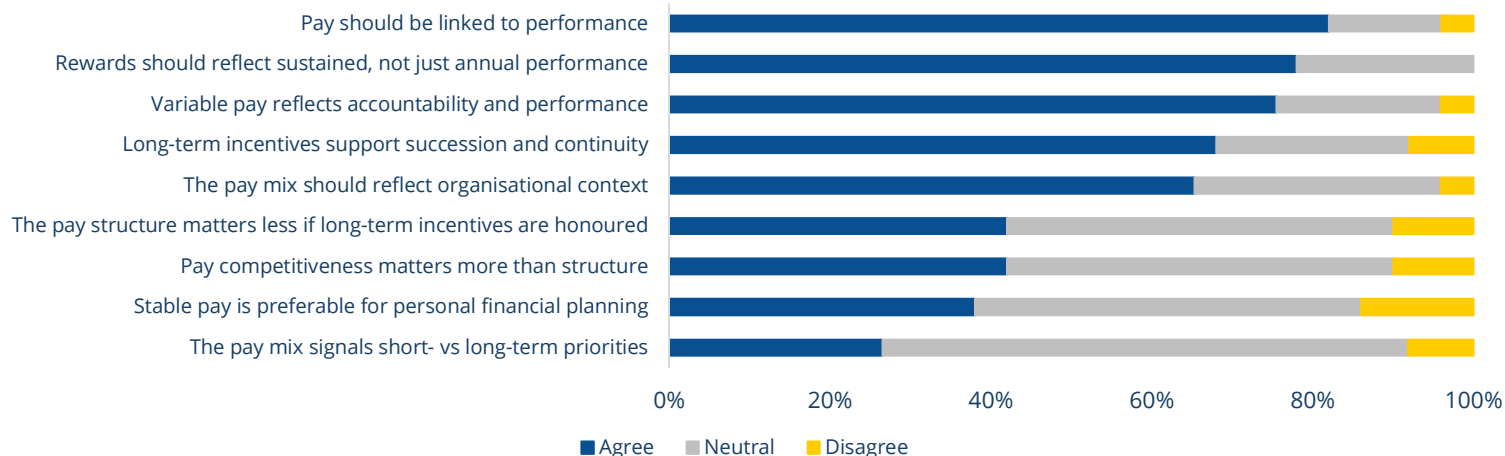
Key factors CEOs view as determinants of their pay



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, 72% rating ability (skills and potential to deliver), 50% experience (past roles, achievements) and 41% board's assessment of performance as very important determinants of pay, compared with 14% for financial motivation, 13% for negotiation at the time of appointment and 8% for stakeholder or political influence. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes. Listed companies are 8 percentage points less likely than total for-profits to consider the organisational size and scale as a key determinant.

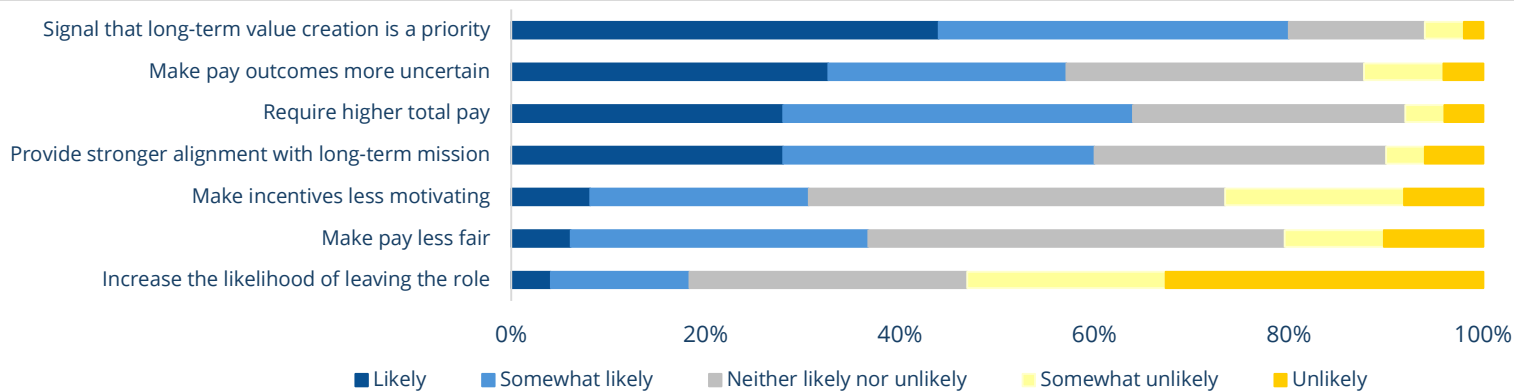
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CEO's views on fixed and variable pay



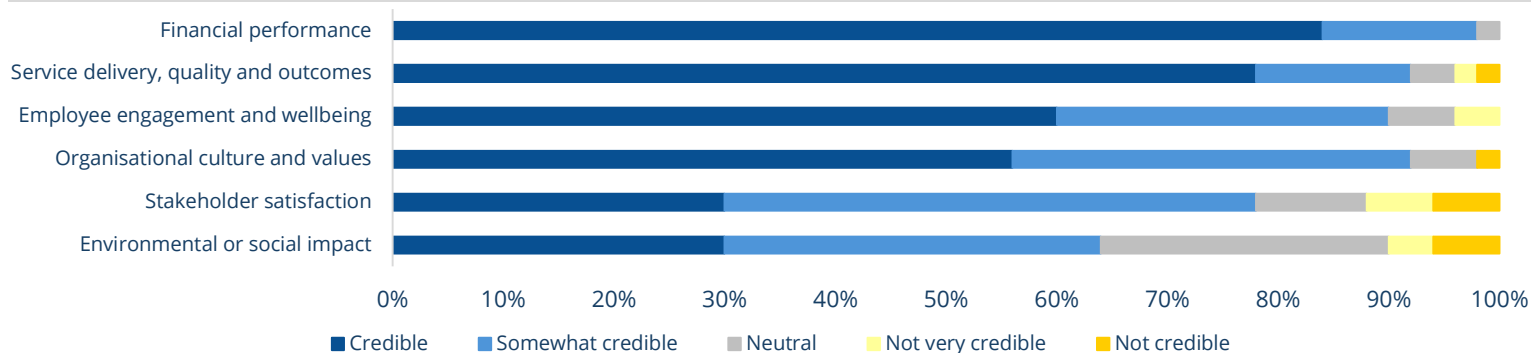
Most CEOs agree that 'pay should be linked to performance' (82%), that 'rewards should reflect sustained, not just annual performance' (78%), and that 'variable pay reflects accountability and performance' (76%). In comparison, CEOs are most neutral on 'the pay mix signals short- vs long-term priorities' (65%) and on whether 'stable pay is preferable for personal financial planning' (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' (80%) and 'make pay outcomes more uncertain' (57%). 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'.

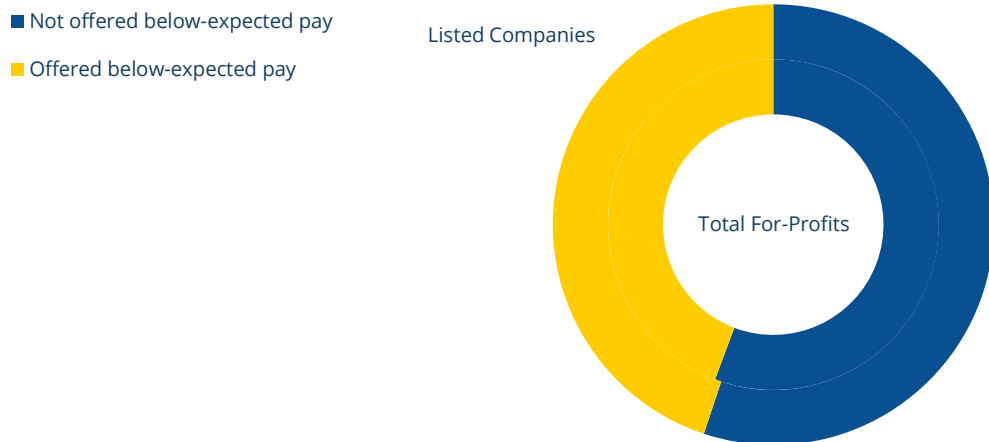
CEO's views on the credibility of pay-linked KPIs for their own performance



CEOs believe that pay-linked KPIs are most credible for 'financial performance' (84%) and 'service delivery, quality and outcomes' (78%), moderately credible for 'employee engagement and wellbeing' (60%) and 'organisational culture and values' (56%), and least credible for 'stakeholder satisfaction' (30%) and 'environmental or social impact' (30%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Listed companies are 14 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.

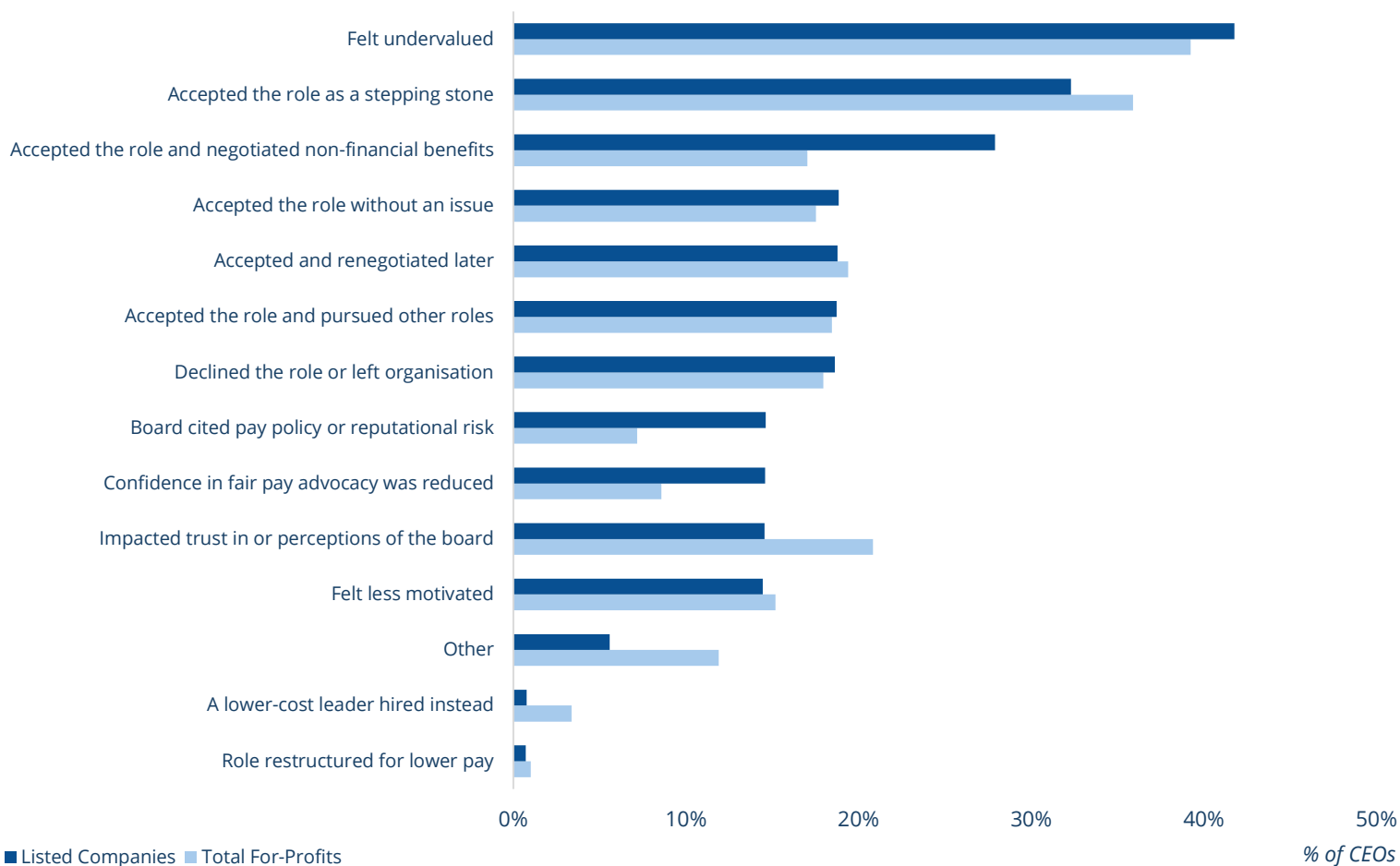
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CEOs offered below-expected remuneration during their time in leadership



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, 44% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 54% did not.

Leader consequences of lower-than-expected pay offers

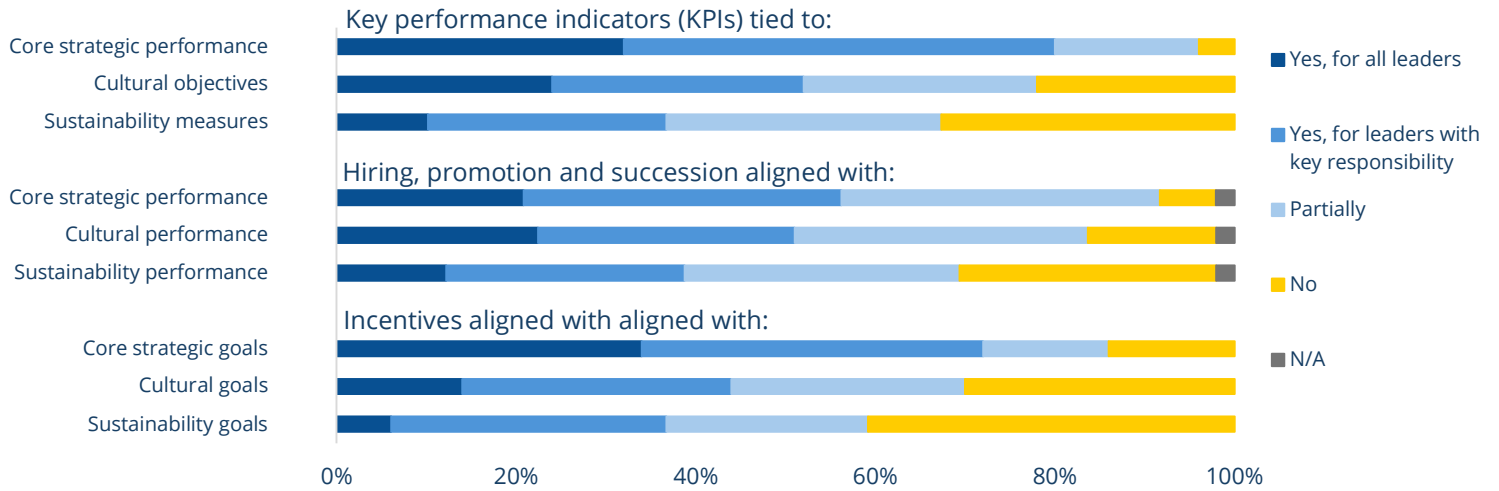


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they felt undervalued (42%) and accepted the role as a stepping stone (32%), 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 listed companies were 11 percentage points more likely than total for-profits to have accepted the role and negotiated non-financial benefits.

For-profit: 50 CEOs from Publicly Listed Companies

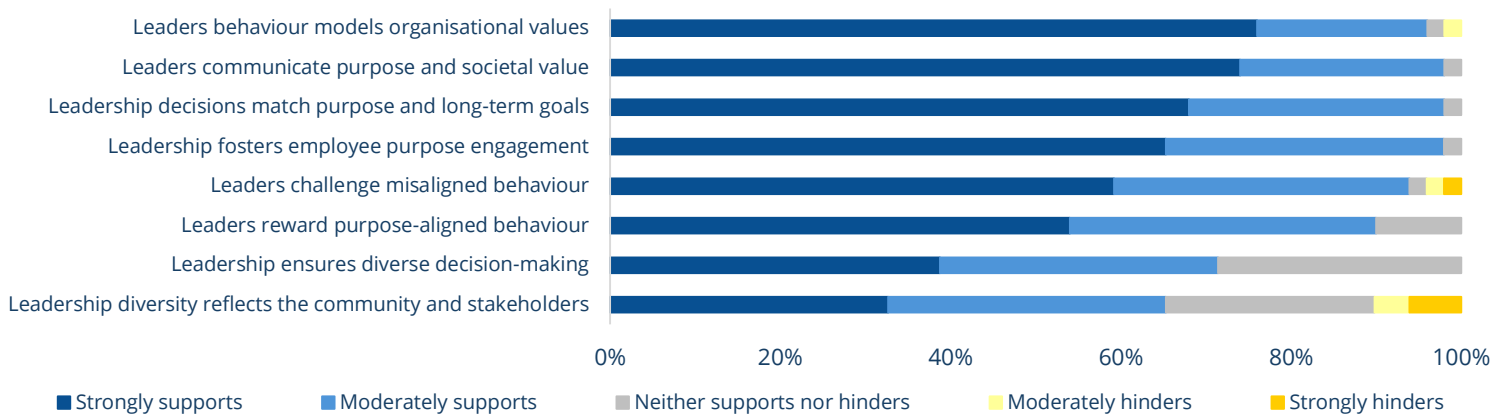
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



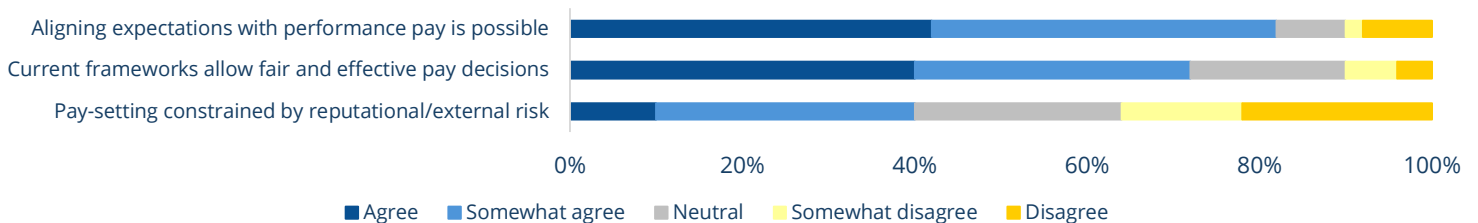
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 56%–80% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 51%–52% for culture and 37%–39% 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 54% and 76% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling, decision-making and behavioural reinforcement. In comparison, only 39% believe leadership ensures diverse decision-making, and 33% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity.

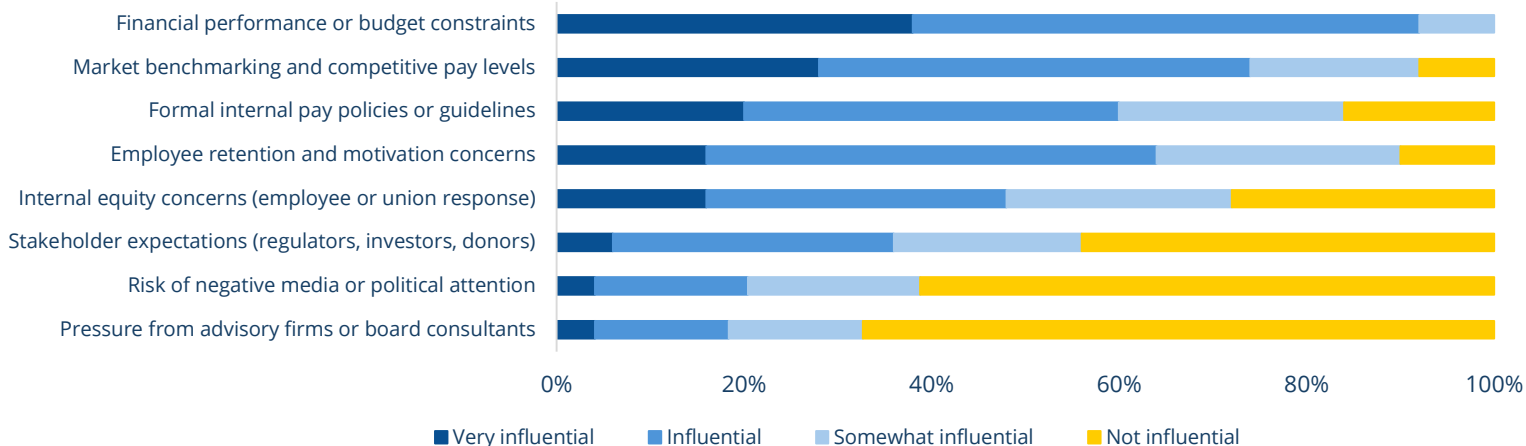
Executive remuneration framework effectiveness



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. 72% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 82% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 40% perceive pay-setting to be constrained by reputational or external risk.

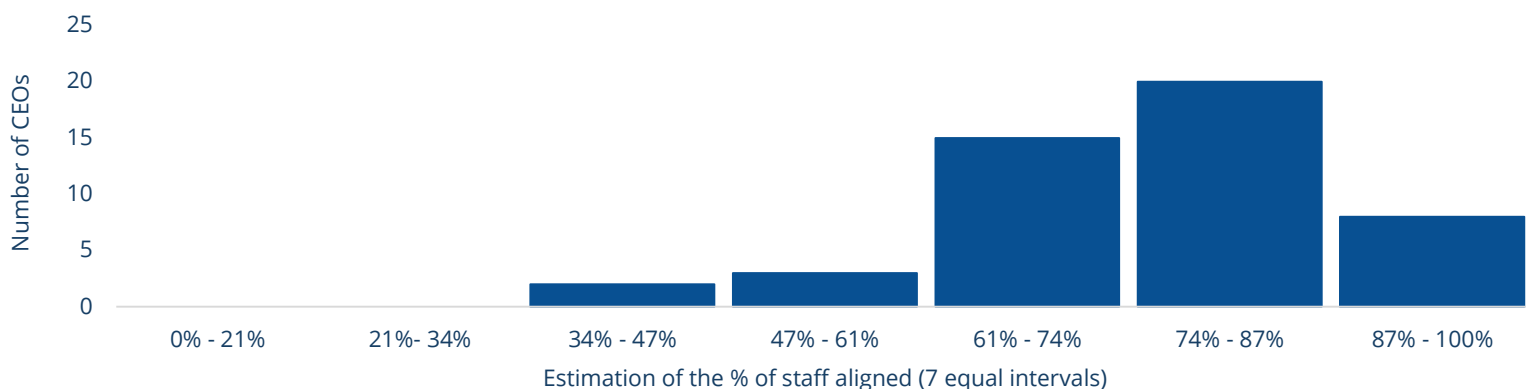
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Factors influencing executive or senior leader pay decisions



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 listed companies were 12 percentage points less likely than total for-profits to cite financial performance or budget constraints.

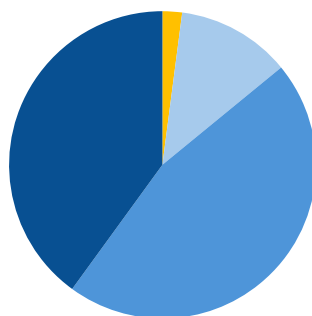
Percentage of staff motivated by sustainability goals



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 74% 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



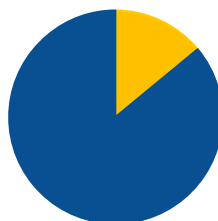
An organisation's willingness to pursue cultural change for sustainability is important because it signals whether environmental and social commitments can be embedded in organisational behaviour and governance, rather than remaining at the level of policy or reporting. 86% of organisations are willing to pursue cultural change to support sustainability goals, with 46% favouring structured change and 40% 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 listed companies were 8 percentage points more likely than total for-profits to be fully open to transformational change.

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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



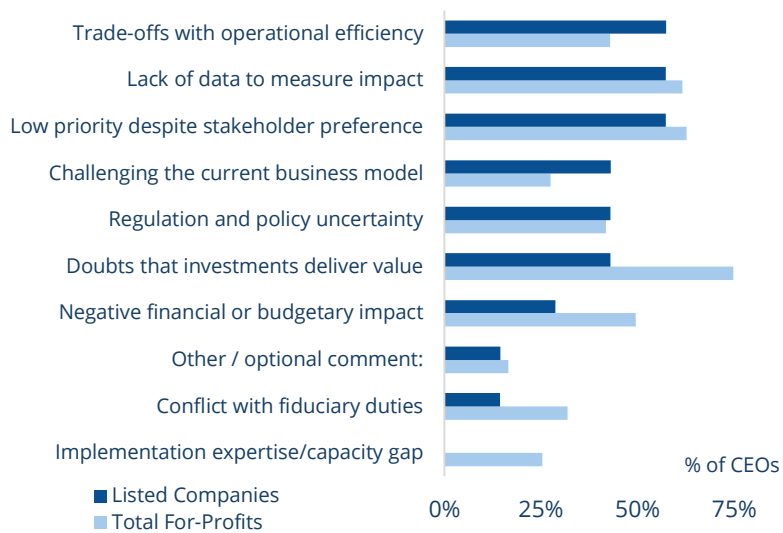
The majority of CEOs (86%) believe investing in environmental and social practices enhances their organisation's value, while 14% say it does not. This highlights that most CEOs view environmental and social practices as value-enhancing, reinforcing their role as a core driver of long-term strategic decision-making rather than a peripheral concern.

Reasons sustainability adds value



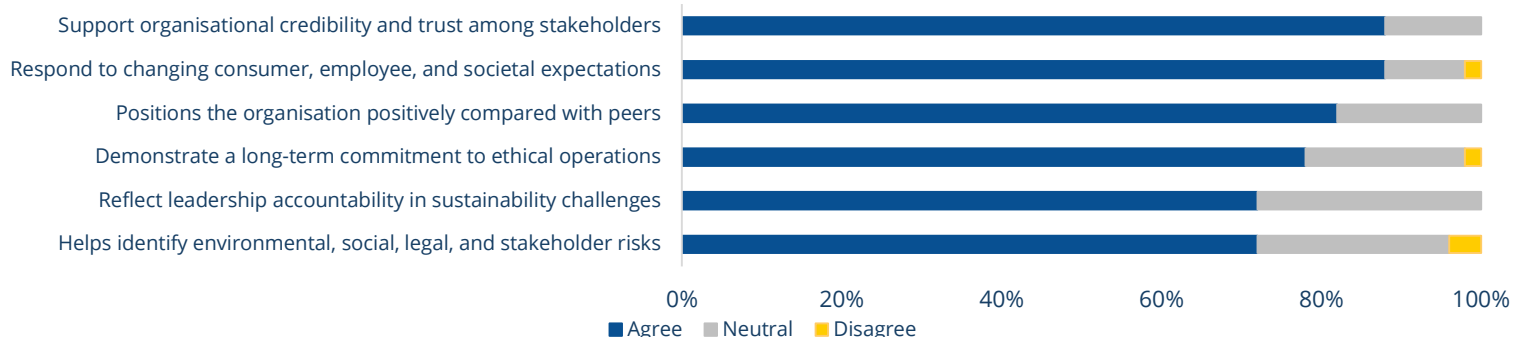
86% of CEOs say sustainable practices enhance their organisation's value, primarily due to alignment with employee values (72%) and growing client/stakeholder demand (72%). CEOs in listed companies were 11 percentage points more likely than total for-profits to believe these practices aid in growing client/stakeholder demand.

Sustainability does not add value due to:



14% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to trade-offs with operational efficiency (57%) or lack of data to measure impact (57%). CEOs in listed companies were 32 percentage points less likely than total for-profits to express doubts that investments deliver value.

Agreement with statements on sustainable business practices

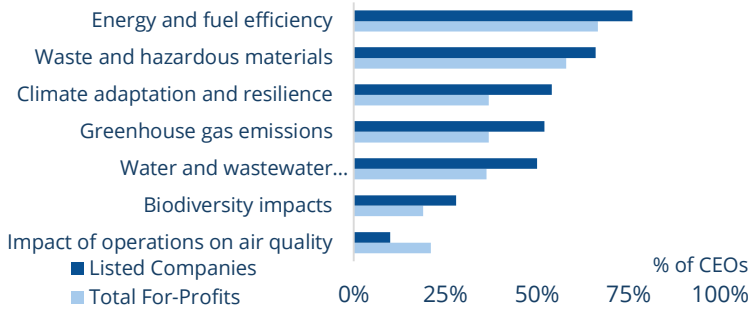


The majority of CEOs agree that sustainable practices support organisational credibility and trust among stakeholders (88%), respond to changing consumer, employee, and societal expectations (88%) and positions the organisation positively compared with peers (82%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

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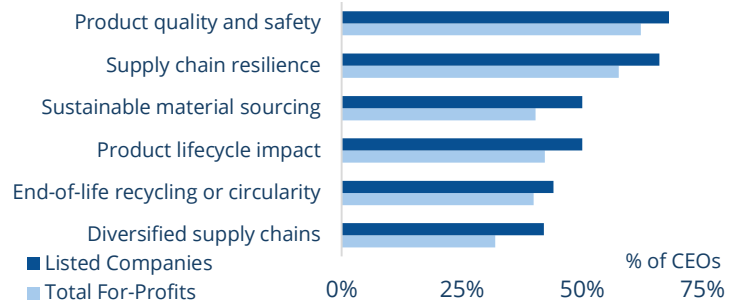
Material environmental factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view energy and fuel efficiency (76%) and waste and hazardous materials (66%) as primary environmental drivers of long-term value. Listed companies are more likely to find climate adaptation and resilience as a material factor.

Product and supply chain sustainability factors



CEOs view product quality and safety (68%) and supply chain resilience (66%) as the primary drivers of long-term value for products and the supply chain. Listed companies are more likely to view diversified supply chains as material.

Material social factors influencing strategic priorities and long-term value

Workforce sustainability factors



CEOs view employee well-being (98%) and employee health and safety (90%) as the primary workforce sustainability value drivers. Listed companies are more likely to consider diversity and inclusion as material.

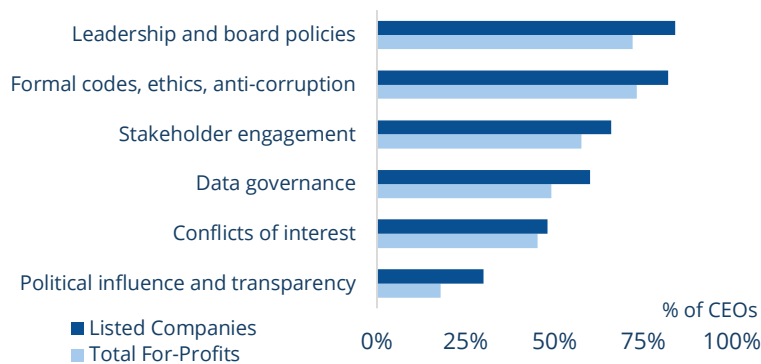
Stakeholder sustainability factors



CEOs view customer sustainability satisfaction (82%) and community relations (68%) as primary social stakeholder drivers of long-term value. Listed companies are more likely to view community relations as material.

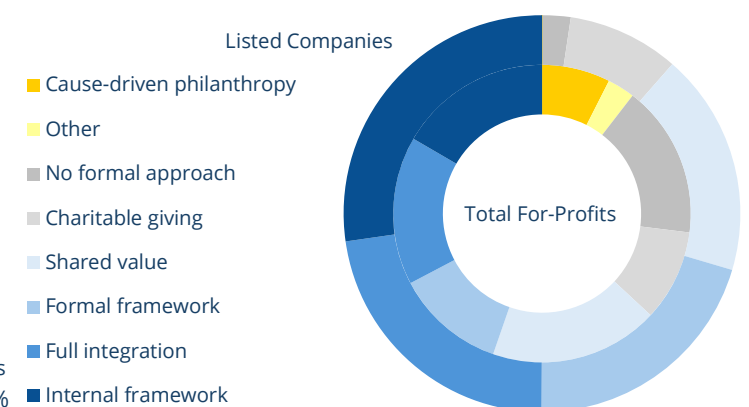
Material governance factors

Governance sustainability factors



CEOs view 'leadership and board policies' (84%) and 'formal codes, ethics, anti-corruption' (82%) as the primary governance drivers of long-term value. Listed companies are more likely to consider 'political influence and transparency' as material.

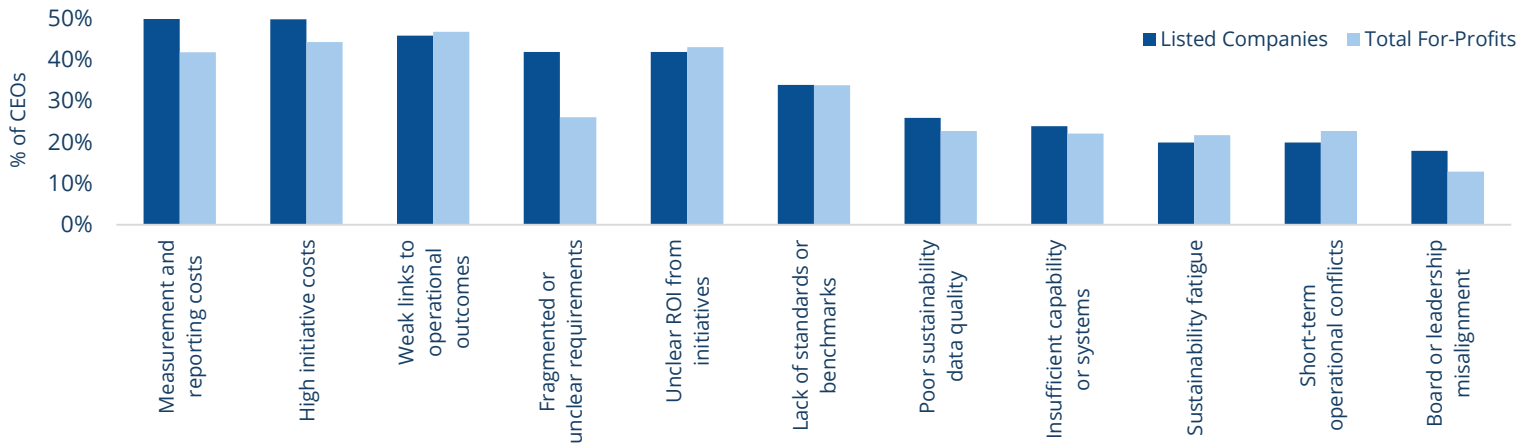
Approach to sustainability strategy



The most common approach to sustainability is internal framework: custom sustainability approach developed without formal external standards (27%).

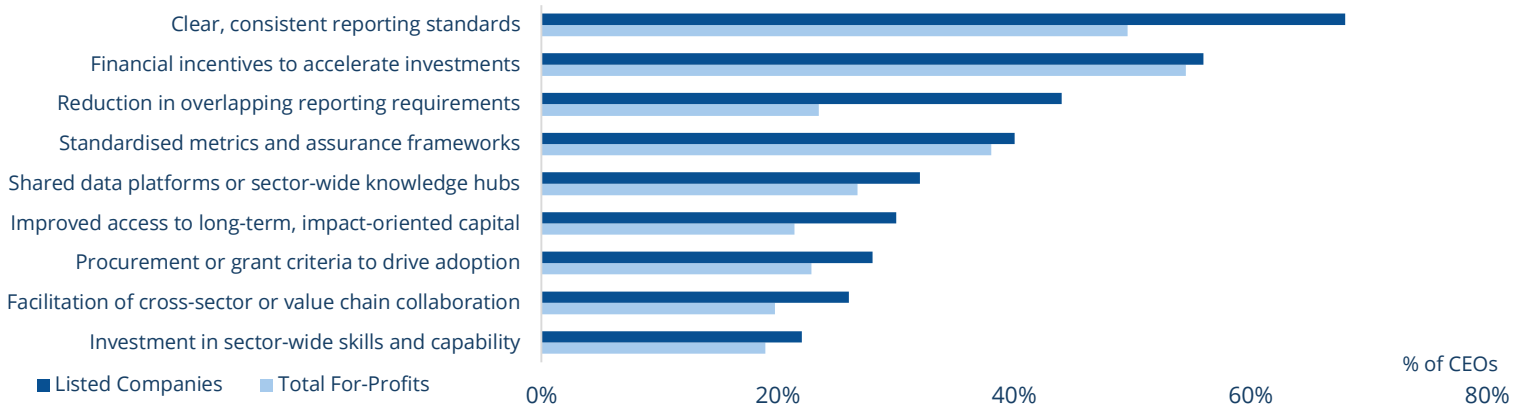
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Key barriers to integrating sustainability into strategy and operations



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 weak links to operational outcomes (46%). CEOs in listed companies were 16 percentage points more likely than total for-profits to see fragmented or unclear requirements as a barrier.

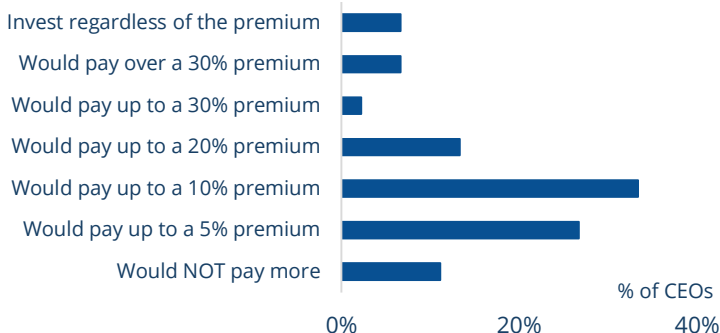
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify clear, consistent reporting standards (68%) and financial incentives to accelerate investments (56%) as the most important actions government or industry bodies can take to support sustainability goals, followed by a reduction in overlapping reporting requirements (44%). CEOs in listed companies were 21 percentage points more likely than total for-profits to see a reduction in overlapping reporting requirements as important.

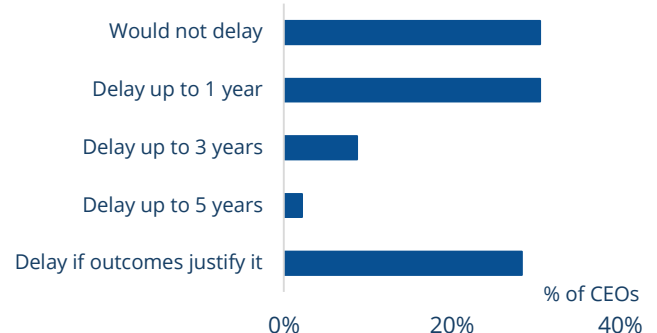
Willingness to pay for greener outcome Tolerance for sustainable project delays

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



60% of CEOs would pay a moderate premium (5%–10%) for greener technology: 29% would pay a premium of over 20%, while 11% would not pay more. CEOs in listed companies were 14 percentage points more likely than total for-profits to say they would pay up to a 10% premium.

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

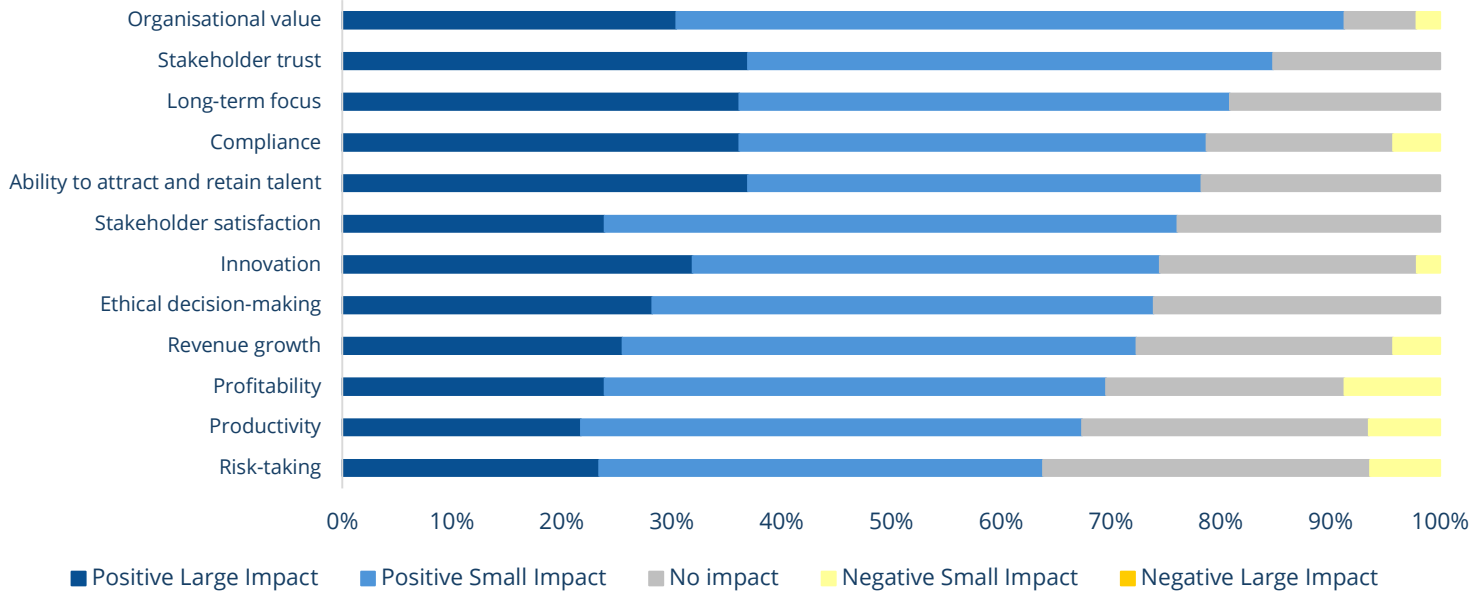


Most CEOs tolerate short delays for higher environmental or social gains: 30% up to 1 year, 11% up to 3–5 years, and 30% would not delay. CEOs in listed companies were 13 percentage points less likely than total for-profits to say they would not delay.

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Summary: Overall influence on long-term organisational performance

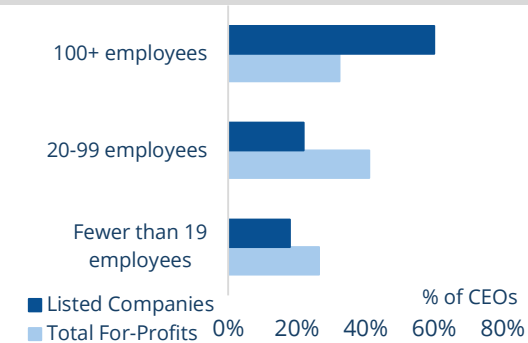
Impact of environmental, social and governance sustainability on factors



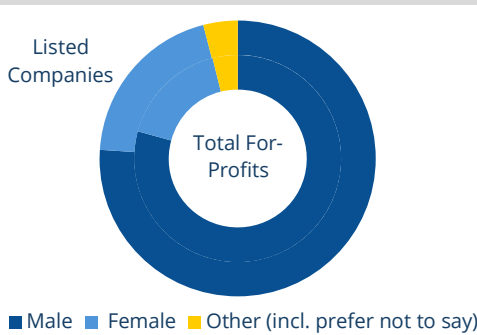
Environmental, social and governance sustainability positively impacts long-term performance, particularly value creation and stakeholder trust. CEOs in listed companies were 18 percentage points more likely than total for-profits to say their ESG approach positively impacts organisational value.

Demographics: CEOs and Boards

Number of employees



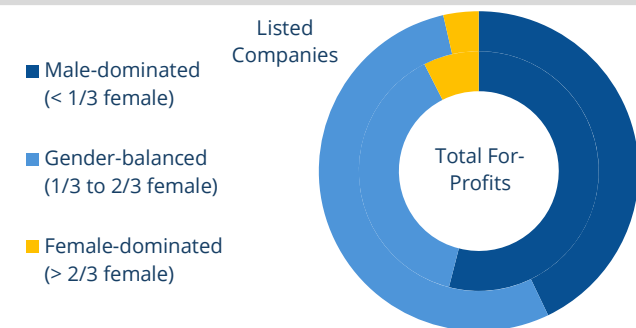
CEO gender identity



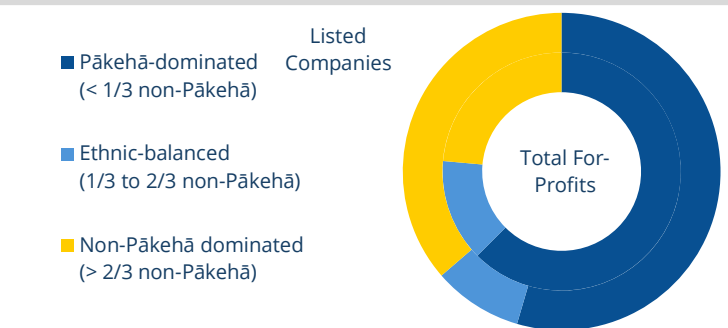
Tenure as CEO



Female board representation



Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023), highlighting the importance of examining the systemic barriers that limit their progression to 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.