25th Annual Global CEO Survey

Reimagining the outcomes that matter

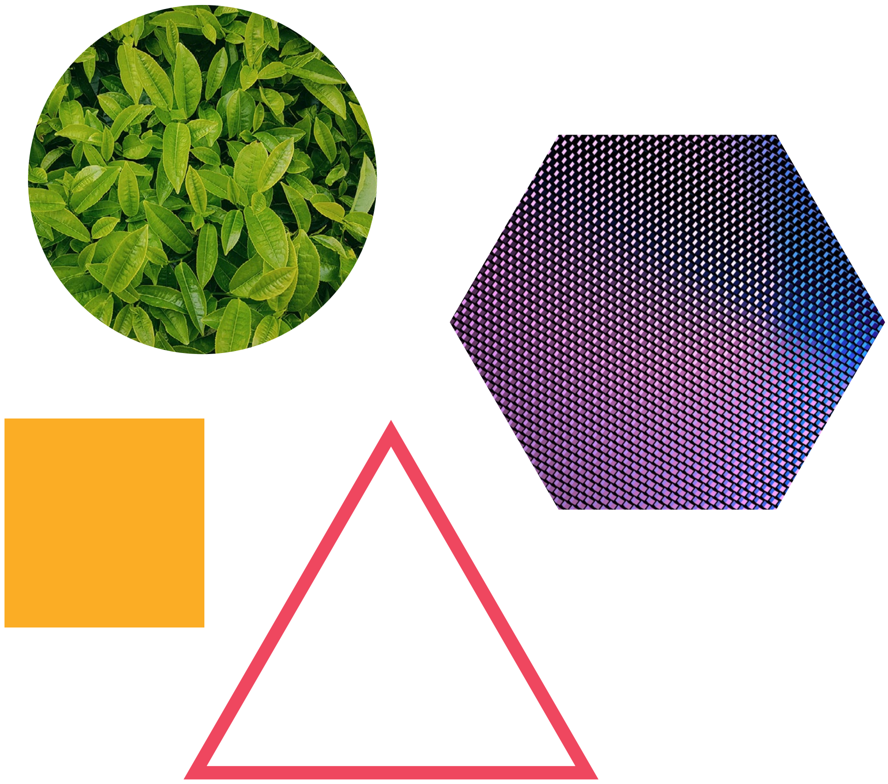
India perspective

https://www.pwc.in/ceosurvey

pwc

The New Equation

2021 has been a year replete with challenges and a few opportunities. The pandemic and the second and third wave notwithstanding, the International Monetary Fund (IMF) projects the global economy to grow 4.9% in 2022 and India's GDP to grow 8.5% during 2022-23, as per its World Economic Outlook published in October 2021.[1] World Bank, too, in its latest Global Economic Prospects report published in January 2022, projects India's economy to grow 8.7% in 2022-23 and 6.8% in 2023-24.[2]

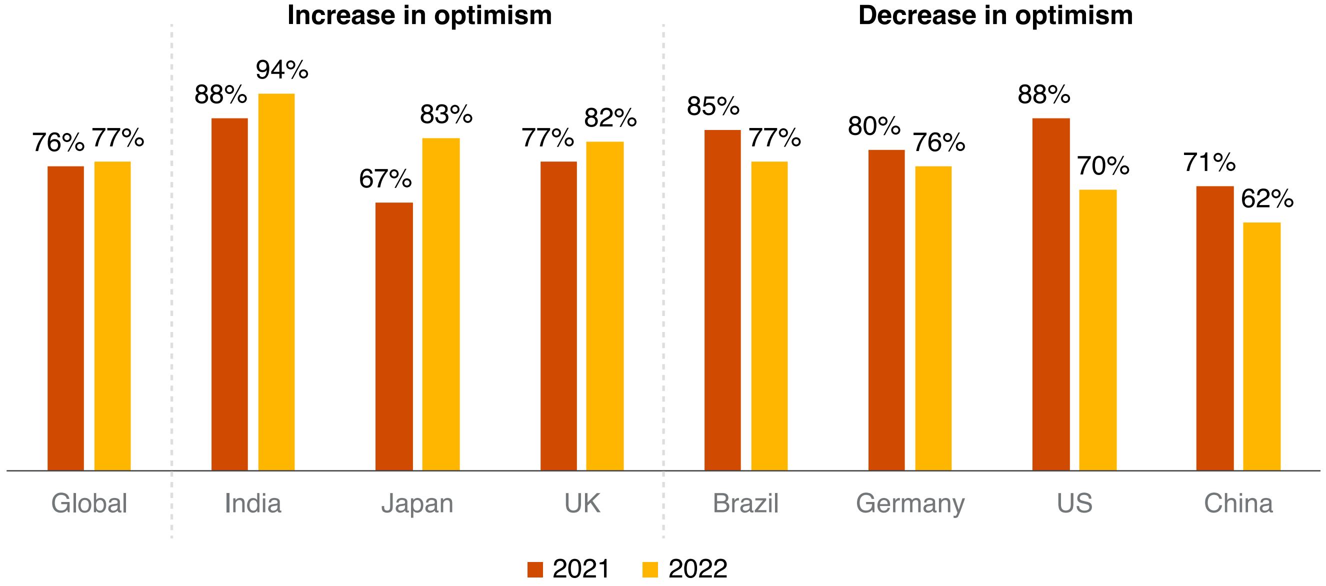


1 World Economic Outlook, October 2021
2 Global Economic Prospects

These projections resonate with India CEOs, 99% of whom believe India's economic growth will improve over the next 12 months. In fact, the 4,446 CEOs from 89 countries and territories – of whom 77 are from India – who responded to our 25th Annual Global CEO Survey in October and November 2021 express optimism about continued economic resilience. But just two weeks after the fieldwork closed, news of the Omicron variant reverberated around the world—raising fresh questions about the course of the pandemic and about society's ability to continue the slow climb to normalcy.

CEOs in Brazil, China, Germany, and the US report feeling less optimistic than they were a year ago that growth rates are poised to increase; whereas those in India, Japan, and the UK are even more optimistic than they were last January.

Optimism is trending slightly up in Japan, the UK and India – and slightly down in Brazil, China, Germany and the US

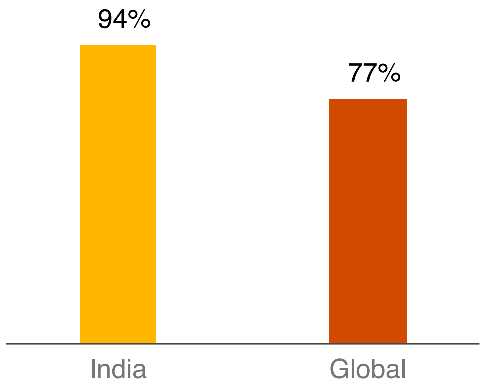


These differences may simply reflect where CEOs see themselves in the economic cycle. China and the US, for example, rebounded ahead of the rest of the world and are now experiencing growing pains in the form of inflation, real estate bubbles, and supply chain disruptions. Both countries are also confronting labour shortages. In China, shifting demographics and structural unemployment[3] are creating a growing gap; in the US, headlines about 'the Great Resignation' and early retirements[4] predominate.

3 China needs 11.8m workers. Here's how to close its labour gap
4 The latest twist in the 'Great Resignation'

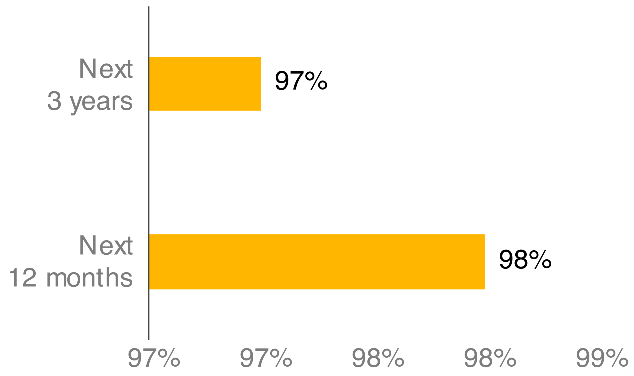
In India, however, 94% of CEOs (as against 88% last year) feel that global growth rates are poised to increase, while 99% believe India's economic growth will improve over the next 12 months. Also, more than 95% of India CEOs – many of whom lead private equity firms and technology firms – are confident about their respective company's prospects for revenue growth over the next 12 months and three years.

Improvement in global economy over the next 12 months*



*shows improve significantly, moderately, slightly responses

India CEOs confidence about their own company's prospects for revenue growth over...**



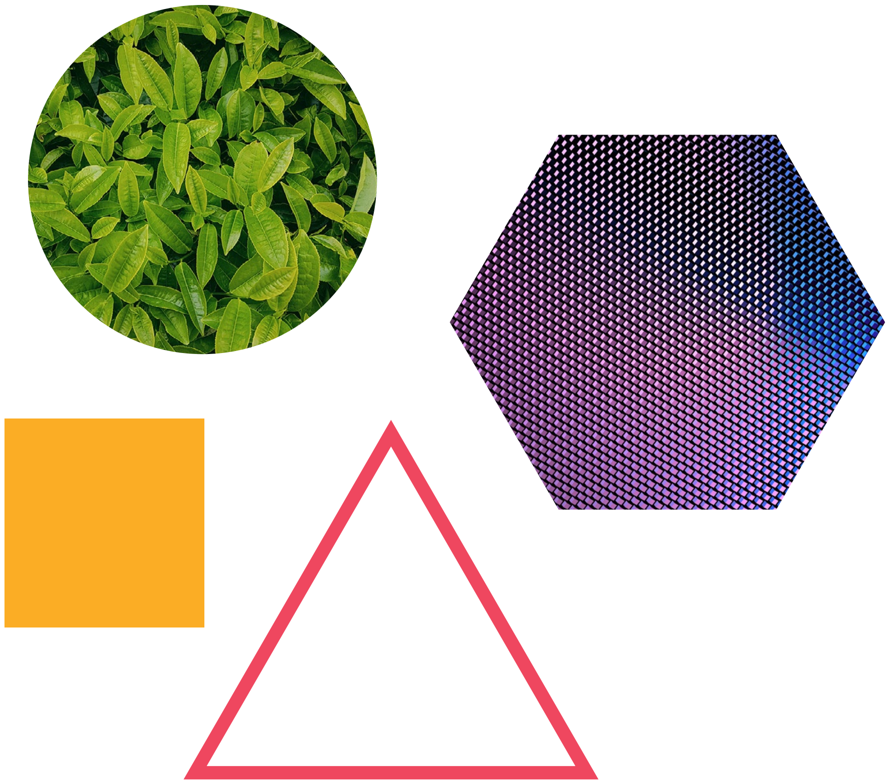
**shows extremely, very, moderately and slightly confident responses

The optimism notwithstanding, there are challenges facing CEOs today – be it their net-zero commitments, cyber risks or geopolitical conflict with the two emerging US-centric and China-centric blocks. Increasingly, CEOs need to create sustained outcomes for multiple stakeholders whose interests are not always aligned. Yet, the imperative to take decisive action has perhaps never been as strong. Business as usual isn't mitigating the climate crisis, or bridging the socioeconomic divide.

The results of our 25th Annual Global CEO Survey lay these truths bare — and underscore the need for bold leadership to unite us as global citizens and problem solvers. The findings also indicate how certain perceptible trends discussed in the subsequent sections are generating meaningful economic energy and are likely to present opportunities for many larger companies, while also necessitating the building or buying of new capabilities. The five areas to watch are the platformisation of consumer financial services, regulatory, market, finance and technology shifts to accelerate transition towards clean energy, the creation and expansion of the tech-enabled 'metaverse', the ongoing convergence of mobility and digital commerce, and the virtual evolution of health and wellness.

India findings at a glance

As environmental, financial and societal pressures converge, today's leaders must solve a new equation.



Near-term optimism

This year's Survey saw the participation of 4,446 CEOs from 89 territories of which 77 are from India. 77% of global CEOs believe global economic growth will improve, the highest share since 2012. India CEOs too remain optimistic about their near-term economic prospects.

94%	of India CEOs, as against 77% of global CEOs, believe global economic growth will improve over the next 12 months.
99%	of India CEOs believe India's economic growth will improve over the next 12 months.
98%	of India CEOs, as against 96% of global CEOs, are confident about their own company's prospects for revenue growth over the next 12 months.
97%	of India CEOs and global CEOs are confident about their own company's prospects for revenue growth over the next 3 years.

Threats to the top line

Last year 70% of India CEOs viewed the pandemic as a top threat to growth, while 62% considered cyber threats as an impediment to growth. This year too, cyber risks figure among the top three threats.

89%	of India CEOs are concerned about health risks.
77%	of India CEOs are worried about geopolitical conflict and cyber risks.

India CEOs believe these threats could likely have a near-term impact on their top line, inhibiting their ability to sell products and services.

Which outcomes matter?

Despite rising interest in ESG, strategy is still primarily driven by business metrics, both globally and in India. Most CEOs have goals related to nonfinancial outcomes such as customer satisfaction, employee engagement, and automation or digitisation included in their long-term strategy. Less well-represented, in strategies and compensation, are targets related to workforce gender representation and climate mitigation and adaptation.

81% and **75%** of India CEOs, as against 71% and 62% of global CEOs, include customer satisfaction and employee engagement metrics respectively in their company's long-term corporate strategy.

78% of India CEOs, as against 54% of global CEOs, include automation and digitisation goals in their company's long-term corporate strategy.

17% and **14%** of India CEOs, as against 11% and 13% of global CEOs, factor in gender representation and greenhouse gas emissions respectively in their company's annual bonus or long-term incentive plans.

The diverse paths to net-zero

Firms with serious decarbonisation pledges often embed targets into strategy. 22% of our global respondents have made a net-zero commitment. Nearly two-thirds of those with revenues of USD 25 billion or more have made a net-zero commitment, compared to 10% of companies with revenues of less than USD 100 million.

30% of India companies, as against 26% of global companies, have made a carbon-neutral commitment.

27% of India companies, as against 22% of global companies, have made a net-zero commitment.

22% of India companies, as against 36% of global companies, have made neither a net-zero nor a carbon-neutral commitment.

Near-term optimism

2021 saw a K-shaped asymmetrical recovery with divergent sectoral patterns. It was the first year of a housing upcycle, with visible uptick in volumes and pricing in India.[5] It was also a year that witnessed the birth of 42 unicorns with a total valuation of USD 82.1 billion in India.[6] Besides, much-needed Production Linked Incentive (PLI) schemes across 13 key sectors and an inclination toward tariff rationalisation aim to improve the local supply chain, develop key downstream operations, and incentivise investments in high-tech production to position India as a global manufacturing hub.

There is, however, some nervousness around the sustainability of demand owing to the impact on household incomes. Low interest rates and the base effect, however, should provide a good growth in 2022, and as experts predict, there may be a broader capex upturn over the next four to six quarters.

As an organisation we are optimistic. If I look at infrastructure, there is the National Infrastructure Pipeline, the National Hydrogen Mission, the Gati Shakti scheme, the Bharatmala Pariyojana, the dedicated freight corridors, the high-speed rail corridor, the north-east development projects, etc. So quite a few opportunities are available. There will be competition no doubt, as well as many other factors to consider. However, we have the required depth in engineering and project management, particularly for large and complex projects. Along with this, we need to further leverage digital technologies and off-site manufacturing to improve productivity and speed of execution. With all this, we expect to capture several emerging opportunities to achieve healthy growth over the next five years.

– **S.N. Subrahmanyan**, CEO and MD, Larsen & Toubro

One huge risk that the economy is exposed to is newer variants of the virus, such as Omicron. While this has already created disruptions in Europe and the US, the world has learned to live with the virus to some extent through micro-containments and by not disrupting all businesses and supply chains through complete lockdowns. Further waves of viral infection will undoubtedly put greater pressure on households either through loss of income owing to the breadwinner not being able to go to work and/or higher expenses.

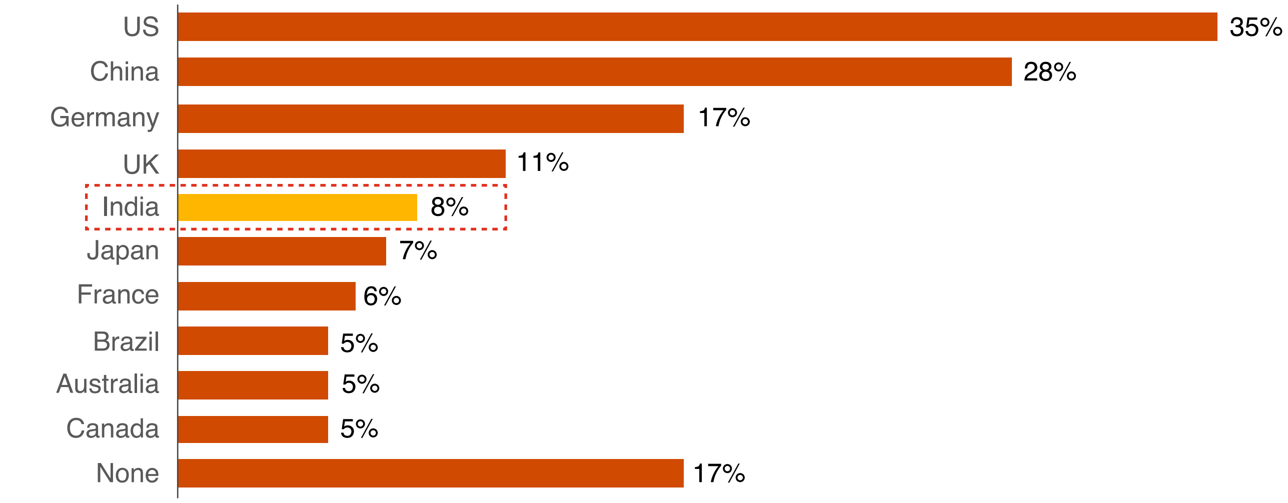
5 India's economy to repeat 2003-10 growth
6 Meet all the 42 unicorns born in 2021

From a macro-economic point of view, the raging inflation in the US and Europe and persistently high core inflation in India will be a key driver of monetary policy. The US Federal Reserve has already announced faster unwinding of bond purchases and indicated early policy rate increases and three rate increases in 2022. Many central banks have also started increasing policy rates. These actions are likely to have negative short-term effects on both currency and the stock markets. Any major correction in the stock market is likely to impact consumer sentiments more so now given the large number of households exposed to stock markets, as demonstrated through the statistics on the high number of demat accounts opened.[7]

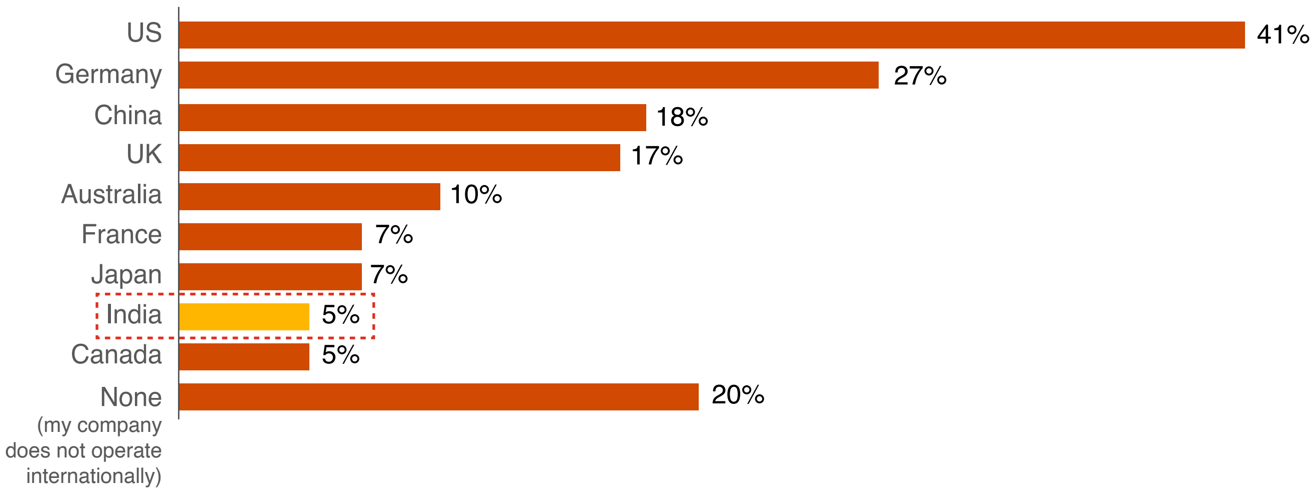
Possible weakness in consumption demand owing to such factors has, to some extent, influenced the global CEOs sentiment on their growth prospects in the Indian market. From being among the top five important markets last year, India has moved down by three notches.

Question: Which three countries/territories, excluding the country/territory in which you are based, do you consider most important for your company's prospects for revenue growth over the next 12 months?

2021



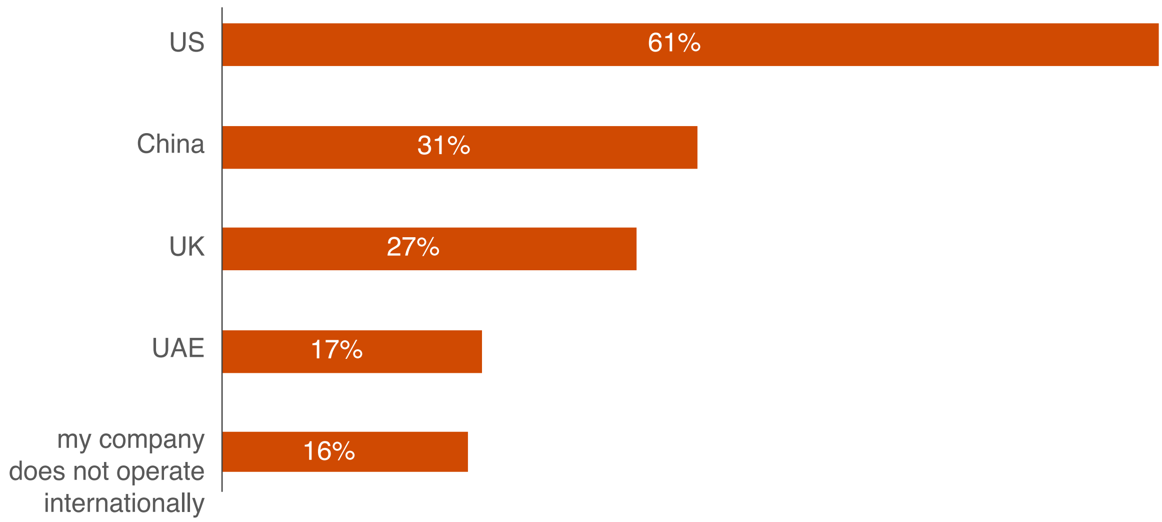
2022



7 As per reports, demat accounts increased by more than two fold from around 3.6 crore in 2018-19 to 7.4 crore by the end of November 2021.

However, that doesn't adversely impact the India CEO's outlook on India's economic prospects or their own company's growth. The technological efficiencies gained through super accelerated adoption of digital tools are likely to benefit companies through higher margins. The rapid pace of growth in the US and reasonably good growth in several European nations have given a boost to exports from India despite the challenges in shipping capacity and container shortages. This is reflected in the positive sentiments of India CEOs on global economic growth, and their company's revenue growth prospects in the US, China, the UK and UAE.

For India CEOs, the top territories for their companies' prospects for revenue growth over the next 12 months are…



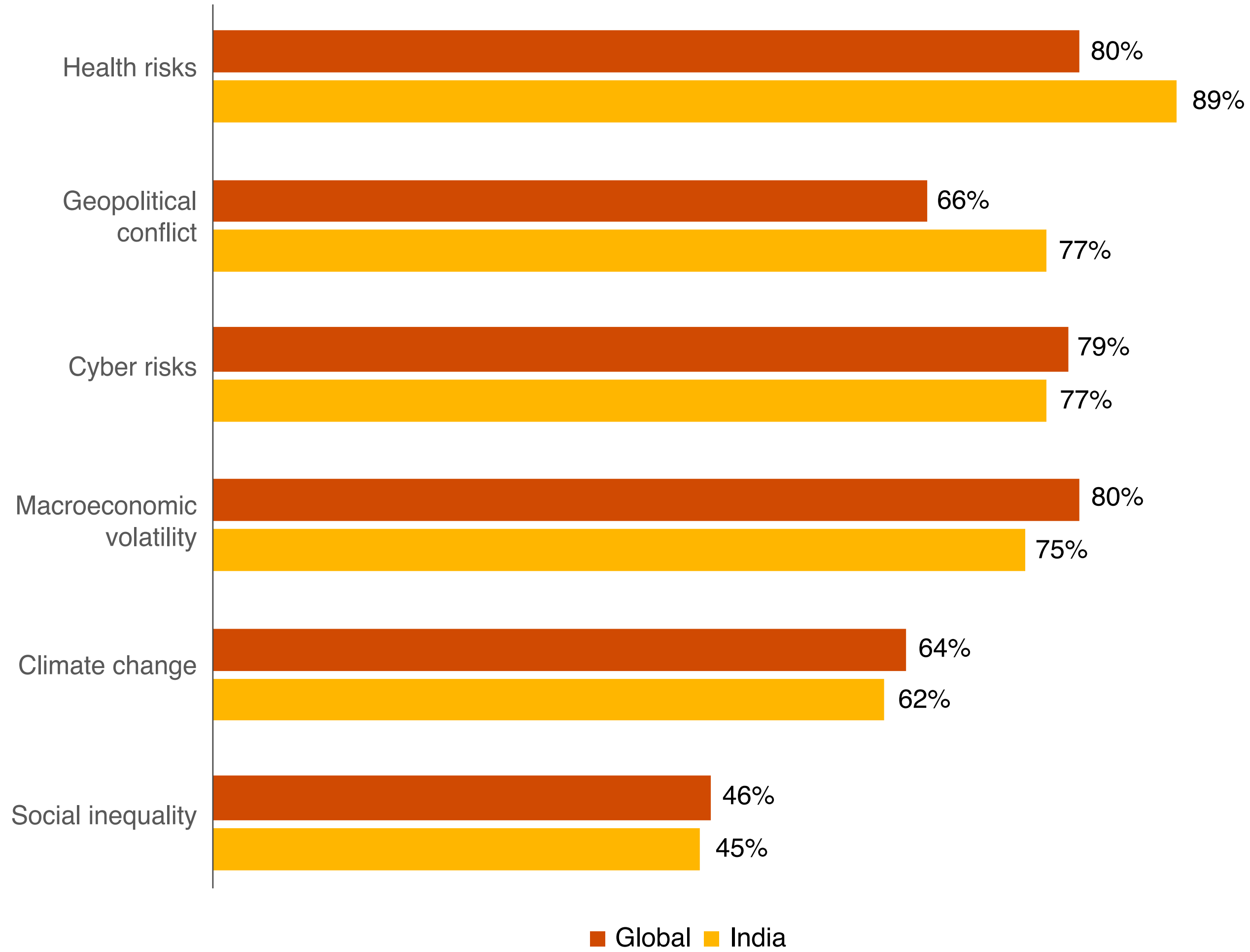
Another factor that will continue to have a significant impact on not only the growth of companies but also the strategic choices to be made is the emerging geo-politics. Two blocks are clearly emerging – one being China-centric and the other US-centric – given the size of economic shifts that have taken place. Multilateralism and a rule-based global economic order are back on the table. These trends will have major ramifications for global supply chains that will realign, albeit slowly. In addition, 'Digital Everything' will also be a cause for concern related to cyber risks, one of the top risks that India CEOs believe can impact revenue.

Threats to the top line

As the pandemic persists, the threats that CEOs are most worried about and the impact they foresee on their businesses in the next 12 months reveal that leaders are under pressure to deliver top-line results.

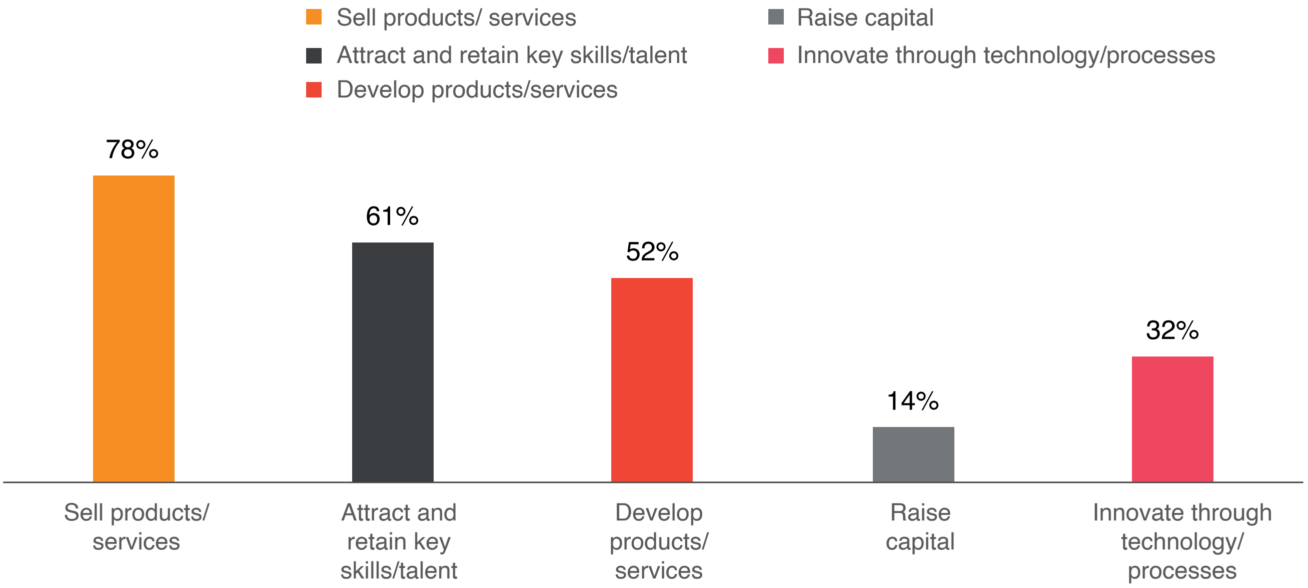
Global CEOs are concerned – very, moderately and extremely – about the global health situation and macroeconomic volatility, including fluctuations in GDP, unemployment, and inflation. Coming in a close third on the threat list is their concern about cyber risks. For India CEOs, health risks (89%), geopolitical conflict (77%) and cyber risks (77%) are the primary concerns that they feel are likely to have a near-term impact on their top line, inhibiting their ability to sell products and services.

Top threats on India CEOs' minds are health risks, geopolitical conflict and cyber risks

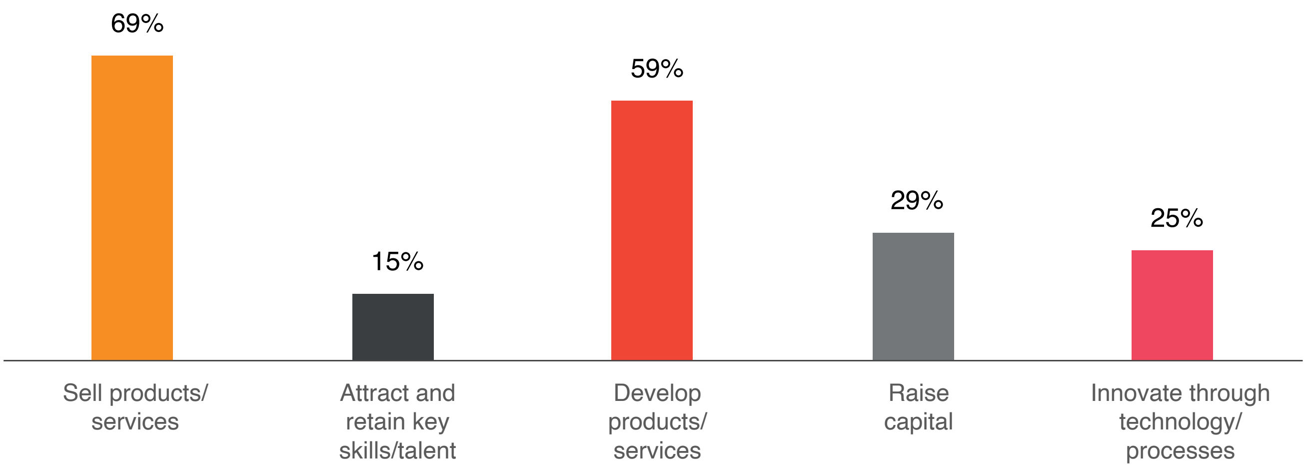


(Shows extremely, very and moderately concerned responses)

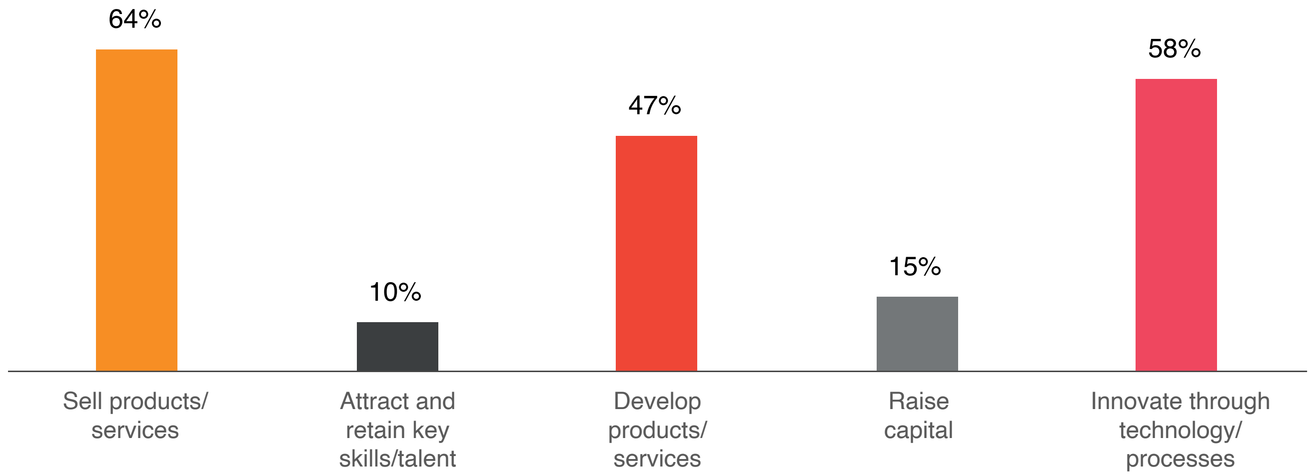
India CEOs are primarily concerned about the potential for these threats to inhibit their ability to...



Health risks



Geopolitical conflict



Cyber risks

(Shows extremely, very and moderately concerned)

That 89% of the India CEOs are concerned about health risks – 9% higher than their global counterparts – is perhaps an indication that business leaders would like to exercise caution when it comes to making early investment and business decisions, despite vaccination drives worldwide. Concern over the ability to attract and retain talent (61%) is strongly linked in CEOs' minds with health risks.

Adding to the continued challenge of the mutating COVID-19 virus is the rising geopolitical conflict which has led to global disruptions in commerce. This is 11% higher among India CEOs – and a cause for greater concern. These developments had a direct impact on trade and commerce and could well have jeopardised a company's ability to operate in specific regions or caused potential business interruptions by damaging the operations of key business partners.

> The geopolitical situation will surely impact businesses going forward. So one needs to understand how the entire situation will pan out, and be prepared for any eventuality.
>
> – **S.N. Subrahmanyan**, CEO and MD, Larsen & Toubro

Organisational growth was also substantially impacted owing to the disruptions in the supply chain ecosystems for distribution, logistics service providers, suppliers and manufacturers. The shift in consumer expectations and the adoption of ecommerce as a fulfilment channel, the global demand and supply shocks resulting from the semiconductor crisis[8] and global chip shortage, were also impediments that organisations had to grapple with.

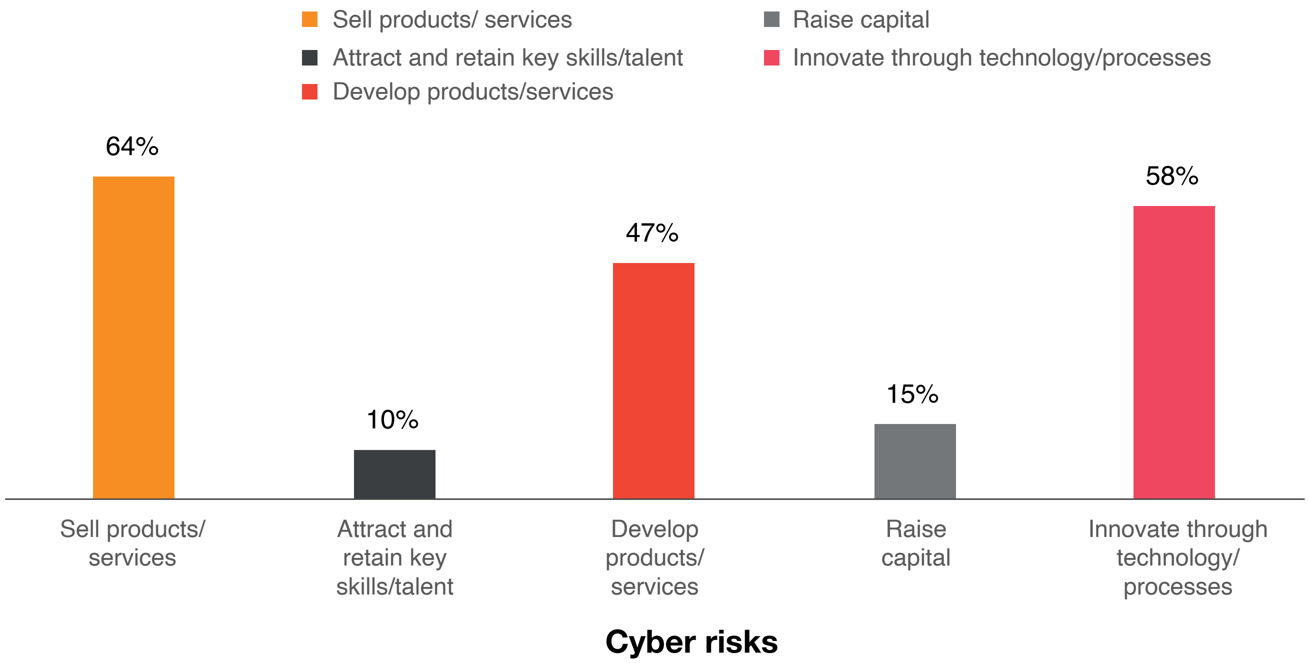
As to cyber risks, with the collapse of organisational boundaries and the increased adoption of cloud and digital transformation, organisations are evidently more exposed to cyber threats. Work from anywhere has reshaped the entire cyber threat landscape. Remote environments are susceptible to socially engineered scams. Such breaches cause massive damage to brands and their reputation. This has emerged as a concern among India CEOs, with 15% being fearful of cyber risks hindering their company's ability to raise capital.

Further, 58% of India CEOs are anxious about their companies' ability to innovate through technology and processes if threatened by malicious actors. While cybercriminals continue to refine their tactics, a distributed denial-of-service (DDoS) attack is among the common threats. In the first half of 2021, there was an exponential increase of 233% in DDoS attacks aimed at incapacitating businesses.[9] Besides, ransomware attacks have now become ubiquitous as organisations, both Indian and global, continue to struggle to find a viable countermeasure.

8 Chip shortage expected to cost auto industry $210 billion in revenue in 2021
9 DDoS attacks increase in 2021

India CEOs also agree that cyber risks could cause severe revenue disruptions, with 64% of respondents fearing a breach could hinder sales of products or services. Besides business disruptions, 47% of chief executives believe cyber threats could impede their ability to develop products and services.

Cyber risks inhibit the ability to…



This is intertwined with supply chain risks. Aware that large scale organisations have a robust cyber security unit, cybercriminals look to exploit the weaknesses in the security posture of their supply chain by targeting their partners, providers and third parties.

These findings are further corroborated when read in conjunction with the results of 2022 PwC India Digital Trust Insights Survey. About 75% of India participants admitted that organisational complexities pose cyber risks, while about 50% of them revealed that they do not understand the risks posed by third parties.

Some organisations are starting to create a blueprint for a securable enterprise. They are focussing on establishing security and privacy as operational goals and business imperatives. This is reflected by an increase in their cyber security budgets, with 41% of organisations predicting double-digit growth in their cyber budgets for 2022. Be it ransomware pressures or supply chain risks, the advancement of technology and the rapid adoption of digitisation have left several gaps in the security of businesses, and addressing these can help minimise nodes of vulnerability.

Which outcomes matter?

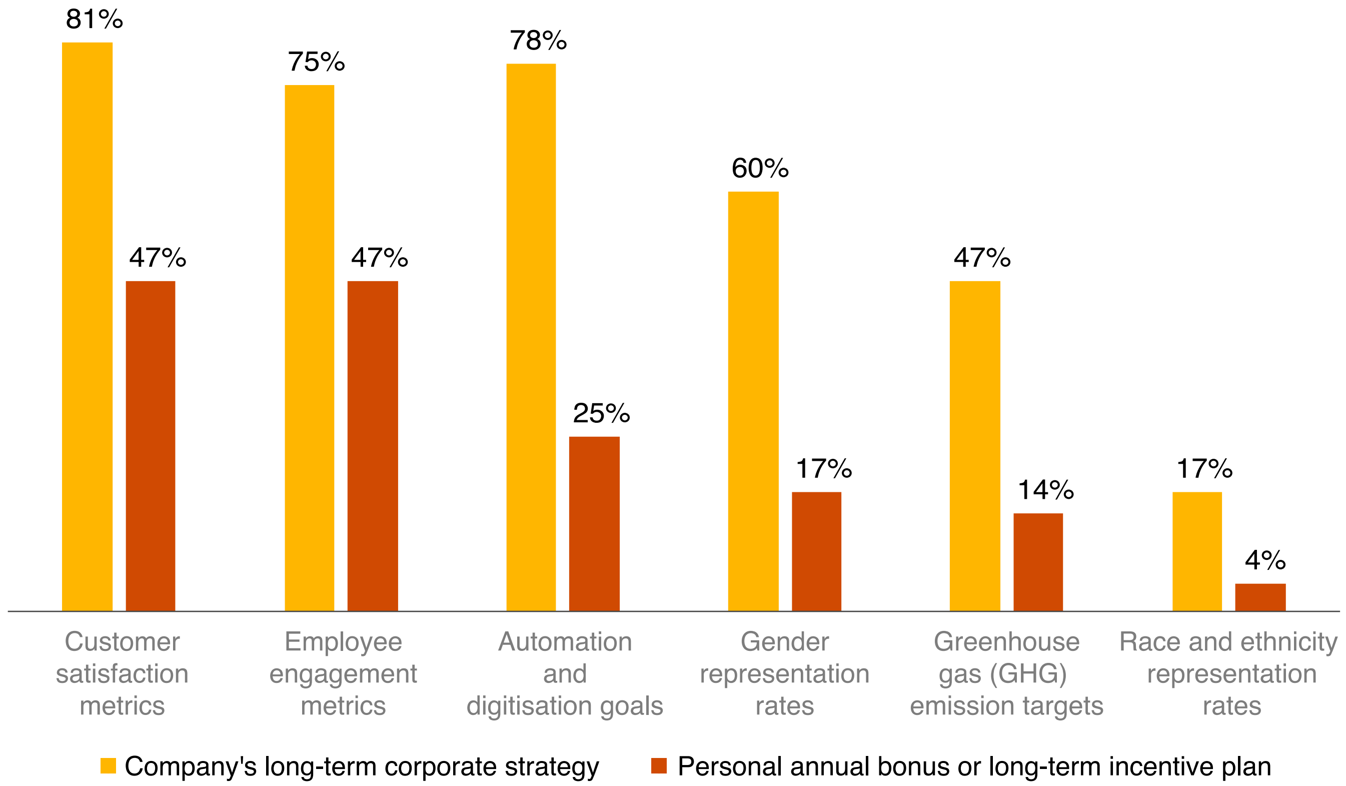
The near-term value creation pressures that are driving CEOs' most extreme concerns seem even more significant when we look at the outcomes CEOs are working toward — as articulated in their corporate strategies.

Most CEOs have goals related to customer satisfaction, employee engagement, and automation or digitisation included in their long term strategy. These nonfinancial outcomes are intertwined with day-to-day business performance. Much less well represented, in strategies and compensation, are targets related to greenhouse gas (GHG) emissions and gender representation or racial and ethnic diversity.

> You have to give consumers what they want. Your offerings have to be differentiated and innovative. You want consumers to exclaim, "Wow, the quality of this product is fantastic!" And then when they hear the price point, it's that added delight that they can actually afford to purchase that product.
>
> – **Nisaba Godrej**, Executive Chairperson, Godrej Consumer Products Limited

81% of India CEOs include customer satisfaction metrics; 75% focus on employee engagement metrics; and 78% zero in on automation and digitisation goals in their companies' long-term corporate strategy. Gender representation, GHG emissions, and racial and ethnic diversity are comparatively not as well represented with only 60%, 47% and 17% respectively factoring them into their strategies. The percentage of India CEOs who bake these metrics into the annual bonus or long-term incentive plan is relatively low – with only 47% of CEOs considering customer satisfaction and employee engagement metrics in their incentive plan and only 25% factoring in automation and digitisation goals.

India



Another interesting finding is that CEOs who perceive their companies as more trusted are likely to have nonfinancial outcomes tied to their compensation. ESG metrics that are currently part of only a few companies' strategic priorities need to be reinforced by incentives. In setting up this system, boards need to factor in internal targets which a company uses to benchmark itself, and external targets that are based on measures of stakeholder impact, and establish individual KPIs and scorecards.

Organisations will also need to determine whether ties to the long-term incentive plans or the annual bonus is most appropriate. Along with integration of such performance measures in executive compensation in the near term, corporates have a significant value enhancing and value preserving opportunity to make their business portfolios resilient by establishing long-term climate mitigation and adaptation strategies based on climate risk analysis.

The diverse paths to net-zero

The UN's Climate Change Conference (COP26) held in Glasgow in 2021 thrust the net-zero transition onto the global stage, adding to momentum that had already been building. Globally, 2,161 businesses had signed the UN's Race to Zero initiative by March 2021, placing themselves at the starting line; as of December 2021, this number had grown to 4,475. But despite these efforts, achieving net-zero may be difficult for companies in certain industries. However, the new focus on technology solutions such as hydrogen, carbon capture and utilisation, and nature-based solutions provide multiple options to address the net-zero challenge. With Glasgow concluding with the completion of Article 6, there is a renewed optimism around the role of carbon markets to enable net-zero transition.

The priority on this transition will also differ on the basis of differentiated responsibilities, geographical contexts and specific regional / local risks and opportunities. We see this evidenced in our survey findings: 22% and 26% of our respondents globally have made a net-zero commitment and carbon neutral commitment respectively as against 27% and 30% of Indian companies.

> We are focused on improving energy efficiency to align with our EP100 commitment, by improving the resource efficiency of all our processes. That means we are using less energy, water, and raw materials, while increasing productivity.
>
> We also source 29% of our energy from renewable sources such as solar PV installation, and we are collaborating on energy efficiency with our supply chain partners, because we have a sustainable supply chain programme. We are 100% compliant with extended producer responsibility (EPR), as we take back post-consumer plastic packaging waste equivalent to the plastic packaging we send out.
>
> – **Nisaba Godrej**, Executive Chairperson,
> Godrej Consumer Products Limited

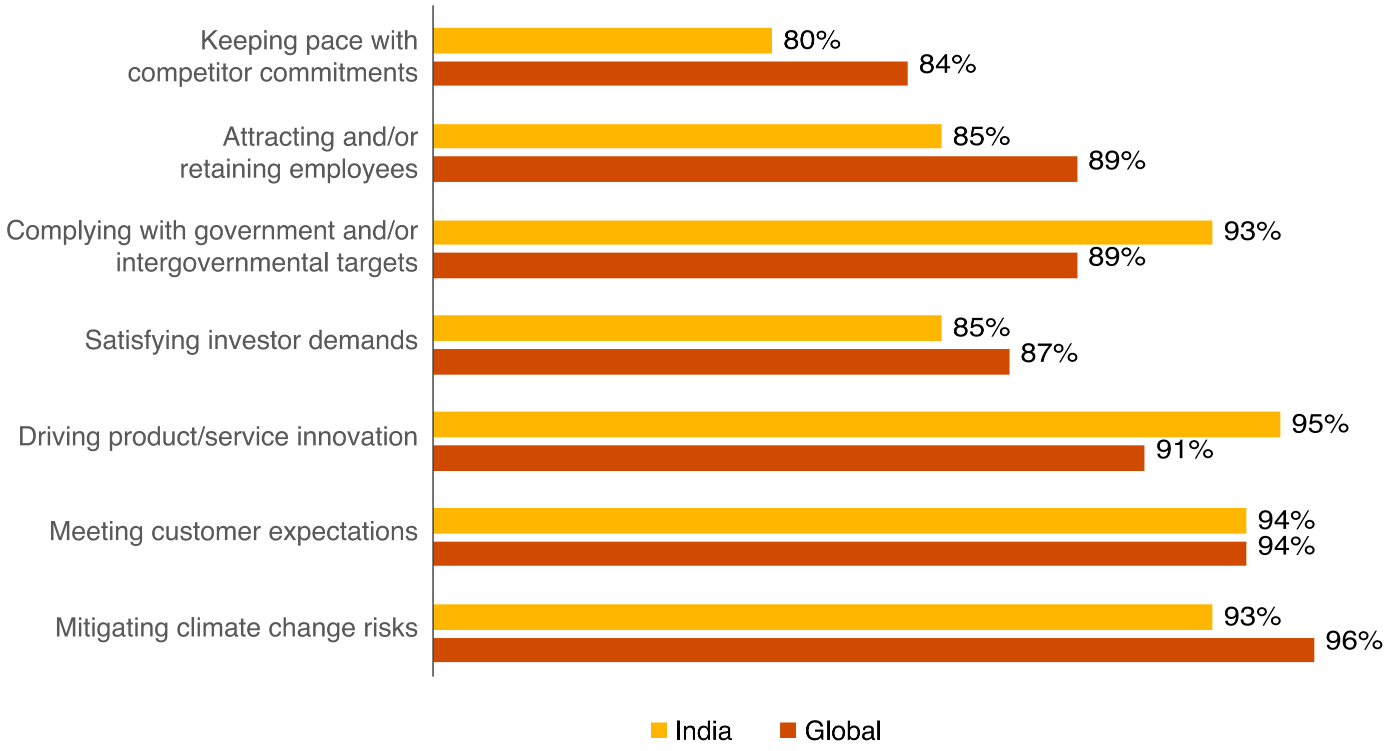
Our survey findings indicate that the inherent drivers triggering this commitment and action towards transformation are different for Indian companies. While global CEOs are primarily driven by the need to mitigate climate change risks, India CEOs view this transition as a critical component for driving product/service innovation, and meeting customer expectations.

As per PwC's The State of Climate Tech 2020 report, investment in climate tech in the first half of 2021 nearly exceeded the total amount of investment made in this sector in 2020. While electric and hydrogen mobility lead the pack, food, agriculture, land use and energy are focus areas of climate tech. Battery technologies to support the rollout of renewables, or low GHG alternatives in emission-heavy hard-to-abate sectors such as concrete, iron and steel are areas that are also emerging slowly.

93% of India CEOs are influenced by government or intergovernmental targets when defining their net-zero commitments as compared to 89% of their global peers. Global CEOs that perceive their companies as more trusted are more likely to have nonfinancial outcomes tied to their compensation and those who perceive greater trust are more confident and more likely to lead organisations that have made net-zero commitments.

But now with the United Nations Framework Convention on Climate Change intending to establish a separate group to lay down clear standards to measure and analyse net-zero commitments from non-state actors,[10] the need for a holistic, transparent and integral story will become a necessity for corporates to establish trust with their stakeholders.

Influential factors for making a carbon-neutral and/or net-zero commitment



(Shows extremely, very, moderately, slightly influential responses)

It is heartening to note that a majority of the India companies that participated in the survey either already have a net zero commitment (27%) in place, or are in the process of developing and articulating their commitments (40%). Only 30% of the surveyed companies have neither made nor are in the process of making any net zero commitment. This is significantly different from the global numbers, where 22% companies have a target, 29% are in the process of setting targets and 44% do not have targets or plans to develop any. Another interesting highlight is that the largest companies - both globally and in India - are often three times more likely to have made a net-zero commitment than the average company.

10 https://www.un.org/press/en/2021/sgsm21015.doc.htm

At the sector level, energy and power and utilities are the most represented ones among those that have made net-zero commitments. This reinforces the fact that high-emitting (and hard-to-abate) industries are often front and centre when it comes to climate action, placing them in the complex but critical role of being part of both the problem and its solution.

Few CEOs, the findings highlight, have been avoiding net-zero commitments out of a belief that their stakeholders (internal and external) do not prioritise climate change. That's consistent with the perspective of those who have made net-zero commitments: driving product and service innovation is the most influential factor for this commitment, followed by meeting customer expectations, mitigating climate change risks and complying with government and/or intergovernmental targets.

Prioritising product and service innovation will help these front runners to capture the early mover advantage through disruptive innovation, gaining future market share that is driven by millennials and Gen Z's preference for sustainable products. Increasing attention on ESG from the startup ecosystem in the backdrop of a significant number of IPOs and an unprecedented increase in unicorns during 2021 is an impactful trend that will also contribute to a sustainable planet.

Overcoming the barriers to achieving net-zero

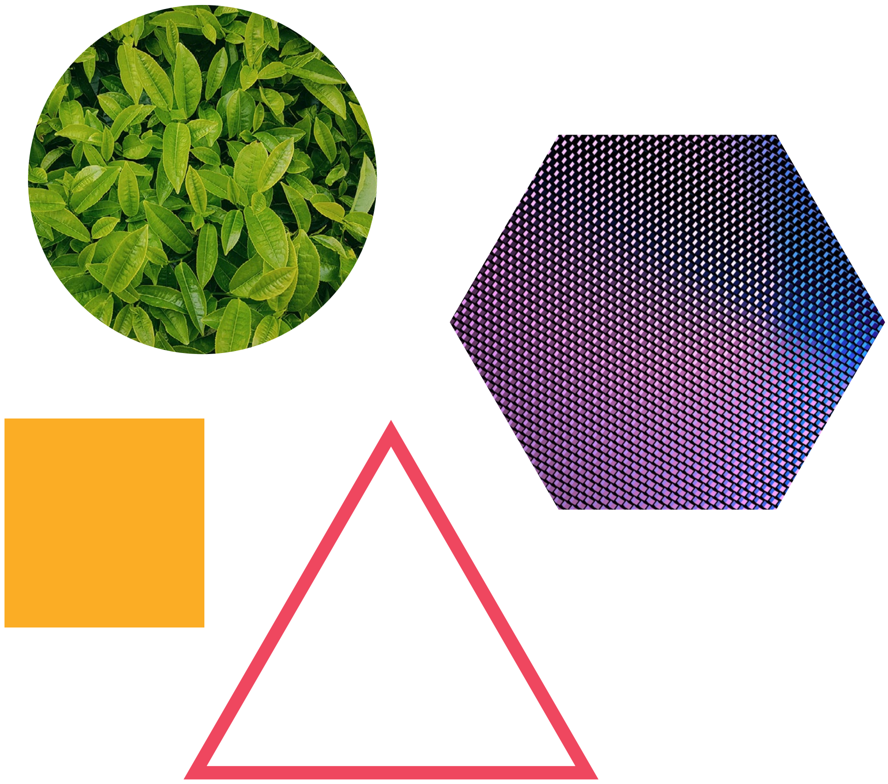
We are looking at green hydrogen not only as a fuel of the future, but also as a business to invest in and develop. We have a partnership agreement to tap the emerging green hydrogen business in India. We are also setting up a pilot green hydrogen plant in Hazira as well as EV charging stations in all our campuses.

– **S.N. Subrahmanyan**, CEO and MD, Larsen & Toubro

PwC research on the economic realities of ESG suggests that major investors are at least as dissatisfied as CEOs with the measurement, management, and reporting challenges associated with decarbonisation. This survey of global asset managers found that harnessing the full power of the C-suite is a critical priority for leaders seeking to overcome these challenges. A credit rating analyst interviewed by PwC noted, unified senior leadership is necessary for environmental priorities to "cascade through the business."[11] It also contributes to breaking down silos between sustainability, risk, financial reporting and investor relations teams, all of whom must work together to drive progress. In line with SDG 17 on partnerships, such internal cross-functional collaboration and external sector-specific, cross-sector and geography-oriented collaborative platforms are emerging as a key driving force to effectively address the climate crisis and larger ESG issues.

11 https://www.pwc.com/gx/en/services/audit-assurance/corporate-reporting/esg-investor-survey.html

Priorities for the CEO: Reimagining the outcomes that matter



The opportunity—and the challenge—is clear: progress on society's toughest problems will be limited without bold action from CEOs stewarding critical corporate resources. Near-term financial imperatives remain mission critical, even as broader societal needs demand more mindshare. Further, to steer the growth agenda, build trust and deliver sustained outcomes driven by human-led tech enablement, organisations need to substantially strengthen the following supply chain capabilities to ensure the availability of products for evolving consumer needs:

- Build segmented supply chains to service the shift in consumer expectations across new channel models such as 'direct to consumer' and ecommerce.
- Develop digital supply chains to enable organisations to prioritise for differential service expectations of consumers and across channels, build visibility across supply chains, and design supply chains to respond to volatile demands.
- Work on strong digital collaboration models with ecosystem players, leveraging emerging technologies to counter disruptions through visibility, transparency and simulation capabilities at scale and speed.
- Diversify supply chain risks by a calibrated shift from global to diversified global to localised models for strategic requirements.
- Reimagine supply chains for ESG considerations across value chains including ecosystem players (suppliers, distributors, technology players) – to realise net-zero targets by reducing, reusing, recycling and removing carbon, thereby enhancing positive environmental and societal impacts through effective collaborations.

Against this backdrop, the following five priorities should help CEOs deliver the diverse range of sustained outcomes that stakeholders are increasingly demanding:

- ## Resetting the conversation

  Boards should be talking with their CEOs, and CEOs with their top teams to address material issues impacting not just their businesses but the whole of society across the world. While there is enthusiasm about ESG, near-term financial demands are top priority. Taking concrete steps to address changes and framing trade-offs realistically may be the only way to bring investors along and create a prudent strategic agenda, factoring in tax implications.

  The survey findings, for instance, underline 17% of India CEOs as against 19% of global CEOs have engaged tax specialists to prepare for potential global tax policy change.

The recent work of the Organisation for Economic Co-operation and Development (OECD) is focused on addressing certain tax challenges. The proposals discuss mechanisms to promote fair sharing of tax revenues amongst countries and establish a global framework of minimum taxation. In the short to medium term, multinational enterprises would need to gear up for the upcoming changes. They have to allocate technology, accounting and tax resources to evaluate any impact and potentially realign their global operations and supply chain. India CEOs therefore need to equip their organisations for this impending global tax policy change.

Recalibrating skills

Our survey results point to capability-building priorities related to cybersecurity, the cultivation of trust, and the measurement and management of decarbonisation. When leaders are stretching to reimagine their organisations' place in the world and juggling an ever broader array of competing priorities, growth mindsets, empathy and a willingness to embrace debate and dissent become more important than ever. This is interlinked with the need to adopt a democratic yet firm approach to drive reskilling and upskilling as priority programmes to ensure stronger corporate culture, effective governance, transparent and integral disclosure, greater innovation, and higher workforce productivity.

Reappraising succession

The leadership needed to master today's tenuous trade-offs is likely to come in all shapes and sizes, with external hires and emerging leaders from diverse talent pools critical to rounding out skill sets and resetting the conversation. Succession planning is an area where leaders and boards can challenge themselves immediately to start creating the future to which they aspire.

For me, leadership, skill sets and hunger to succeed are key to an organisation's growth and, we at L&T, place huge emphasis in developing leadership and skill sets. When we get a job, we break it up into parts, assign these to youngsters and allow them to swim. Whether they know how to swim or can swim is a matter of time, but I think that develops leadership. Skill sets are also important because the economy is changing, and people are becoming more service oriented. Last but not the least, there must be curiosity and, more importantly, the hunger to aim higher to achieve bigger goals.

– **S.N. Subrahmanyan**, CEO and MD, Larsen & Toubro

▪ Rethinking incentives

The strong association between incentives, net-zero commitments and other nonfinancial outcomes suggests it's time for boards and management teams to take a hard look at the fit between the priorities they want their people to drive, the performance management systems they have in place, and how they report their progress.

▪ Reimagining collaboration

Tackling society's most urgent challenges won't be an individual sport. It calls for an unprecedented level of cooperation among business leaders, government officials, policymakers, investors and nongovernmental organisations (NGOs). Each brings critical tools to the table and can support and enhance one another's capabilities. Edelman's pre-Glasgow Trust Barometer found that no single type of institution is trusted when it comes to climate change action. But together they can create powerful momentum—in the form of regulation driving businesses to take aggressive action and NGOs boosting new government policies and so on.

Trust runs through many of these priorities. As diverse communities of solvers work collaboratively, trust may be a meaningful enabler of change - bold, innovative and unbounded - that can secure our collective future.

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Contacts and contributors

Ajay Nair, Partner and Supply Chain Transformation Leader

Joseph Martin Chazhoor Francis, Sr Director and ESG Markets Leader

Pradyumna Sahu, Executive Director, Clients & Industries leader

Ranen Banerjee, Partner, Economic Advisory Services and Government Sector Leader

Sambitosh Mohapatra, Partner and ESG Leader

Siddharth Vishwanath, Partner - Risk Advisory and Cyber Security Leader

Sivarama Krishnan, Partner, APAC Cyber Leader and India Risk Leader

Vishnupriya Sengupta, Director, Markets

Vivek Prasad, Partner, India Markets Leader

Editorial and design

Dion Dsouza

Saptarshi Dutta

Faaiz Gul

Harshpal Singh

The India findings are an extract of PwC's 25th Annual Global CEO Survey.

25th Annual Global CEO Survey

www.ceosurvey.pwc

pwc.in

HS/January2022