

# UNLOCKING OPPORTUNITY

EXECUTIVE PERSPECTIVES ON TOP RISKS AND OPPORTUNITIES

## Appendix A

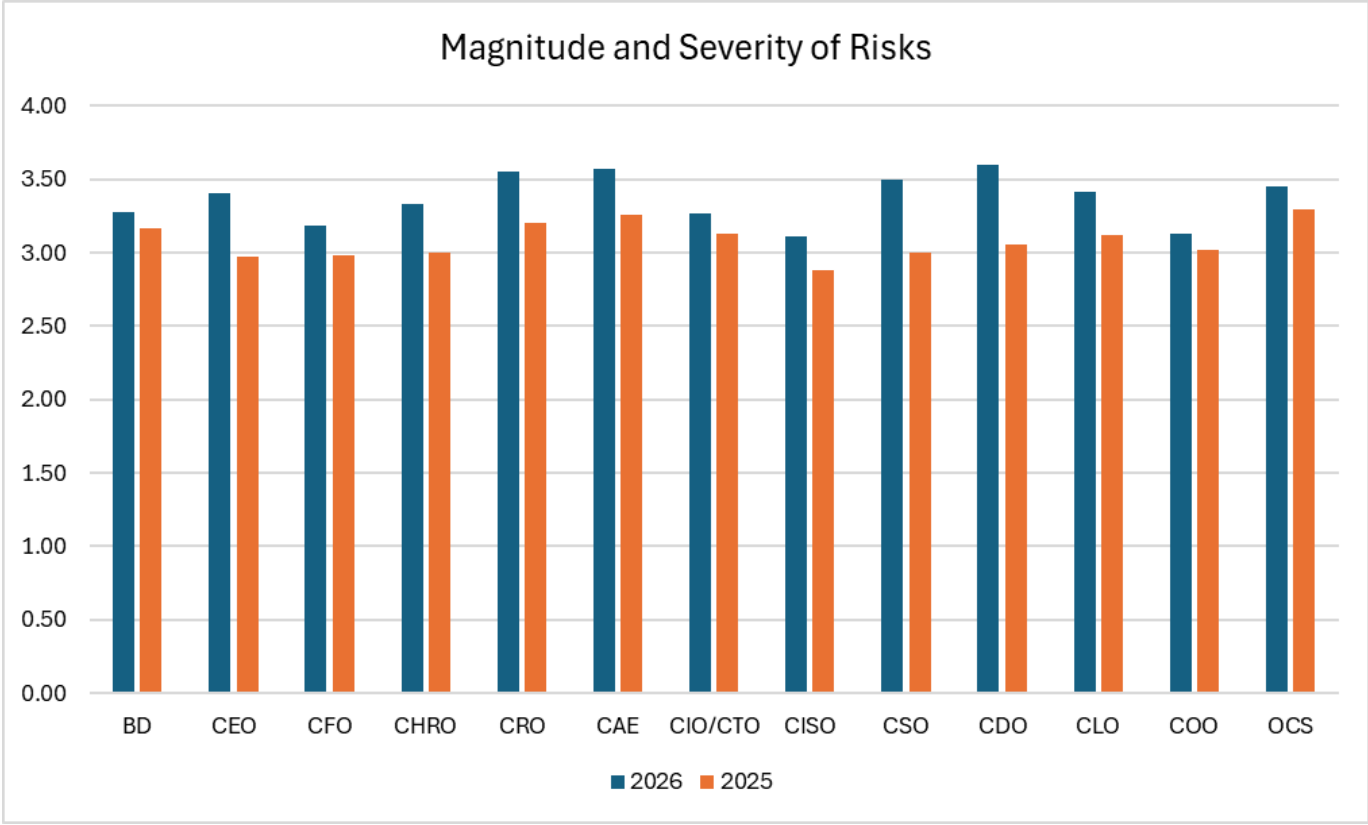
### Near-Term Risks and Opportunities – Across Executive Positions

We targeted our survey to individuals serving on the board of directors or in senior executive leadership positions in organizations they serve so that we could obtain top executive perspectives about near-term and long-term risks. We received 94 responses from boards of directors, and it is likely that many of the senior executive positions represented in our respondents also serve as board members, particularly many of the 62 Chief Executive Officers included in our sample. The breakdown of respondents by position is shown in the table below.

Position	Number of respondents	Percentage of sample
Board Member	94	6%
Chief Executive Officer (CEO)	62	4%
Chief Financial Officer (CFO)	314	20%
Chief Human Resources Officer (CHRO)	24	2%
Chief Risk Officer (CRO)	159	10%
Chief Audit Executive (CAE)	168	11%
Chief Information/Technology Officer (CIO/CTO)	211	14%
Chief Information Security Officer (CISO)	115	7%
Chief Strategy/Innovation Officer (CSO)	18	1%
Chief Data/Digital Officer (CDO)	10	1%
Chief Legal Officer/General Counsel (CLO)	12	1%
Chief Operating Officer (COO)	236	15%
Other C-Suite (OCS)	44	3%
All Other	73	5%
<b>Total</b>	<b>1,540</b>	<b>100%</b>

We asked our respondents to first assess the overall risk landscape over the next two to three years. Specifically, we asked: Overall, *what is your impression of the magnitude and severity of the overall risk environment your organization will face in executing its strategy and achieving its performance goals over the next two to three years? Select one.*

- 1 – Extremely low magnitude and severity of risks
- 2
- 3 – Moderate
- 4
- 5 – Extremely high magnitude and severity of risks



There is marked consistency in perspectives across all executive positions that the economic landscape over the next two to three years will be riskier than their evaluation one year ago.

To determine how perspectives about near-term risks differ across different executive positions represented, we separately examined responses received from board members from the 12 C-suite positions we examined. As illustrated by the color-coded charts below, there is a noticeable difference in views about near-term risks across the different executive positions analyzed. Board members rated two of the 28 near-term risks as “Significant Impact” risks, while CEOs rated eight of the 28 near-term risks as “Significant Impact” risks, with two of those risks being strategic in nature. Interestingly, COOs have the most optimistic views about near-term risks given they did not rate any of the 28 near-term risks as

“Significant Impact” risks. In contrast, Chief Audit Executives are the most concerned, with 17 of the 28 near-term risks rated at the “Significant Impact” level.

Consistent with prior reports, we use the color-coding scheme below to highlight risks visually using three categories. Below, we provide a summary of the impact assessments for each of the 28 risks by category of executive using this color-coding scheme:

Classification	Risks with an average score of	
Significant Impact	3.11 or higher	●
Potential Impact	2.70 through 3.10	●
Less Significant Impact	Less than 2.70	●

**Macroeconomic risks**

	BD	CEO	CFO	CHRO	CRO	CAE	CIO/CTO	CISO	CSO	CDO	CLO	COO	OCS
M1 - Talent and labor availability	3.08	3.55	2.65	3.83	3.23	3.35	2.94	2.57	3.22	3.30	2.92	2.57	3.09
M2 - Increases in labor costs	2.97	3.44	2.82	3.46	2.89	3.14	2.86	2.59	3.28	2.90	3.33	2.82	3.02
M3 - Change in current interest rate environment	2.80	2.71	2.70	2.61	2.86	2.86	2.80	2.55	3.39	2.80	3.17	2.65	3.00
M4 - Changes in global markets and trade policies	2.82	2.88	2.76	2.96	3.10	3.12	3.00	2.78	3.44	3.10	2.42	2.87	2.91
M5 - Access to capital/liquidity	2.70	2.65	2.68	2.79	2.54	2.61	2.77	2.67	2.53	2.30	2.42	2.69	2.47
M6 - Economic conditions, including inflationary pressures	3.03	3.33	2.82	3.33	3.54	3.37	3.11	2.59	3.24	2.90	3.67	2.76	3.32
M7 - Geopolitical shifts, regional conflicts and instability in governmental regimes	2.81	3.15	2.59	3.08	3.16	3.20	2.97	2.46	3.17	2.80	2.75	2.55	3.00
M8 - Increase in global terrorism, crime and violence	2.64	2.59	2.57	2.91	2.50	2.39	2.87	2.50	2.71	2.30	2.33	2.61	2.53
M9 - Impact of expected demographic changes	2.74	2.97	2.50	3.25	2.55	2.75	2.79	2.37	2.82	3.00	2.33	2.46	2.84

## Operational risks

	BD	CEO	CFO	CHRO	CRO	CAE	CIO/ CTO	CISO	CSO	CDO	CLO	COO	OCS
O1 - Uncertainty surrounding core supply chain ecosystem	2.83	2.76	2.49	2.88	2.71	2.71	2.57	2.28	2.71	2.60	2.17	2.50	2.58
O2 - Third-party risks	2.80	2.95	3.08	2.83	3.52	3.47	3.28	3.17	2.83	2.80	3.08	3.05	2.93
O3 - Skills and talent acquisition and retention, leadership development and succession challenges	3.16	3.47	2.73	3.50	3.28	3.37	2.96	2.81	3.17	3.10	3.50	2.63	3.32
O4 - Cyber threats	3.30	3.13	3.27	3.08	3.69	3.73	3.58	3.36	3.44	3.20	3.33	3.09	3.68
O5 - Ensuring privacy and compliance with growing privacy and identity protection risks and expectations	2.91	2.97	2.70	2.92	3.08	3.12	2.87	2.81	2.65	2.50	2.75	2.71	2.98
O6 - Operations and legacy IT infrastructure unable to meet performance expectations	2.91	3.08	3.01	2.83	3.22	3.34	3.15	2.89	3.22	3.00	3.17	2.92	2.91
O7 - Inability to utilize rigorous data analytics to achieve market intelligence and increase productivity and efficiency	2.82	2.84	2.64	2.50	3.08	3.09	2.83	2.50	2.94	2.90	3.00	2.71	2.79
O8 - Resistance to change restricting organization from adjusting business model and sustaining a resilient culture	2.74	2.80	2.49	2.75	3.03	3.13	2.72	2.39	3.06	2.60	3.00	2.54	2.82
O9 - Rising threat of catastrophic natural disasters and weather phenomena	2.67	2.79	2.46	2.38	2.86	2.56	2.57	2.31	2.94	2.90	2.58	2.31	2.62
O10 - Managing multigenerational workforce demands and expectations	2.73	2.93	2.53	3.25	2.57	2.76	2.75	2.41	3.17	2.90	2.25	2.63	2.70
O11 - Emergence of new risks from implementing AI	2.86	3.02	2.92	2.50	3.43	3.39	3.00	2.99	3.06	2.60	3.17	2.85	3.30

## Strategic risks

	BD	CEO	CFO	CHRO	CRO	CAE	CIO/ CTO	CISO	CSO	CDO	CLO	COO	OCS
S1 - Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces	2.87	2.98	2.69	2.63	3.22	3.26	2.99	2.68	3.06	3.00	3.17	2.68	3.09
S2 - Heightened regulatory change, uncertainty and fragmentation	2.93	3.28	2.61	3.08	3.61	3.49	2.92	2.64	2.94	2.70	3.58	2.58	2.93
S3 - Impact of climate change and environmental and sustainability requirements and/or expectations	2.54	2.51	2.61	2.38	2.62	2.51	2.79	2.49	2.83	2.22	2.55	2.53	2.51
S4 - Resiliency and/or agility to manage an unexpected crisis and other uncertainties	2.66	2.87	2.50	2.96	3.08	3.11	2.77	2.48	2.89	2.60	2.75	2.50	2.77
S5 - Sustaining customer loyalty and retention	2.68	3.08	2.63	2.71	3.03	3.20	2.80	2.52	2.94	2.40	3.17	2.59	2.89
S6 - Markets served have limited growth potential	2.75	2.72	2.54	2.71	2.66	2.85	2.91	2.57	3.00	2.80	2.17	2.60	2.84
S7 - Threats of new market entrants and substitute products and services	2.78	2.89	2.69	2.75	2.85	2.89	2.92	2.65	2.89	2.40	2.58	2.67	2.93
S8 - Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	2.93	3.34	2.87	3.08	3.39	3.36	3.15	2.83	3.11	3.30	3.00	2.85	3.23

## Board and C-suite perspectives on near-term risks

The primary conclusion of this survey is that the C-suite and board are facing a **resilience imperative**: The fundamental challenge is to build a business model that is structurally capable of absorbing shocks from the external environment while simultaneously executing an aggressive digital and talent agenda. The perspectives of the board, CEO, and CFO reveal a high-level focus on governance, top-line strategy, and financial performance.

The board's top concerns are centered on governance, control, and the systemic risks that erode shareholder value.

## Top five risks – Board Members

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.30	3.24
2	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.16	3.21
3	M1	Talent and labor availability	3.08	3.24
4	M6	Economic conditions, including inflationary pressures	3.03	3.37
5	M2	Increases in labor costs	2.97	3.15

Board members are primarily concerned with cyber threats and the macroeconomic risks of talent, economic conditions, and labor costs. This signals a demand for strategic clarity on how management will secure the digital perimeter while building a stable, competitively priced workforce – the two core elements necessary for sustained strategic execution.

The CEO’s agenda focuses intensely on the tools for execution: people, cost, and technology enablement.

**Top five risks – Chief Executive Officers**

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	M1	Talent and labor availability	3.55	2.97
2	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.47	2.88
3	M2	Increases in labor costs	3.44	3.13
4	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.34	3.27
5	M6	Economic conditions, including inflationary pressures	3.33	3.07

CEOs identified eight of the 28 risks as being of significant impact, whereas in the previous year they only identified four of the risks at that level. For the CEO, the human capital crisis is the number one strategic risk. They see the lack of available talent as the greatest impediment to strategic success, immediately followed by the escalating cost of that talent. The high ranking of upskilling and reskilling further confirms that digital transformation is limited by people capacity, not technology availability.

**Top five risks – Chief Financial Officers**

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.27	2.99
2	O2	Third-party risks	3.08	2.74
3	O6	Operations and legacy IT infrastructure unable to meet performance expectations	3.01	2.72
4	O11	Emergence of new risks from implementing AI	2.92	2.69
5	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	2.87	2.55

CFOs only identified one risk (cyber threats) as having a significant impact. However, CFOs’ focus was on margin and compliance control and uniquely weighted toward risks that threaten immediate financial stability, capital structure, and mandatory compliance.

The CFO’s top three risks are purely operational control risks, indicating a profound concern with the integrity of the operating environment, especially where it intersects with third-party outsourced risk and outdated legacy IT systems. The inclusion of AI implementation risks suggests a watchful eye on emerging technology costs and the potential for financial and compliance failure in new systems.

### Top five risks – Chief Human Resource Officers

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	M1	Talent and labor availability	3.83	3.34
2	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.50	3.26
3	M2	Increases in labor costs	3.46	3.53
4	M6	Economic conditions, including inflationary pressures	3.33	3.16
5 (tie)	M9	Impact of expected demographic changes	3.25	2.61
5 (tie)	O10	Managing multigenerational workforce demands and expectations	3.25	2.61

The CHRO’s perspective is the most concentrated, with four of their top five risks being purely about talent and labor.

The CHRO’s score of 3.83 for talent availability is the highest single score given by any position to any risk in the survey, representing a clear emergency at the human capital level. Almost their entire top five is a direct call for focus on the cost, availability, skill, and demographic challenges of the workforce, defining this as an existential threat to strategic success.

**Top five risks – Chief Risk Officers**

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.69	3.39
2	S2	Heightened regulatory change, uncertainty and fragmentation	3.61	3.40
3	M6	Economic conditions, including inflationary pressures	3.54	3.36
4	O2	Third-party risks	3.52	3.37
5	O11	Emergence of new risks from implementing AI	3.43	3.04

The top five risks identified by the CROs in our sample are the highest scoring in the entire survey, reflecting their mandate to identify and quantify the most extreme forms of failure.

CROs are prioritizing control-orientated risks: cyber threats, regulatory change, and third-party risk. They are most alarmed by the interconnected failure points of digital security, compliance, and outsourced operations. The presence of economic conditions and new technologies requiring upskilling shows that market volatility and talent gaps are now viewed as quantifiable, high-impact risks requiring immediate mitigation strategies.

### Top five risks – Chief Audit Executives

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.73	3.62
2	S2	Heightened regulatory change, uncertainty and fragmentation	3.49	3.33
3	O2	Third-party risks	3.47	3.47
4	O11	Emergence of new risks from implementing AI	3.39	3.19
5	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.37	3.48

Perspectives shared by CAEs in our sample are nearly identical to those of CROs, emphasizing assurance over high-impact failure points.

As one of the highest-scoring risks across the entire survey, the CAE’s assessment of cyber threats underscores the absolute necessity of robust internal controls in this area. Their list confirms that audit resources must be allocated to areas of new technology and third-party risks creating external dependencies, where control failure has the highest systemic impact.

### Top five risks – Chief Information Officers/Chief Technology Officers

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.58	3.05
2	O2	Third-party risks	3.28	2.84
3	O6	Operations and legacy IT infrastructure unable to meet performance expectations	3.15	2.86
4	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.15	3.02
5	M6	Economic conditions, including inflationary pressures	3.11	3.11

The technology leaders are predictably focused on securing the digital core and enabling the future workforce.

For the CIO/CTO, the top priority is cyber threats, but their list is dominated by operational IT risks. This is a clear warning that the technical debt of legacy IT and the risks of a complex digital ecosystem (third-party risks) are the key internal constraints on technology-driven growth.

**Top five risks – Chief Information Security Officers**

Rank	Risk Code	Risk Description	2026 Score
1	O4	Cyber threats	3.36
2	O2	Third-party risks	3.17
3	O11	Emergence of new risks from implementing AI	2.99
4	O6	Operations and legacy IT infrastructure unable to meet performance expectations	2.89
5	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	2.83

This is the first year we have broken out the CISO role results, thus we do not have year-over-year data to display.

As expected, CISOs rate cyber threats and third-party risks to be far more significant relative to other risk issues in the survey. Other concerns include AI implementation risks, which for CISOs likely include security and privacy issues. In addition, like many other leaders, they expressed concerns about their ability to upskill and reskill their people in light of new and emerging technologies that the enterprise is adopting.

## Top five risks – Chief Strategy Officers/Chief Innovation Officers

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1 (tie)	M4	Changes in global markets and trade policies	3.44	2.88
1 (tie)	O4	Cyber threats	3.44	3.00
3	M3	Change in current interest rate environment	3.39	2.91
4	M2	Increases in labor costs	3.28	3.19
5	M6	Economic conditions, including inflationary pressures	3.24	3.18

The top risks identified by CSOs and CIOs are heavily weighted toward external market forces and the need for organizational responsiveness.

These executives are alone in ranking the risk related to changes in global markets and trade policies as their top risk, reflecting a focus on systemic market shocks and trade friction as the primary inhibitor of strategic planning. Their top five is overwhelmingly macroeconomic, underscoring their mandate to navigate geopolitical and financial volatility.

### Top five risks – Chief Digital Officers/Chief Data Officers

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1 (tie)	M1	Talent and labor availability	3.30	2.81
1 (tie)	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.30	3.00
3	O4	Cyber threats	3.20	2.98
4 (tie)	M4	Changes in global markets and trade policies	3.10	2.84
4 (tie)	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.10	2.58

Chief Digital and Data Officers are intensely focused on the *people-centric* and *technology-centric* challenges required to fully leverage data as a strategic asset.

Their top two risks are a tie between talent availability and upskilling/reskilling. This demonstrates that the core challenge for the data function is not simply technology, but also the human capacity to deploy new technologies (like AI) and the requisite data science talent needed to drive competitive advantage.

## Top five risks – Chief Legal Officers/General Counsel

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	M6	Economic conditions, including inflationary pressures	3.67	3.00
2	S2	Heightened regulatory change, uncertainty and fragmentation	3.58	2.74
3	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.50	2.81
4 (tie)	M2	Increases in labor costs	3.33	2.84
4 (tie)	O4	Cyber threats	3.33	2.74

The risks identified by CLOs are dominated by concerns over compliance and the financial and human costs associated with legal failure.

The CLOs' singular focus on economic conditions as their top risk (a position not shared by any other executive) suggests a high sensitivity to the legal and contractual risks triggered by economic volatility, such as insolvencies, restructuring, and litigation. The priority on regulatory change, labor costs, and skills and talent acquisition highlights their role in navigating legal compliance in a volatile financial and human capital landscape.

## Top five risks – Chief Operating Officers

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.09	2.93
2	O2	Third-party risks	3.05	2.89
3	O6	Operations and legacy IT infrastructure unable to meet performance expectations	2.92	2.77
4	M4	Changes in global markets and trade policies	2.87	2.83
5 (tie)	O11	Emergence of new risks from implementing AI	2.85	2.81
5 (tie)	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	2.85	2.85

COOs in our sample identified risks related to operational hurdles that impede efficiency and delivery.

The COO's top list focuses on the direct cost and capacity constraints of operations: labor costs, cyber threats, and legacy IT. Their lower overall scores, particularly for risks focused on talent and availability, may reflect a focus on managing *current* operational throughput rather than *future* strategic growth.

### Top five risks – Other C-Suite Executives

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.68	3.52
2 (tie)	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.32	3.62
2 (tie)	M6	Economic conditions, including inflationary pressures	3.32	3.54
4	O11	Emergence of new risks from implementing AI	3.30	3.31
5	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.23	3.35

The OCS group, representing diverse non-core roles, clearly identifies cyber and the digital/talent/cost nexus as the defining challenges, validating the core strategic imperatives identified across the more specialized roles.