EXECUTIVE PERSPECTIVES ON TOP RISKS AND OPPORTUNITIES

for the Near- and Long-Term

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Global Business Consulting

Powering through disruptions and volatility

Energy and utilities leaders view geopolitics as a long-term risk and data centre buildout as a generational opportunity.

The confidence expressed by energy and utilities (E&U) leaders in response to disruptions from escalating geopolitical risks is less surprising than it might appear. Utilities, oil and gas corporations, and other energy companies have invested ample time, expertise and money in recent years to fortify their resilience amid price volatility, shipping route closures and other supply chain disruptions.

Now is the time to put this "disruption fitness" through its paces.

The tests will be rigorous. Disruptions in the Strait of Hormuz and the Bab el-Mandeb Strait, along with shaken LNG markets, offer stark reminders of the global energy market's fragility. At the same time, the sudden need to maximise bypass capacity, allocate more capital to cleaner energy alternatives, and build the power plants, grid upgrades and operational infrastructure that data centre buildouts require represent lucrative opportunities for E&U companies and their stakeholders.

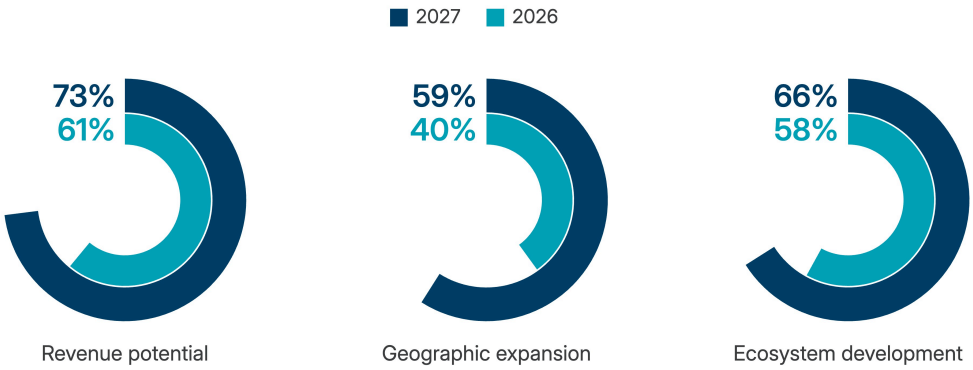
To exploit these and other opportunities, E&U leaders must find ways to optimise investments in infrastructure modernisation, cybersecurity, supply chain management and other internal improvements.

The E&U results from this year's Top Risks and Opportunities Survey reveal that industry leaders believe their organisations are well-positioned to protect the enterprise in response to emerging threats, transform to sustain and enhance competitiveness, and respond with agility to new risks and opportunities.

Where do E&U leaders see the greatest opportunities for their organisation over the next two to three years?

E&U leaders are markedly more optimistic about near-term growth than they were a year ago. This is notable given that our E&U respondents also report higher levels of risk concerns this year compared to 2026. Perceived opportunities to increase revenue rose sharply among E&U respondents, as did opportunities for geographic expansion and ecosystem development. This revenue finding contrasts sharply with our global results, where optimism about revenue growth is not only lower, but also declined compared to 2026.

Views about opportunities for growth – Energy and Utilities



73%

view revenue potential as a growth opportunity over the near term.

This optimism is well-founded. Shares in global oil and gas companies have increased by roughly 40% since the start of 2026, a year in which the price of Brent crude, recently hovering around $100, had been projected to fall below $60. The Economist reports that “the Gulf war could set off a burst of exploration and dealmaking that shapes the rest of the decade and beyond.”

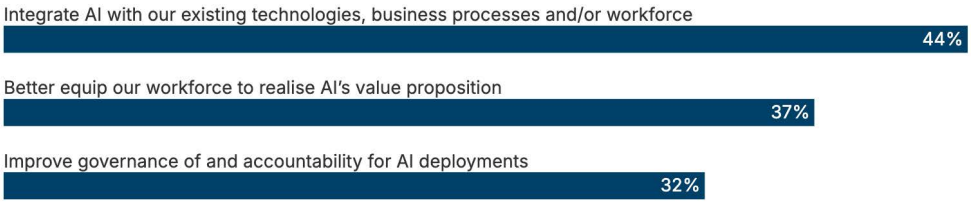
Industrywide, the AI race has triggered an outpouring of capital not seen since the adoption of the internet. As AI data centres drive unprecedented demand for electricity, the capacity to build and modernise power infrastructure is emerging as a critical bottleneck to keeping pace with that demand. Investors, tech companies and even governments are taking action to capture market share of this pivotal new technology or to profit from the buildout of data centres and other new infrastructure.

Enticing opportunities also exist in the form of new strategic alliances and partnerships that help organisations strengthen market position. Some midstream companies that traditionally move oil and gas from production sites to processing facilities and refineries are now building large pipelines that deliver natural gas directly to data centres. Co-locating a gas-fired power plant with a data centre has become an expedient way to meet AI-driven power demand. To illustrate: In June, Chevron signed a 20-year agreement to supply natural gas-fired power from a co-located facility to a planned Microsoft data centre campus in West Texas.

What priorities do leaders see as most important to maximising the value of AI deployments?

E&U leaders' AI priorities closely resemble those of their counterparts in other industries, with an emphasis on improving integration, upskilling the workforce and maturing governance.

Top AI opportunities – Energy and Utilities



That said, E&U leadership teams face unique AI integration challenges. Supervisory control and data acquisition (SCADA) systems and other forms of operational technology (OT) systems that manage and control physical equipment and industrial processes contain data that must be kept separate from other business systems to satisfy critical infrastructure regulations and related security requirements. This makes AI integration a more delicate and time-consuming activity.

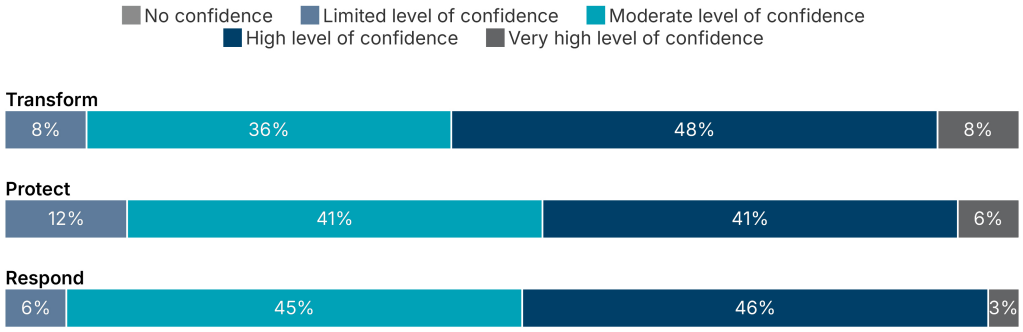
Across other industries, operating leaders view AI solutions as part of a broader technology transformation – an intelligence layer that sits above the existing systems environment and derives deeper, more predictive insights from those systems. While few organisations have fully implemented this configuration, many aspire to do so. E&U leadership teams, however, must weigh the value of orchestrated, "cross-enterprise" AI solutions against the need to keep critical OT data in plant control and field systems secure.

We asked E&U leaders three specific questions about their views on the organisation's ability to (1) transform the enterprise, (2) protect enterprise value, and (3) respond with agility to market opportunities and risks. What did they tell us?

The disruption fitness E&U organisations have developed while responding to successive crises and bursts of macroeconomic volatility in the past decade is evident in how leaders view their ability to transform, protect and respond.

Compared with global respondents, E&U leaders are significantly more confident in their organisations' ability to advance enterprise transformation and to respond with agility to market opportunities and risks.

Views about the ability to transform, protect and respond – Energy and Utilities



In an industry long defined by constant change, E&U companies must continually transform. Because the industry is exposed to macro forces, many threats – including the closures of shipping choke points, geopolitical conflicts, and unexpected surges in demand for renewables and other forms of energy – exist beyond the direct control of C-suites. Leadership teams respond to these challenges by distinguishing between what they can and cannot control and by strengthening their ability to react quickly to unexpected disruptions and challenges.

56%

have a high level of confidence in the organisation's ability to transform the enterprise.

What are the most significant near-term concerns and risks on the minds of E&U leaders?

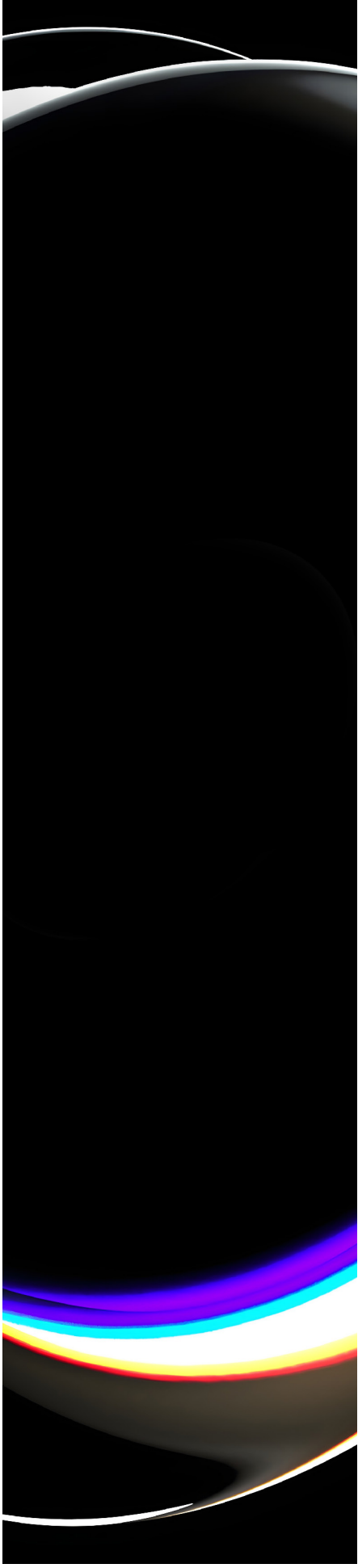
While protection is the dominant near-term risk theme in the global results, E&U leaders are more focused on risks in the response category – namely, the rising threat of natural disasters, geopolitical shifts, heightened regulatory scrutiny, and the impact of climate change and environmental and sustainability requirements. These differences highlight the unique risk environment that E&U boards and C-suites navigate.

Top five near-term risks – Energy and Utilities

Risk description	2027	2026
Rising threat of catastrophic natural disasters and weather phenomena	3.39	3.15
Geopolitical shifts, regional conflicts and instability in governmental regimes	3.39	2.91
Heightened regulatory change, uncertainty and fragmentation	3.35	3.12
Impact of climate change and environmental and sustainability requirements and/or expectations	3.31	3.23
Third-party risks	3.26	3.19

The difficulty of responding to geopolitical risks undoubtedly has increased in the past 12 months. In Europe and other regions that depend heavily on imports, LNG supply constraints caused by Russia's war on Ukraine have been exacerbated by the closure of, and slowed shipping through, the Strait of Hormuz, through which approximately 20% of global LNG supply normally passes.

Concern about geopolitical risks surged among E&U respondents during the past 12 months, but so did concerns over numerous other risks, including changing global markets and trade policies, skills acquisition and talent retention, leadership development and succession planning, emerging AI risks, the rapid speed of disruptive innovations, and the management of multigenerational workforce expectations. In addition, extreme heat, wildfires, floods, droughts and severe freezes are among many



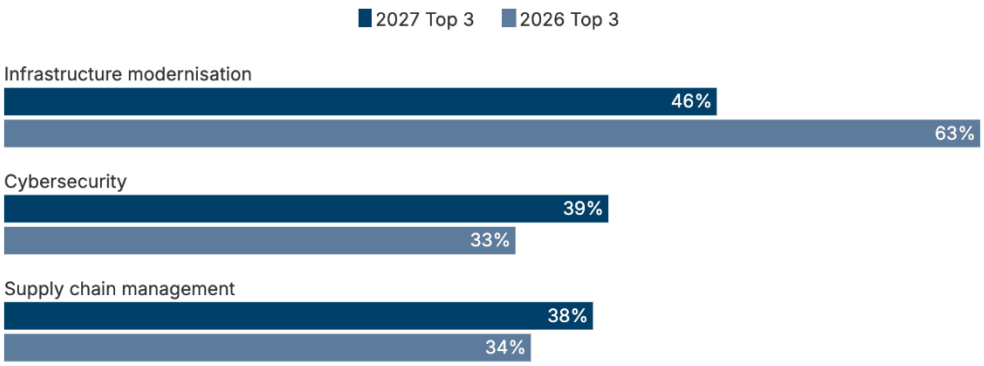
environmental impacts that continue to strain aging transmission grids. Bottom line, more risks have become more concerning to E&U leaders.

Given these near-term risk issues, where do organisations plan to invest most?

E&U leaders' investment priorities reflect their near-term risk concerns as well as an ongoing drive to transform the business, protect organisational value, and respond to emerging threats and opportunities.

Infrastructure modernisation – which we believe respondents considered internal IT and OT technology, along with external operational and energy infrastructure – ranks as the top near-term investment area, followed by cybersecurity and supply chain management. Investments in sustainability initiatives fall just outside of the top three, a ranking that aligns with the elevated concerns our respondents attach to the rising threat of natural disasters, along with the impact of climate change and environmental and sustainability requirements and expectations.

Strategic investment priorities – Energy and Utilities



Infrastructure modernisation represents a significant growth opportunity, underscoring it as an investment priority. In the dot-com era, telecommunications companies built vast fibre networks but lacked last-mile connections to households. The AI era confronts a "first mile" problem instead: the generation and transmission capacity needed to power data centres. In the U.S. and elsewhere, aging grids need to be upgraded and modernised at scale. The onsite natural gas plants, small modular nuclear reactors and dedicated microgrids being developed to power AI data centres and other large-scale industrial projects also require E&U companies to modernise their internal technology and operations infrastructure.

46%

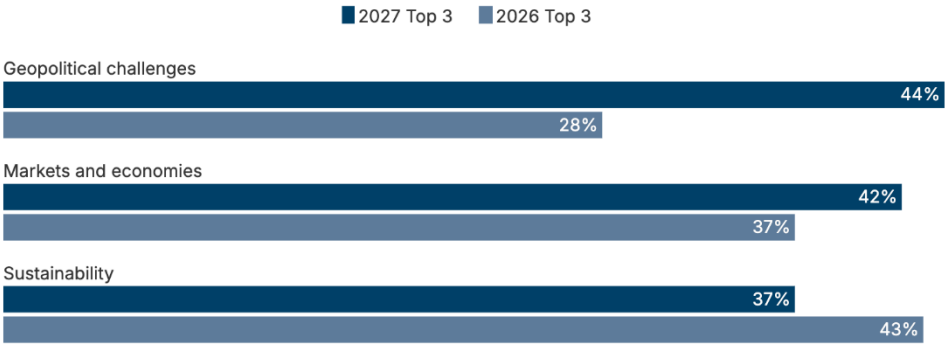
rank infrastructure modernisation as a top strategic investment priority.

Cybersecurity investments also warrant a mention. Although E&U leaders' concern about cyber threats slightly decreased in the past 12 months, cybersecurity remains a critical focal point and the second-highest-ranked near-term investment area.

How do leaders view the 10-year risk outlook for their organisation?

When E&U leaders scan the 10-year risk horizon, they see geopolitical challenges, markets and economies, and sustainability as their top concerns.

Top long-term risks – Energy and Utilities



These concerns offer timely insights to boards and C-suites that are sharpening how they distinguish cyclical, one-off threats from longer-term structural risks to help counteract volatility fatigue and avoid over-indexing on tactical adjustments at the expense of long-term resilience.

Industry leaders view two of the top five near-term concerns – geopolitical challenges and shifts along with sustainability – as structural risks they will be contending with a decade from now. Supply chains and third-party ecosystems rank just outside the top three long-term risks and will receive heavy consideration as E&U leaders evaluate their strategies and make investments over the next 10 years.

The long-term outlook points to the value of integrating a wider range of geopolitical scenarios into capital planning, continuing to diversify supply sources and trading relationships, and maintaining the operational flexibility required to reorchestrate resources quickly in response to sudden geopolitical and geoeconomic confrontations.

Calls to action for Energy and Utilities leaders

- **Distinguish** between revenue gains driven by temporary price spikes and those rooted in lasting shifts in energy demand.
- **Strengthen** supply chain functions to manage chronic shortages and secure equipment when demand surges or geopolitical events constrain availability.
- **Integrate** geopolitical scenario planning into capital allocation and long-term strategy, treating volatility as a permanent feature rather than a cyclical disruption.
- **Pursue** data centre power demand as a potential growth opportunity.
- **Modernise** grid and operational infrastructure alongside technology systems given that the “first mile” of generation and transmission capacity will determine who captures data centre growth.
- **Reposition** utility business models to support customers who generate their own power or who prefer cleaner energy solutions.
- **Optimise** cybersecurity investments while extending protections to operational systems.
- **Enhance** cybersecurity assessments and monitoring of third parties and other ecosystem partners.
- **Establish** secure pathways for AI-driven decisions to flow back into operational environments without compromising critical infrastructure.
- **Balance** AI governance guardrails so they address operational safety as well as data privacy, without impeding innovation.

About the survey

Our 15th annual **Executive Perspectives on Top Risks and Opportunities Survey** contains insights from 1,330 board members and C-suite executives around the world regarding their views on:

- Ability to transform and protect the enterprise and respond to market opportunities and risks;
- Opportunities for growth considering the current environment;
- Priorities perceived as most critical to maximising the value of AI deployments;
- The top risks on the horizon for the near-term (two to three years ahead) related to 30 specific risks across three dimensions (transform, protect and respond);
- A discussion of their organisations' near-term strategic investment priorities, given the opportunities and the risks they face; and
- The long-term horizon based on 11 risk themes that encompass the 30 near-term risk issues.

Our survey participants shared their views through an online survey conducted in June and July 2026.

About the authors



Tyler Chase is the global leader of Protiviti's Energy and Utilities industry, which covers all segments of the Oil and Gas value chain, Power & Utilities, Renewables, and Mining. In this role, Tyler ensures that Protiviti has robust offerings in Internal Audit and Consulting services for our E&U clients in any global market they operate. This is accomplished through consistent client service, investments in methodology and tool development, proactive thought leadership, leveraging our collective expertise, global collaboration and teaming, and industry conferences and training.

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