



At-a-glance highlights for tax leaders in the energy and natural resources sector

Global Tax Function Benchmarking Survey

KPMG International conducts an ongoing survey of tax leaders that enables benchmarks across tax function structure and resourcing, performance measurement and metrics, use of technology and data, and initiatives supporting ESG. Below are some of the highlights of the survey data by respondents in the energy and natural resources sector.

Structure and resourcing

- Most Chief Tax Officers (CTOs) or tax leaders report to:



Chief Financial Officer (CFO)

- Most common organizational design:



Type of tax based

- Expected resourcing model changes in the next 5 years:

Tax Headcount — Home Country/ Jurisdiction



67%

Increase

Contractors



58%

Stay the same

Tax Headcount — Non-Home Country/ Jurisdiction



50%

Stay the same

Use of SSCs or GBS or CoEs*

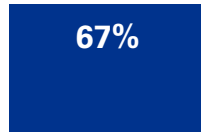


55%

Stay the same

Transformation, technology and data

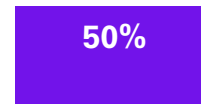
- Top 3 benefits of tax transformation/technology initiatives cited:



Reduced process cycle time or effort



Reduction of tax liabilities/identification of future tax savings

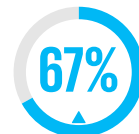


Improved potential to reduce future errors/non-compliance

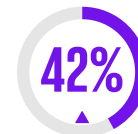
- Anticipated technology use increases in the next 5 years:



Overall leverage of enterprise finance IT systems



Tax sensitization of GL, other accounts of business forecasting system



Use of consolidation system data or a data warehouse

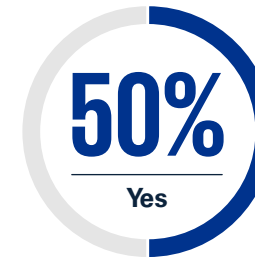


Most challenging data issues experienced cited are volume and usability.

ESG and the tax function

- 67% of organizations in the energy and natural resources industry have a policy that considers the ESG impacts of tax-related business decisions.

- Of those with policy that considers ESG impacts:



Half report that Tax is consulted but not really involved in company ESG strategy.

- Top 3 immediate term Tax ESG priorities include:

38% Developing/updating company's public tax strategy/policy

25% Publishing a tax transparency report (e.g. covering tax principles, how company manages tax risk, tax function and organization)

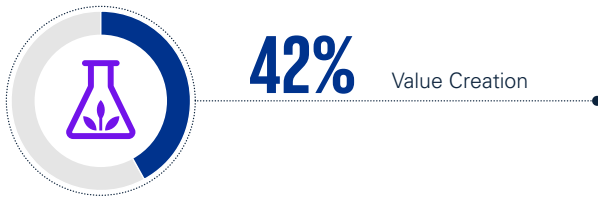
25% Improving company's tax governance and controls to ensure company's Tax ESG commitments are met

Only 8% use data and analytics tools to prepare ESG analysis.

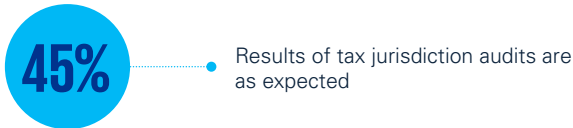
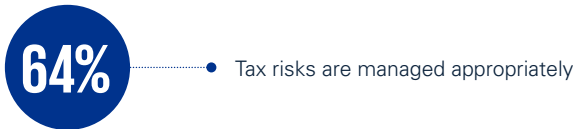
* SCC: Shared Service Centers, GBS: Global Business Services, and COE: Centers of Excellence.

Strategy, performance and business impact

- Most tax leaders in the energy and natural resources industry describe their tax function's primary strategy as aligned to:



- Performance is often measured by the impact the tax function has on the business across a range of metrics, with these topping the list of importance:



- Top 3 desired process improvements:

Improved partnering with business or operating units



Improved use of tax data to inform business strategy and planning



Improved communication and collaboration within and outside of the tax department

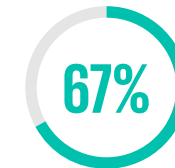


- Top disruptors to the organization in the last year:



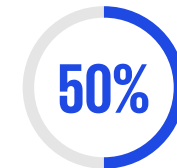
- Frequency of CTO meetings with:

Full board of directors



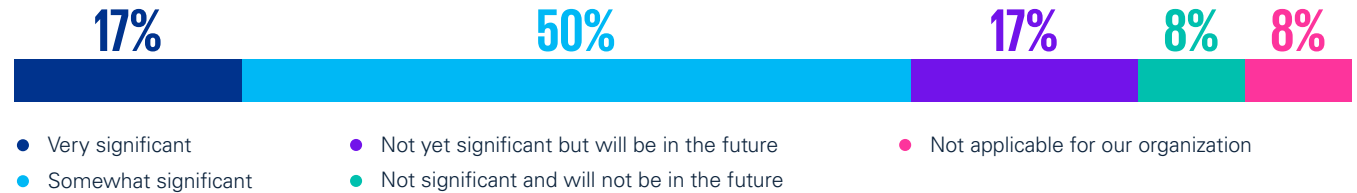
Never

Audit committee



2-4 times annually

- Expected significance of BEPS Pillar 2 on the organization:



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