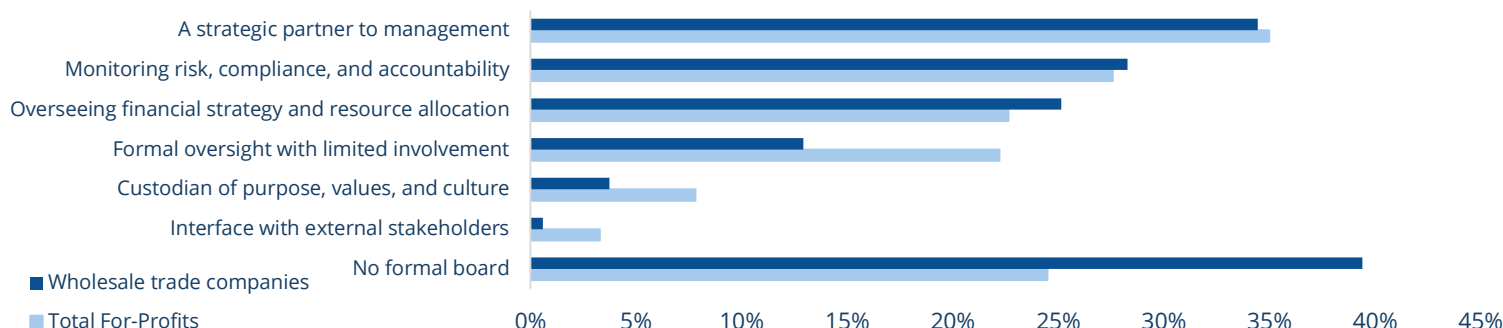


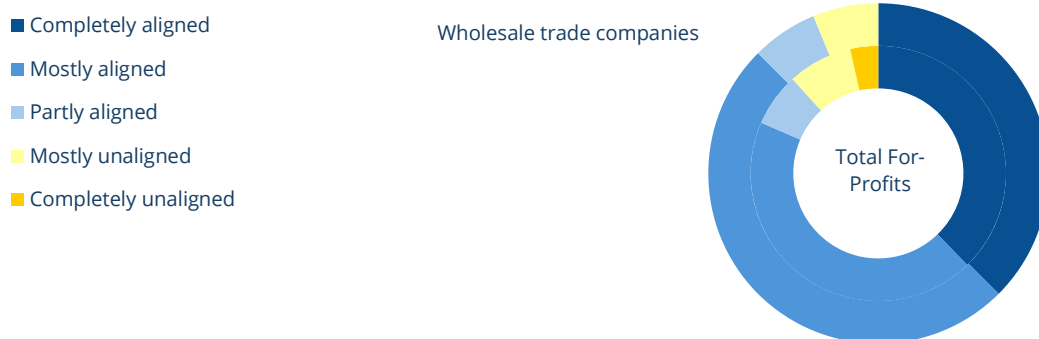
Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



CEOs most frequently identify their board's primary purpose as a strategic partner to management (34%), followed by monitoring risk, compliance, and accountability (28%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Wholesale trade companies were 9 percentage points less 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 37% 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.

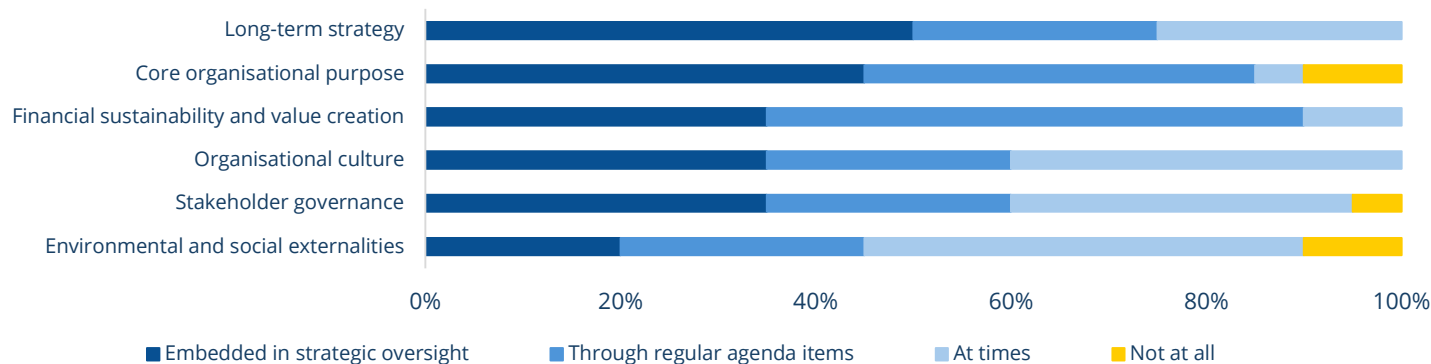
Board structure and composition for effective governance



Boards most commonly report that their structure ensures integrated financial and non-financial reporting (45%) and aligns composition to reflect skills and expertise for long-term strategy oversight (40%). In contrast, fewer report that their board structure aligns composition to reflect the gender and ethnic diversity of stakeholders (16%) and oversees performance metrics on sustainability (15%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Wholesale trade companies are 12 percentage points less likely to report that their board fully ensures culture aligns with strategy and purpose.

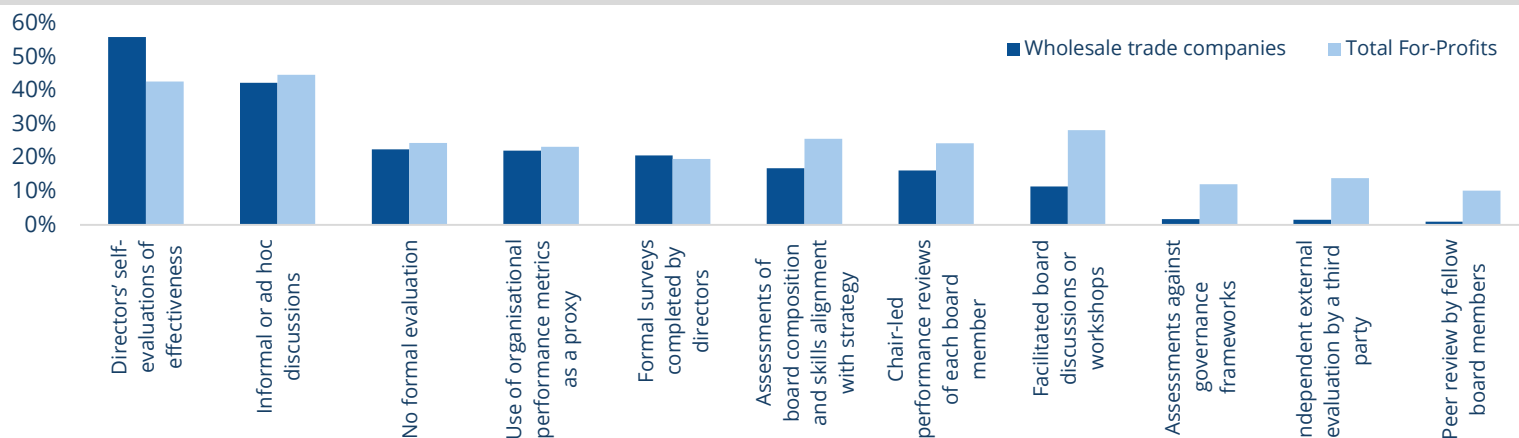
Wholesale Trade: 33 CEOs

Extent of formal board oversight across key areas



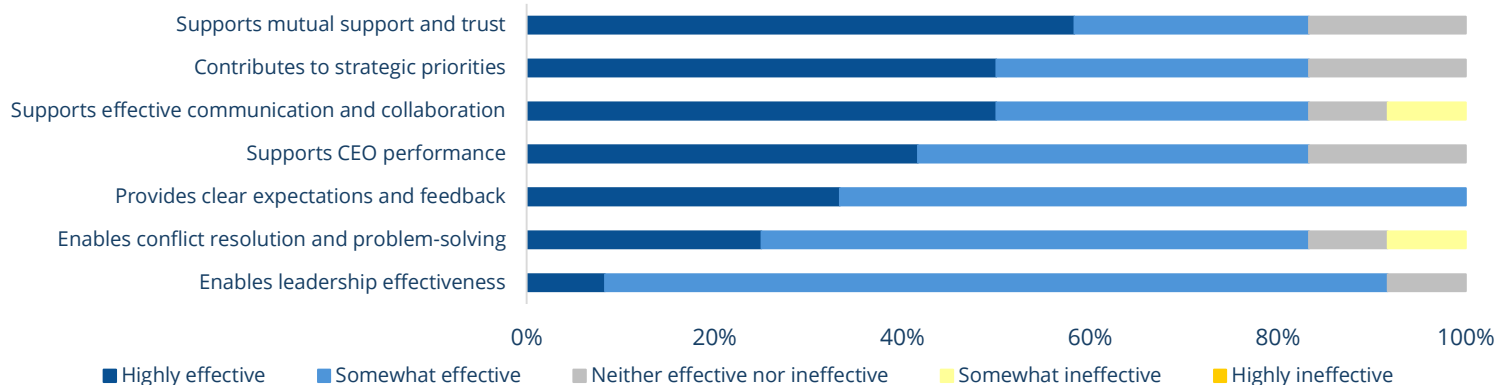
Many boards embed oversight of long-term strategy (50%), core organisational purpose (45%), and financial sustainability and value creation (35%) within strategic oversight. However, fewer boards embed organisational culture (35%), stakeholder governance (35%), and environmental and social externalities (20%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Wholesale trade companies are less likely to report that their board embeds financial sustainability and value creation 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 56% relying on directors' self-evaluations of effectiveness and 42% 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. Wholesale trade companies are less likely to rely on facilitated board discussions or workshops.

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: 58% of CEOs rated the chair "highly effectively" 'supports mutual support and trust', followed by 'contributes to strategic priorities' (50%), and 'supports effective communication and collaboration' (50%). The lower ratings for 'enables conflict resolution and problem-solving' and 'enables leadership effectiveness' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

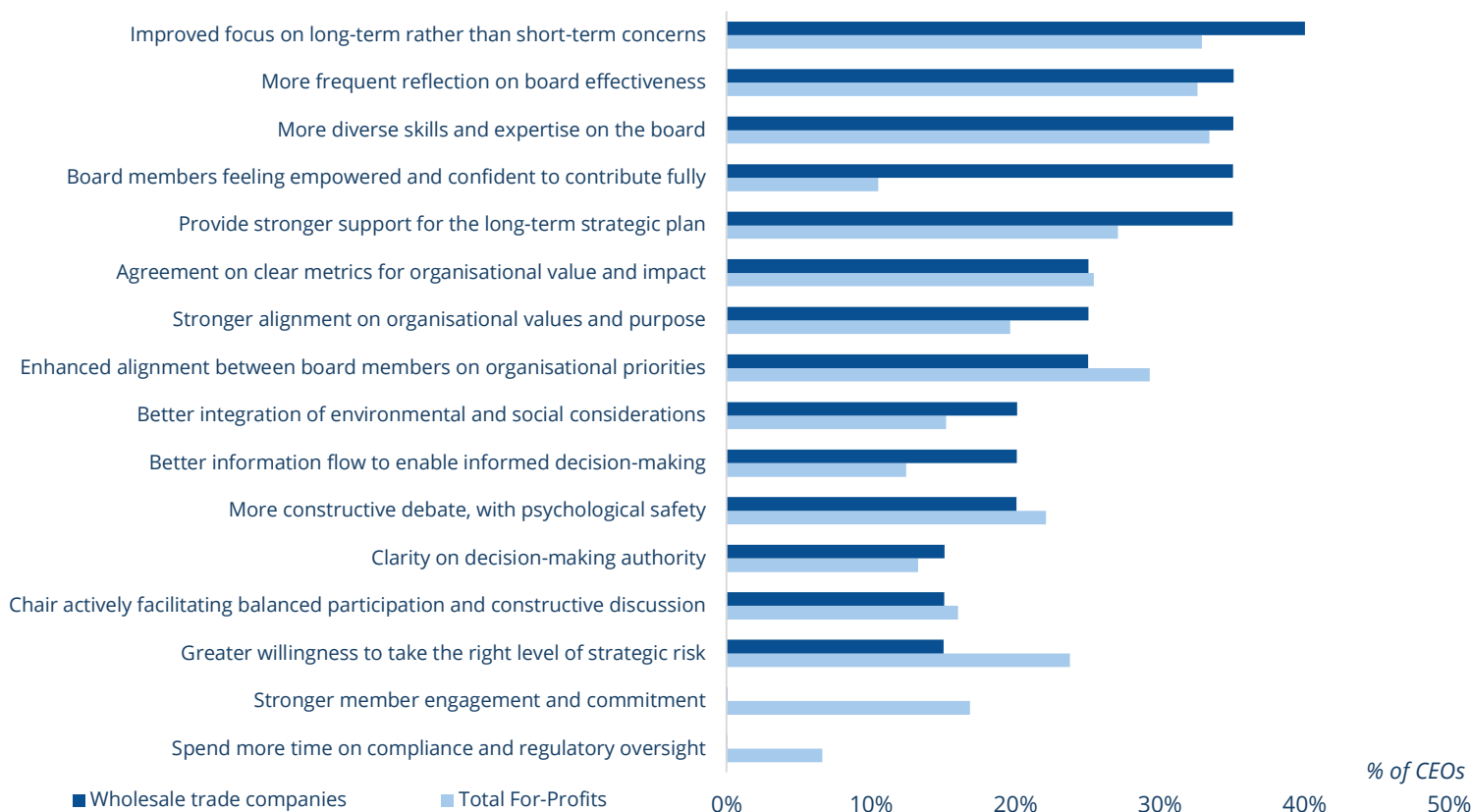
Wholesale Trade: 33 CEOs

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 50% of CEOs rate their board as 'highly effective' in supporting long-term orientation, followed by 35% in supporting oversight of compliance and organisational risks, and 35% in supporting the right level of strategic risk taking. More than 50% 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. Wholesale trade companies are less likely than total for-profits to rate highly on 'supporting effective stakeholder engagement and accountability' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

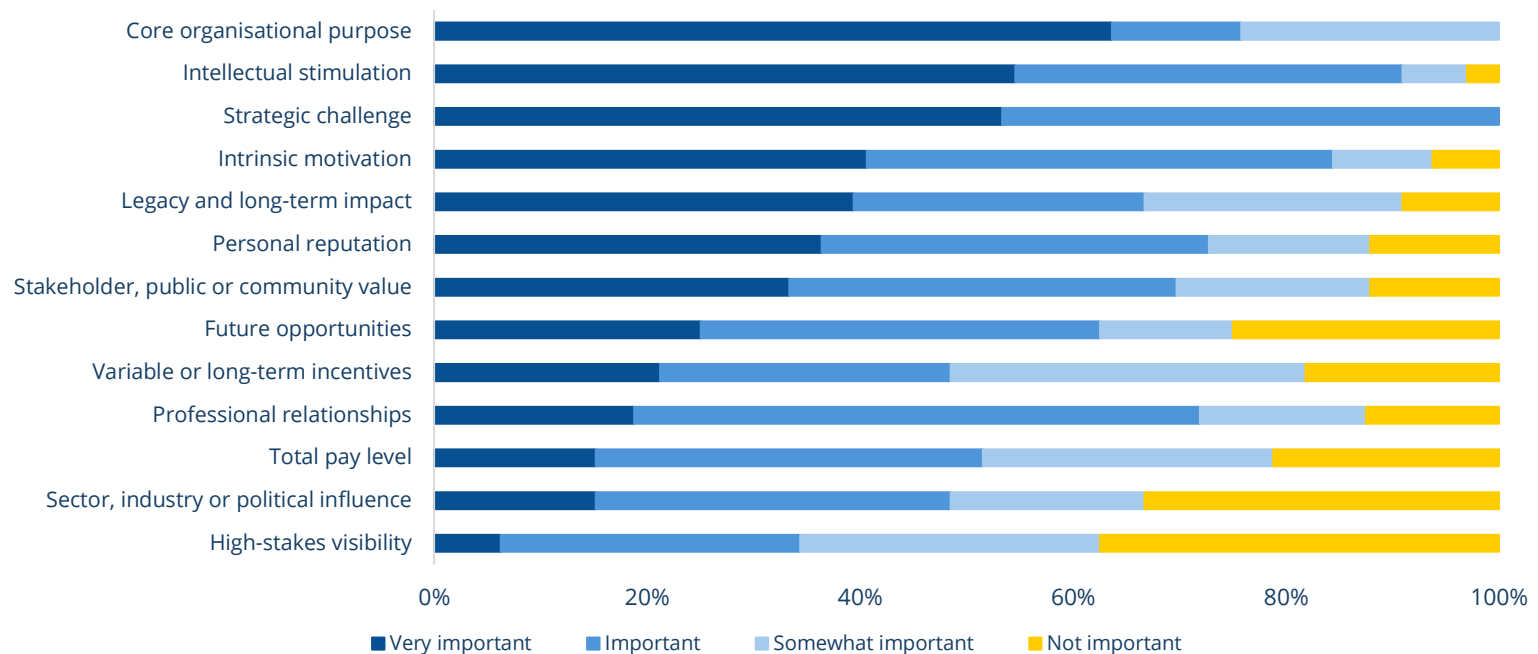


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 40% highlighting improved focus on long-term rather than short-term concerns, 35% more frequent reflection on board effectiveness, and 35% more diverse skills and expertise on the board. Wholesale trade companies are 25 percentage points more likely than total for-profits to identify a need for board members feeling empowered and confident to contribute fully to enable organisational purpose.

Wholesale Trade: 33 CEOs

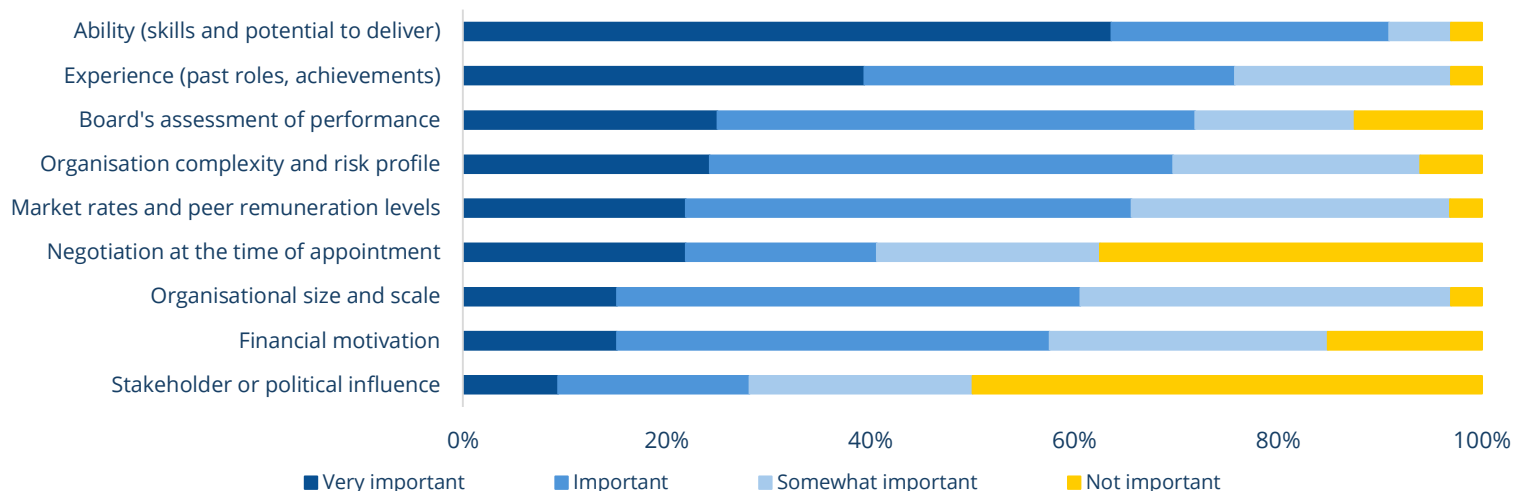
Section 2: CEO Personal Motivation, Values, and Alignment

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 intrinsic and purpose-driven motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 64% of CEOs rated core organisational purpose as very important, followed by intellectual stimulation (55%) and strategic challenge (53%), whereas only 15% rated sector, industry or political influence and 6% rated high-stakes visibility as very important motivators.

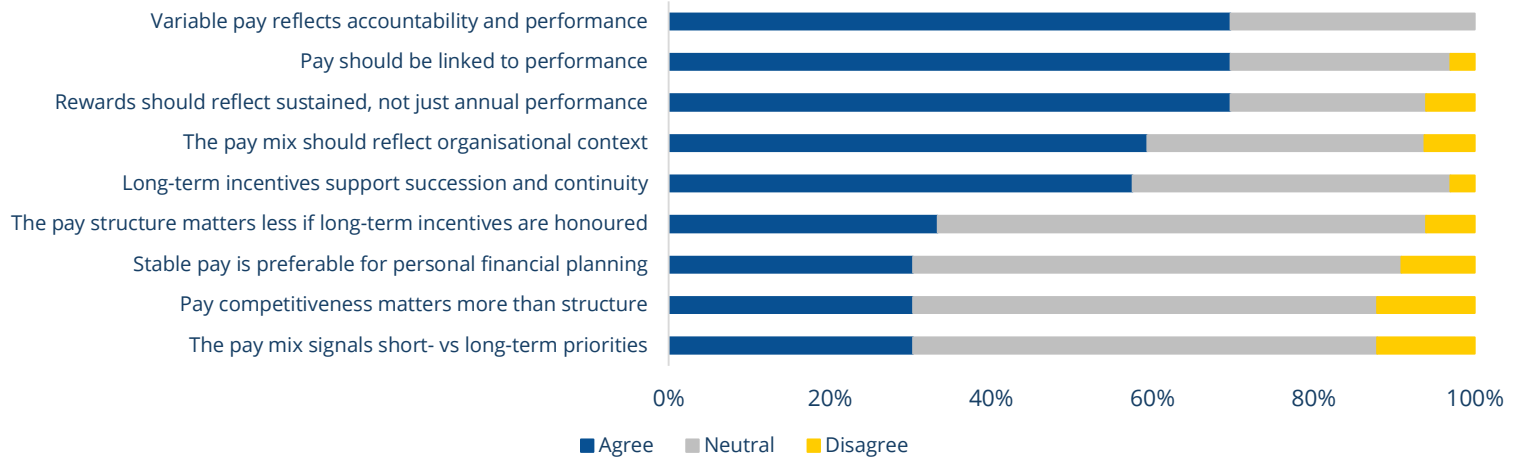
Key factors CEOs view as determinants of their pay



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, 64% rating ability (skills and potential to deliver), 39% experience (past roles, achievements) and 25% board's assessment of performance as very important determinants of pay, compared with 15% for organisational size and scale, 15% for financial motivation and 9% 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. Wholesale trade companies are 15 percentage points less likely than total for-profits to consider the board's assessment of performance as a key determinant.

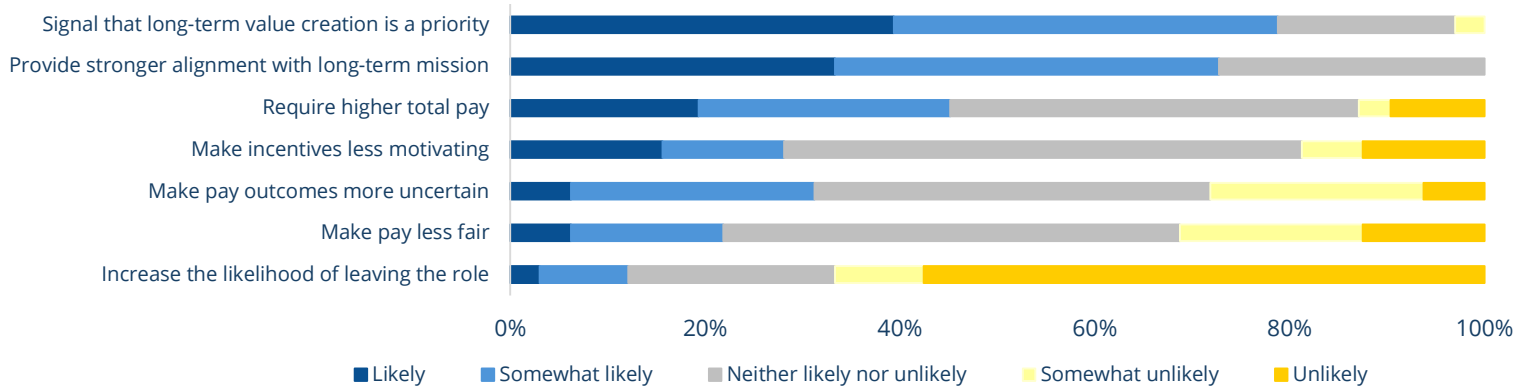
Wholesale Trade: 33 CEOs

CEO's views on fixed and variable pay



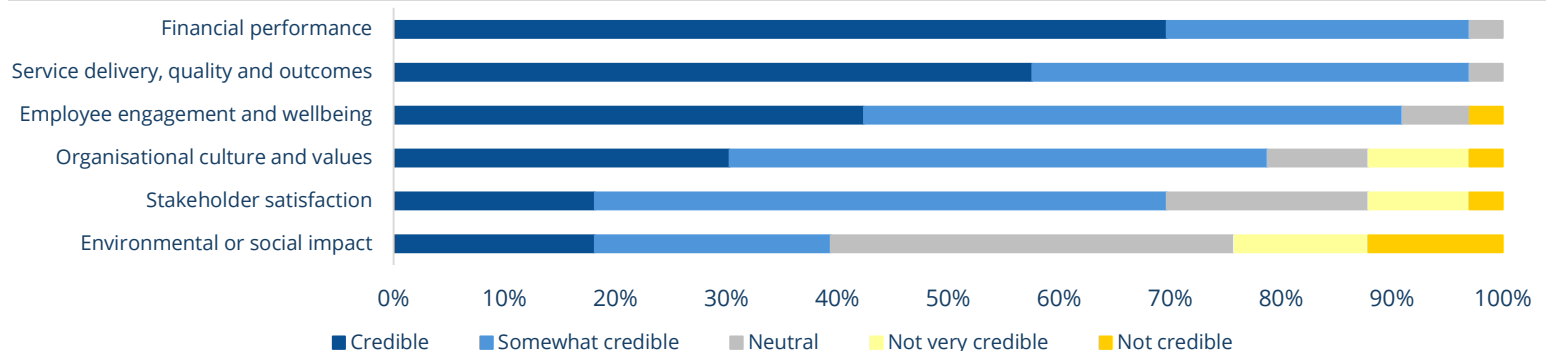
Most CEOs agree that 'variable pay reflects accountability and performance' (70%), that 'pay should be linked to performance' (70%), and that 'rewards should reflect sustained, not just annual performance' (70%). In comparison, CEOs are most neutral on 'the pay mix signals short- vs long-term priorities' (58%) and on whether 'pay competitiveness matters more than structure' (58%), 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' (79%) and 'provide stronger alignment with long-term mission' (73%). 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' (70%) and 'service delivery, quality and outcomes' (58%), moderately credible for 'employee engagement and wellbeing' (42%) and 'organisational culture and values' (30%), and least credible for 'stakeholder satisfaction' (18%) and 'environmental or social impact' (18%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Wholesale trade companies are 18 percentage points less likely than total for-profits to agree that organisational culture and values are a credible and fair way to assess CEO performance.

Wholesale Trade: 33 CEOs

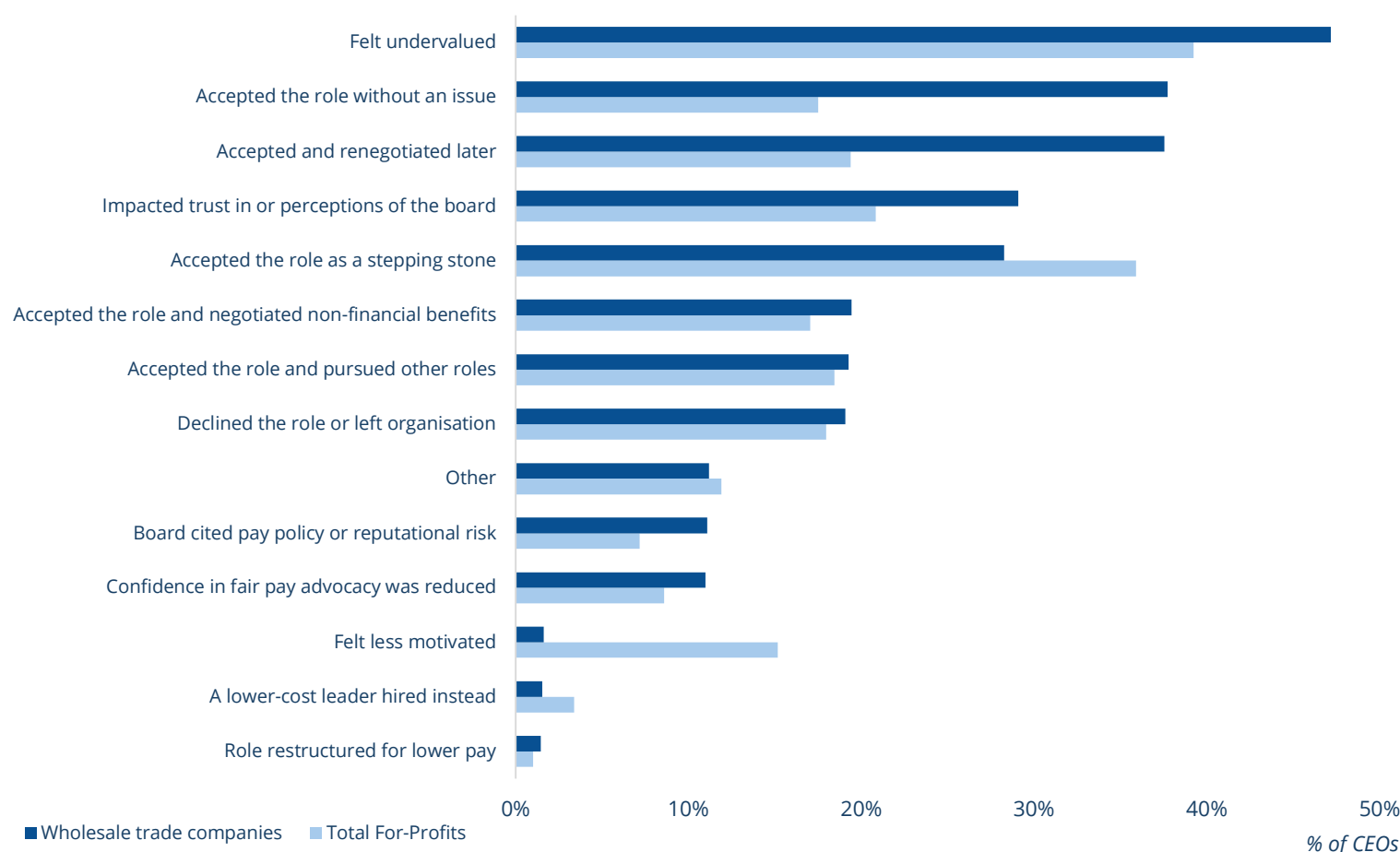
CEOs offered below-expected remuneration during their time in leadership

- 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, 33% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 67% did not. CEOs in wholesale trade companies were 10 percentage points less likely than total for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

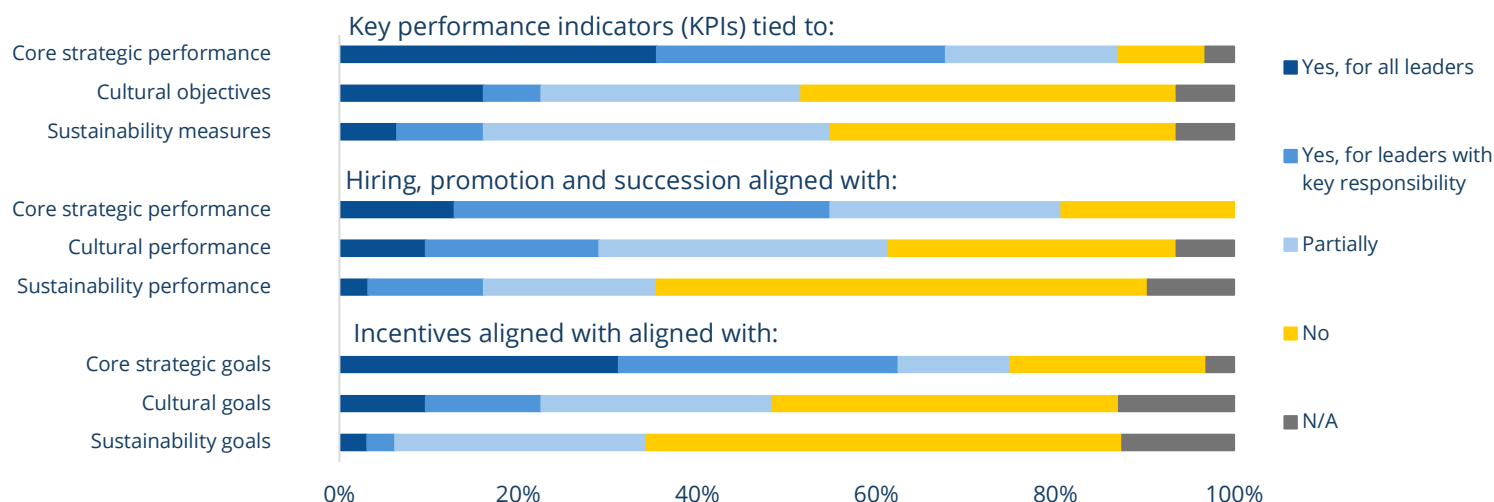


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they felt undervalued (47%) and accepted the role without an issue (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 wholesale trade companies were 20 percentage points more likely than total for-profits to have accepted the role without an issue.

Wholesale Trade: 33 CEOs

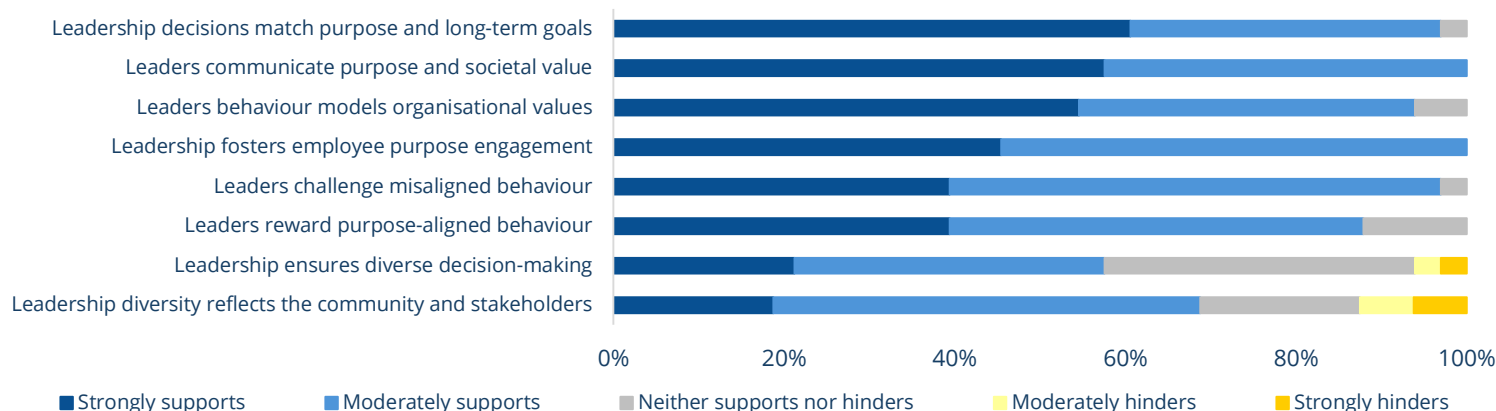
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



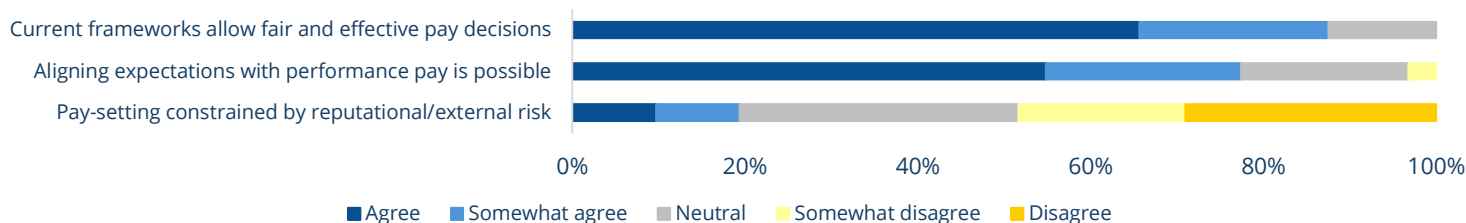
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 55%–68% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 23%–29% for culture and 16% 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 39% and 61% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling, decision-making and behavioural reinforcement. In comparison, only 21% believe leadership ensures diverse decision-making, and 19% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity.

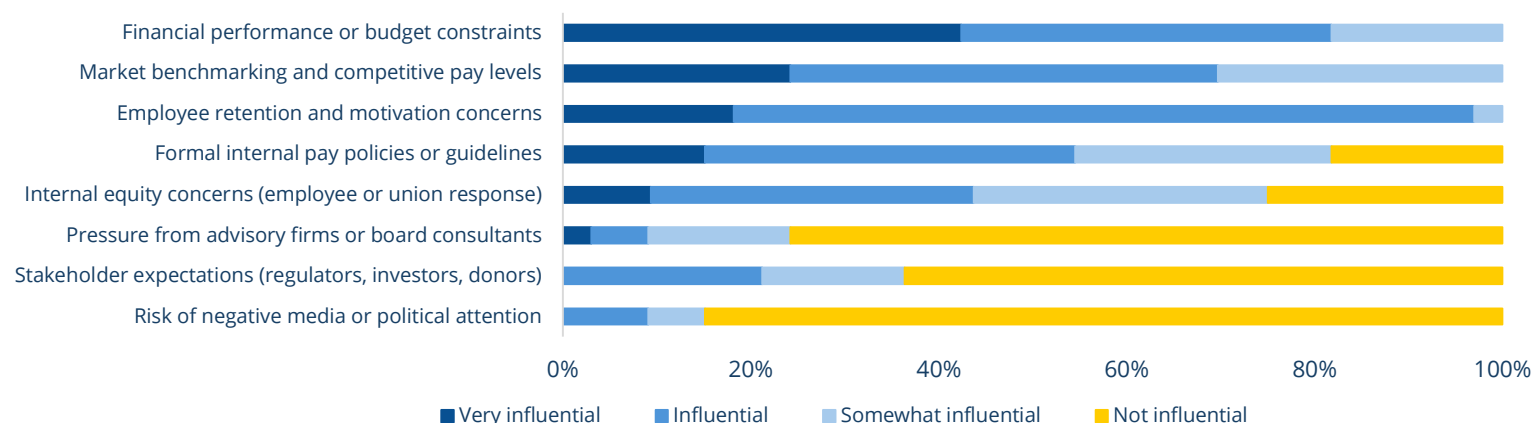
Executive remuneration framework effectiveness



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. 88% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 77% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 19% perceive pay-setting to be constrained by reputational or external risk.

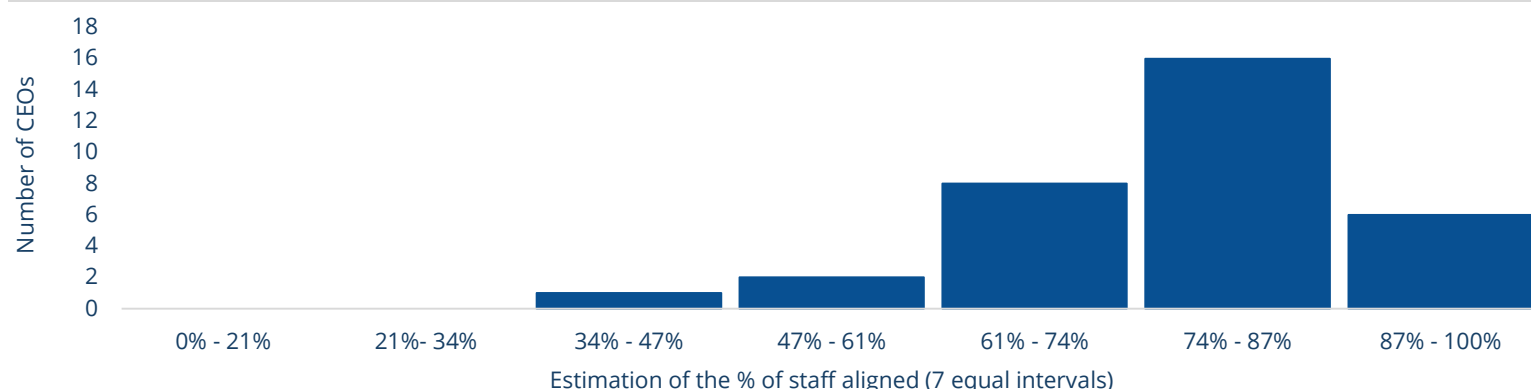
Wholesale Trade: 33 CEOs

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 wholesale trade companies were 8 percentage points less likely than total for-profits to cite financial performance or budget constraints.

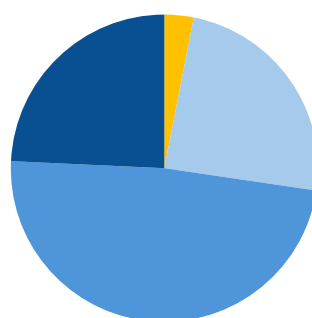
Percentage of staff motivated by sustainability goals



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 76% 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. 73% of organisations are willing to pursue cultural change to support sustainability goals, with 48% favouring structured change and 24% 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 wholesale trade companies were 8 percentage points less likely than total for-profits to be fully open to transformational change.

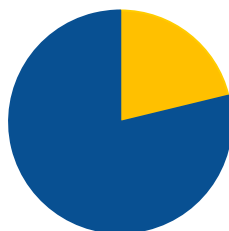
Wholesale Trade: 33 CEOs

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 (79%) believe investing in environmental and social practices enhances their organisation's value, while 21% 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 wholesale trade companies were 2 percentage points less likely than total for-profits to believe these practices add value.

Reasons sustainability adds value



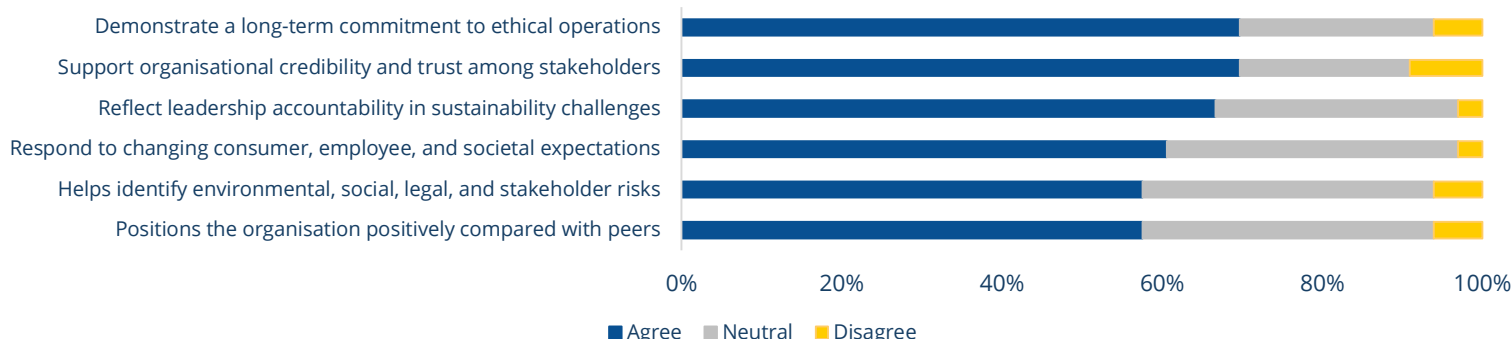
79% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (77%) and alignment with employee values (62%). CEOs in wholesale trade companies were 7 percentage points more likely than total for-profits to believe these practices aid in ethical responsibility.

Sustainability does not add value due to:



21% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to doubts that investments deliver value (86%) or a lack of data to measure impact (72%). CEOs in wholesale trade companies were less likely to find them low priority despite stakeholder preference.

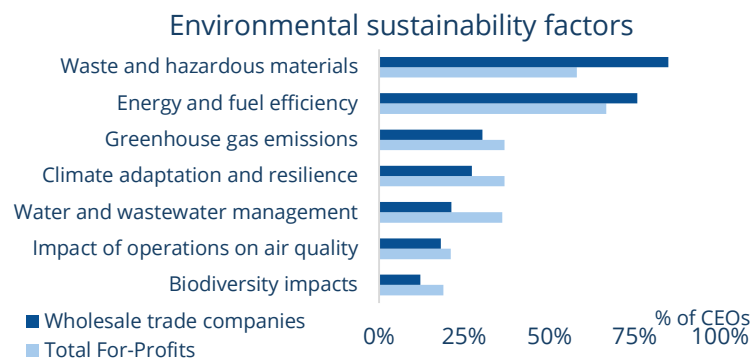
Agreement with statements on sustainable business practices



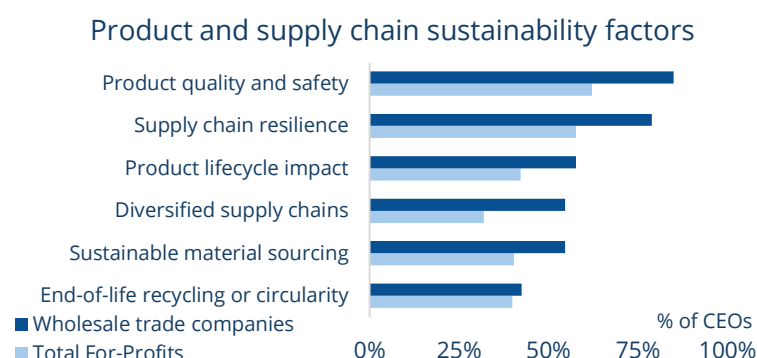
The majority of CEOs agree that sustainable practices demonstrate a long-term commitment to ethical operations (70%), support organisational credibility and trust among stakeholders (70%) and reflect leadership accountability in sustainability challenges (67%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Wholesale Trade: 33 CEOs

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



Wholesale trade companies are more likely to consider waste and hazardous materials (85%) and energy and fuel efficiency (76%) as the primary drivers of long-term environmental value.



CEOs view product quality and safety (85%) and supply chain resilience (79%) as the primary drivers of long-term product and supply chain value. Wholesale trade companies are more likely to view product quality and safety as material.

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

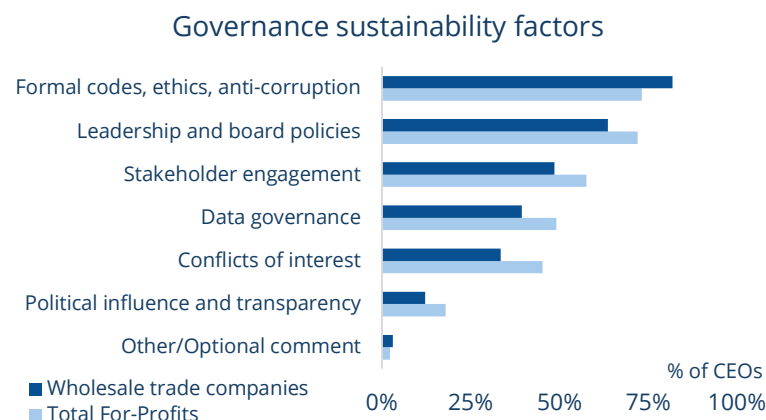


CEOs view employee health and safety (94%) and employee well-being (91%) as the primary workforce sustainability value drivers. Wholesale trade companies are more likely to consider compensation and benefits as material.



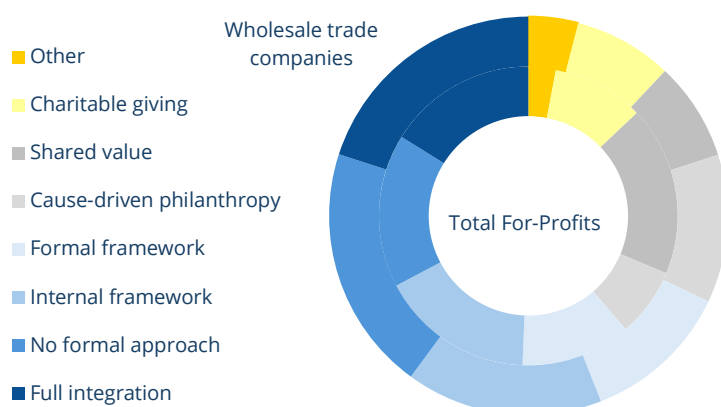
CEOs view customer sustainability satisfaction (73%) and responsible marketing (64%) as the primary social stakeholder drivers of long-term value. Wholesale trade companies are less likely to view community relations as material.

Material **governance** factors



CEOs view 'formal codes, ethics, anti-corruption' (82%) and 'leadership and board policies' (64%) as the primary governance drivers of long-term value. Wholesale trade companies are less likely to consider 'conflicts of interest' as material.

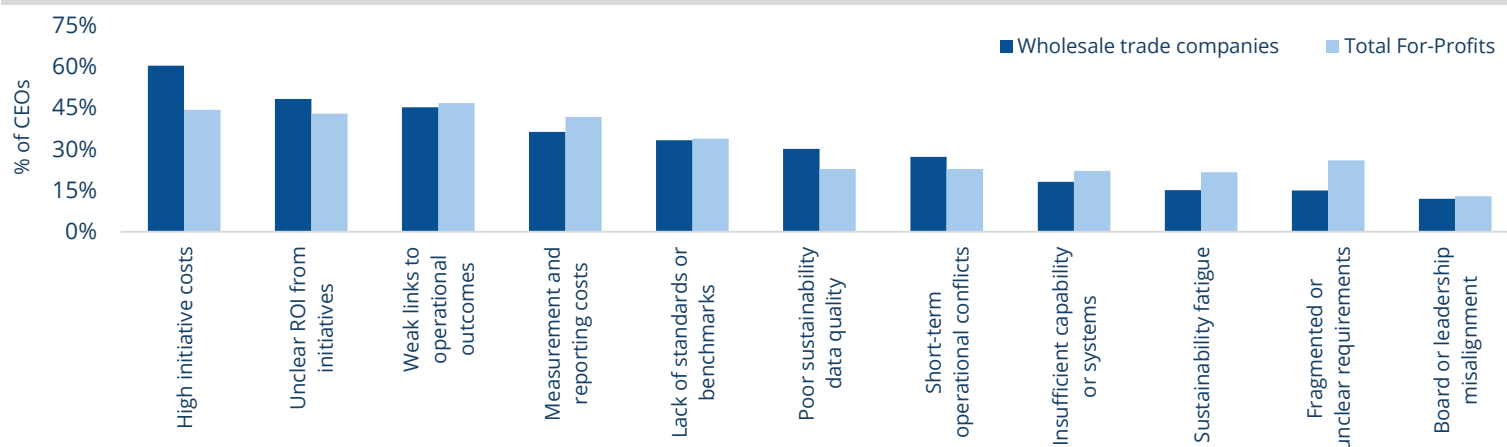
Approach to sustainability strategy



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 (20%).

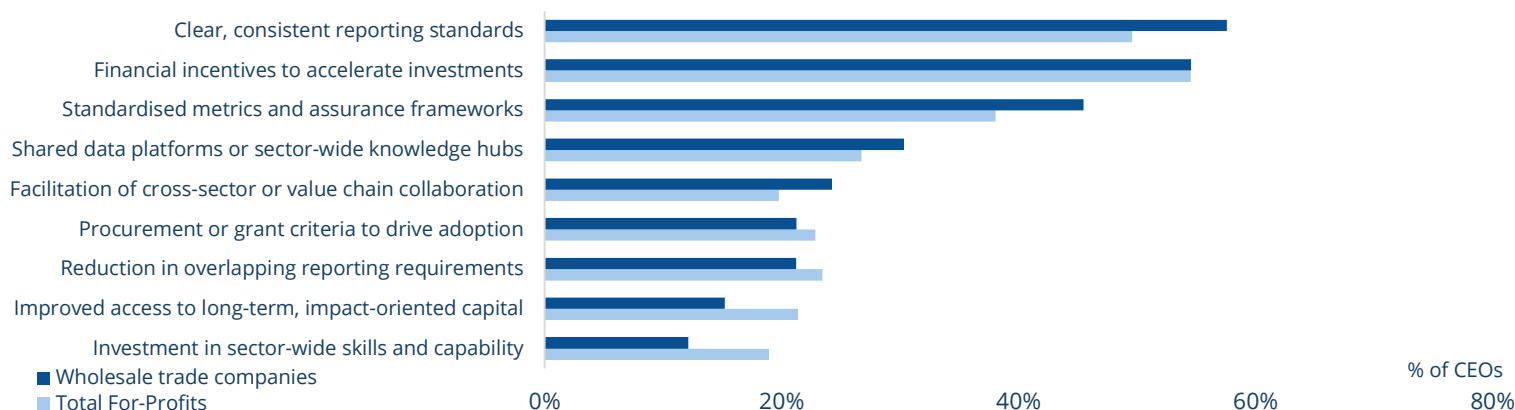
Wholesale Trade: 33 CEOs

Key barriers to integrating sustainability into strategy and operations



Organisations see high initiative costs (61%) as the most common barrier to integrating sustainability into strategy and operations, followed by unclear ROI from initiatives (49%) and weak links to operational outcomes (45%). CEOs in wholesale trade companies were 16 percentage points more likely than total for-profits to see high initiative costs as a barrier.

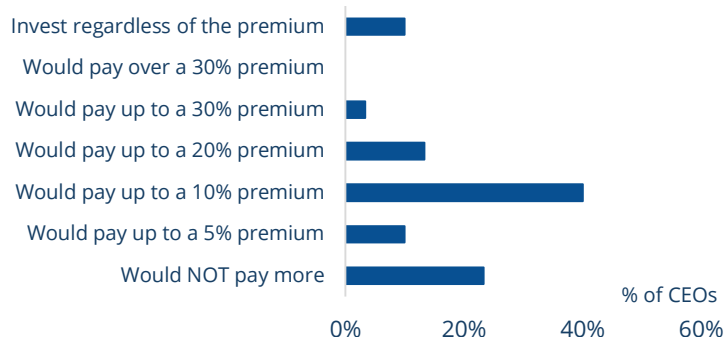
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify clear, consistent reporting standards (58%) and financial incentives to accelerate investments (55%) as the most important actions government or industry bodies can take to support sustainability goals, followed by standardised metrics and assurance frameworks (45%). CEOs in wholesale trade companies were 8 percentage points more likely than total for-profits to see clear, consistent reporting standards as important.

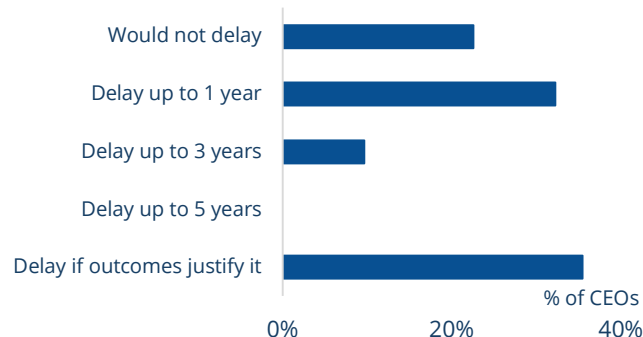
Willingness to pay for greener outcome Tolerance for sustainable project delays

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



50% of CEOs would pay a moderate premium (5%–10%) for greener technology: 27% would pay a premium of over 20%, while 23% would not pay more. CEOs in wholesale trade companies were 8 percentage points less likely than total for-profits to say they would pay over a 30% premium.

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

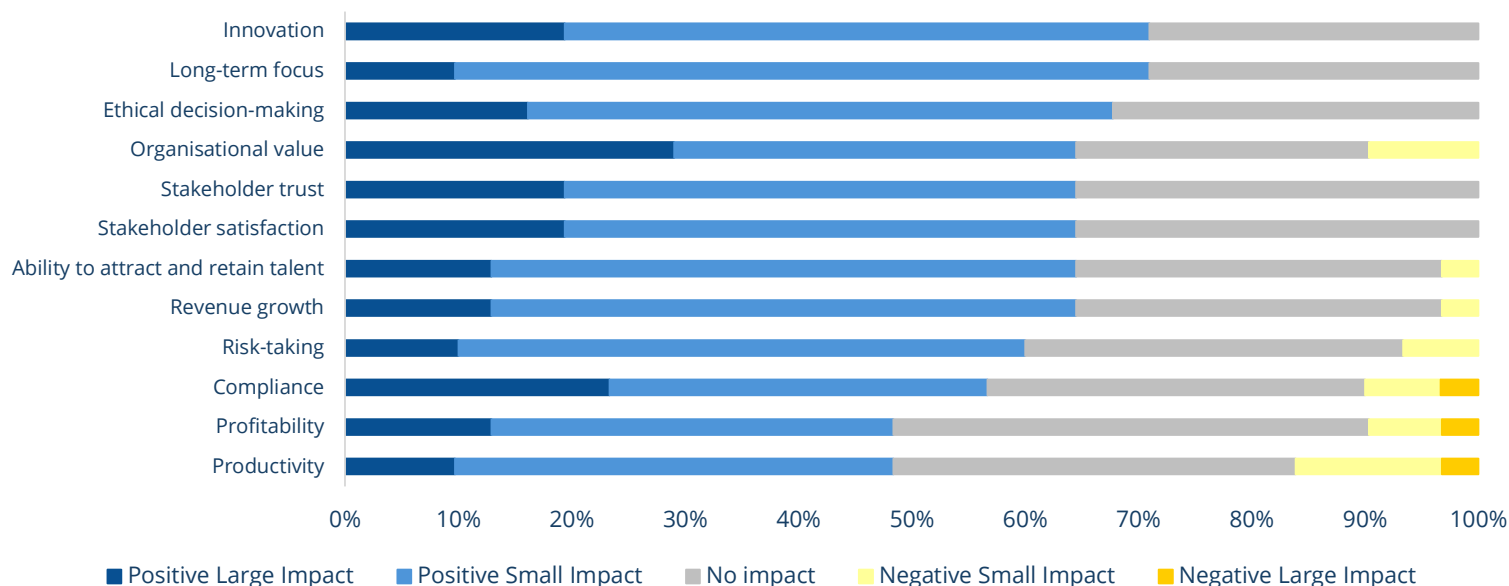


Most CEOs tolerate short delays for higher environmental or social gains: 32% up to 1 year, 10% up to 3–5 years, and 23% would not delay. CEOs in wholesale trade companies were 20 percentage points less likely than total for-profits to say they would not delay.

Wholesale Trade: 33 CEOs

Summary: Overall influence on long-term organisational performance

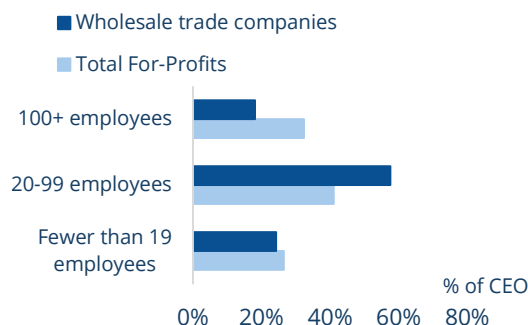
Impact of environmental, social and governance sustainability on factors



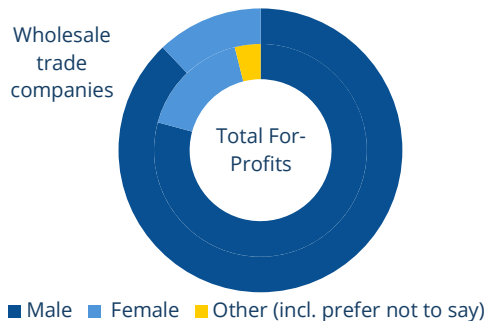
Environmental, social and governance sustainability positively impacts long-term performance, particularly innovation and long-term focus. CEOs in wholesale trade companies were 10 percentage points less likely than total for-profits to say their ESG approach positively impacts compliance.

Demographics: Wholesale Trade CEOs and Boards

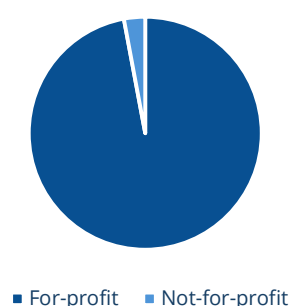
Number of employees



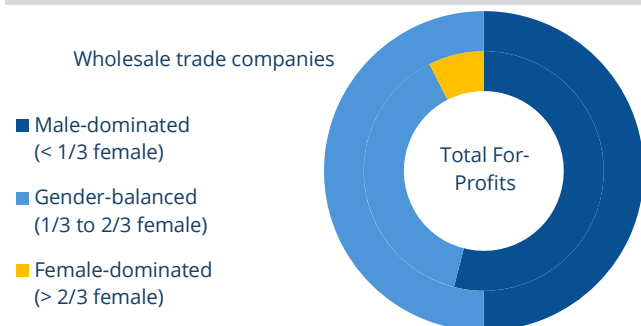
CEO gender identity



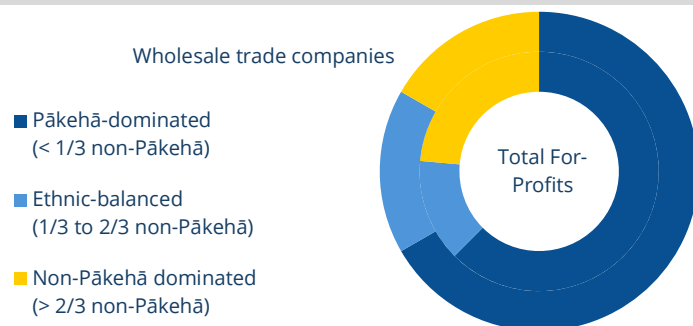
For-profit / not-for-profit



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.