



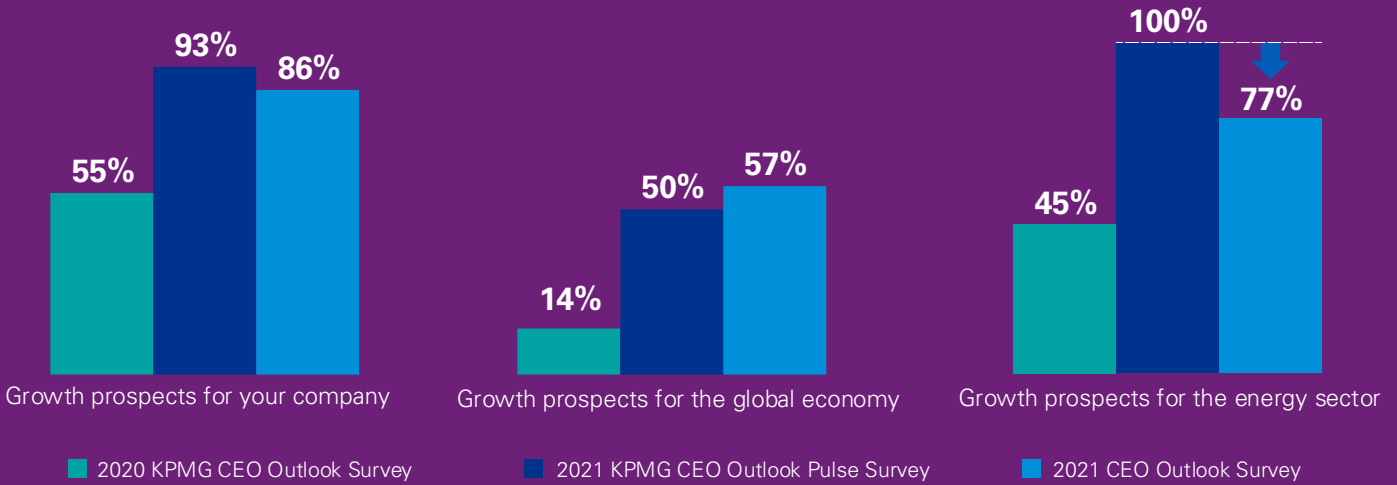
Energy industry insights

2021 KPMG CEO Outlook

The energy industry continues to be an enabling and necessary resource as organizations across all industries begin preparing for a new reality and recovery from the impact of COVID-19.

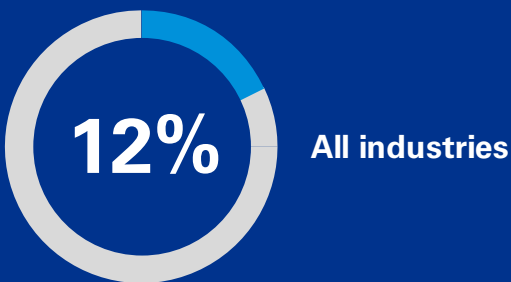
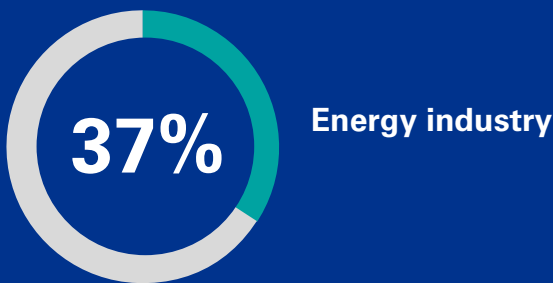


Energy CEOs remain resilient and focused on long-term, sustainable growth, despite increased uncertainty

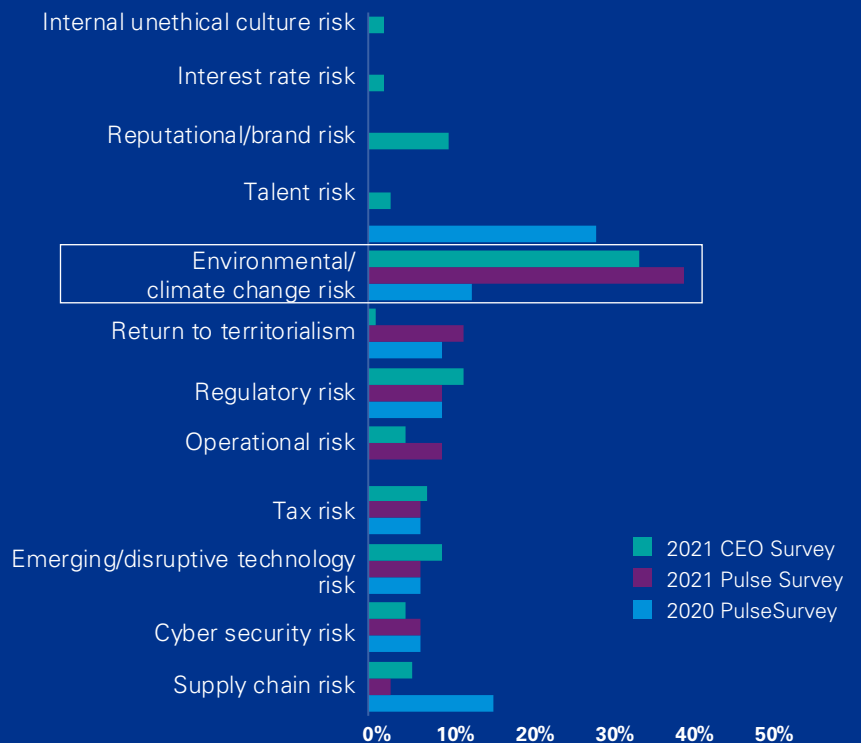


Climate Change remains top risk for Energy CEOs

Energy CEOs now believe that environmental and climate change risk pose the greatest threat to their organization's growth



Which of the following risks pose the greatest threat to your organization's growth over the next 3 years?



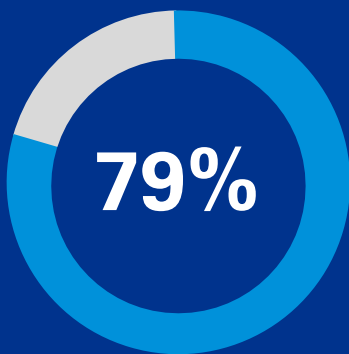
Source: KPMG 2021 CEO Outlook



The industry awaits what will follow from COP26 for more certainty

All eyes will be on Glasgow as the world's political leaders gather to decide what action should be taken to tackle the climate crisis. For the energy sector, it means more prolonged uncertainty.

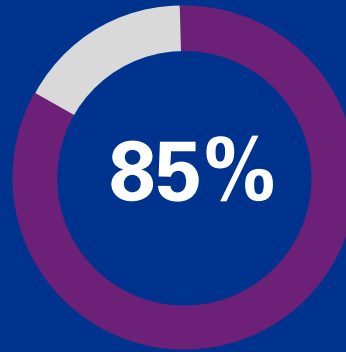
Many energy businesses have been at the forefront of driving forward the energy transition and they're fully behind a shift towards renewables, but the potential for significant, bold political action is naturally creating more uncertainty at a time when the sector is trying to rebuild.



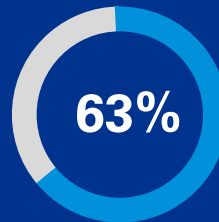
Believe world leaders must inject the necessary urgency in the climate agenda



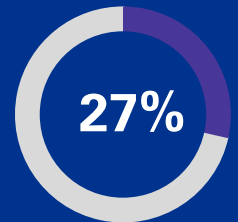
ESG a top operational priority with a shift in focus to the 'S'



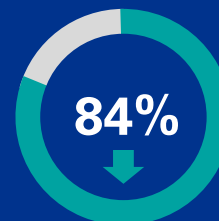
Agree that 'Our response to the pandemic has caused our focus to shift towards the social component of our ESG program'



Demand for increased reporting/transparency

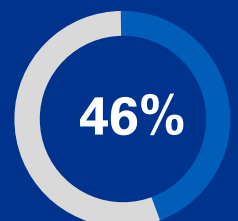


Integrated ESG reporting top priority



Want to lock in sustainability gains

Down from 90% in 2021

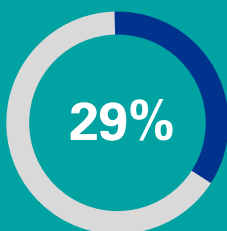


Struggle to articulate a compelling ESG story

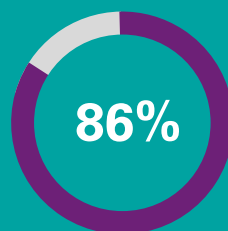
Nearly half (46%) of the CEOs state their single biggest challenge is crafting their ESG narrative in a compelling fashion and that this is most critical for keeping employees engaged. Over half (56%) report their pay is already tied to ESG performance with 85% indicating the annual bonus as the key mechanism.



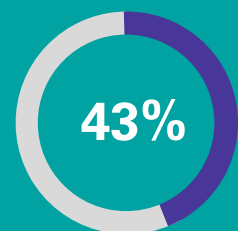
The 'war for talent' emerges front and center as top operation priority over the next 3 years



Believe attracting and retaining talent as key to achieving their growth objectives



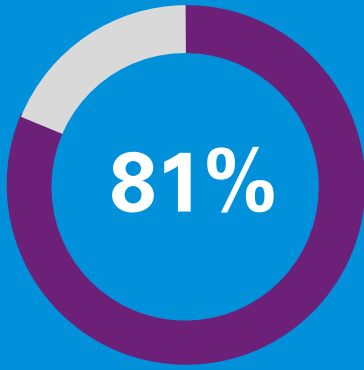
Planning to increase headcount



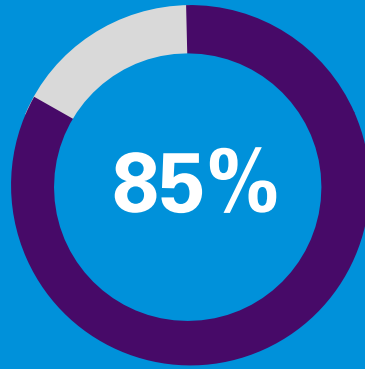
Focusing on employee's mental health and well-being



Energy leaders recognise the opportunity disruption brings



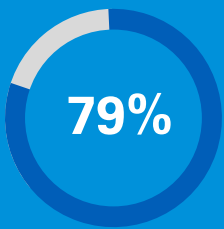
Rather than waiting to be disrupted by competitors, my organization is actively disrupting the sector in which we operate



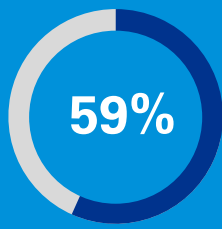
We see technological disruption as more of an opportunity than a threat



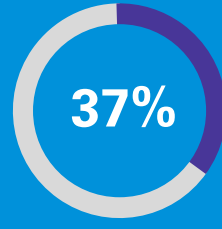
Technology and innovation key to unlocking long-term growth



Believe their organization's digital and ESG strategic investments are inextricably linked



Plan to join industry collaborations to develop innovative tech



Plan to collaborate with innovative start-ups

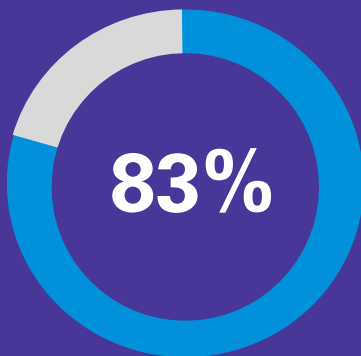


Plan to set up accelerator or incubator program



M&A as a growth driver

There remains a consistent appetite for strategic market activity and investment in new growth opportunities.



of organizations have a moderate to high M&A appetite

Which of the following strategies will be most important for achieving your organization's growth objectives over the next 3 years?

