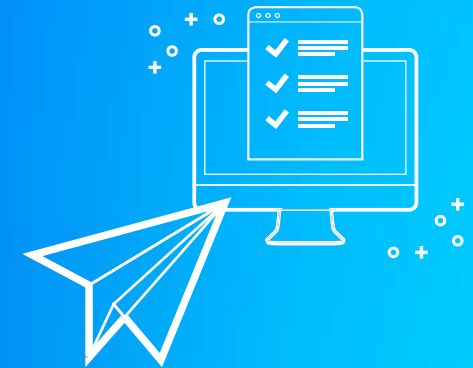


ATREUS STUDY 2023

THE ENERGY REVOLUTION AND ITS CONSEQUENCES

Dear readers,

The **Energy Revolution** is having far-reaching effects on our economy, forcing us to confront the question of whether competitiveness in Germany is at risk compared with other nations. As a factor in **site** location, **energy** is taking on increasing importance. If the Energy Revolution is not carefully implemented in consideration of economically sound aspects for market players, our country will face a risk of deindustrialization. This is the conclusion of our current study “The Energy Revolution and its Consequences”, which queried 440 leading senior executives including directors, members of management and supervisory boards and interim managers across a variety of sectors in July 2023. The study yields important insights that anticipate and reflect on substantial challenges that will be required within the German economy if businesses are to continue to be successful and sustainable in the years to come.



Executive Summary

1. Drivers of transformation in the German energy economy:

- Supply guarantees, cost controls and competitiveness have sharply increased in importance in the last 12-18 months
- Climate protection and sustainability remain core issues

2. Importance of energy factors (supply, costs for companies):

- Nearly two thirds of respondents rated energy costs and supply guarantees as important or very important for their companies compared to other criteria
- In almost 70% of cases, importance has either sharply or very sharply increased.

3. Assessment of the current general situation in Germany

- A fundamental improvement is viewed as urgently required: The need for cost optimization is acknowledged by over 80% and for improved planning reliability by almost 80%.

4. The importance to companies of their current practice in obtaining approvals in the context of Energy Revolution (such as new transmission line construction, windmills):

- 60% view this topic as important or even very important, while over 95% view procedures as too slow

5. Relevance of energy factors in location decisions:

- Nearly 87% regard the subject of energy as relevant or very relevant for location decisions.

6. Company levels at which energy matters are discussed and decided:

- At the highest level, nearly 88% in the board of directors or executive management

7. Clarity of an overall energy concept for Germany:

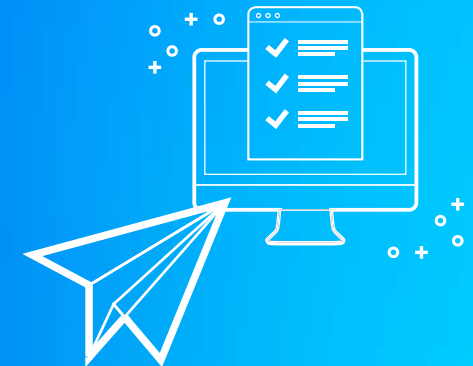
- A common target vision is lacking: 74% find it to be less clear or entirely unclear

8. Importance of having industrial energy price subsidies for companies:

- Opinions are complex: Two thirds view the issue as important but with certain qualifications (with respect to time, or only in the case of energy-intensive industries). One third sees the matter as an inappropriate measure that could be restricted by the Energy Revolution could restrict.

9. Developments with regard to the Energy Revolution, changes to professional qualifications and the need for external expertise within the next one to three years:

- 73% of all respondents see the need for external expertise as either critical or highly critical.





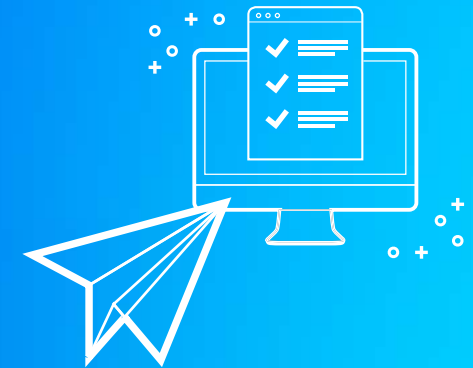
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The study setup

- + **Survey period:** July 2023
- + **Methods:** Online questionnaire-based survey featuring open-ended and multiple-choice responses
- + **440 C-level respondents**



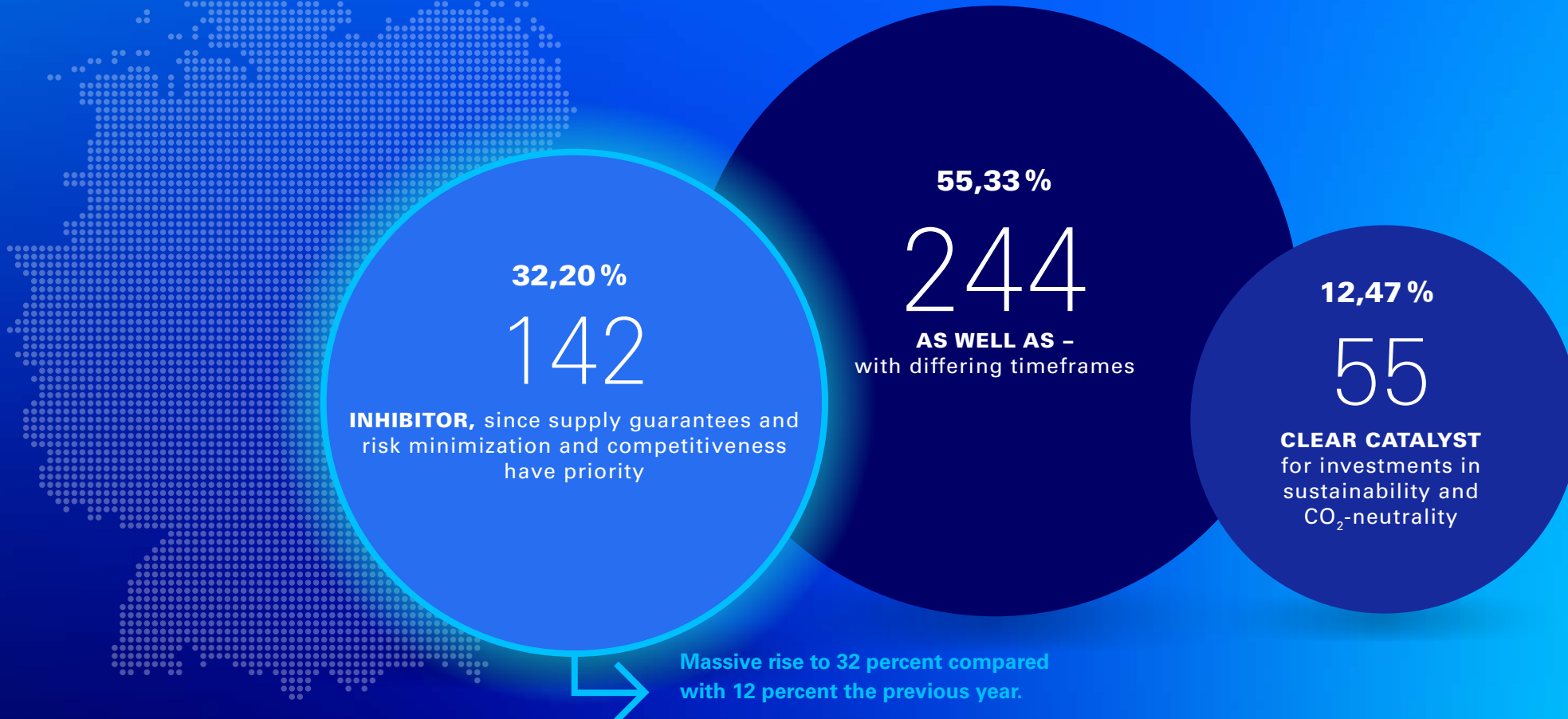


” *“Meanwhile, nearly nine in ten companies deal with the subject of energy supply at the highest level of management. Our study indicates that supply guarantees and energy costs as core issues in recent months have become even more relevant for company decision makers. Nearly three quarters currently consider these fields to be either important or very important compared to other criteria – a significant jump compared to the previous year.”*

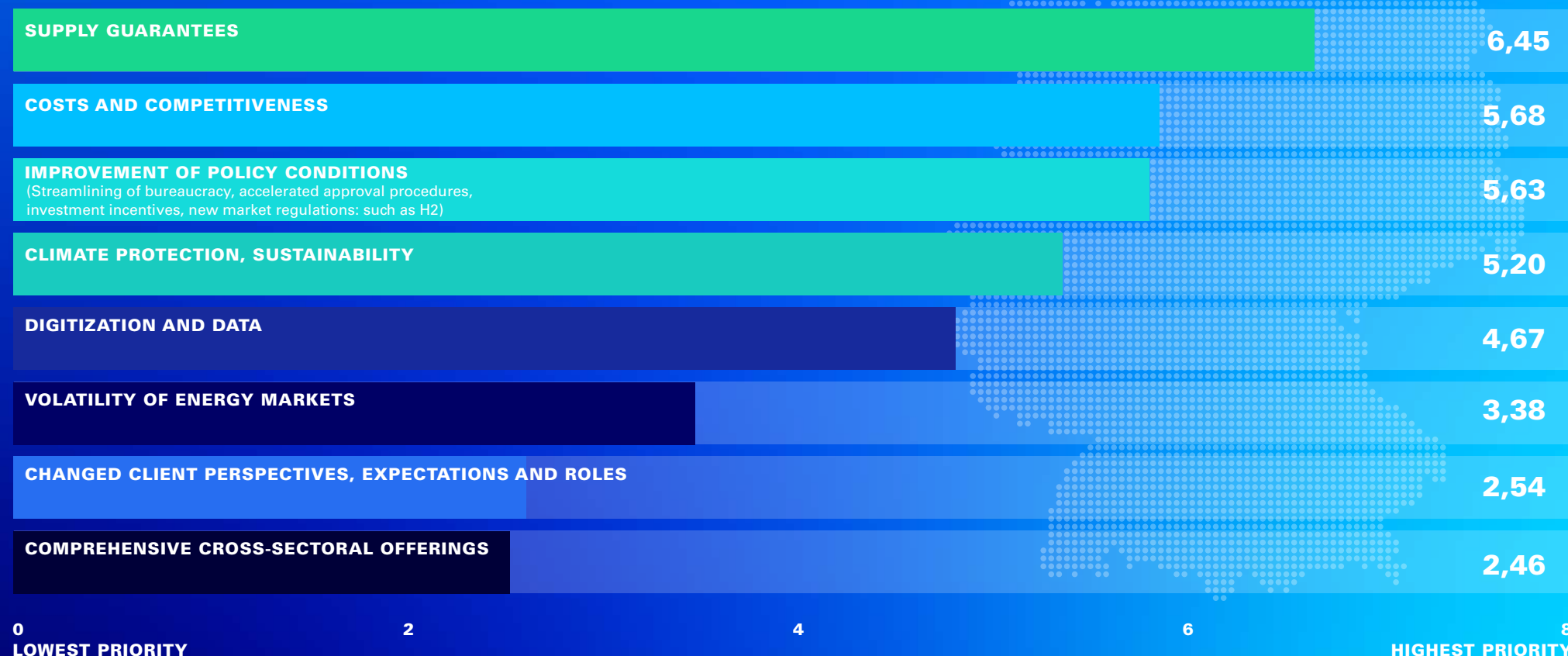
MARTIN SCHULZ

Partner and Director, head of the Solution Group Energy and Environment

How do you assess the current **general situation of energy markets** with respect to the transformation of the energy economy?



Please rank the following **drivers in the order of their importance to the transformation** of Germany's energy economy (according to priority)



How has the importance of these drivers (from question 2) changed in the last 12-18 months?



* (Streamlining of bureaucracy, accelerated approval procedures, investment incentives, new market regulations: such as H2)



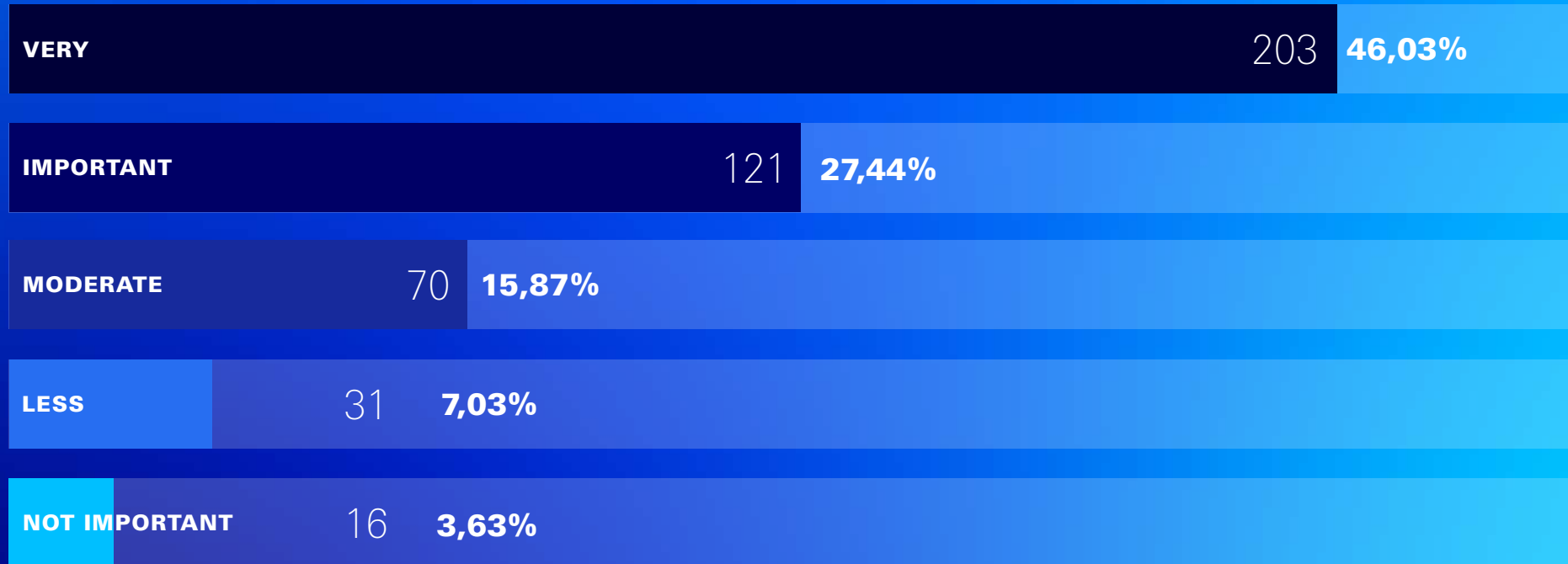
”

“Policy makers are striving to take great steps to remove hurdles related to approval processes. Still, current initiatives in this area are insufficient – we need to act faster and make farther-reaching decisions since, for one thing, climate goals such as the competitiveness of our economy in participating in the energy market are at great risk. Added to this are ever-scarcer resources in the areas of materials and personnel capacity, such as construction companies that are also in great demand in sectors such as road and rail construction. From the vantage point of the present day, capacities with respect to all measures are insufficient.”

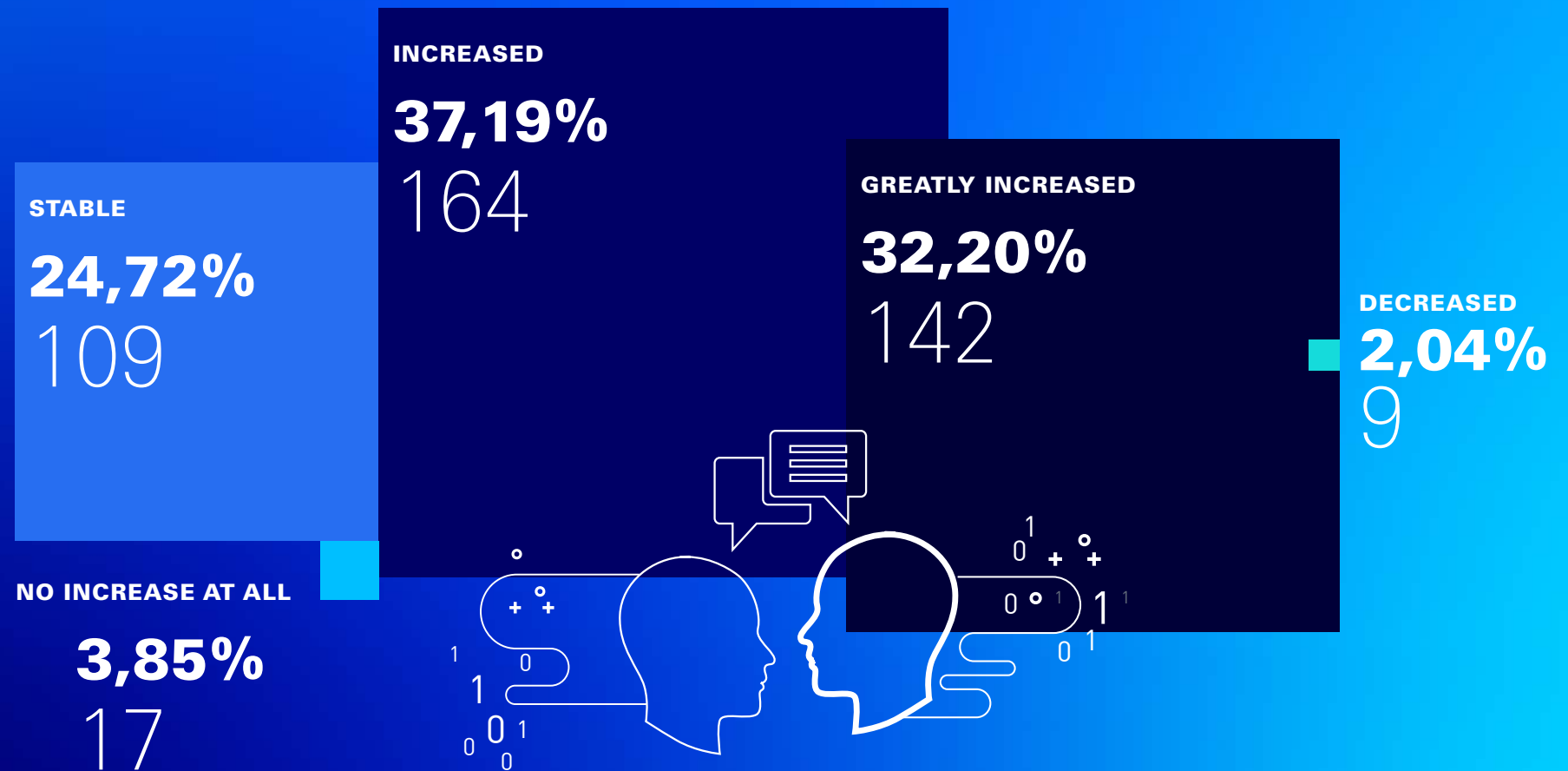
THOMAS GLÄßER

Director and head of the Solution Group Infrastructure Major Projects

How important is the subject of **energy (supply, costs)** for your **company**?

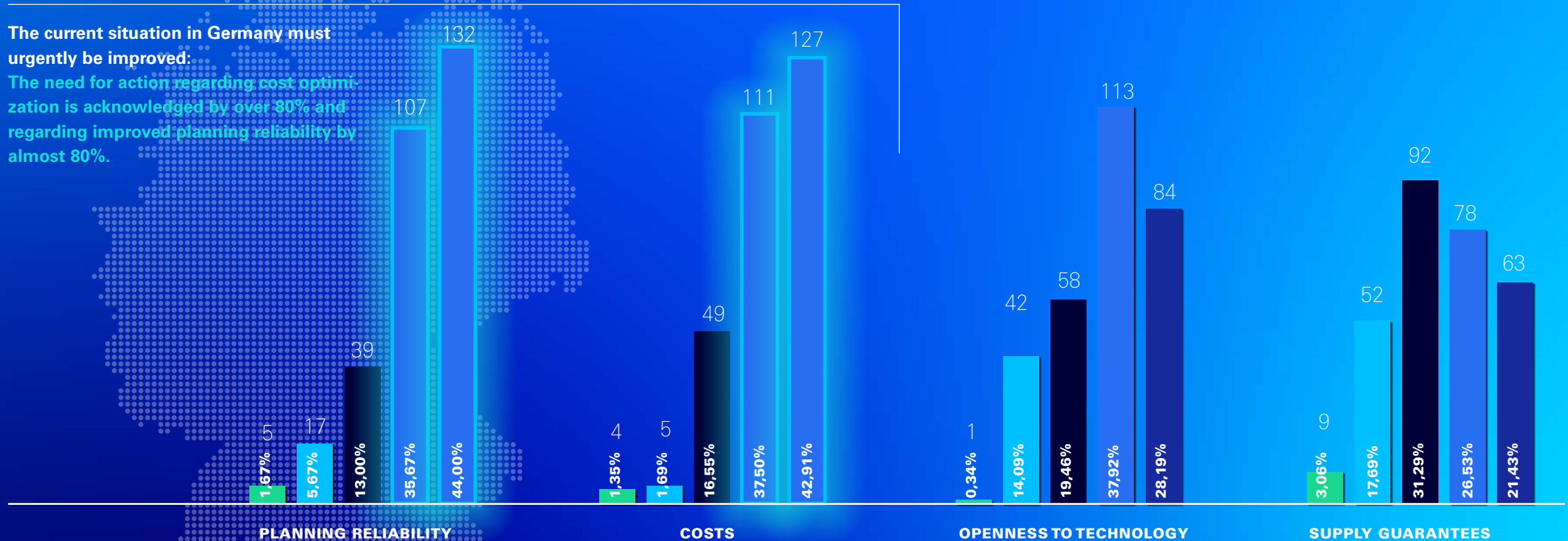


To what extent have energy issues surrounding **supply guarantees**, costs and energy **procurement increased in importance in your company?**

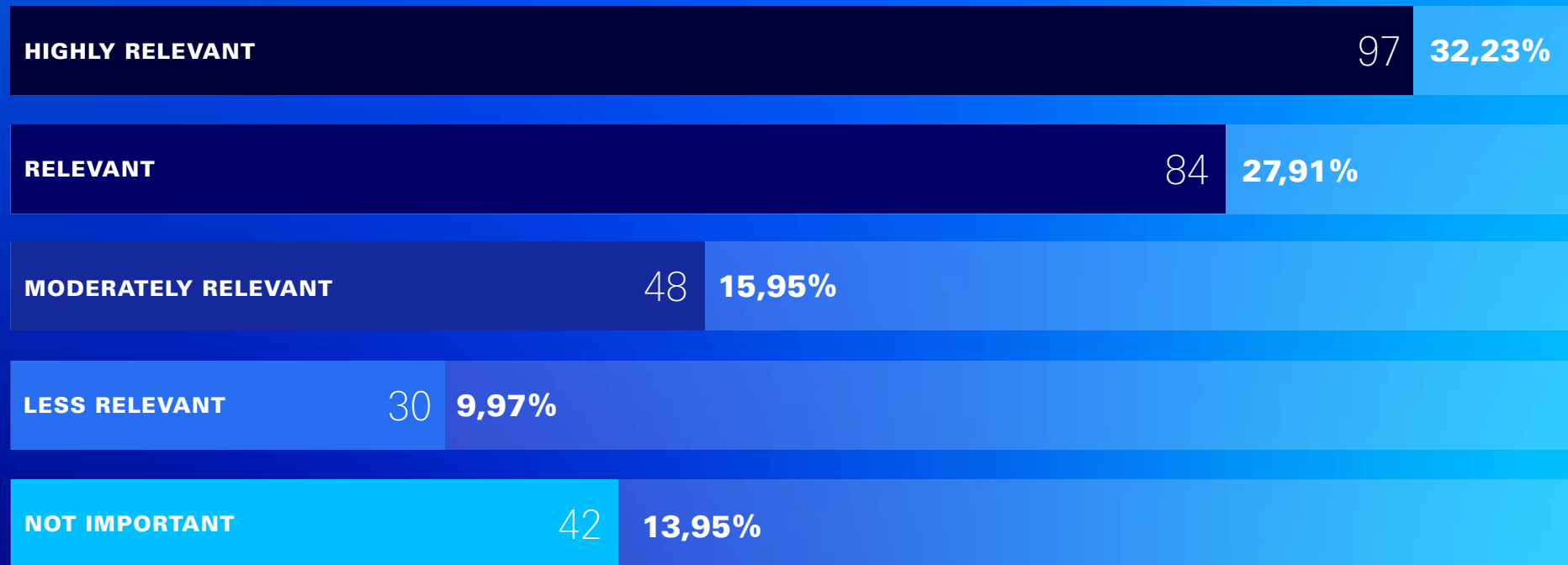


How do you assess the current **general situation in Germany** with respect to:

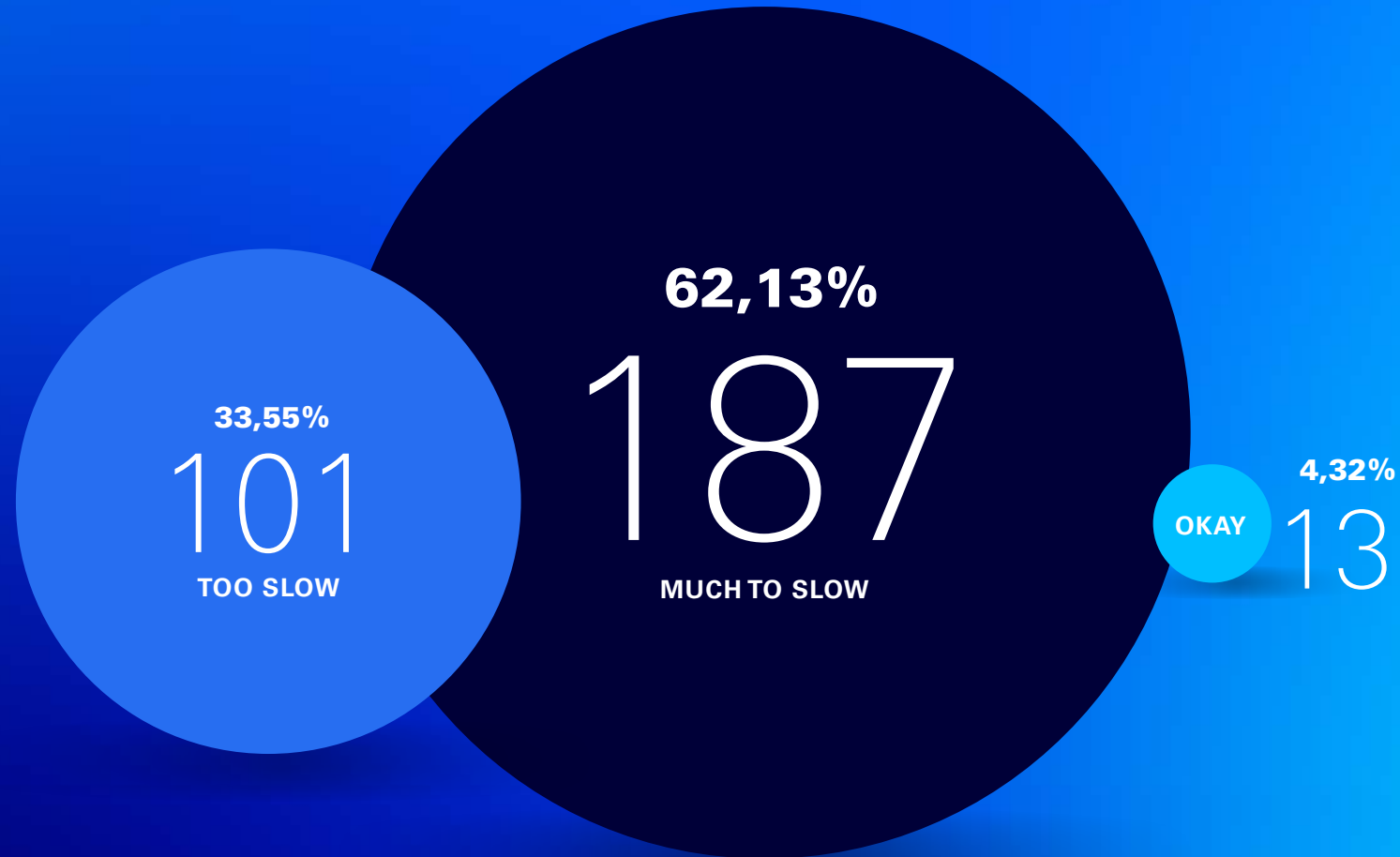
The current situation in Germany must urgently be improved. The need for action regarding cost optimization is acknowledged by over 80% and regarding improved planning reliability by almost 80%.



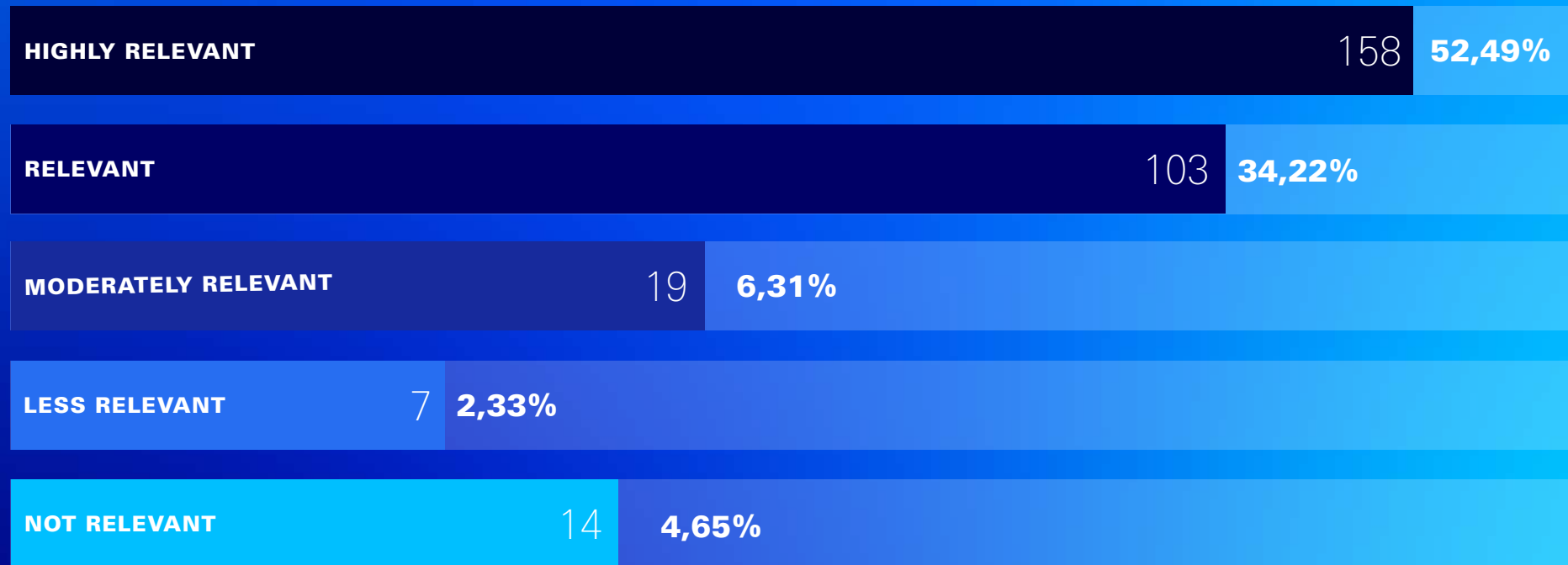
How would you rate current practice with **regard to approval procedures** related to the Energy Revolution for **your company** (for example: New transmission line construction, windmills, etc.)?



With respect to question 7, how do you assess **the speed**?



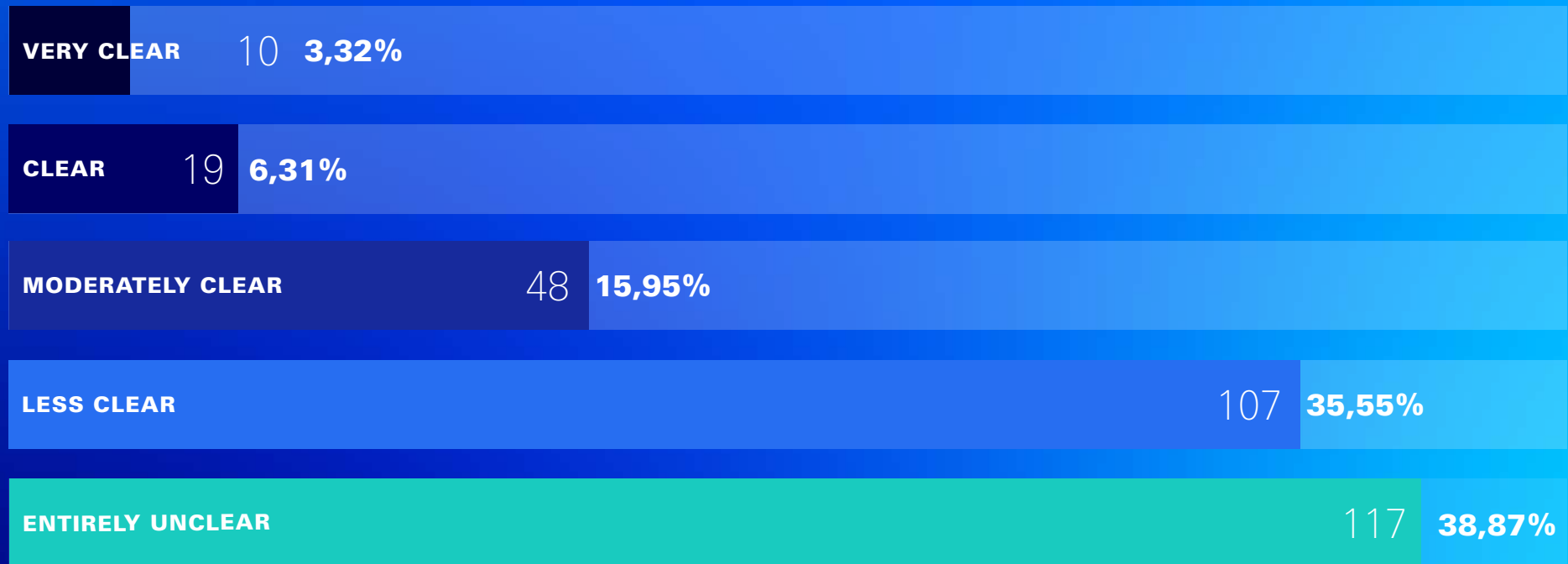
How relevant is the subject of energy for **location decisions** within **your company**?



At which level are energy matters discussed and decided in your company?



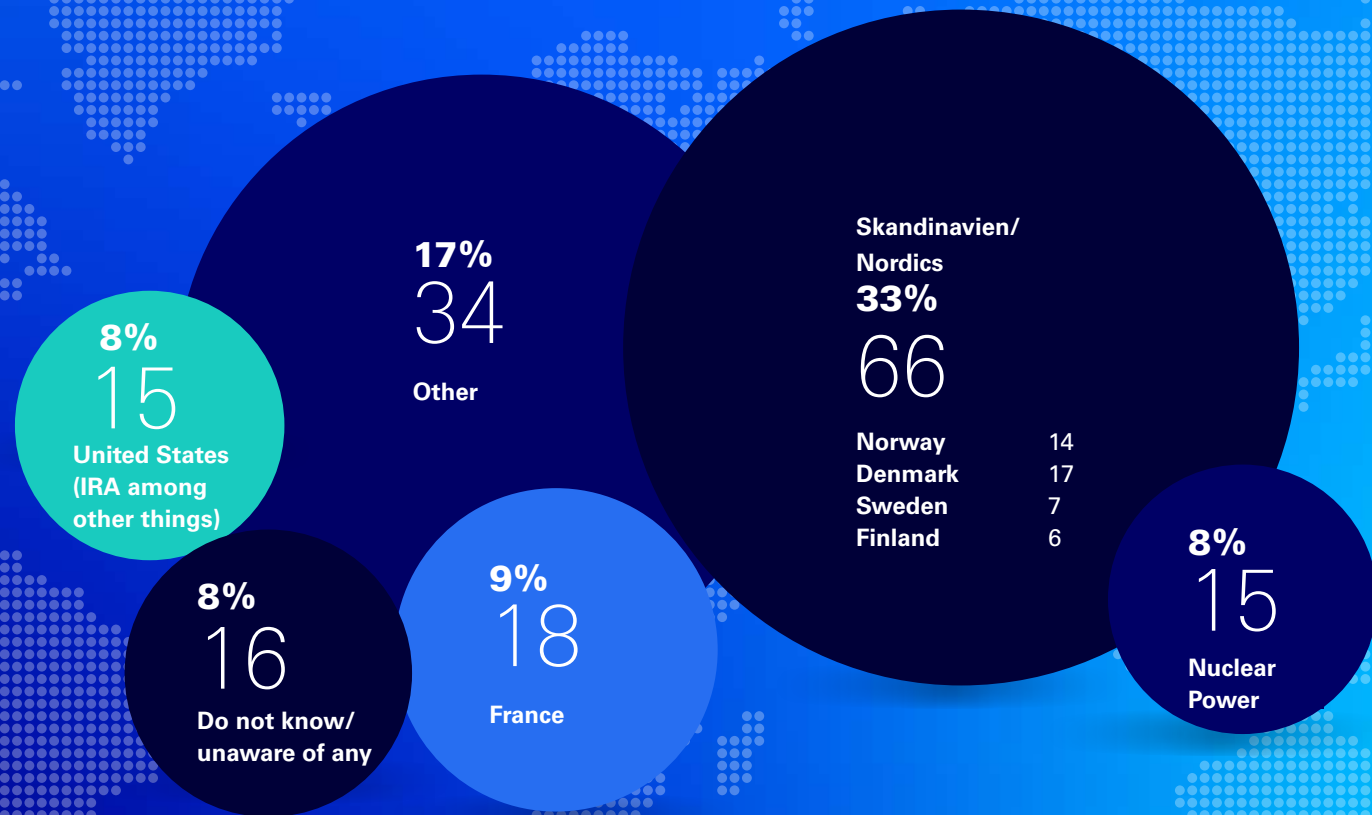
How do you assess the **clarity of an overall energy concept** for Germany?



Which best-practice examples for energy transformation
are provided by other countries or corporate structures?

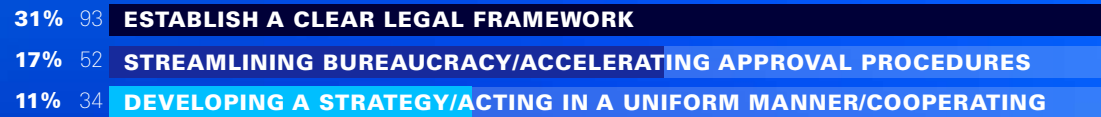
Best Practices

- Generation of base load (nuclear energy) and renewable energy
- Holistic approach to the Energy Revolution (electric power, heating), intersectoral linking
- Clear policy conditions
- Pragmatic, solution-oriented implementation



Open-ended question: What can the **stakeholders in each company** contribute?

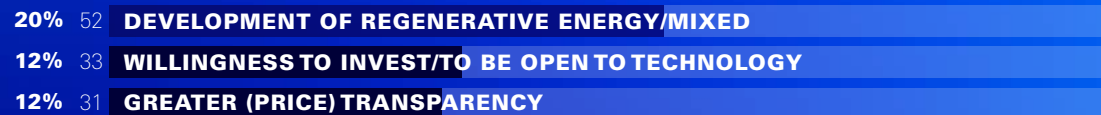
POLICY



NETWORK



ENERGY SUPPLIERS



INDUSTRY



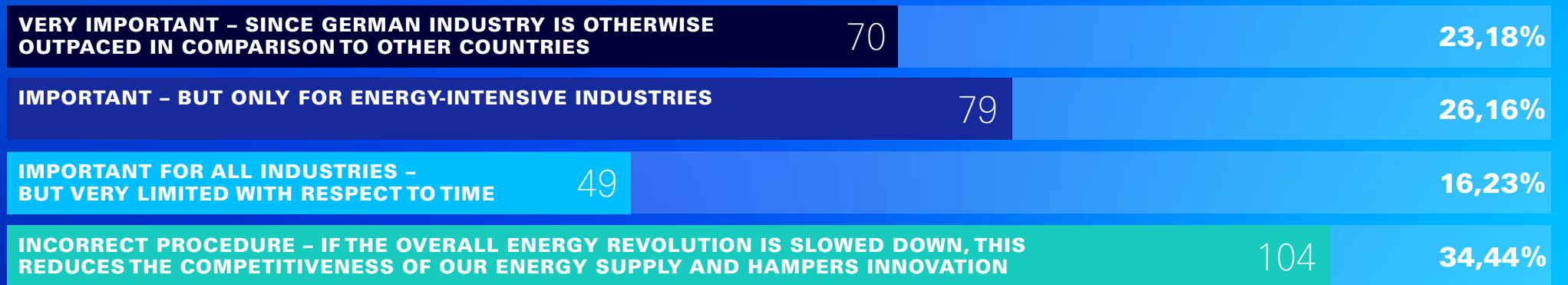
The question regarding what stakeholders such as policymakers, network operators, energy suppliers and industry can contribute illustrates clear requirements:

→ clear target vision for rapid, straightforward expansion of infrastructure and development of renewable energy forms.

→ Actively promote the Energy Revolution including decentralized energy generation and increased energy efficiency.

Every step matters in designing a sustainable future!

How important is it **for companies to have a subsidized price** for industrial energy?



What would be your primary requirement for an industrial energy price?

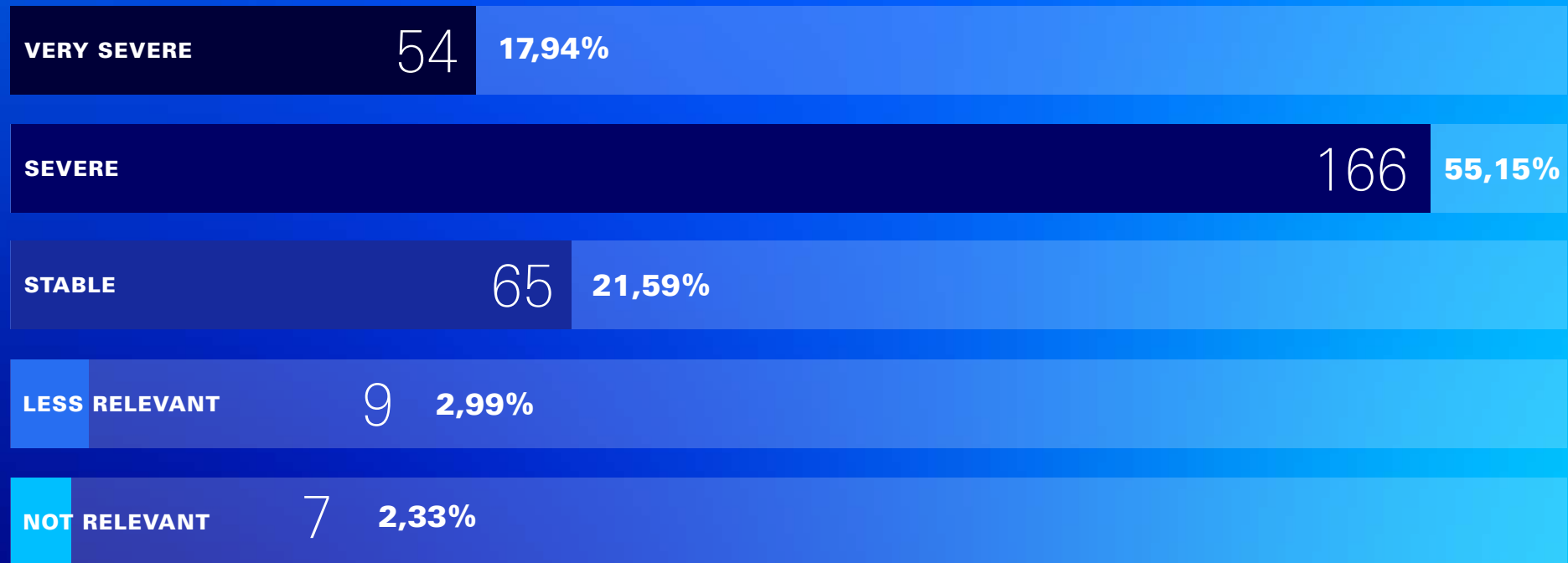
- Competitive, internationally comparable
- Affordable/as low as possible
- Predictable/stable/transparent

Open-ended question: Where do you see **high potential for your company to profit from the Energy Revolution?**

Most frequent responses:

- Development of green energy/Energy Revolution/CO₂-neutrality
- Technical innovations/digitization
- stable and predictable prices
- Develop energy efficiency
- Not being dependent on external factors
- Green hydrogen
- Consulting
- Foreign emigration
- e-Mobility
- Coal, gas and nuclear energy

What developments are you expecting to result from the Energy Revolution and its effects on **changes to professional qualifications and the need for external expertise** within the next one to three years?



Open-ended question: **Related to this, what qualifications**
do you consider particularly relevant?

Most frequent responses:

- Innovation/ technology/digitization
- Know-how and expertise on sustainability
- Energy efficiency/energy saving/energy management
- Holistic approach
- Hiring skilled specialists
- Openness/objectivity/independence
- Policy perspective/funding
- Transformational skills
- Cost management
- Strategic consulting
- Supply guarantees
- Resiliency



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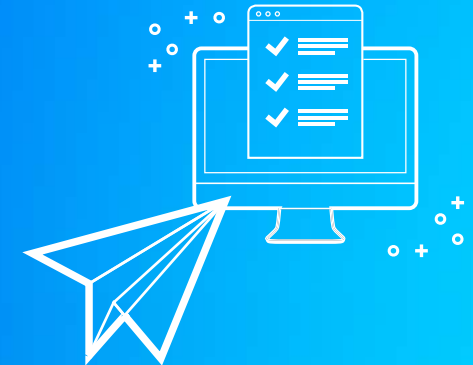


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This survey was created by Atreus GmbH in July 2023.

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