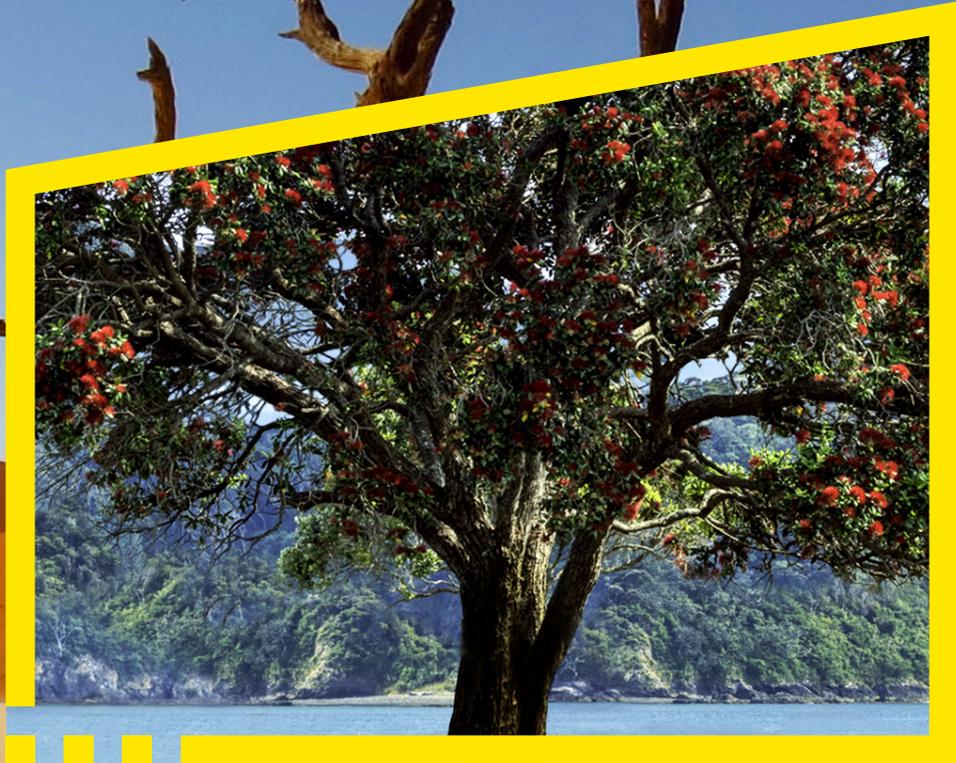


CEO Imperative Series

Critical answers and actions to reframe your future



How has adversity
become the springboard
to growth for Australian
and New Zealand CEOs?

CEO Imperative Study 2021



The better the question.
The better the answer.
The better the world works.



Key findings

A renewed focus on purpose and people is driving CEOs across Australia and New Zealand to transform for prosperity in a changed world.

TOP 5 TRENDS IMPACTING BUSINESS IN AUSTRALIA AND NEW ZEALAND:

- 1 Accelerating technology and digital innovation
- 2 Changing customer expectations and experience
- 3 Emergence of new business models
- 4 More remote and distributed workforce
- 5 Geopolitics

THRIVERS AND SURVIVORS

COVID-19's impact quickly divided Australia and New Zealand companies into what we call thrivers, survivors, and maintainers:



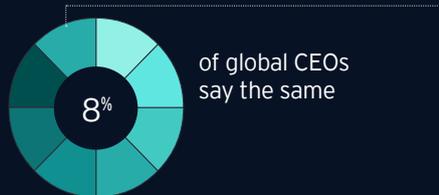
TRANSFORMATION SET TO ACCELERATE

Australian and New Zealand CEOs were more likely than global CEOs to say the pandemic stalled transformation, but the majority are now planning to accelerate investment in change.

49% of CEOs say their companies will spend at least 5% more on transformation over the next three years



ARE LEADERSHIP DYNAMICS SHIFTING?

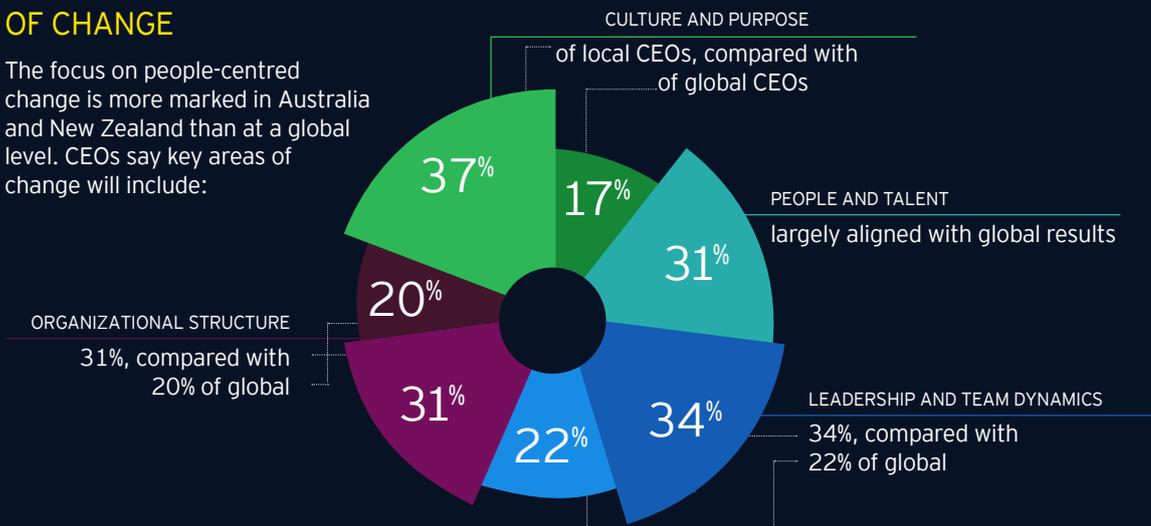


WINNING LEADERS ARE CHANGE AGENTS



COVID-19 HAS PUT HUMANS AT THE HEART OF CHANGE

The focus on people-centred change is more marked in Australia and New Zealand than at a global level. CEOs say key areas of change will include:



CLOSING THE GAPS BETWEEN INTENTION AND EXECUTION

Despite better recognising the human dimension of change, we identified some CEO blind spots that may hinder transformation:



Diversity deficit

Only 17% of CEOs say increasing diversity is the most important change they could make to their C-suite.



Technical focus

34% of Australian and New Zealand CEOs say a technical background will define the most effective CEOs. Navigating more complex issues such as climate change will require a mix of skills.



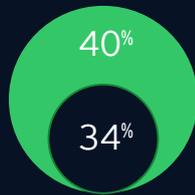
Behavioural science

The pandemic has highlighted the impact of behaviour on successful change but only 34% of CEOs say the discipline will be important to drive growth over the next five years.

MAXIMISING TRUSTED DATA



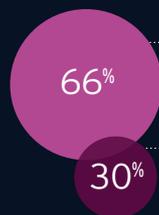
Only 31% of CEOs say risk assessment is driven by data, compared to 49% of global CEOs.



40% say customers trust them with their data - higher than 34% globally but still signalling a trust gap that may hinder transformation.

TRUST AS AN ENABLER OF TRANSFORMATION

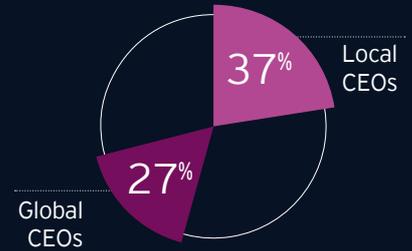
As stakeholder activism rises, CEOs have a bigger role to play in building trust.



66% of Australian and New Zealand CEOs say fostering stakeholder trust and confidence be an increasing part of their role

just 30% of global CEOs say the same.

CLIMATE RISK ON THE RADAR



37% of CEOs say climate risk will require more C-level attention to ensure organisational growth.

This result is higher than the global result (27%), indicating that local CEOs are beginning to see the direct impact of a changing climate on their organisation's ability to succeed.

PRIORITISING PURPOSE

The importance of building a purpose-led organisation is increasingly recognised by Australian and New Zealand CEOs.



say long-term value creation and reporting will require greater attention from the C-suite over the next five years.

2021 CEO IMPERATIVE STUDY - AUSTRALIA & NEW ZEALAND

This is a summary of an EY survey of 35 chief executives of Forbes Global 2000 and other large companies with at least USD\$1b in annual revenues across diverse industries in Australia and New Zealand. Of these, one-third have annual revenues of USD\$10b or more. The fieldwork was conducted by Forbes Insights in December 2020 and January 2021.

The study, which aimed to understand CEOs' perspectives on the DNA of the future enterprise, is part of a broader global survey, created by EYQ, EY's think tank, among over 300 chief executives of Forbes Global 2000 companies. The findings form part of the EY CEO Imperative Series, which is designed to provide critical answers and actions to help business leaders reframe the future of their organisations - visit ey.com/ceo.

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Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

About EYQ

EYQ, EY's global think tank, generates new insights by bringing together business, the public sector and academia to challenge entrenched thinking, shift perceptions and catalyse change. We want to sense new trends early, and understand and communicate the implications quickly and powerfully. By seeking the answer to "What's after what's next?", we help leaders anticipate the forces shaping our future - empowering them to seize the upside of disruption and build a better working world.

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