

The background of the slide is a photograph of a large array of solar panels installed on a rooftop. In the background, three workers wearing hard hats and safety vests are standing and looking at a set of plans. The sky is clear and blue. The overall theme is green energy and sustainable development.

Building green and digital transitions for a resilient EU economy: The views of over 1000 European CEOs

March 2023



EU CEOs see the need for radical change

Almost 2 in 5 EU CEOs think that their business won't be viable in 10 years on its current path.

Base: All EU respondents (n=1,254)

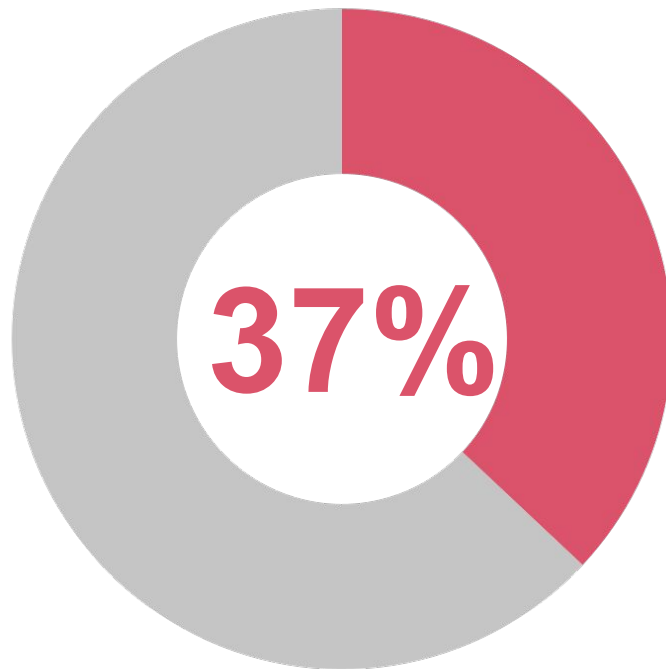
Q12. If your company continues running on its current path, for how long do you think your business will be economically viable?

Not shown: 'More than 10 years' and 'Don't Know'

PwC | EU CEO Survey 2023

% who think their company won't be viable in 10 years without radical change

Net: 1 year or less, 2-3 years, 4-6 years, 7-10 years

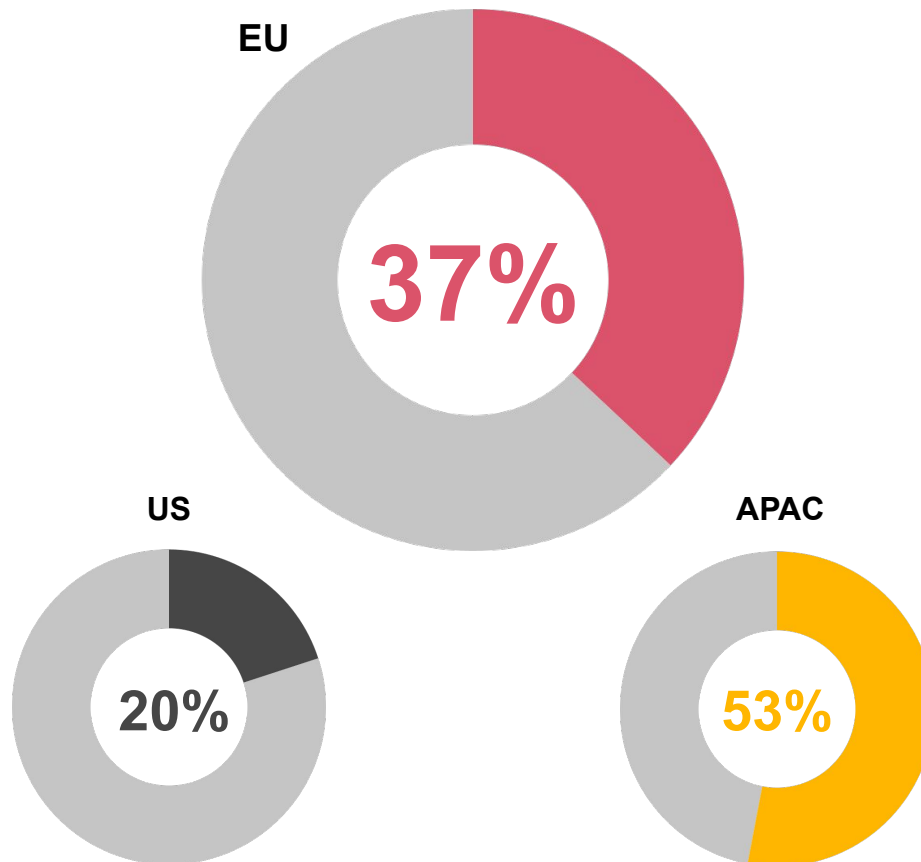


Almost twice as likely as US CEOs to see the need for change

However, significantly lagging APAC CEOs

Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)
Q12. If your company continues running on its current path, for how long do you think your business will be economically viable?
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PwC | EU CEO Survey 2023

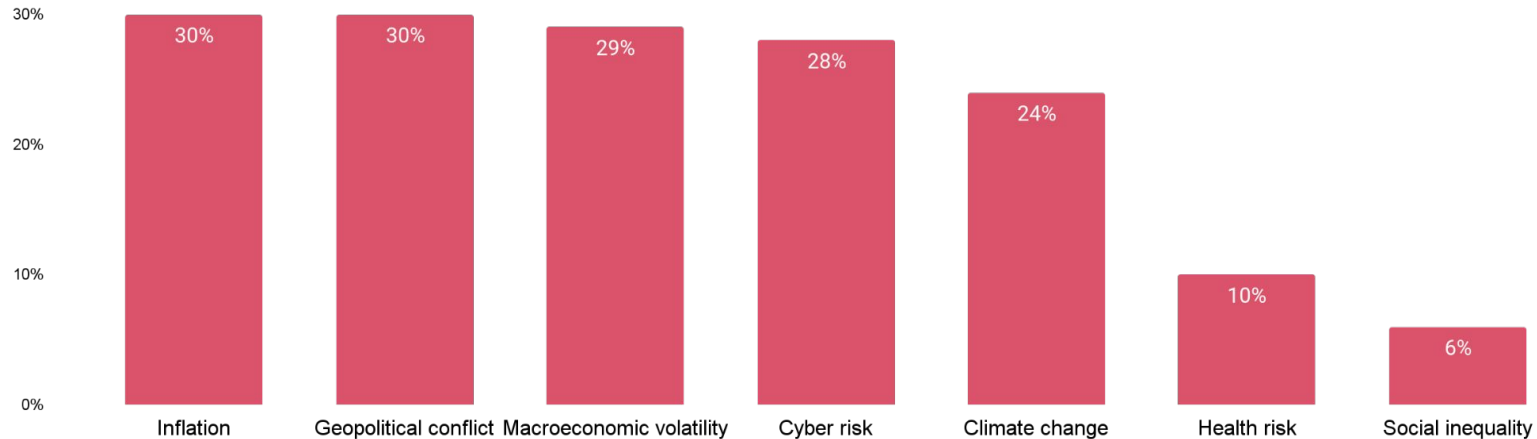
% who think their company won't be viable in 10 years without radical change
Net: 1 year or less, 2-3 years, 4-6 years, 7-10 years



Driven by the big five threats: Inflation, conflict, macroeconomics, cyber and climate

Biggest threats to business - 5 year timeline

Net: Highly & Extremely Exposed



Base: All EU respondents (n=1,254)

Q3B. How exposed do you believe your company will be to the following key threats in the next five years?

Not shown: 'Minimally', 'Slightly' and 'Moderately' exposed and 'Don't Know'

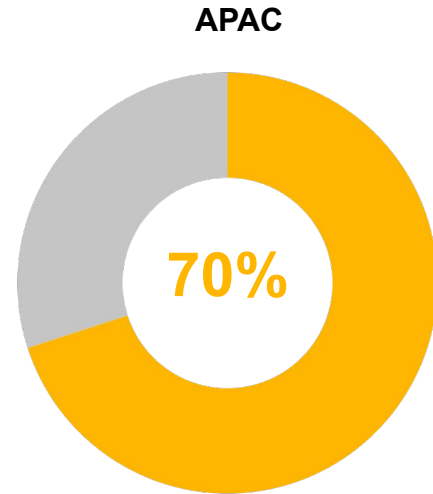
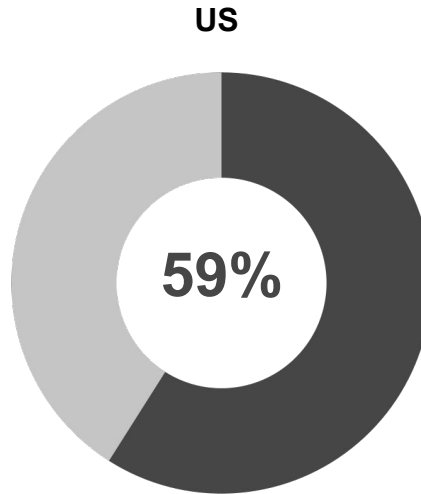
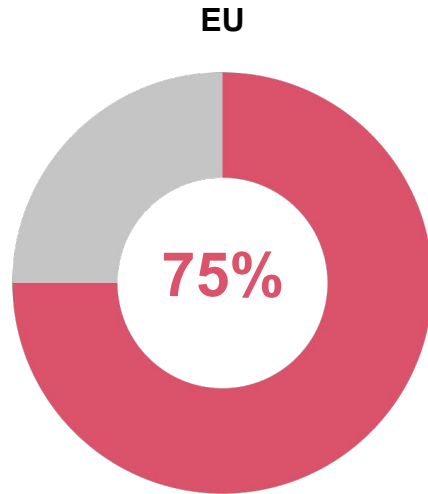
PwC | EU CEO Survey 2023

A photograph of a modern building with a glass facade and a courtyard with trees. A large red semi-transparent rectangle is overlaid on the left side of the image, containing the text. There are also several small colored squares (yellow, red, black) scattered around the red rectangle.

Building a green transition

EU CEOs lead the world in acting to reduce emissions

Progress on implementing initiatives to reduce my company's emissions
Includes "In progress" and "Completed"



Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

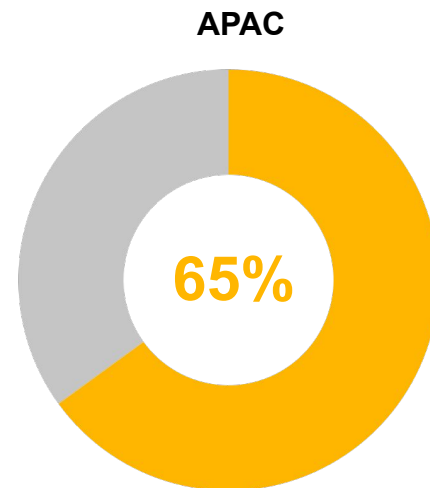
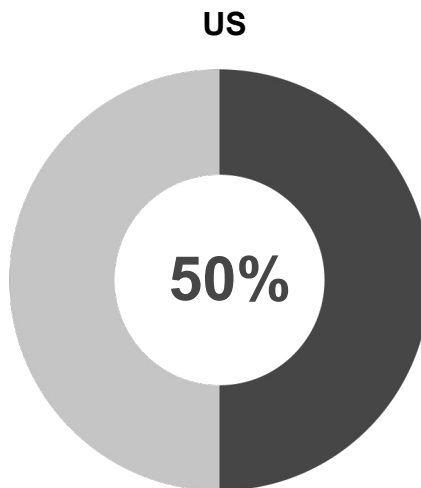
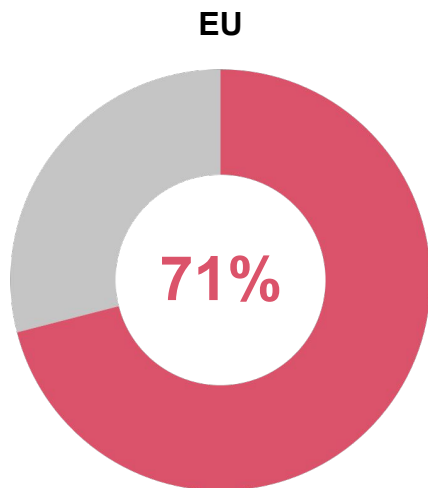
Q8. Which statement best characterises your company's level of progress on these actions?

Not shown: 'We don't plan to do this', 'Planned, but not started' and 'Don't Know'

They are more likely to invest in climate-friendly products and processes

Progress on innovating new, climate-friendly products or processes

Includes "In progress" and "Completed"



Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

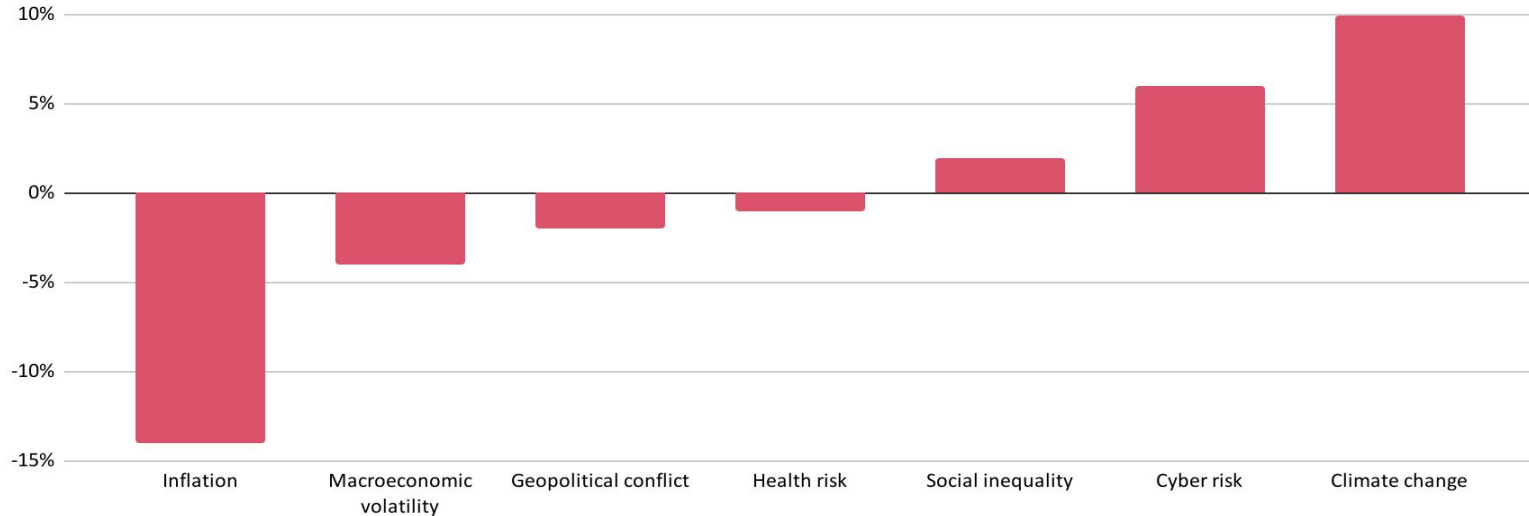
Q8. Which statement best characterises your company's level of progress on these actions?

Not shown: 'We don't plan to do this', 'Planned, but not started' and 'Don't Know'

Why? Climate change is the fastest growing threat to EU companies

Change in risk perception between 1 and 5 years

Net: Highly & Extremely Exposed



Base: All EU respondents (n=1,254)

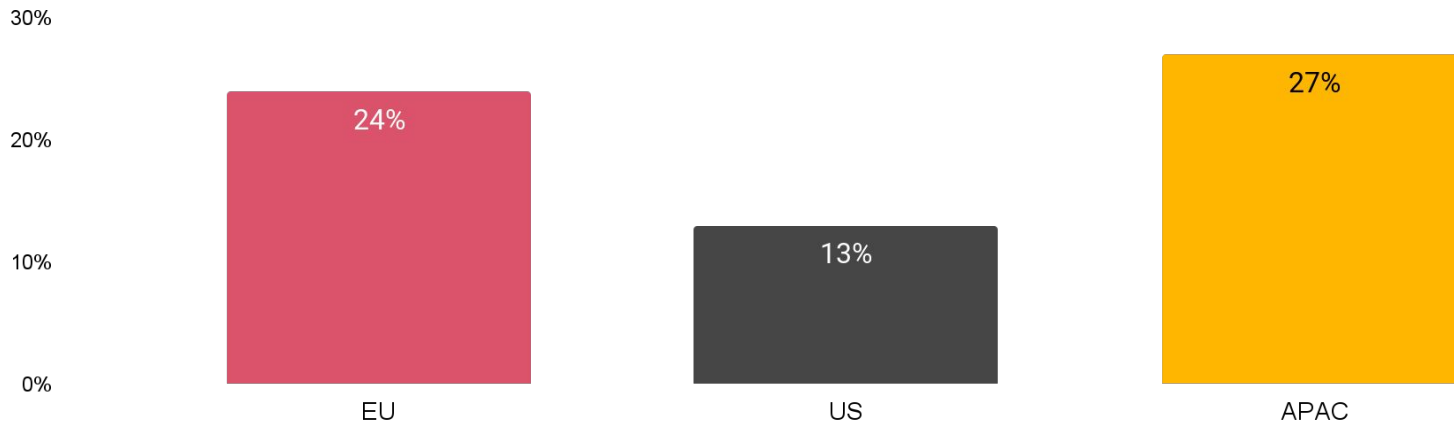
Q3A. How exposed do you believe your company will be to the following key threats in the next 12 months?

Q3B. How exposed do you believe your company will be to the following key threats in the next five years?

Not shown: 'Minimally', 'Slightly' and 'Moderately' exposed and 'Don't Know'

Almost a quarter think it is a major threat over the next five years

Net: Highly & Extremely Exposed



Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

Q3B. How exposed do you believe your company will be to the following key threats in the next five years?

Not shown: 'Minimally', 'Slightly' and 'Moderately' exposed and 'Don't Know'

Business Fit for a Digital Age?

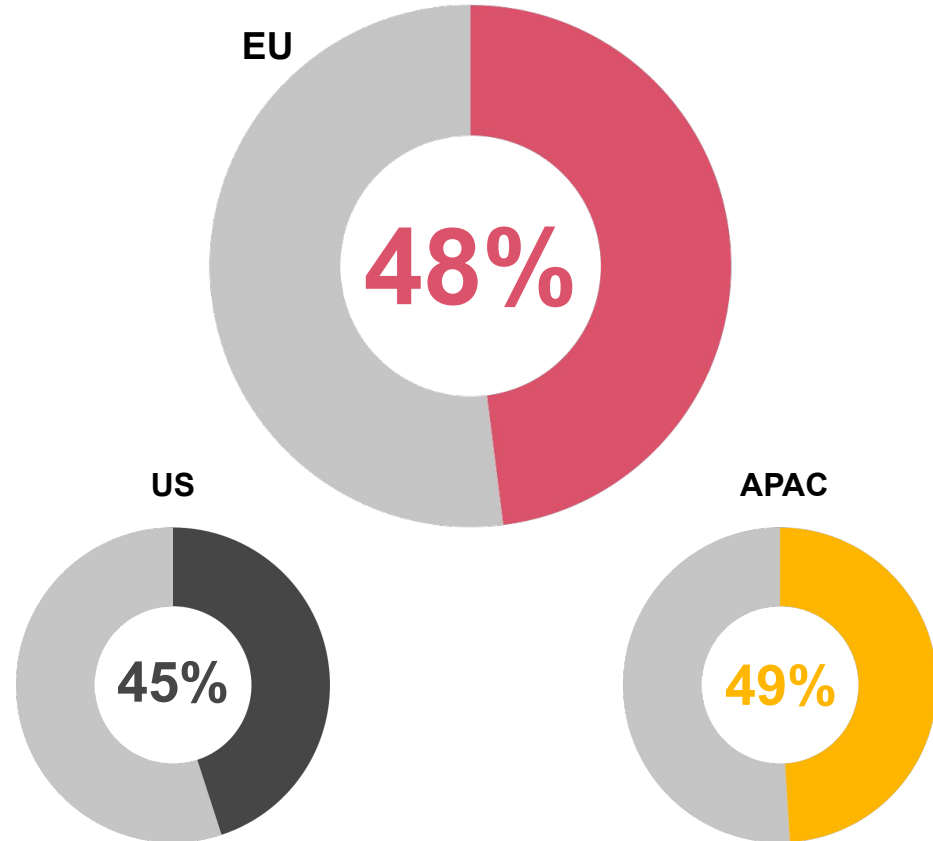


EU CEOs are as likely as their peers elsewhere to expect technology to have a major impact on their industry over the coming decade

Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)
Q13: To what extent do you believe the following will impact profitability on their industry (i.e., either increase or decrease) over the next 10 years? Disruptors such as advanced tech, AI, Metaverse and Blockchain. Not shown: 'Not at all', 'Limited extent', 'Moderate extent', 'Don't Know'

% of CEOs saying technology disruptors will impact profitability in their industry over the next ten years"

Net: Large + Very Large Extent



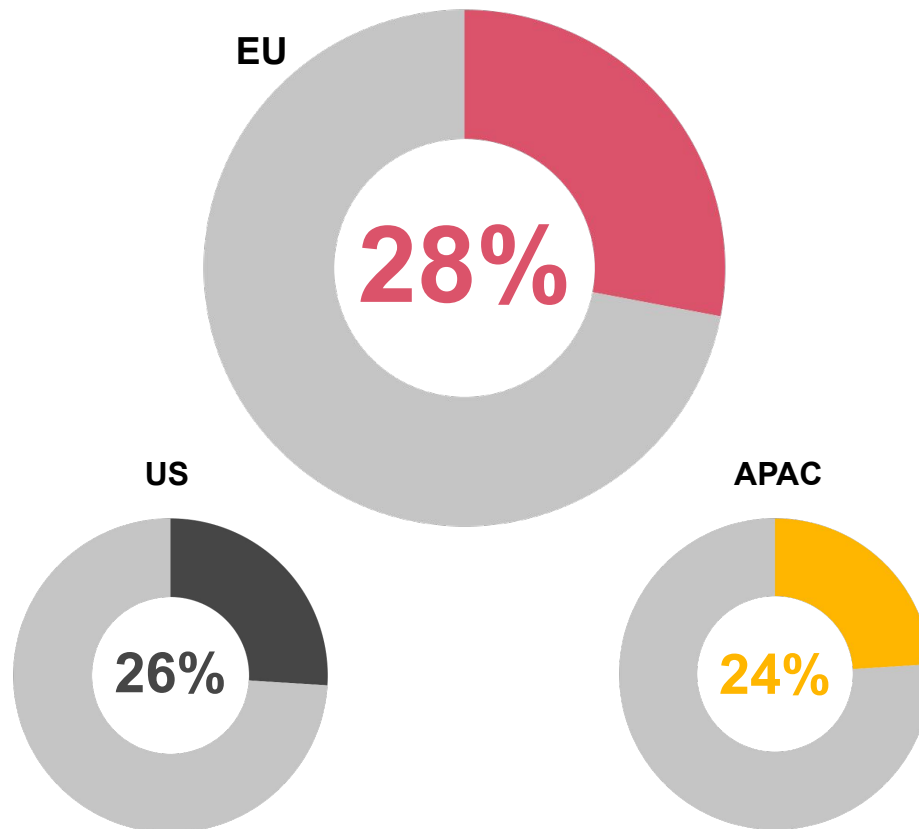
They also have similar levels of concern about cybersecurity

Over a quarter of EU CEOs believe their company will be highly or extremely exposed to cyber risks in the next 5 years.

Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)
Q3B. How exposed do you believe your company will be to the following key threats in the next five years?
Cyber risks including hacking, surveillance and disinformation, entailing a significant financial loss
Not shown: 'Minimally', 'Slightly' and 'Moderately' exposed and 'Don't Know'
PwC | EU CEO Survey 2023

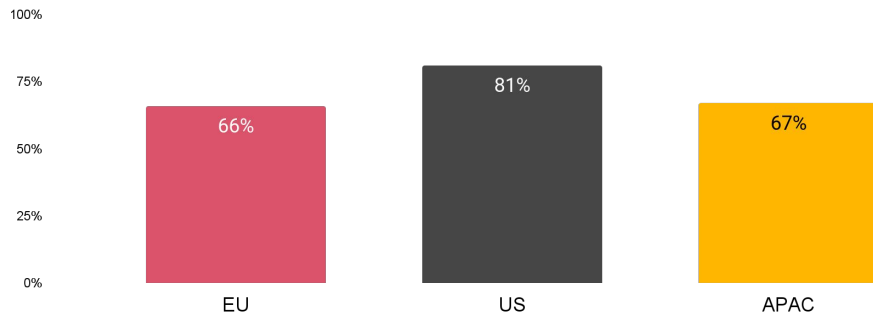
% of CEOs saying their companies are highly or extremely exposed to cyber risks in the next five years

Net: Highly + Extremely exposed



But they are less likely than US CEOs to respond to that recognition with investment

Deploying technology (cloud, AI and other advanced tech)

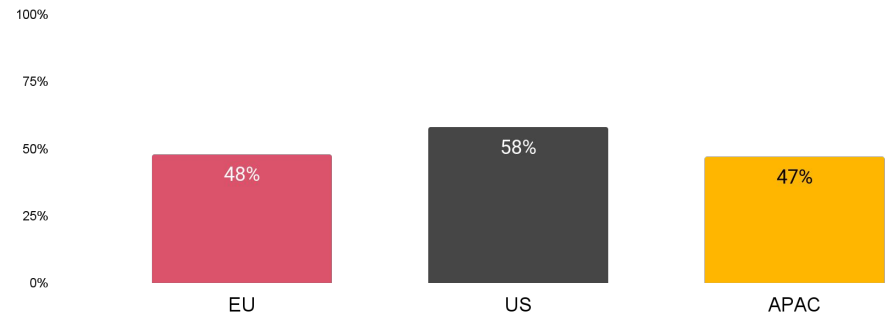


Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

Q14. Which of the following investments, if any, is your company making in the next 12 months?

Deploying technology (cloud, AI and other advanced tech)

Investing in cybersecurity to respond to geopolitics



Base: All respondents who answered 'slightly exposed' to 'extremely exposed' in Q3A EU (n=1,153), US (n=161), APAC (n=1,414)

Q4: Which of the following actions, if any, is your company considering to mitigate against exposure to geopolitical conflict in the next 12 months? Increasing investments in cybersecurity or data privacy

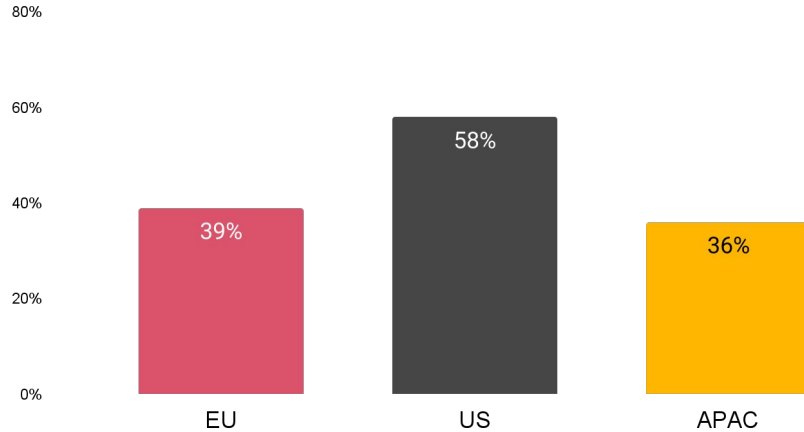
Upskilling the European workforce



EU CEOs are less likely to consider layoffs or hiring freezes compared to their US counterparts

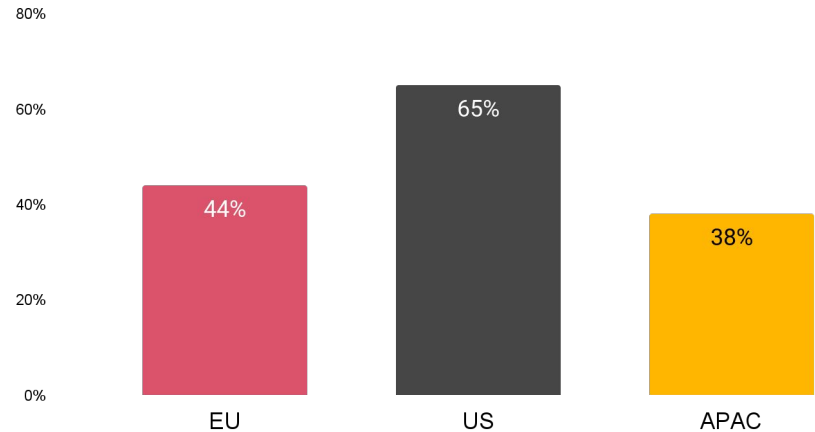
Reducing workforce (e.g., layoffs, redundancies)

"We are considering this in the next 12 months" + "We are already doing this/have done this)



Implementing hiring freezes

"We are considering this in the next 12 months" + "We are already doing this/have done this)



Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

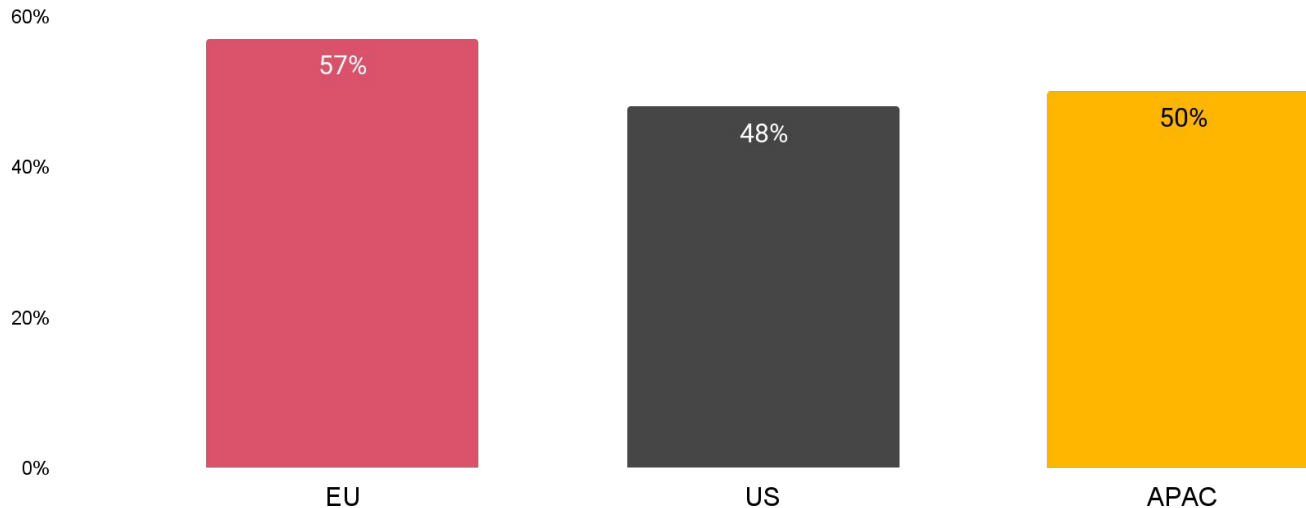
Q5. Which of the following options best describes any action your company may be considering to mitigate against potential economic challenges and volatility in the next 12 months?

Not shown: 'We do not plan to do this' and 'Don't Know'

EU CEOs are more concerned about skills shortages than their peers elsewhere

Labour/skills shortages in the next 10 years

Net: Large & Very Large Extent



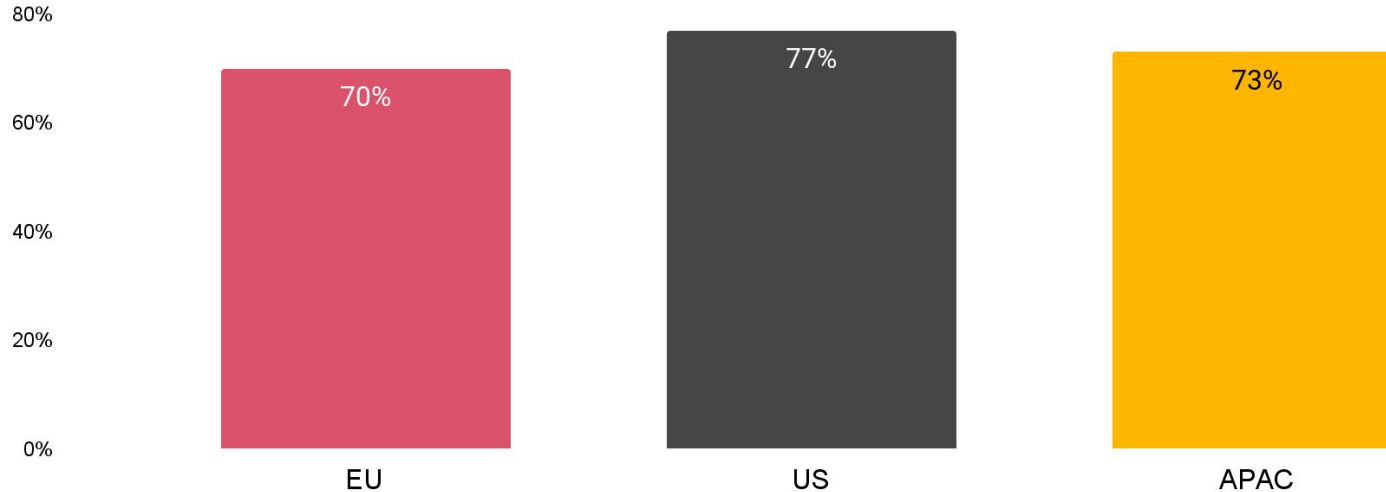
Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

Q13: To what extent do you believe the following will impact profitability over the next 10 years? [Labour/skills shortages]

Not shown: 'Not at all', 'Limited extent', 'Moderate extent', 'Don't Know'

Many EU CEOs are investing in upskilling their workforce this year - but almost a third are not

Upskilling the company's workforce in priority areas



Base: All respondents EU (n=1,254), US (n=197), APAC (n=1,634)

Q14. Which of the following investments, if any, is your company making in the next 12 months? [Upskilling the company's workforce in priority areas]



Thank you

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26th Annual Global CEO Survey

Methodology

PwC surveyed a global sample of 4,410 CEOs across 105 countries and territories in October and November of 2022.

The EU figures are based on unweighted data from 1,254 responses across 20 EU countries:

Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovenia, Spain and Sweden.

