



## Energy Spot Poll #2

# Industry Response to Low Commodities Prices

Global Results  
April 22-29, 2020



## Global sentiment worsens – energy industry<sup>1</sup> challenges expected to last longer with impact to be more severe

This is the second global piece of original research conducted by Mercer's Energy Vertical in 2020 regarding the impact of low commodities prices on the industry. This second online poll was conducted between April 22-29, 2020 and reflects input from 228 company participants from across the global energy value chain.

Given the volatility and historically low prices (oil in particular) since Mercer's March 17-25 online energy poll, it is unsurprising these results reflect an increasing negative sentiment that prices will remain lower than budgeted for **over a year** with an elevated percentage reporting commodities prices would **highly impact** their company's 2020 financial performance.

In terms of actions organizations are undertaking, nearly three of four (71%) have implemented or are planning to implement a **headcount freeze** while over one-third (34%) are pursuing a company-wide **workforce reduction**. One in two (48%) have implemented or are planning to **freeze base pay** with 1 in 4 (27%) likely to **reduce base pay**.

Mercer's Energy Vertical also sought to gauge **how employee engagement might be affected** by the current challenges the industry is facing. Over 40% of organizations (41.5%) believed, to varying degrees, that employee engagement would be worse in 2020 than 2019 (compared to 32.6% who expected it to be about the same and 25.9% who believe employee engagement will be improved from the prior year).

Mercer's Energy Vertical will continue to monitor the industry's response to low commodities prices. To receive a copy of earlier Energy Vertical spot poll results, or to request regional and/or industry segment cuts of this data, please reach out to your local Mercer consultant.

Milan Taylor, Partner  
Mercer Global Energy Leader

<sup>1</sup> Note this summary overview reflects composite energy results globally across O&G, Chemicals, Mining, Utilities & Renewables. Different regions and industry segments and sub-segments reported significantly contrasting results.



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# Mercer Energy Spot Poll #2 – Global Results

## Global Participant Profile (228 Total) – Page 1 of 3

ABB	Baker Hughes	Cheniere Energy	CVR Energy
ADNOC	Baytex Energy Corp	Chesapeake Energy	Devon Energy
Aera Energy	BHP	Chevron	DNV GL
Alberta Electric System Operator	Boardwalk Pipeline Partners	China National Oil and Gas Exploration and Development Company	Dragon Oil
AltaGas	Bonavista Energy	Cimarex Energy	Dril-Quip
AltaLink Management	Borr Drilling	CNOOC International	Edge OFS
APA Group	BP	CNOOC Petroleum USA	Eldorado Gold Corporation
Apergy	BP Singapore	CNPC International (Chad)	Emarat
Aramco Americas	Cabinda Gulf Oil Company	CNX Resources Corp	Emdad
ARB Midstream	Calfrac Well Services	Concho	Emerson Automation Solutions
ARC Resources	California Resources Corporation	ConocoPhillips	Emerson Electric Canada Limited
Arch Coal	Cameco Corporation	ConsMin	Empresas Gasco
Archrock	CAPP	Constellation Oil Services	EMR Golden Grove
ARD Operating	Capstone Mining Corp.	Continental Resources	Enable Midstream Partners
Ascent Resources	Cenovus Energy Inc.	Core Lab	Enerflex
ATCO	Centerra Gold Inc	Crescent Point Energy	Enerplus Corporation
AUC	C-FER Technologies	Crestwood Operations	EnerVest
B2Gold Corp	CGG Services (US)		ENGIE China



# Mercer Energy Spot Poll #2 – Global Results

## Global Participant Profile (228 Total) – Page 2 of 3

EnLink Midstream  
ENMAX  
Ensign Energy Services  
EOG Resources  
EP Energy  
EPCOR  
EQUATE  
Equinor  
Equitrans Midstream  
Explorer Pipeline  
Fortescue Metals Group  
Frontera Energy  
Genesis Energy  
Gibson Energy  
Glencore (PetroChad Mangara)  
Goodnight Midstream  
Halliburton  
Halliburton Argentina SRL

Hess Corporation  
Hilcorp Energy  
Husky Energy  
Iluka Resources  
ineos  
Inter Pipeline  
IPC Canada  
ITC Holdings  
Jadestone Energy  
Jonah Energy  
JSL International  
KBR  
Keyera  
Kinder Morgan  
Kingston Midstream  
LOOP LLC  
LyondellBasell  
Maersk Drilling

Magnolia Oil & Gas  
Mancal Energy  
Marathon Oil  
MedcoEnergi  
MEG Energy  
Merit Energy  
Methanex Corporate  
MITSUI E&P  
Monument Chemical  
Mubadala Petroleum  
Murphy  
Murrin Murrin Operations  
Nalcor Energy  
Newcrest Mining  
NexTier Oilfield Services  
Noble Energy  
North West Redwater Partnership  
NOVA Chemicals

NuStar Energy  
NUTRIEN  
NuVista Energy  
Obsidian Energy  
Occidental  
Oceaneering Int'l  
Oil Search (Alaska)  
ONEOK  
Orica  
Ovintiv (formerly Encana)  
Pacific Drilling  
Pampa Energia  
Parex Resources  
Parkland  
Peabody  
PECOM  
Pembina  
PetroChina Canada

# Mercer Energy Spot Poll #2 – Global Results

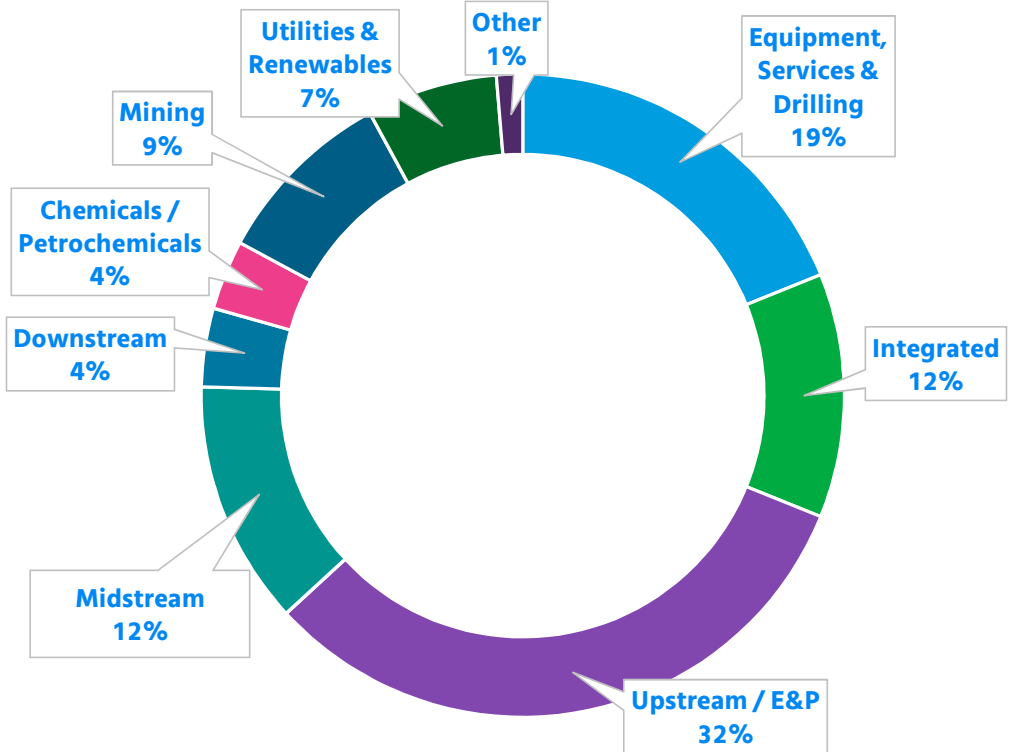
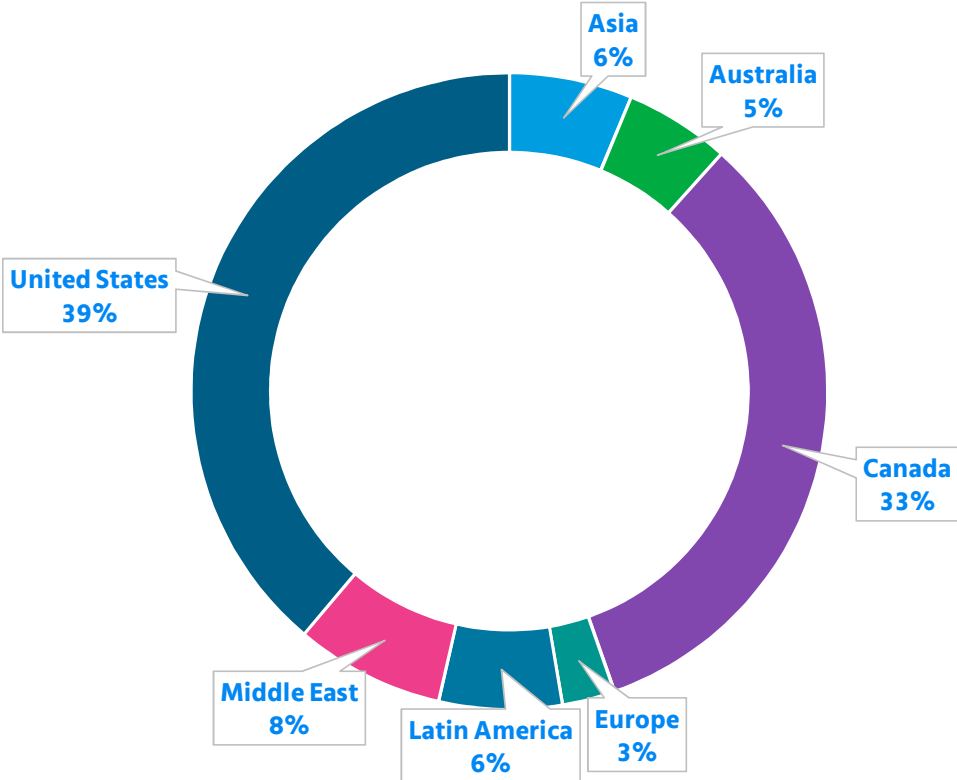
## Global Participant Profile (228 Total) – Page 3 of 3

Petrofac	Saudi Aramco	Stallion Oilfield Services	Trans Mountain Canada
PETRONAS Energy Canada	Savage Saudi Arabia	Steel Reef Infrastructure Corp	Trevalli Mining Corporation
PETRONAS (UAE)	Schlumberger	STEP Energy Services	Tundra Oil & Gas
Pioneer Natural Resources	Seadrill	Storm Resources	U.S. Well Services
Plains All American	Sensia	Strath Resources	UEG
Plains Midstream Canada	Sentinel Peak Resources	Surerus-Murphy Joint Venture	UFA
Precision Drilling	Sertecpet	Surge Energy	Unit Corporation
Propak Systems	Seven Generations Energy	Syncrude Canada	Valaris
PT Berau Coal Energy	Shelf Drilling	TAQA North	Velvet Energy
QEP Resources	Shell	TC Energy	Vermilion Energy
QP	Siemens Energy	Teck Resources Limited	Vesta Energy
Range Resources	Sinopec Canada	Tellurian	Vista Oil & Gas
Rife Resources	SM Energy Company	Tenaris	Water Corporation
Rio Tinto	Southern Company	Tervita	Western Fuels-Wyoming
Rockpoint Gas Storage	Southwestern Energy	TGN	Westlake Chemical
Roy Hill	Spartan Controls	TGS	Wood
Sapura Drilling	Sproule	Thermon	Worley
Sasol	SRG Global	Total Corporate Management (Beijing)	WPX Energy



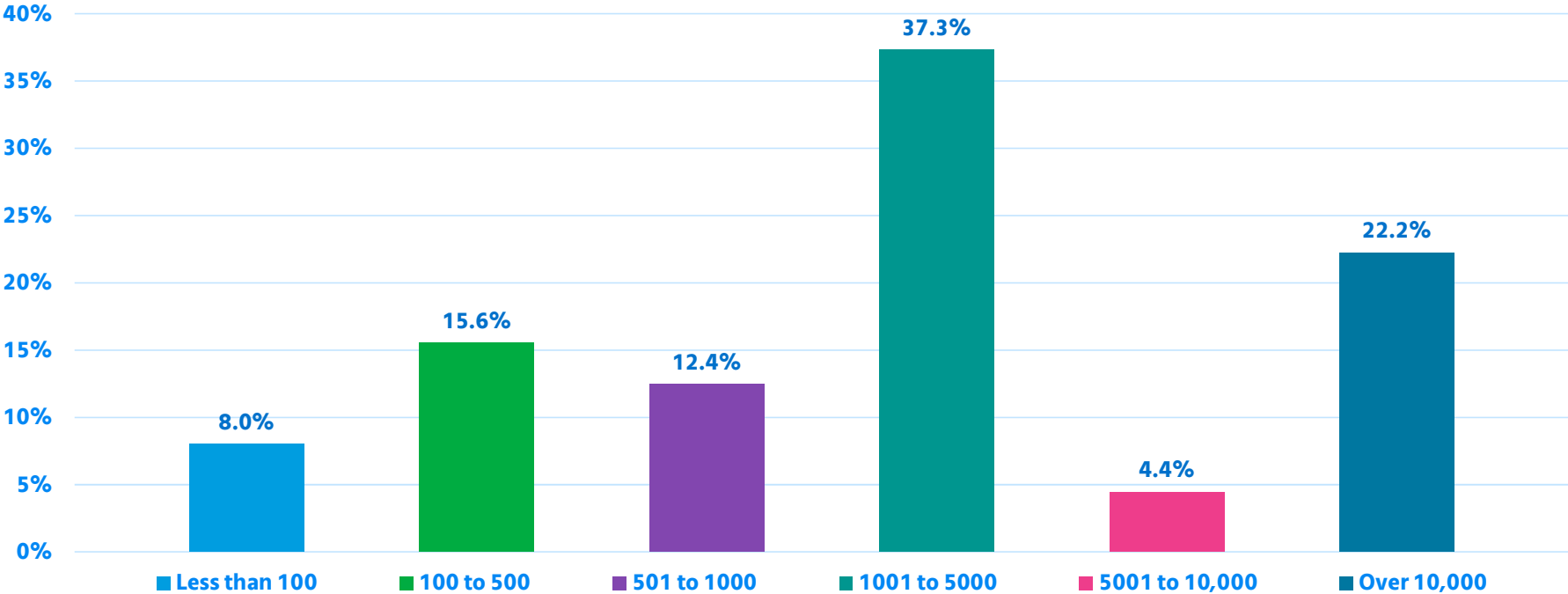
# Mercer Energy Spot Poll #2 – Global Results

## Geographic & Industry Sector Representation



# Mercer Energy Spot Poll #2 – Global Results

## Company Size Representation (Global Headcount)



# Mercer Energy Spot Poll #2 – Global Results

## Company Size Representation (Local Country\* Headcount)

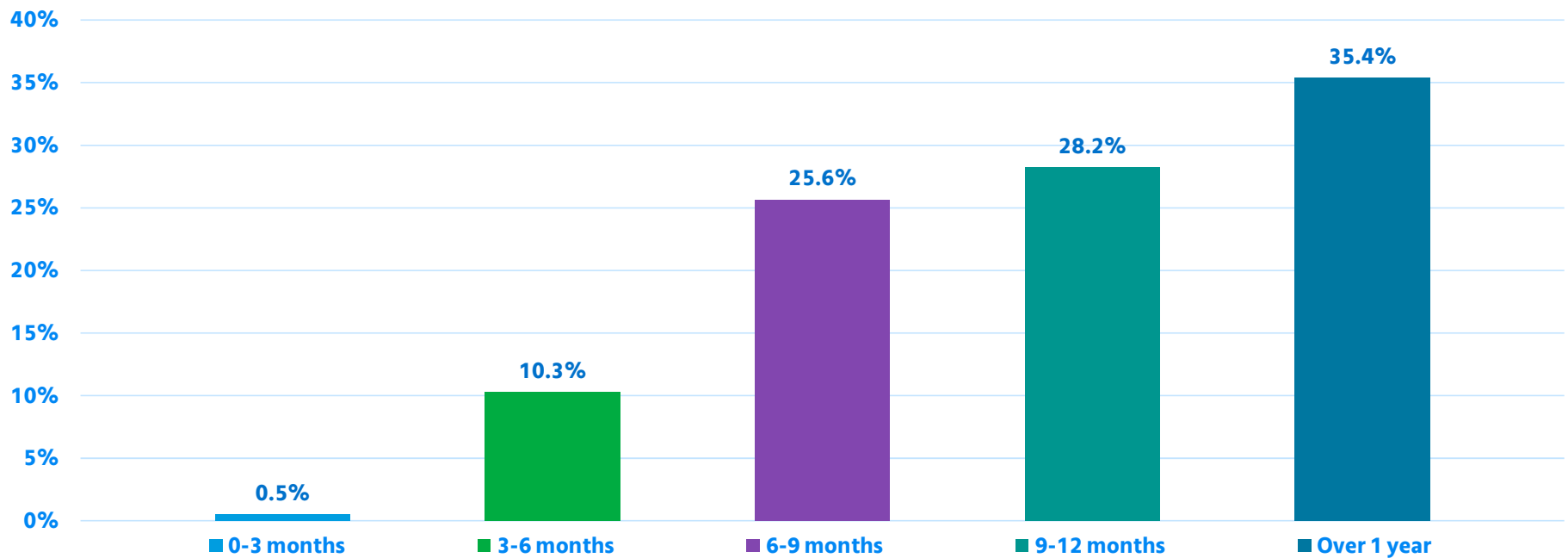


\*Company headcount in the country of the survey respondent



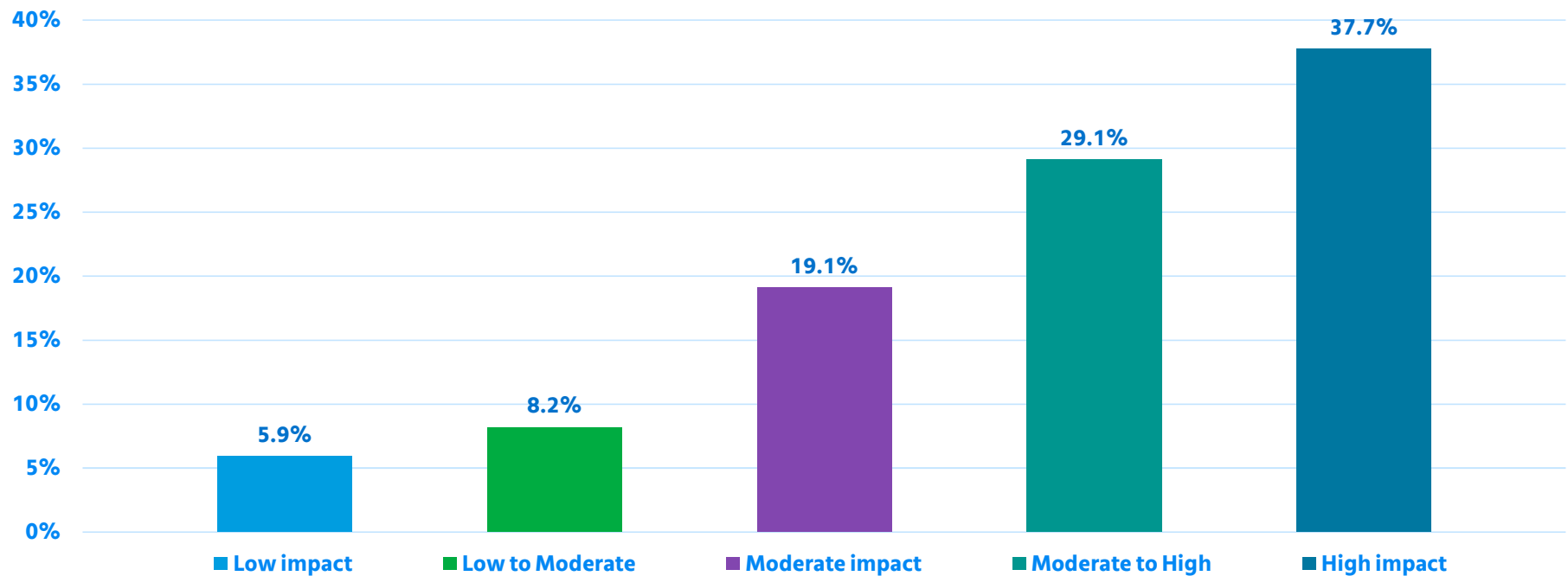
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What is your expectation as to how long commodity prices will remain lower than what was anticipated for 2020?



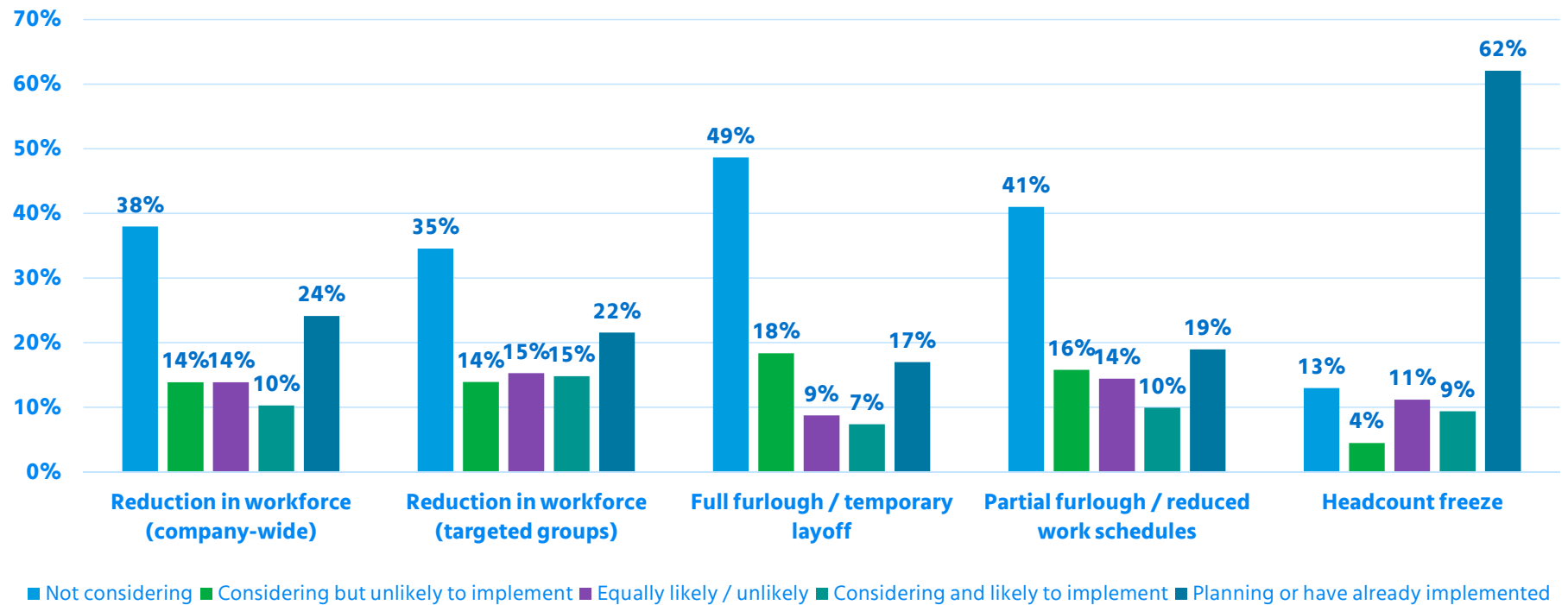
## Mercer Energy Spot Poll #2 – Global Results

To what extent are you anticipating lower than expected oil prices will impact your company's financial performance for 2020?



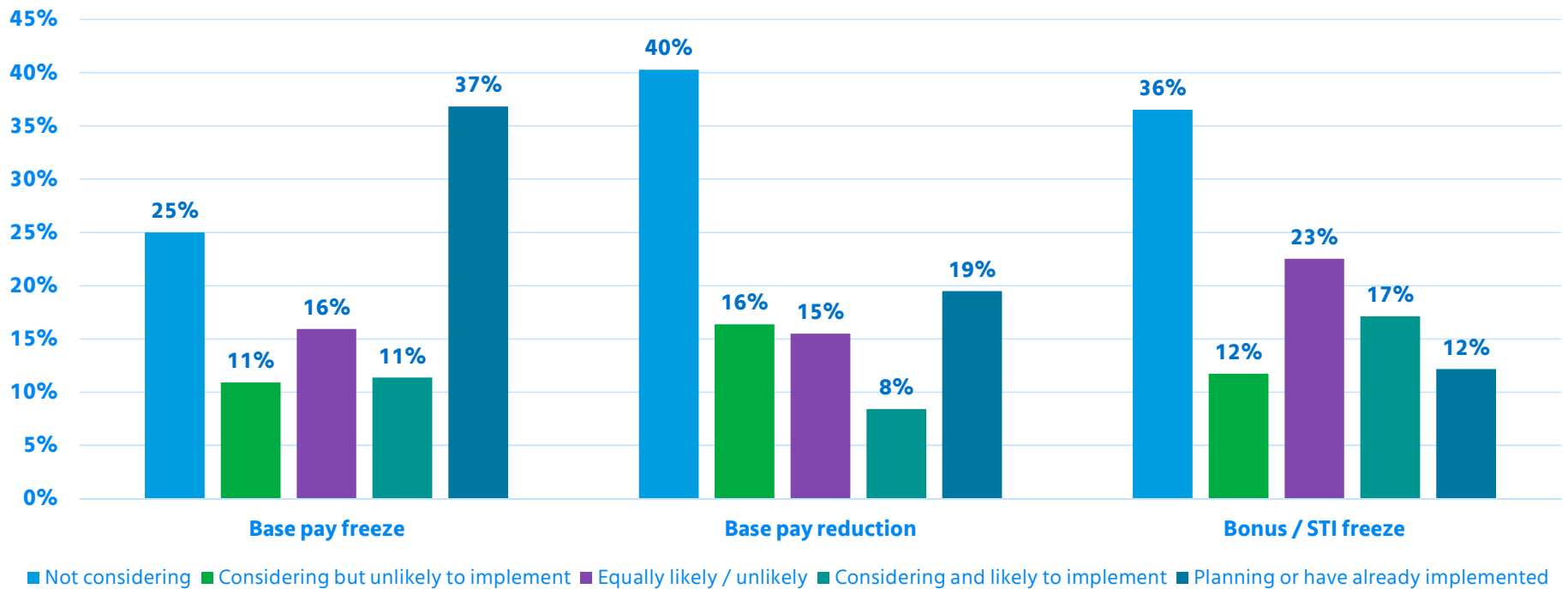
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## To what extent is your company currently considering the following workforce measures?



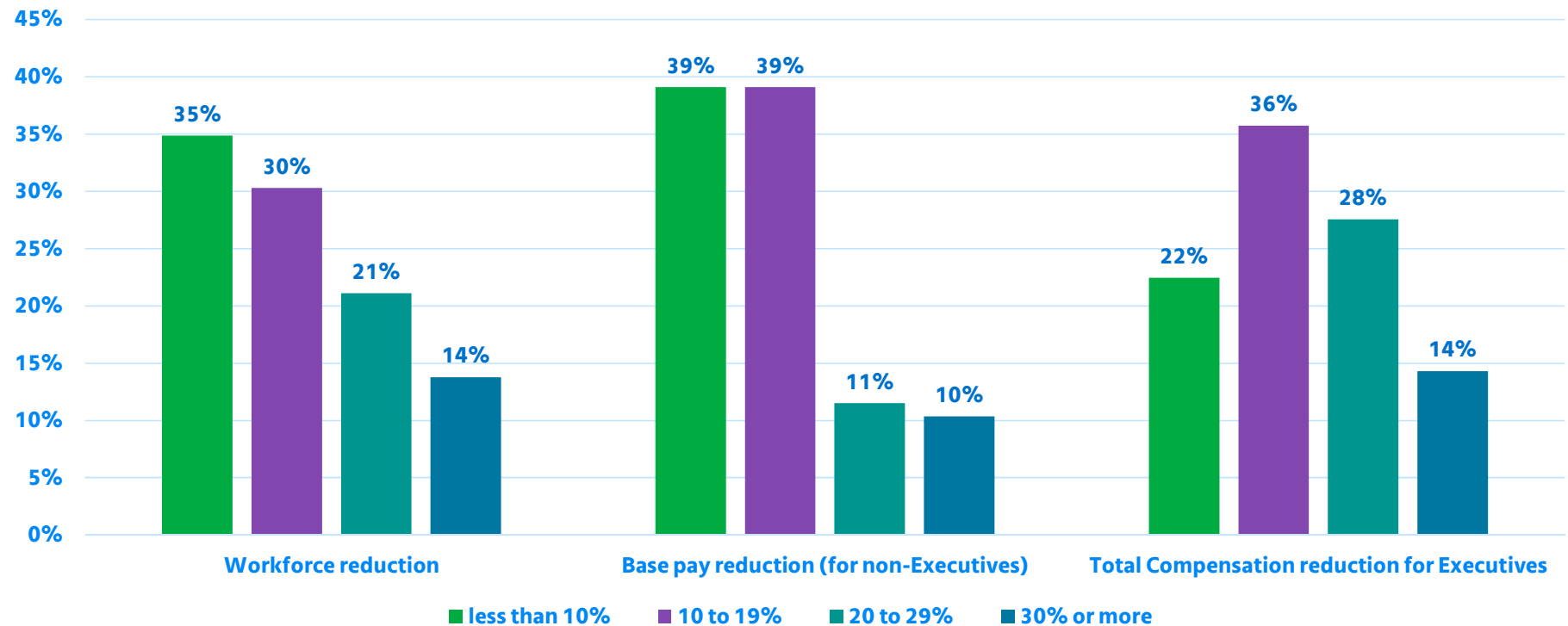
# Mercer Energy Spot Poll #2 – Global Results

## To what extent is your company currently considering the following pay measures?



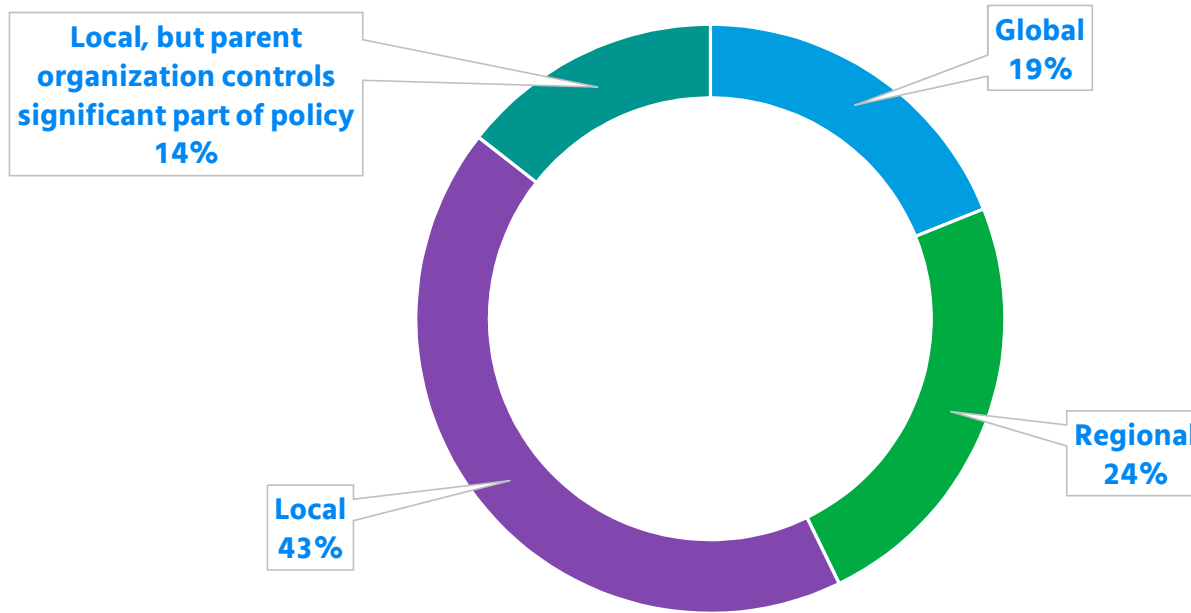
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For companies considering the following measures, what percentage are you targeting?



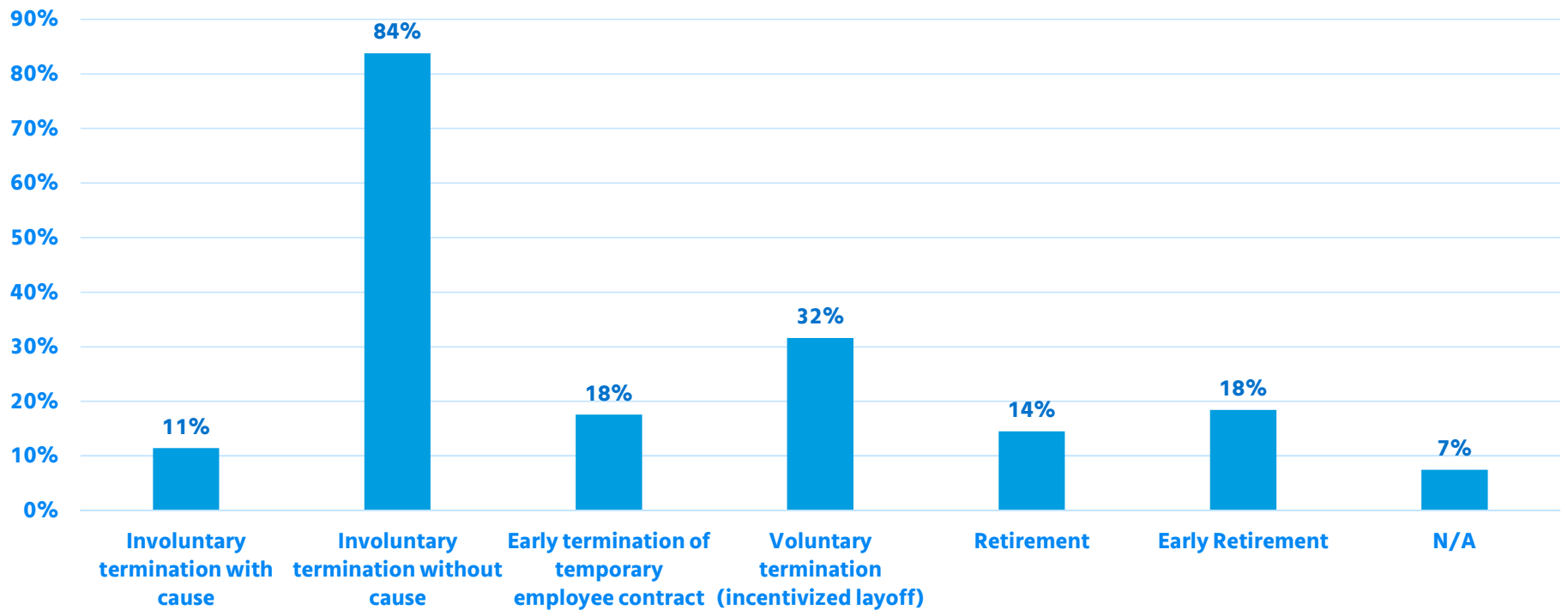
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### What type of severance pay policy do you have?



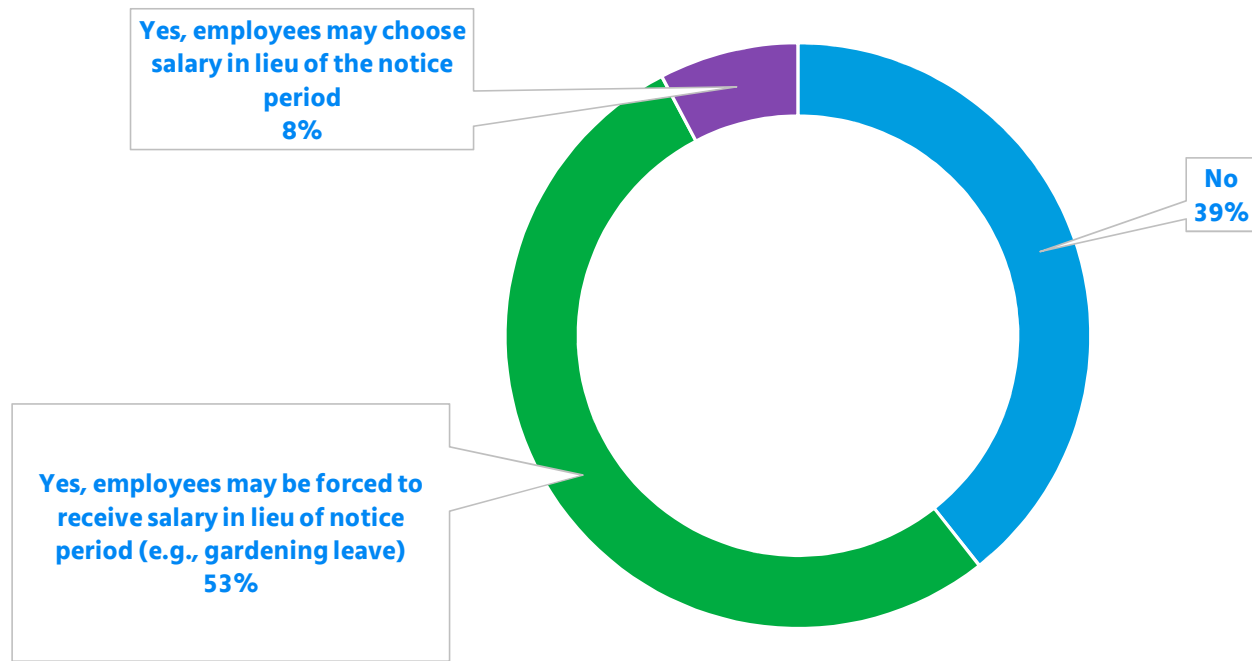
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Under which of the following are severance payments provided?



## Mercer Energy Spot Poll #2 – Global Results

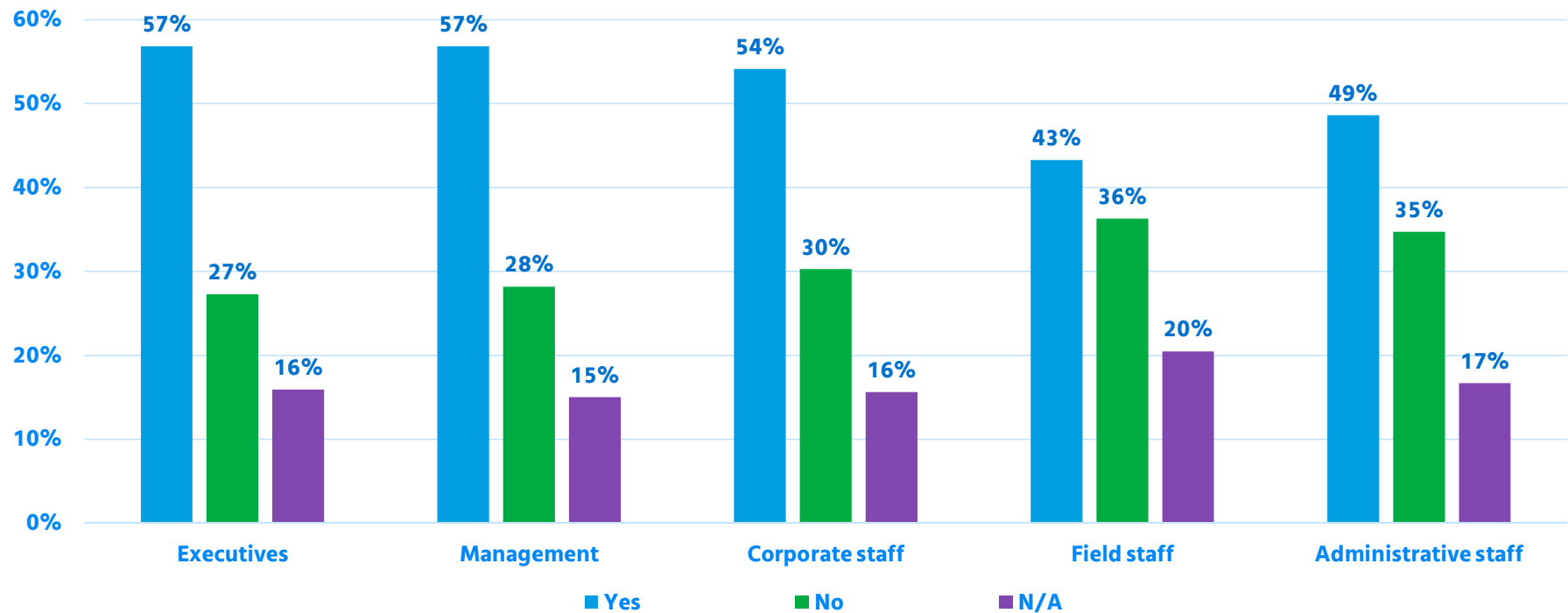
### Does your organization offer salary in lieu of notice provided?





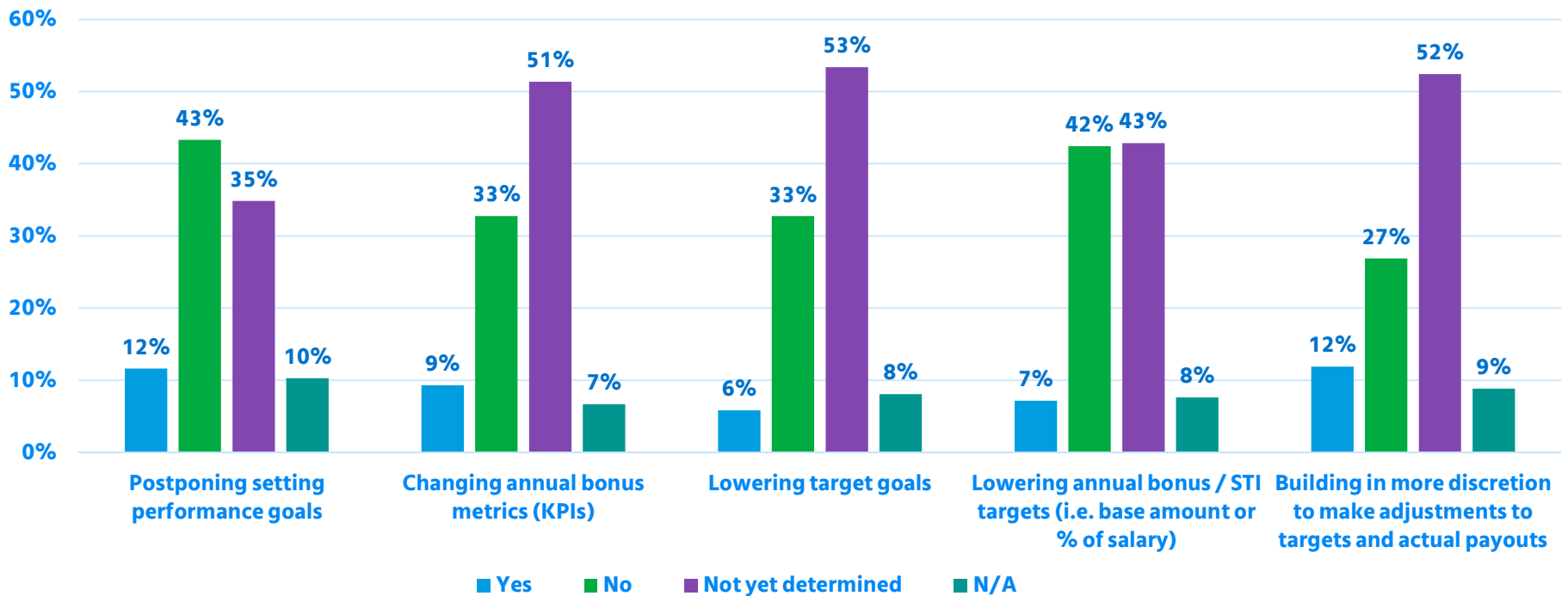
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### Does your company offer outplacement services to any of the following employee groups?



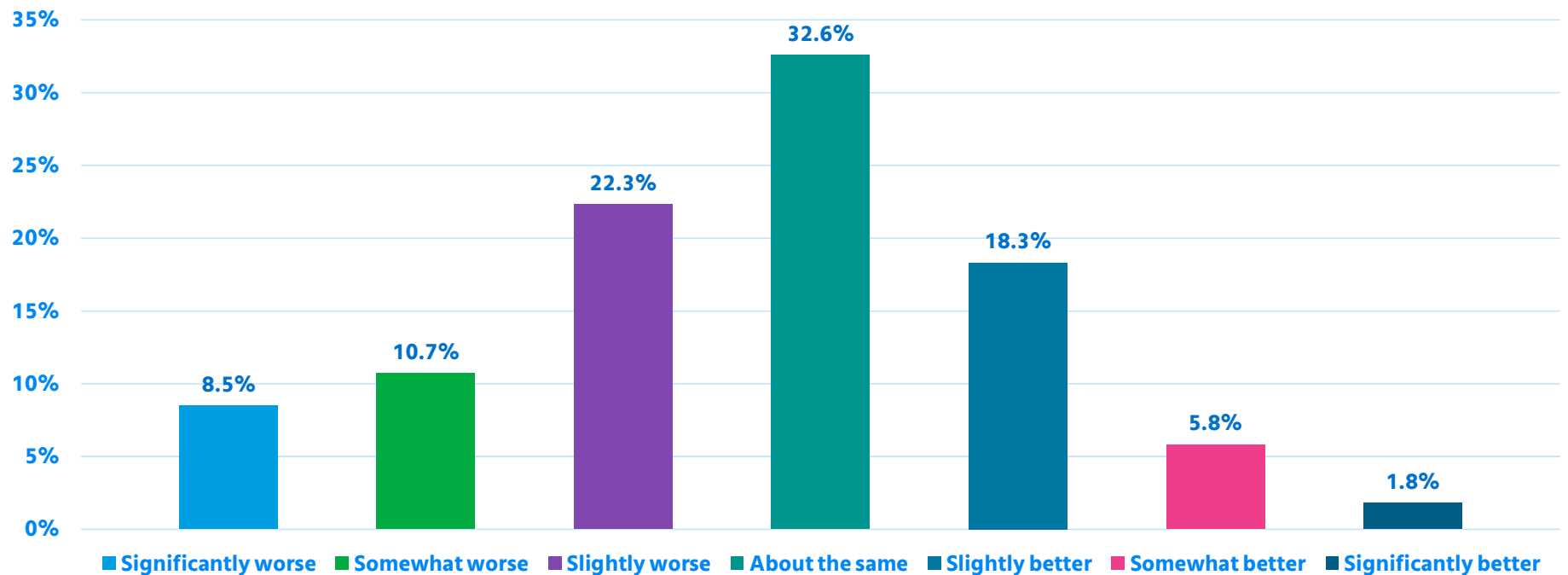
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Is your organization making any changes to 2020 incentive compensation (STI/Annual Bonus) plan (to be paid in 2021)?



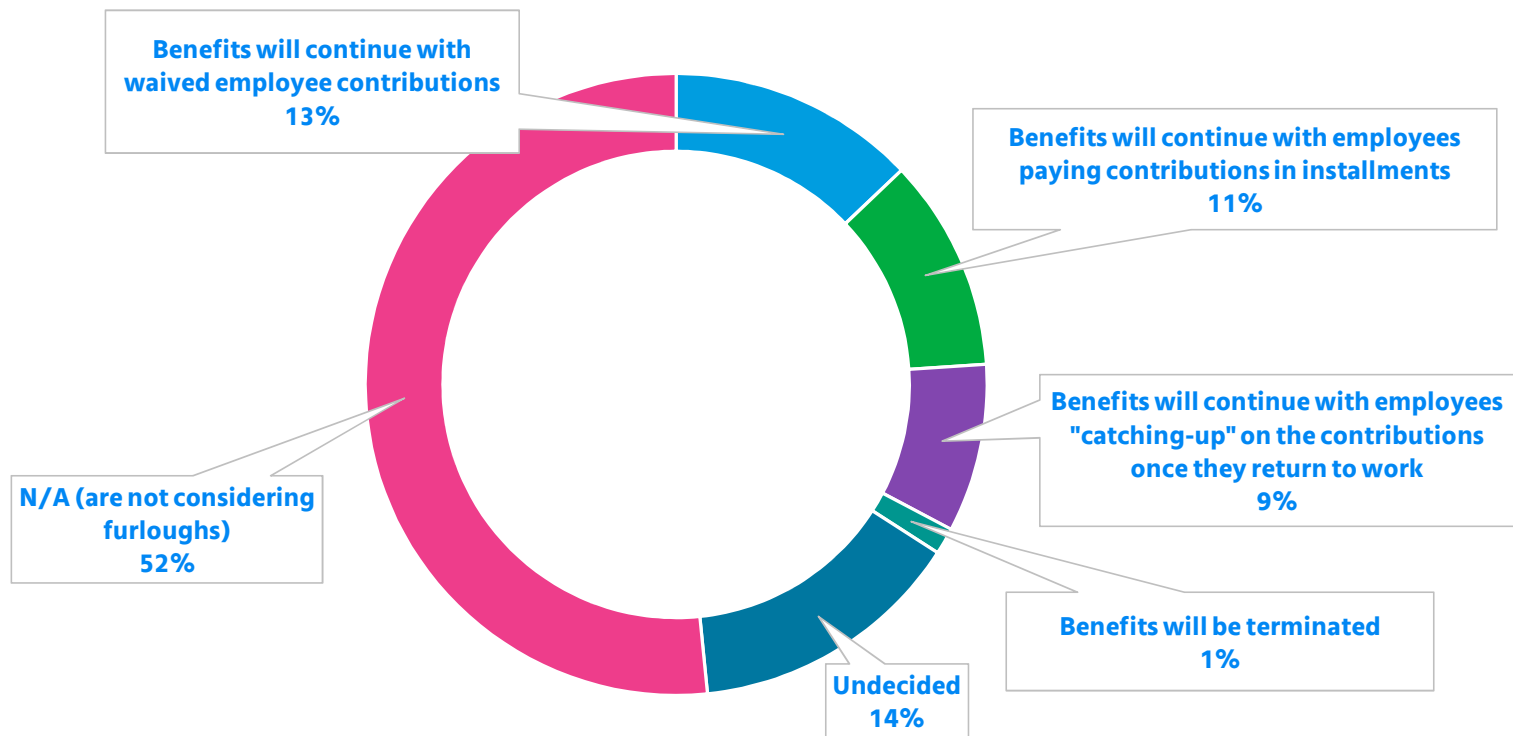
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Please rate where you believe the level of employee engagement in your organization will be at the end of 2020 relative to 2019:



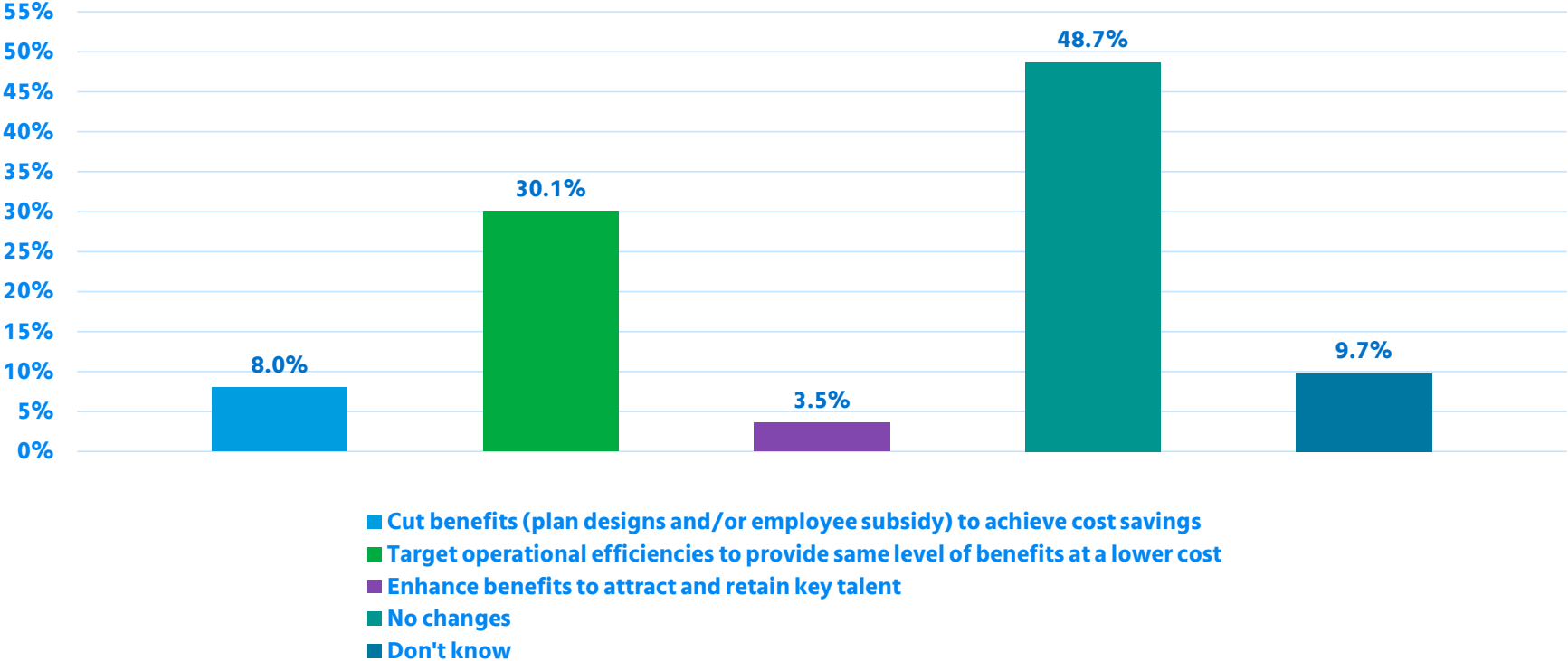
## Mercer Energy Spot Poll #2 – Global Results

For furloughs you are considering or have implemented, what are you planning/doing with regards to benefits?



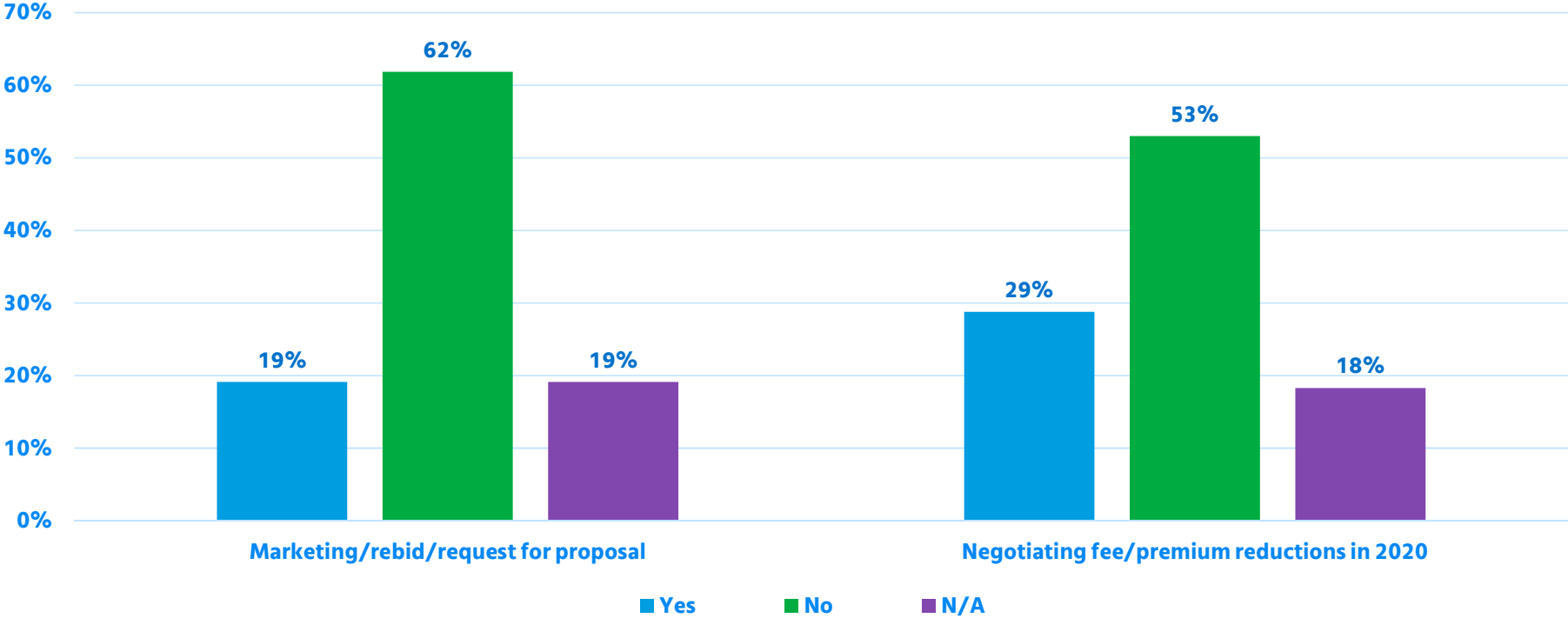
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Please indicate your company's top priority for Health & Welfare benefits:



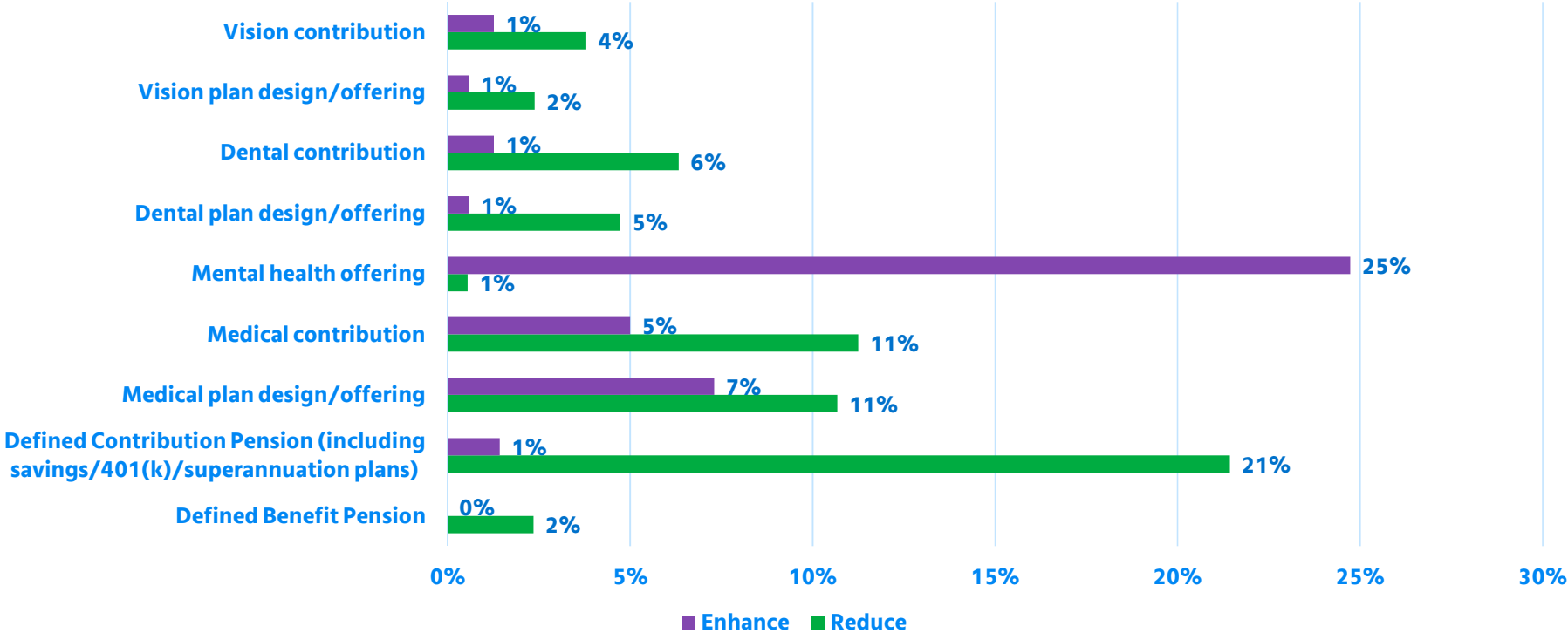
# Mercer Energy Spot Poll #2 – Global Results

## Have you taken any steps with your carrier partners/medical insurers to reduce cost in 2020 or 2021 for your Health & Welfare plans?



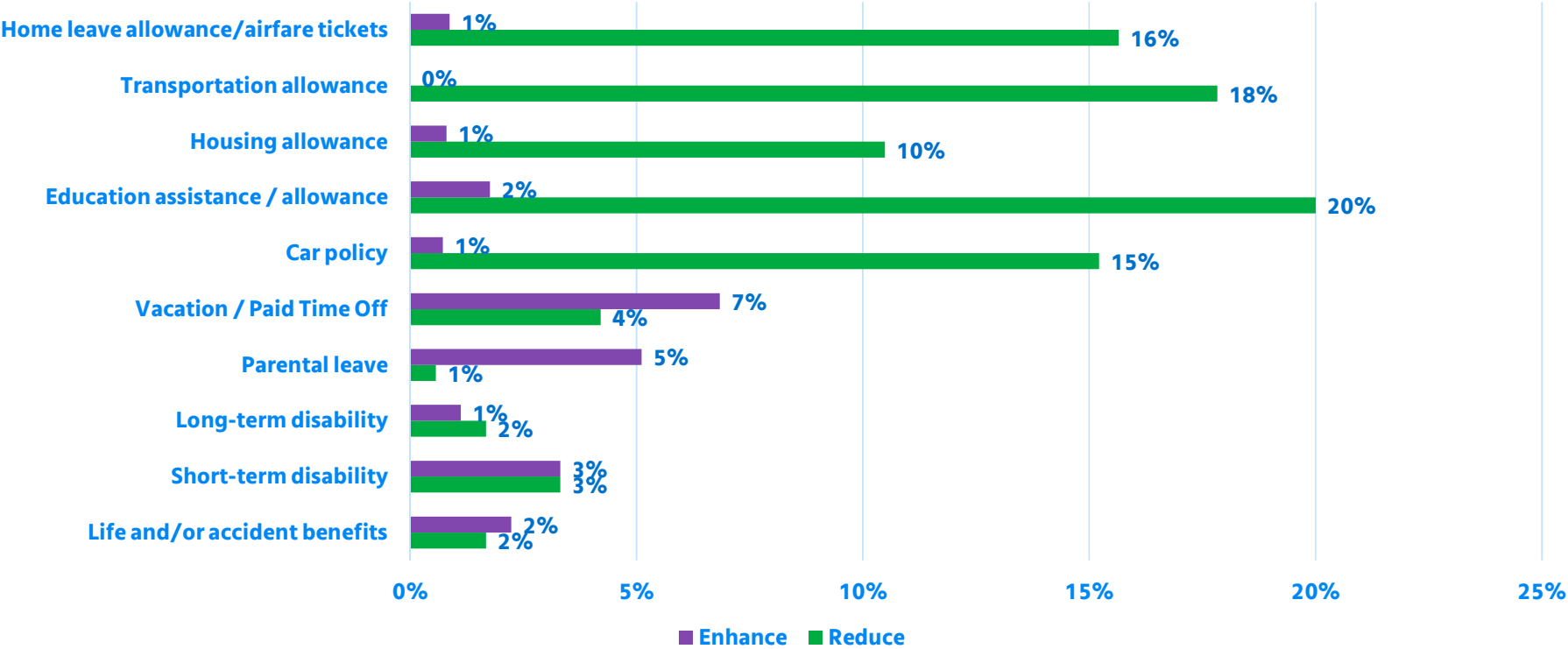
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## If considering changes to your benefits program, which benefits are you targeting? (Page 1 of 2)



# Mercer Energy Spot Poll #2 – Global Results

## If considering changes to your benefits program, which benefits are you targeting? (Page 2 of 2)





# Mercer Energy Spot Poll #2 – Global Results

## What other benefits measures are you considering?

### Reductions:

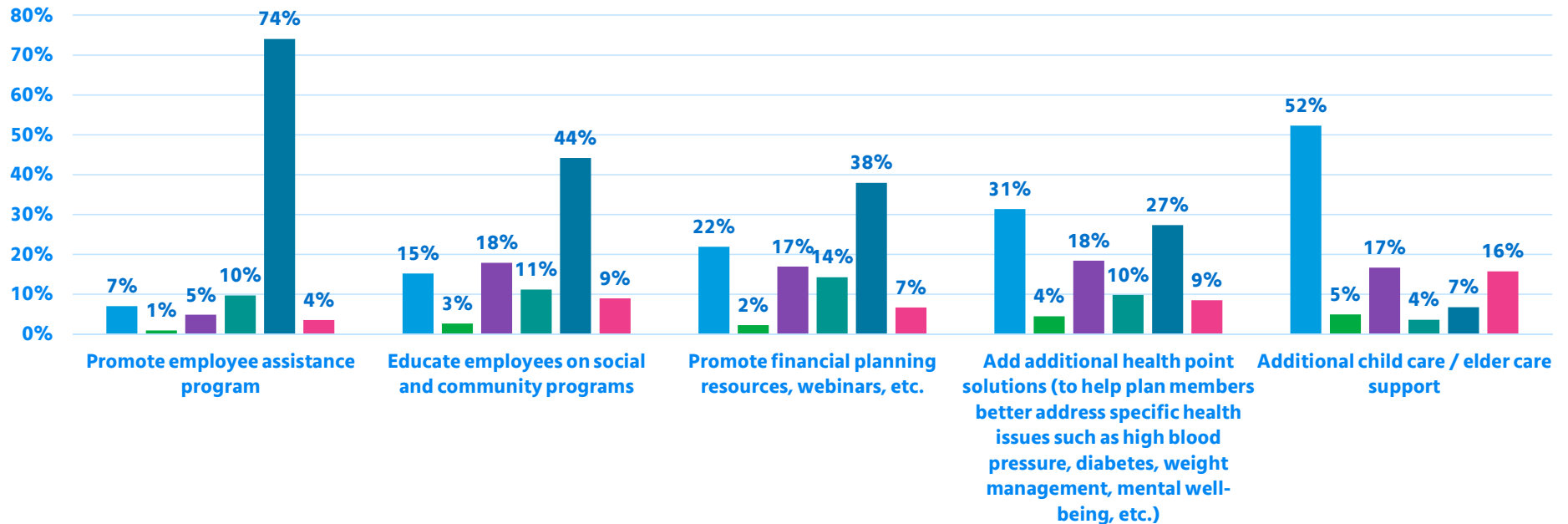
- Reduction in recognition programs
- Evaluating a reduction in short-term disability (not COVID-19 related)
- No longer paying the employer portion of benefits while employees are on unpaid leave
- Reducing employer match on company share purchase program
- Freezing scholarships, loans and other payments

### Other:

- Gym reimbursement policy now includes online apps
- Virtual resources for employee wellness and mental health
- Virtual healthcare platforms
- Investigating flexible benefits

## Mercer Energy Spot Poll #2 – Global Results

Have you taken, or are you planning on taking, steps to address stress and other behavioral health issues due to lower oil prices and/or fear of COVID-19?)



■ Not considering ■ Considering but unlikely to implement ■ Equally likely / unlikely ■ Considering and likely to implement ■ Planning or have already implemented ■ N/A

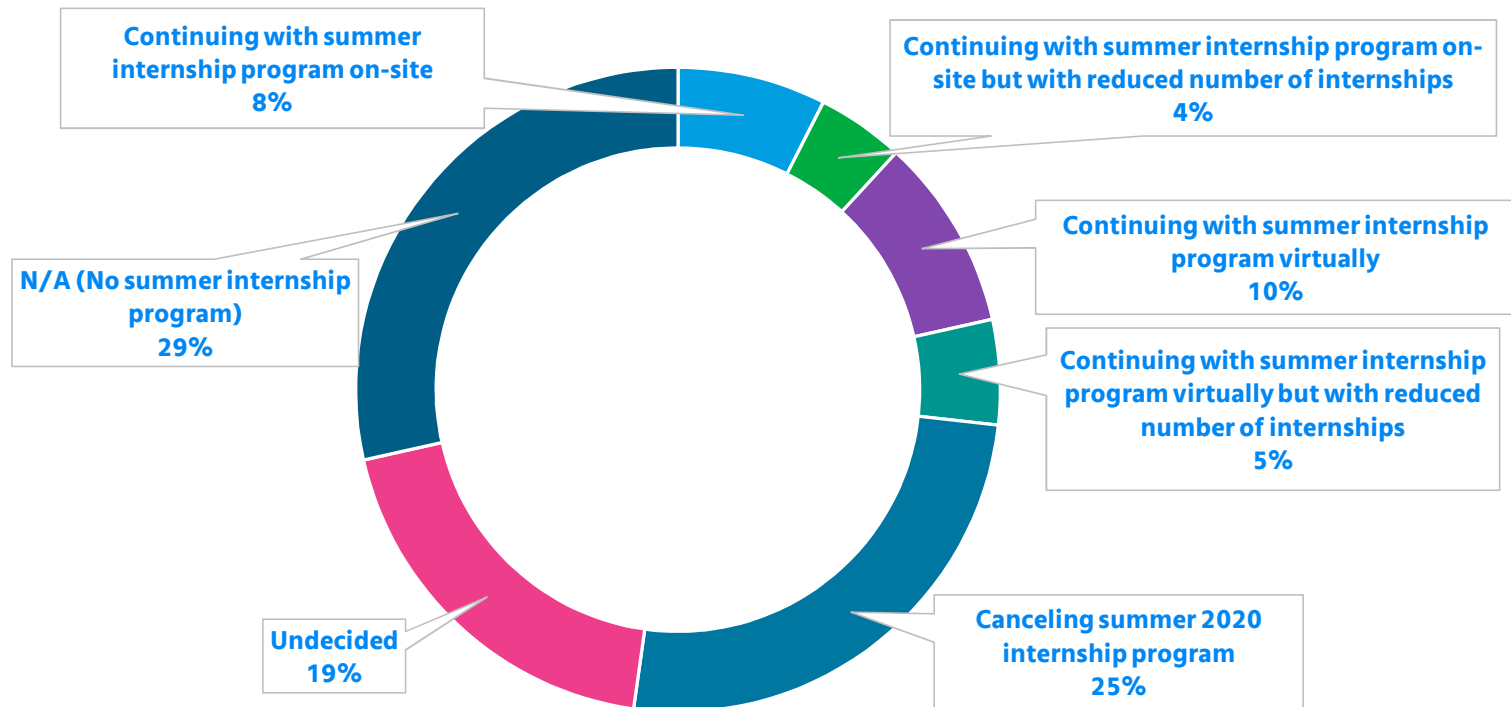


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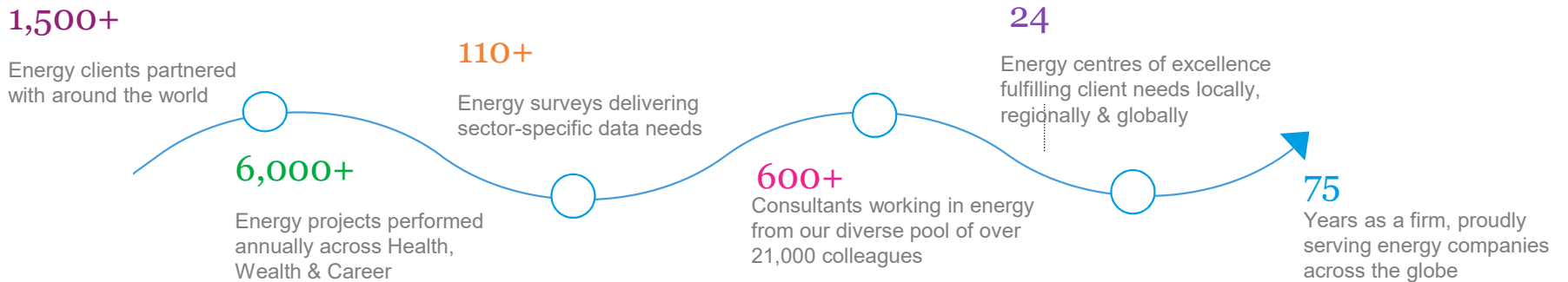
Mercer's Energy spot poll #2 was run April 22-29, 2020;  
Limited to one response per company per country

# Mercer Energy Spot Poll #2 – Global Results

## How are you handling summer internships?



# Mercer Energy Vertical Experience and Knowledge



Mercer gathers and delivers energy insights via a range of peer-to-peer industry networks including:

- North America Energy Forum ◆ European Energy HR Strategy Network ◆ Africa Energy Forum
- Asia Pac Energy Forum ◆ Middle East Energy Forum ◆ European Renewables Network

For further information on Mercer’s energy expertise and experience and how we can partner with your organization to manage and mitigate your people risks, please visit: <https://www.mercer.com/our-thinking/career/energy-industry-practice.html>

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