

Ninth Edition

Global Risk Management Survey

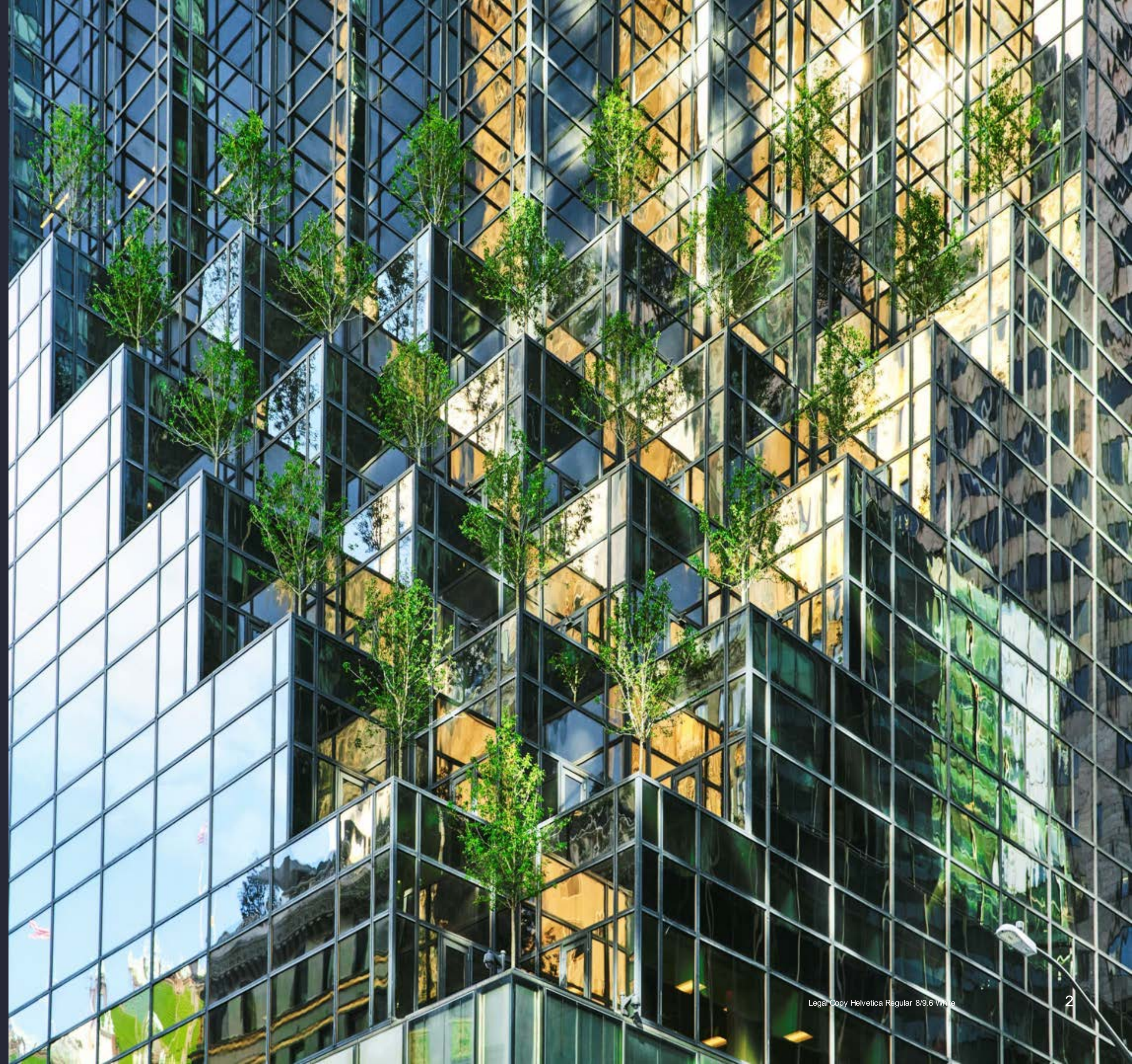
Key Findings

Risk
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Overview

Risk
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Risk



A rapidly evolving and volatile environment

The risk landscape looks markedly different today compared to just two years ago.

Businesses that survived pandemic-driven shutdowns and managed to adapt their business models are now battling a multitude of new headwinds. Protracted inflation and fluctuating interest rates have slowed down the global economy just as geopolitical volatility and workforce shortages reduced commodity production and disrupted supply chains.

And, while contending with a portfolio of interconnected risks, organizations face a talent shortage that further heightens exposure and complicates planning.

With so many challenges to respond to, what risks are at the top of business leaders' minds?



Aon's Global Risk Management Survey highlights the key risks on leaders' minds

Conducted every two years, Aon's Global Risk Management Survey is designed to assess business leaders' attitudes to risk and risk management in general.

[The ninth edition, published in November 2023](#), gathered responses from 2,842 decision makers including **risk managers, c-suite leaders, treasurers, HR** and **talent** professionals from 16 industry clusters, which include small, medium and large companies in 61 countries and territories around the world.

The data provides insight into the key risks on business leaders' minds across these segments and the steps organizations are taking to manage them.

What do the latest findings tell us?

2,842

respondents across risk, HR, finance and the c-suite

61

countries and territories

16

key industry groupings



Top ten global risks

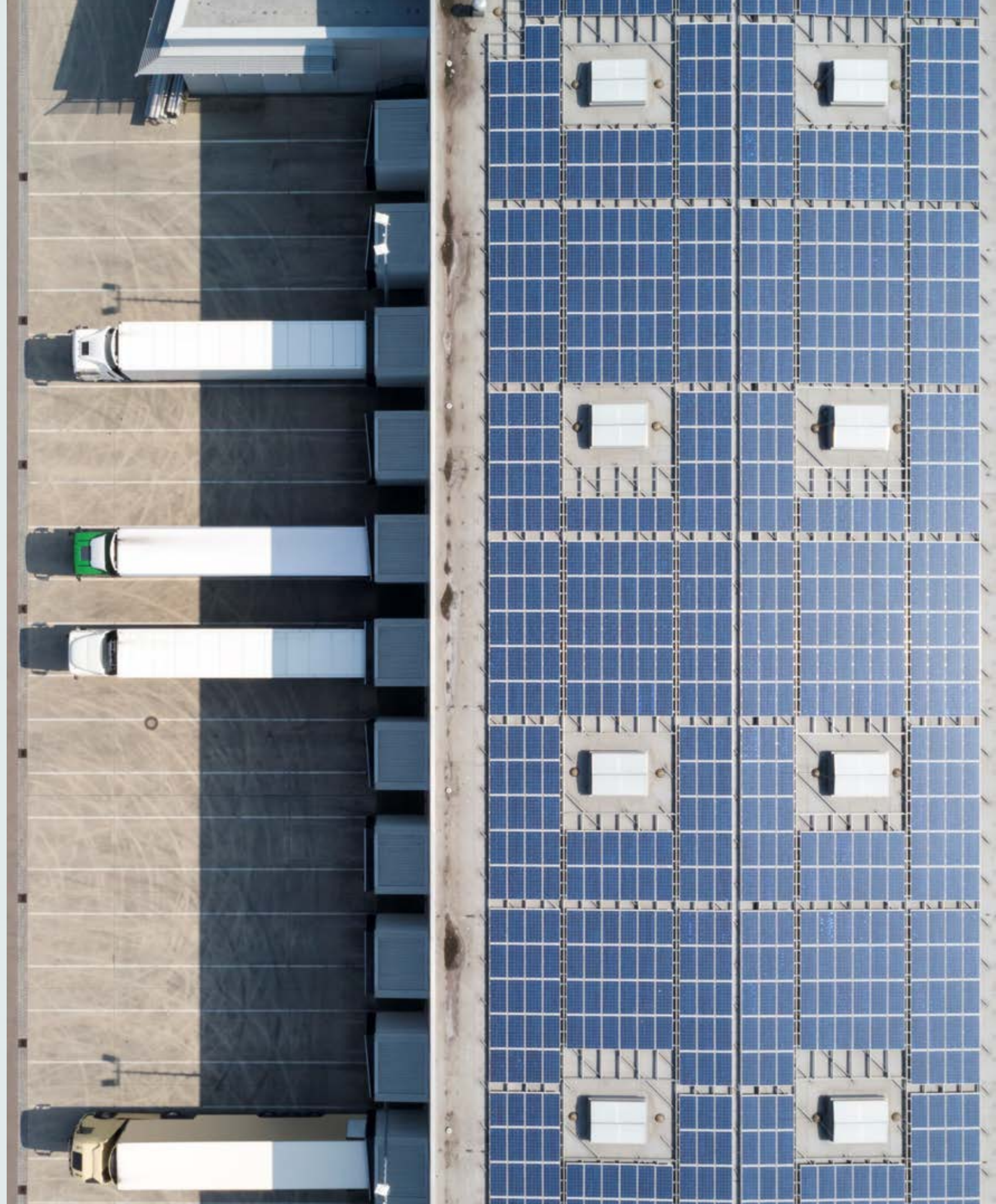
1 Cyber Attacks/ Data Breach	2 Business Interruption	3 Economic Slowdown/ Slow Recovery	4 Failure to Attract or Retain Top Talent	5 Regulatory/ Legislative Changes
6 Supply Chain or Distribution Failure	7 Commodity Price Risk/ Scarcity of Materials	8 Damage to Reputation/ Brand	9 Failure to Innovate/ Meet Customer Needs	10 Increasing Competition

Perennial risks, new reality

The results show that many of the top 10 risks remain unchanged since our last survey in 2021. But the macroeconomic environment in which they must be managed is **markedly different**.

The forces influencing risks like cyber-attacks, business interruption and economic slowdown are changing so rapidly that organizations are struggling to keep up, potentially leaving themselves vulnerable to new exposures.

In a period of rapid change and heightened volatility, finance, risk, and people leaders need to come together to better understand how these risks connect.



The compounding effect of human capital risks

What is clear from the survey findings is that business leaders are recognizing the true cost of human capital challenges.

Failure to attract or retain top talent stormed into the top ten risks this year, rising nine ranks compared to our previous survey to be the **fourth most critical global risk**.

The reality that people risk intensifies many other top business risks is stark. Significant shortfalls in talent, workforce and critical specialized skills are hampering organizations' ability to innovate, remain competitive and respond to a rapidly changing environment.



Interconnected and Complex

New, technology-led business models are evolving rapidly, driven by advancements such as generative AI and cloud computing. Widespread digitalization is increasing companies' exposure to cyber risk and highlighting the need to cultivate a workforce that is equipped with the skills to lead and implement change across an organization.

At the same time, organizations are struggling against high inflation, stagnating economic growth and numerous other headwinds in their efforts to grow their businesses and protect their balance sheets.

Risk resilience and workforce sustainability are fundamental to the success of any organization navigating current geopolitical and macroeconomic turbulence.



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Diving Into the Data

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Current versus future top ten risks

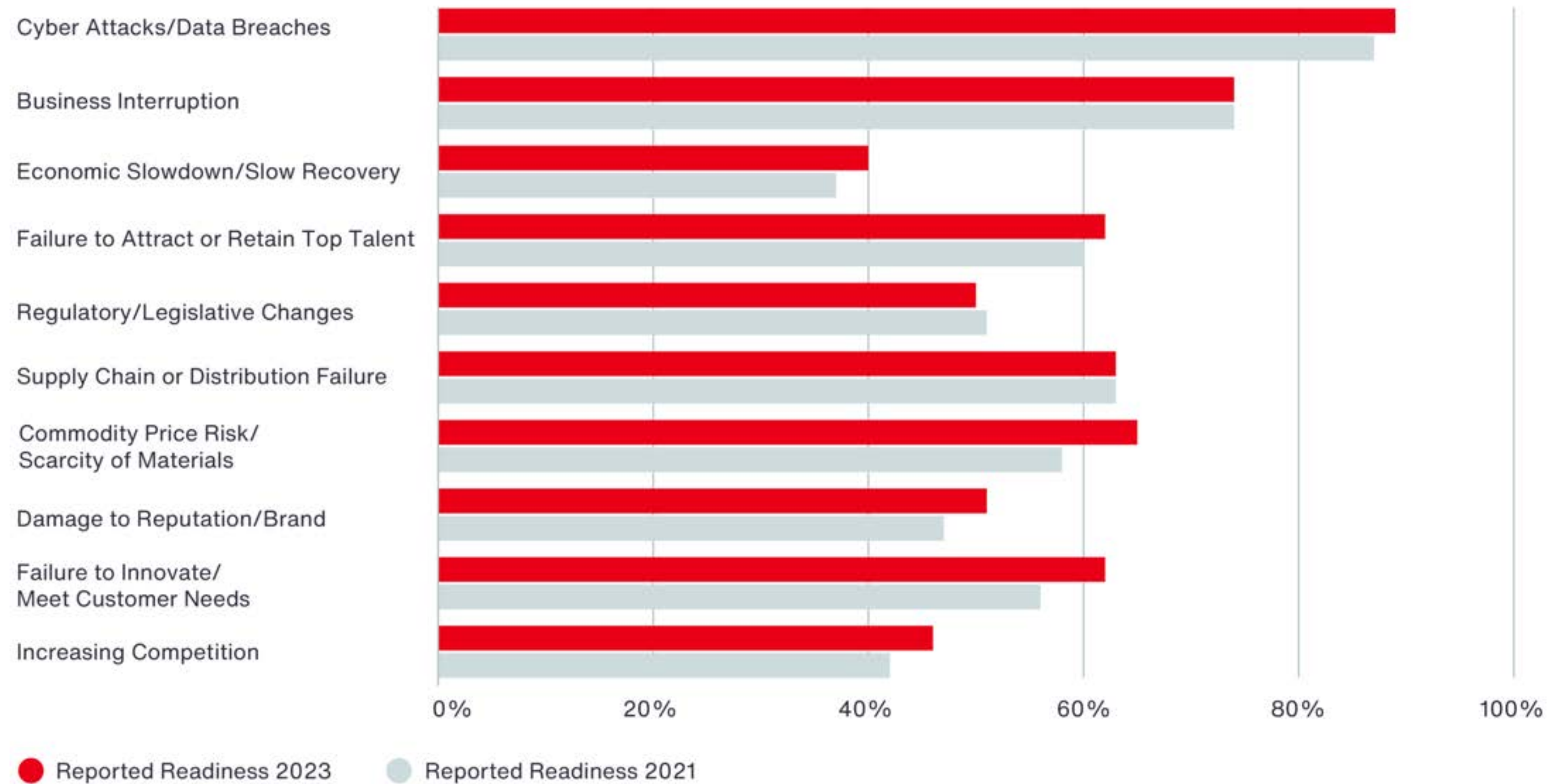
Cyber remains the number one most critical risk, with further talent issues break into the top ten by 2026

Top 10 in 2023			
	1	2	
	Cyber Attacks/ Data Breach	Business Interruption	
3	4	5	6
Economic Slowdown/Slow Recovery	Failure to Attract or Retain Top Talent	Regulatory/ Legislative Changes	Supply Chain or Distribution Failure
7	8	9	10
Commodity Price Risk/Scarcity of Materials	Damage to Reputation/ Brand	Failure to Innovate/Meet Customer Needs	Increasing Competition

Predicted to be Top 10 in 2026			
	1 ↔	2 ↑	
	Cyber Attacks/ Data Breach	Economic Slowdown/Slow Recovery	
3 ↑	4 ↔	5 ↔	6 ↓
Commodity Price Risk/Scarcity of Materials	Failure to Attract or Retain Top Talent	Regulatory/ Legislative Changes	Business Interruption
7 ↑	8 ↑	9 ↔	10 ↑
Increasing Competition	Workforce Shortage	Failure to Innovate/Meet Customer Needs	Cash Flow/ Liquidity Risk

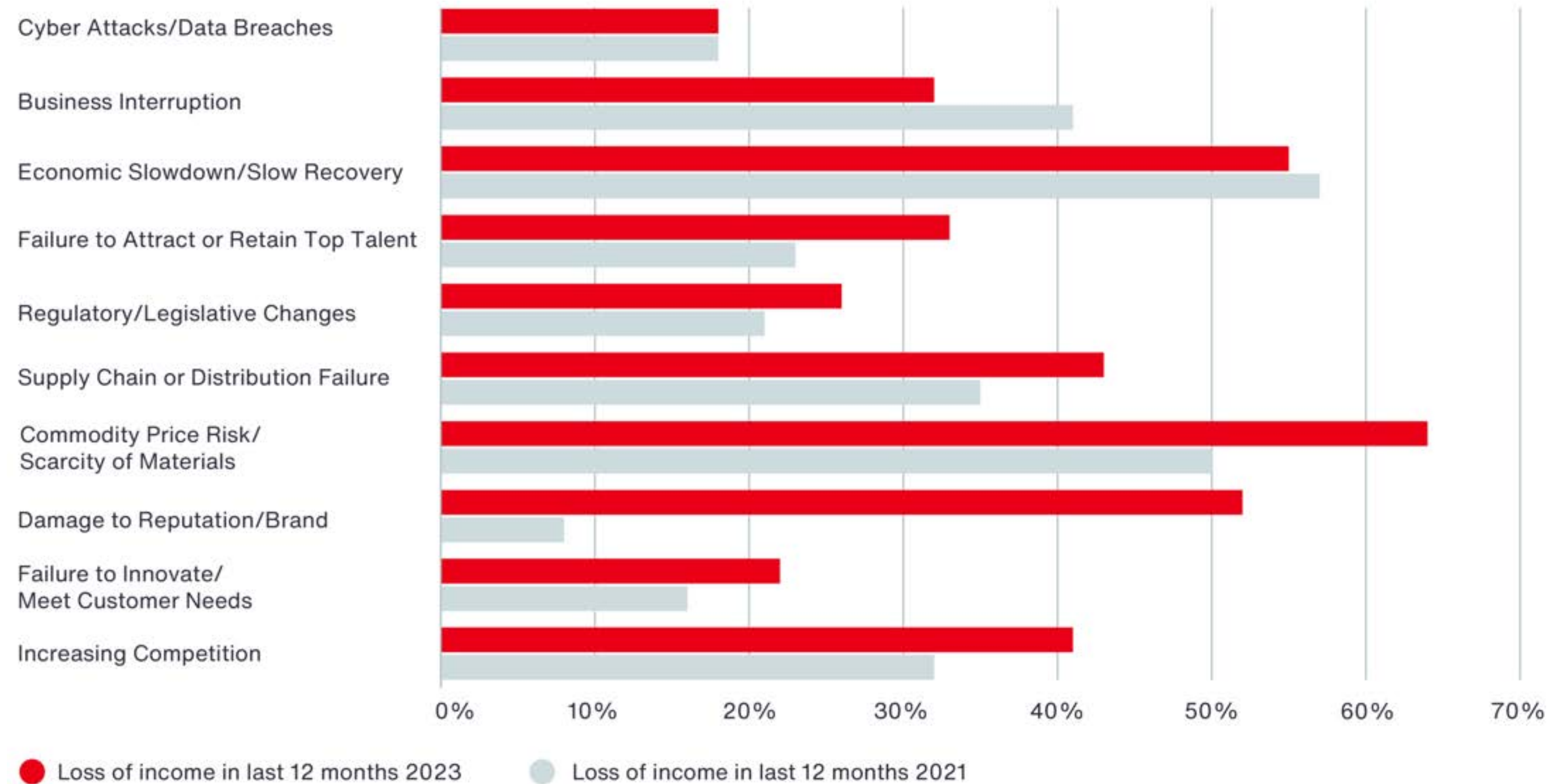
Reported readiness for global top ten risks

Average risk readiness for global top ten risks is 60 percent, the highest in ten years



Loss of income related to global top ten risks

Despite record reported readiness, 39 percent of respondents reported a loss of income related to the top ten risks in the past 12 months



Mitigation actions taken for global top ten risks

Although many participants reported having mitigation actions in place, only 17 percent indicated they quantified their biggest risks



Global Top Ten Risks Year-Over-Year

Failure to attract or retain top talent and supply chain or distribution failure reach their highest ever ranking in 2023

	2023	2021	2019	2017	2015	2013	2011	2009	2007
1	Cyber Attacks/ Data Breach	Cyber Attacks/ Data Breach	Economic Slowdown/Slow Recovery	Damage to Reputation/Brand	Damage to Reputation/Brand	Economic Slowdown/Slow Recovery	Economic Slowdown/Slow Recovery	Economic Slowdown/Slow Recovery	Damage to Reputation/Brand
2	Business Interruption	Business Interruption	Damage to Reputation/Brand	Economic Slowdown/Slow Recovery	Economic Slowdown/Slow Recovery	Regulatory/ Legislative Changes	Regulatory/ Legislative Changes	Regulatory/ Legislative Changes	Business Interruption
3	Economic Slowdown/Slow Recovery	Economic Slowdown/Slow Recovery	Rapidly Changing Market Trends	Increasing Competition	Regulatory/ Legislative Changes	Increasing Competition	Increasing Competition	Business Interruption	Third Party Liability (incl. E&O)
4	Failure to Attract or Retain Top Talent	Commodity Price Risk/Scarcity of Materials	Business Interruption	Regulatory/ Legislative Changes	Increasing Competition	Damage to Reputation/Brand	Damage to Reputation/Brand	Increasing Competition	Supply Chain or Distribution Failure
5	Regulatory/ Legislative Changes	Damage to Reputation/Brand	Increasing Competition	Cyber Attacks/ Data Breach	Failure to Attract or Retain Top Talent	Failure to Attract or Retain Top Talent	Business Interruption	Commodity Price Risk/Scarcity of Materials	Market Environment
6	Supply Chain or Distribution Failure	Regulatory/ Legislative Changes	Cyber Attacks/ Data Breach	Failure to Innovate/ Meet Customer Needs	Failure to Innovate/ Meet Customer Needs	Failure to Innovate/ Meet Customer Needs	Failure to Innovate/ Meet Customer Needs	Damage to Reputation/Brand	Regulatory/ Legislative Changes
7	Commodity Price Risk/Scarcity of Materials	Pandemic Risk/ Health Crises	Commodity Price Risk/Scarcity of Materials	Failure to Attract or Retain Top Talent	Business Interruption	Business Interruption	Failure to Attract or Retain Top Talent	Cash Flow/ Liquidity Risk	Failure to Attract or Retain Top Talent
8	Damage to Reputation/Brand	Supply Chain or Distribution Failure	Cash Flow/ Liquidity Risk	Business Interruption	Third Party Liability (Incl. E&O)	Commodity Price Risk/Scarcity of Materials	Commodity Price Risk/Scarcity of Materials	Supply Chain or Distribution Failure	Market Risk (Financial)
9	Failure to Innovate/ Meet Customer Needs	Increasing Competition	Failure to Innovate/ Meet Customer Needs	Political Risk	Cyber Attacks/ Data Breach	Cash Flow/ Liquidity Risk	Tech or System Failure	Third Party Liability (incl. E&O)	Property Damage
10	Increasing Competition	Failure to Innovate/ Meet Customer Needs	Regulatory/ Legislative Changes	Third Party Liability (incl. E&O)	Property Damage	Political Risk	Cash Flow/ Liquidity Risk	Failure to Attract or Retain Top Talent	Merger/Acquisition/ Restructuring

Top Ten Risks by Region

Cyber attacks/data breach stands at the number one spot in three regions in 2023

Rank	Asia Pacific	Europe	Latin America	Middle East & Africa	North America
1	Cyber Attacks/Data Breach	Cyber Attacks/Data Breach	Business Interruption	Economic Slowdown/ Slow Recovery	Cyber Attacks/Data Breach
2	Economic Slowdown/ Slow Recovery	Commodity Price Risk/ Scarcity of Materials	Cyber Attacks/Data Breach	Exchange Rate Fluctuation	Failure to Attract or Retain Top Talent
3	Business Interruption	Business Interruption	Regulatory/Legislative Changes	Business Interruption	Economic Slowdown/ Slow Recovery
4	Failure to Attract or Retain Top Talent	Economic Slowdown/ Slow Recovery	Commodity Price Risk/ Scarcity of Materials	Cash Flow/Liquidity Risk	Supply Chain or Distribution Failure
5	Rapidly Changing Market Trends	Failure to Attract or Retain Top Talent	Political Risk	Political Risk	Business Interruption
6	Supply Chain or Distribution Failure	Regulatory/Legislative Changes	Economic Slowdown/ Slow Recovery	Cyber Attacks/Data Breach	Regulatory/Legislative Changes
7	Regulatory/Legislative Changes	Supply Chain or Distribution Failure	Supply Chain or Distribution Failure	Supply Chain or Distribution Failure	Damage to Reputation/Brand
8	Increasing Competition	Damage to Reputation/Brand	Property Damage	Commodity Price Risk/ Scarcity of Materials	Failure to Innovate/ Meet Customer Needs
9	Failure to Innovate/ Meet Customer Needs	Failure to Innovate/ Meet Customer Needs	Damage to Reputation/Brand	Failure to Attract or Retain Top Talent	Workforce Shortage
10	Commodity Price Risk/ Scarcity of Materials	Workforce Shortage	Weather/Natural Disasters	Failure to Innovate/ Meet Customer Needs	Cash Flow/Liquidity Risk

Top Risks by Industry

Cyber attacks/data breach reaches the number one spot in three regions in 2023

Industry	#1 Risk	#2 Risk	#3 Risk
Construction and Real Estate	Economic Slowdown/Slow Recovery	Failure to Attract or Retain Top Talent	Cyber Attacks/Data Breach
Financial Institutions	Cyber Attacks/Data Breach	Regulatory/Legislative Changes	Economic Slowdown/Slow Recovery
Financial Sponsors	Cash Flow/Liquidity Risk	Capital Availability	Interest Rate Fluctuation
Food, Agribusiness and Beverage	Commodity Price Risk/Scarcity of Materials	Supply Chain or Distribution Failure	Business Interruption
Healthcare Providers and Services	Cyber Attacks/Data Breach	Workforce Shortage	Failure to Attract or Retain Top Talent
Hospitality, Travel and Leisure	Cyber Attacks/Data Breach	Economic Slowdown/Slow Recovery	Business Interruption
Industrials and Manufacturing	Commodity Price Risk/Scarcity of Materials	Supply Chain or Distribution Failure	Economic Slowdown/Slow Recovery
Insurance	Cyber Attacks/Data Breach	Failure to Attract or Retain Top Talent	Weather/Natural Disasters
Life Sciences	Supply Chain or Distribution Failure	Cyber Attacks/Data Breach	Business Interruption
Natural Resources	Business Interruption	Regulatory/Legislative Changes	Commodity Price Risk/Scarcity of Materials
Professional Services	Cyber Attacks/Data Breach	Failure to Attract or Retain Top Talent	Damage to Reputation/Brand
Public Sector	Cyber Attacks/Data Breach	Damage to Reputation/Brand	Failure to Attract or Retain Top Talent
Retail and Consumer Goods	Cyber Attacks/Data Breach	Supply Chain or Distribution Failure	Damage to Reputation/Brand
Sports and Entertainment	Damage to Reputation/Brand	Business Interruption	Cyber Attacks/Data Breach
Technology, Media and Communications	Cyber Attacks/Data Breach	Failure to Attract or Retain Top Talent	Tech or System Failure
Transportation and Logistics	Cyber Attacks/Data Breach	Economic Slowdown/Slow Recovery	Business Interruption

Complete risk ranking

● Insurable ● Partially Insurable ● Uninsurable

1 Cyber Attacks/ Data Breach	2 Business Interruption	3 Economic Slowdown/ Slow Recovery	4 Failure to Attract or Retain Top Talent	5 Regulatory/ Legislative Changes	6 Supply Chain or Distribution Failure	7 Commodity Price Risk/Scarcity of Materials	8 Damage to Reputation/ Brand	9 Failure to Innovate/Meet Customer Needs	10 Increasing Competition
11 Cash Flow/ Liquidity Risk	12 Workforce Shortage	13 Property Damage	14 Tech or System Failure	15 Weather/ Natural Disasters	16 Political Risk	17 Climate Change	18 Rapidly Changing Market Trends	19 Vendor Management/ Third Party Risk	20 Environmental Risk
21 Geopolitical Volatility	22 Exchange Rate Fluctuation	23 Environmental Social Governance (ESG)/ Corporate Social Responsibility (CSR)	24 Work Injuries	25 Interest Rate Fluctuation	26 Capital Availability	27 Product Liability/ Recall	28 Major Project Failure	29 Third Party Liability (e.g. E&O)	30 Failure to Implement/ Communicate Strategy
31 Data Privacy (including GDPR) Requirements/ Non-Compliance	32 Pandemic Risk/ Health Crises	33 Counterparty Credit Risk	34 Asset Price Volatility	35 Outdated Tech Infrastructure	36 Aging Workforce & Related Health Issues	37 Personal Liability (D&O)	38 Concentration Risk (Product, People, Geography, Etc.)	39 Merger/ Acquisition/ Restructuring	40 Disruptive Technologies
41 Absenteeism	42 Rising Healthcare Costs	43 Conduct Risk/ Unethical Behavior	44 Inadequate Succession Planning	45 Intellectual Property Risks	46 Theft	47 Globalization/ Emerging Markets	48 Fraud or Embezzlement	49 Artificial Intelligence (AI)	50 Outsourcing
51 Terrorism	52 Share Price Volatility	53 Harassment/ Discrimination (Employment Related)	54 Pension Risks	55 Gender Pay Gap	56 Impact of Brexit	57 Impact of Blockchain Tech	58 Sovereign Debt	59 Extortion	60 Kidnap & Ransom

Underrated risks

Climate Change: Rank 17

Climate change is not an emerging risk, it is an urgent risk. While it achieved its highest-ever global ranking in the most recent survey, it remains an underrated global risk at number 17 and, according to our predictions, remains underrated in the future at number 12.

Intellectual Property Risk: Rank 45

Considering that intangible assets, most in the form of IP, make up [90 percent of S&P 500 companies' value](#), and that there has been a rise in IP litigation, this low rank is surprising.

Organizations' patents, brand and trade secrets are increasingly subject to legal challenges and technology and the proliferation of AI are further muddying the waters for organizations.

Artificial Intelligence: Rank 49

The velocity of this risk is enormous and its potential risk impacts go far beyond cyber security exposure. AI could cause legal issues and amplify human-capital risks, but it does also come with huge potential opportunity. Generative AI is estimated to have the potential to add the equivalent of [\\$2.6 trillion to \\$4.4 trillion annually to the global economy](#).

The ranking suggests organizations are taking a wait-and-see approach to the technology, aware of its potential risk implications but not yet clear on how or to what extent they will use it.



Contacts

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Methodology/Appendix

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Methodology

Aon's ninth Global Risk Management Survey, a biennial web-based research report, was conducted in June to July 2023 in 11 languages. The research gathered the responses from 2,842 decision makers including risk managers, c-suite leaders, treasurers, HR and talent professionals from 16 industry clusters, which include small, medium and large companies in 61 countries/territories around the world.

The web-based survey addressed both qualitative and quantitative risk and human capital issues. The respondents provided feedback and insight on their insurance, risk management and wider business decisions, interests and concerns.

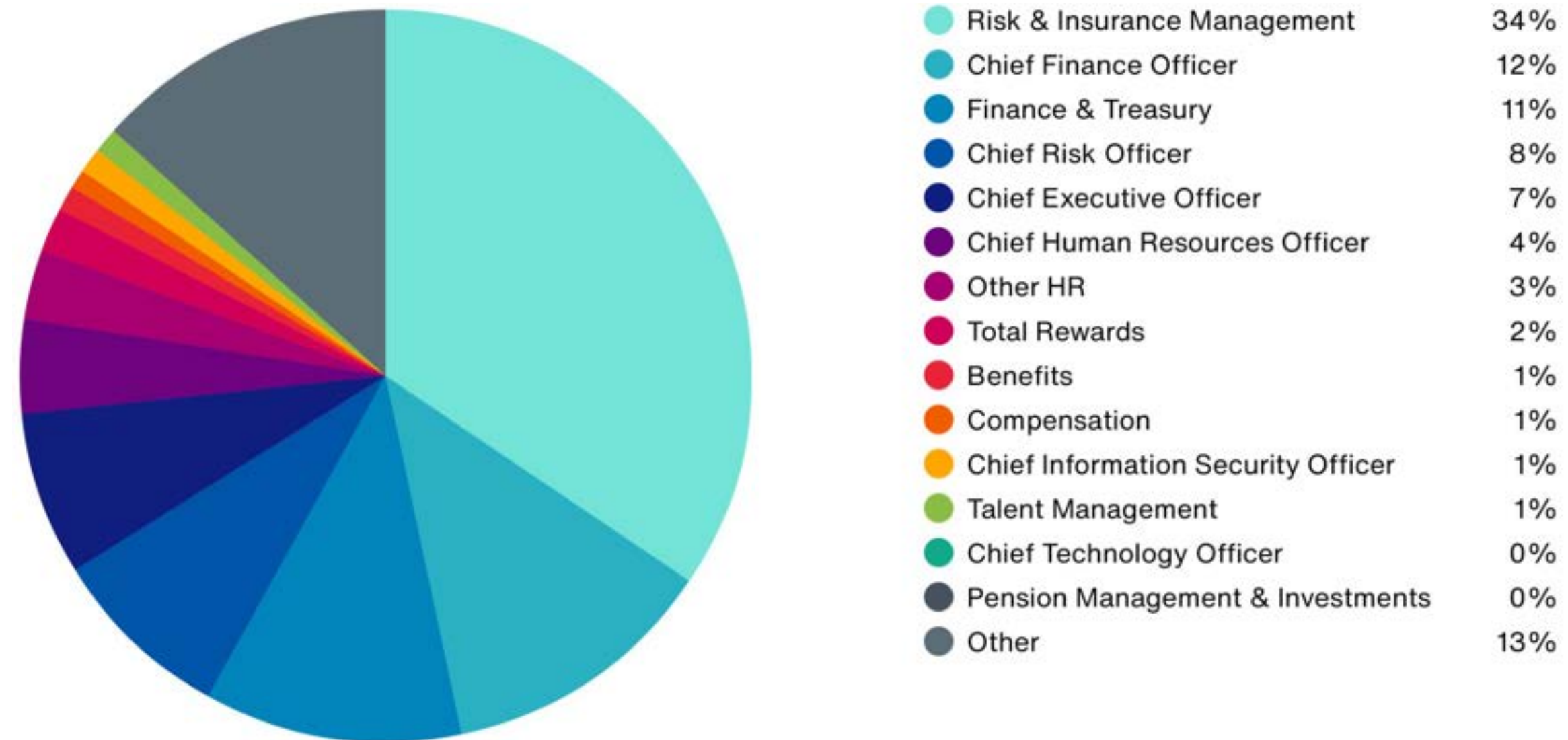
Aon Centre of Innovation and Analytics tabulated the responses.

Percentages for some of the responses may not add up to 100 percent due to rounding or respondents being able to select more than one answer.

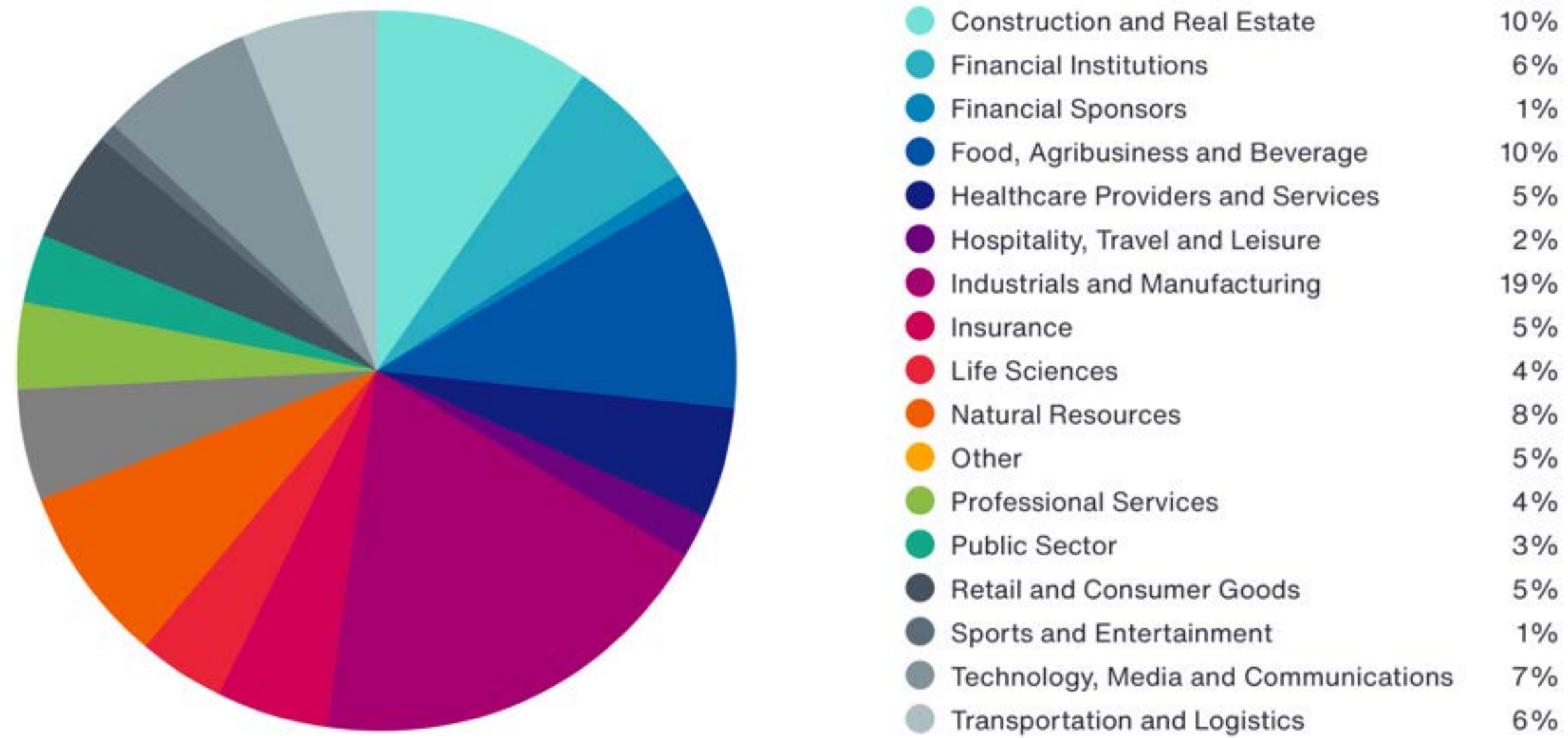
All revenue amounts are shown in US Dollars.



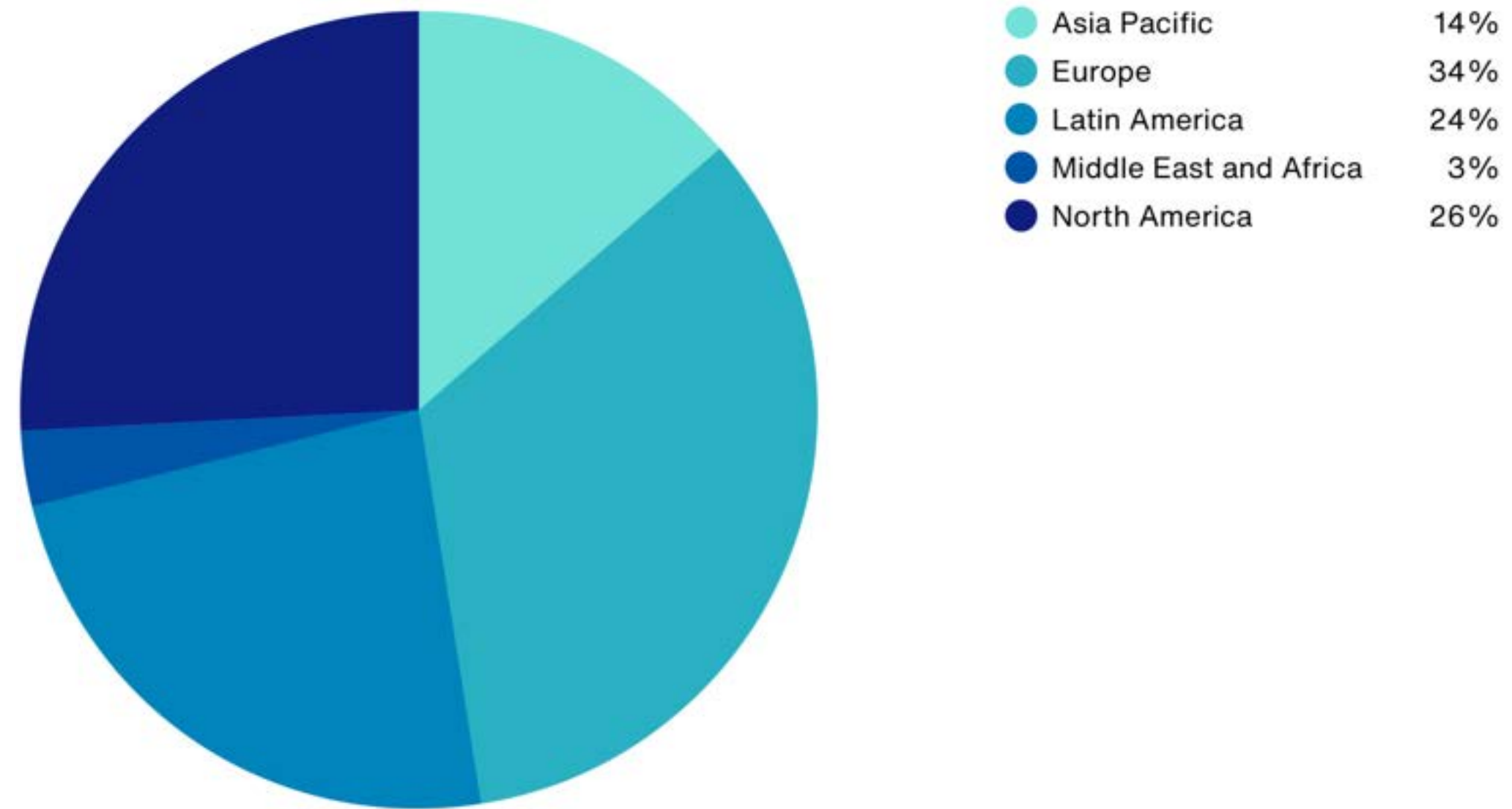
Survey respondents by role



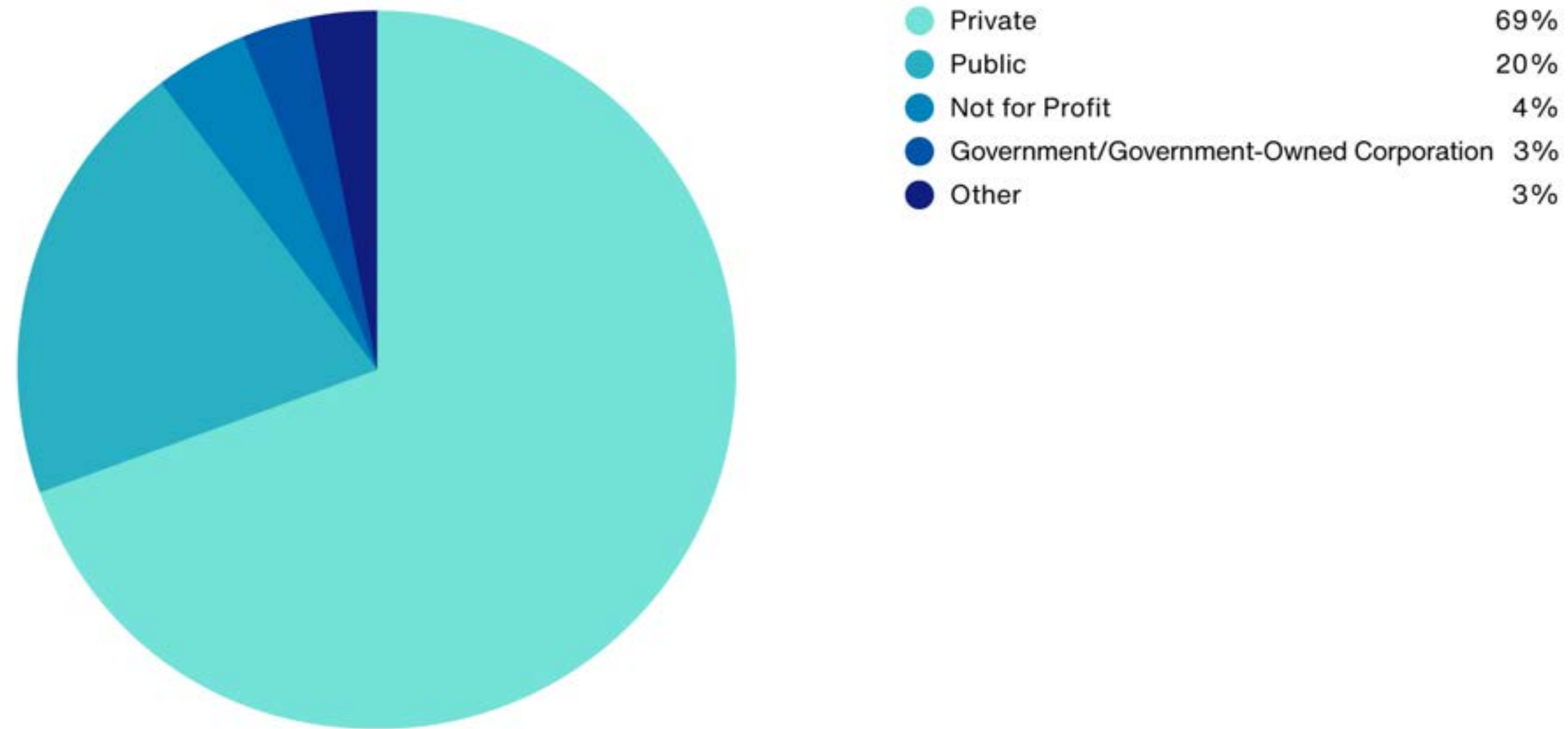
Survey respondents by industry



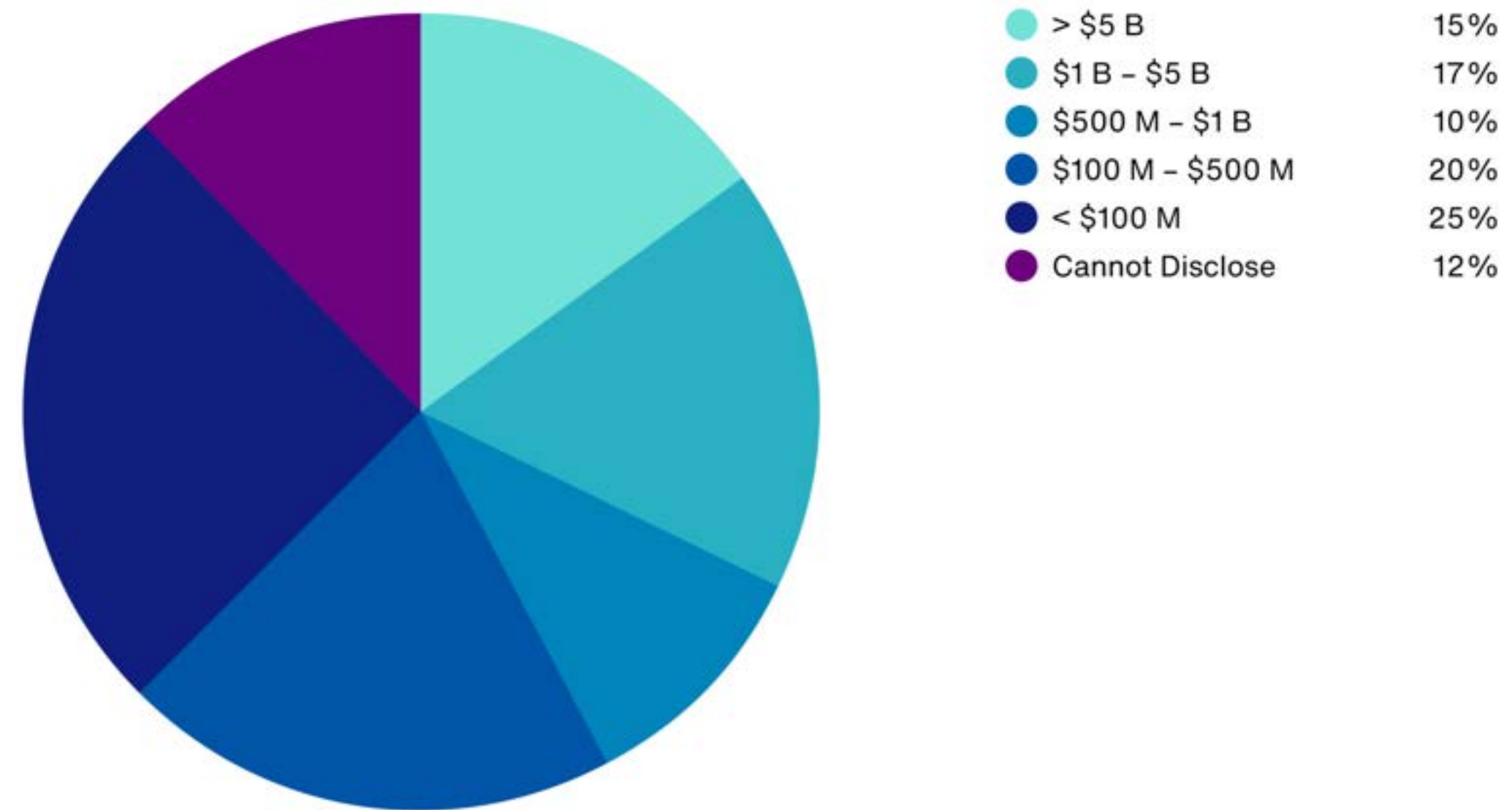
Survey respondents by region



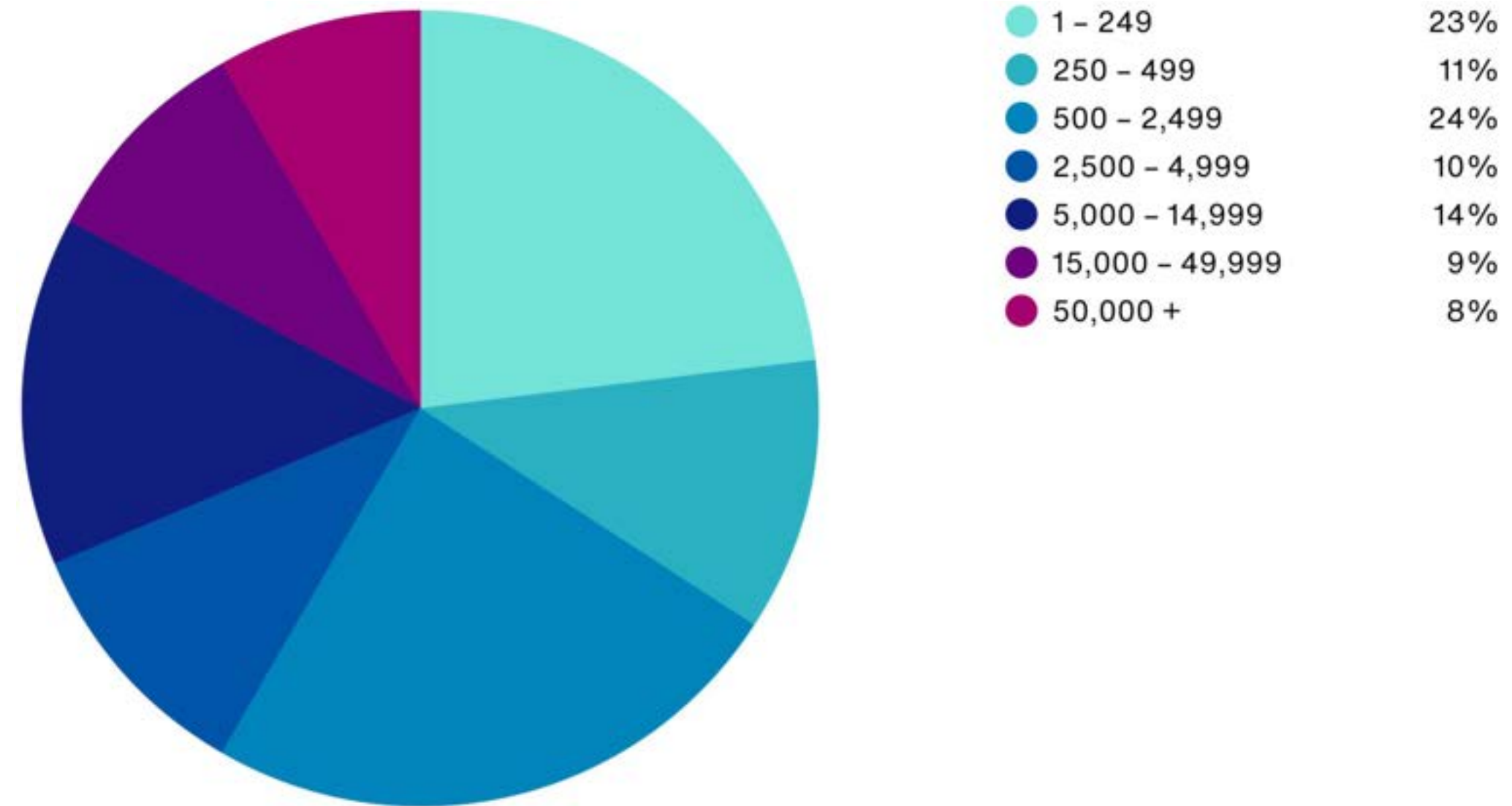
Survey respondents by type of organization



Survey respondents by revenue



Survey respondents by number of employees





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