Appendix B

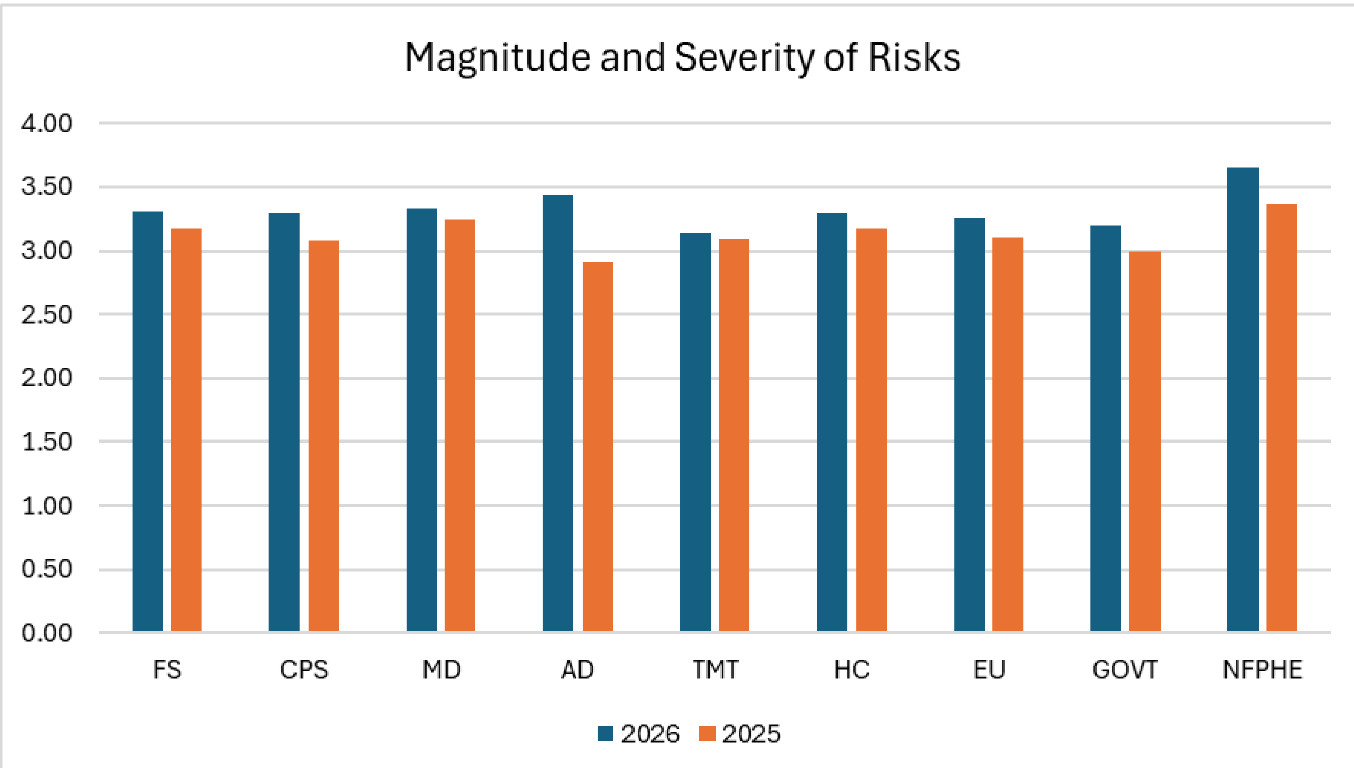
Near-Term Risks and Opportunities – Across Industry Groups

We analysed subsets of the full sample across nine different industry groupings as shown below, excluding 21 survey responses that did not provide an industry selection.

Position	Number of respondents	Percentage of sample
Financial Services (FS)	325	21%
Consumer Products and Services (CPS)	241	16%
Manufacturing and Distribution (MD)	216	14%
Technology, Media and Telecommunications (TMT)	167	11%
Aerospace and Defence (AD)	125	8%
Healthcare (HC)	142	9%
Energy and Utilities (EU)	117	8%
Not-for-Profit or Higher Education (NFP/HE)	59	4%
Governmental Agencies	127	8%
Other industries	21	1%
Total	**1,540**	**100%**

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 organisation 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



Again, as with our analysis of executive positions, each industry group perceives that the magnitude and severity of risks their organisations face over the next two to three years will be higher than they reported in the prior year. In addition, every industry group is consistent in their belief that near-term risks will have "Significant Impact." This suggests that there is an overall concern for the short-term future; this is something that should be taken into consideration when acquiring additional data.

Consistent with prior reports, we use the following color-coding scheme 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 industry group 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

	FS	CPS	MD	AD	TMT	HC	EU	GOVT	NFPHE
M1 - Talent and labour availability	2.85	3.08	3.11	3.02	2.57	3.16	2.90	2.42	3.41
M2 - Increases in labour costs	2.64	3.26	3.29	3.19	2.51	2.99	2.91	2.32	3.18
M3 - Change in current interest rate environment	3.09	2.69	2.81	2.81	2.58	2.55	2.75	2.44	2.45
M4 - Changes in global markets and trade policies	2.82	3.05	3.36	3.04	2.74	2.77	2.88	2.62	2.59
M5 - Access to capital/liquidity	2.75	2.69	2.65	2.88	2.54	2.48	2.65	2.51	2.61
M6 - Economic conditions, including inflationary pressures	3.19	3.13	3.11	2.98	2.77	3.03	3.04	2.77	3.29
M7 - Geopolitical shifts, regional conflicts and instability in governmental regimes	2.69	2.92	3.07	2.96	2.48	2.82	2.91	2.74	2.98
M8 - Increase in global terrorism, crime and violence	2.49	2.68	2.69	3.15	2.18	2.55	2.60	2.76	2.36
M9 - Impact of expected demographic changes	2.58	2.62	2.82	2.73	2.21	2.83	2.41	2.41	3.16

Operational risks

	FS	CPS	MD	AD	TMT	HC	EU	GOVT	NFP/HE
O1 - Uncertainty surrounding core supply chain ecosystem	2.16	2.95	3.11	2.85	2.19	2.73	2.93	1.84	2.02
O2 - Third-party risks	3.37	3.12	3.12	3.51	2.85	3.17	3.19	2.98	2.85
O3 - Skills and talent acquisition and retention, leadership development and succession challenges	3.08	3.11	3.05	3.09	2.78	2.89	2.88	2.63	3.54
O4 - Cyber threats	3.56	3.39	3.30	3.90	3.23	3.53	3.11	2.98	3.41
O5 - Ensuring privacy and compliance with growing privacy and identity protection risks and expectations	3.08	2.85	2.70	2.91	2.91	2.89	2.66	2.53	3.08
O6 - Operations and legacy IT infrastructure unable to meet performance expectations	3.18	3.03	3.10	3.36	3.00	2.90	2.81	2.86	3.20
O7 - Inability to utilise rigorous data analytics to achieve market intelligence and increase productivity and efficiency	2.93	2.89	2.90	2.89	2.62	2.71	2.63	2.46	3.12
O8 - Resistance to change restricting organisation from adjusting business model and sustaining a resilient culture	2.78	2.75	2.77	2.85	2.57	2.60	2.63	2.40	3.12
O9 - Rising threat of catastrophic natural disasters and weather phenomena	2.37	2.60	2.71	2.78	2.18	2.54	3.15	2.39	2.38
O10 - Managing multigenerational workforce demands and expectations	2.56	2.82	2.83	2.78	2.46	2.67	2.59	2.44	2.62
O11 - Emergence of new risks from implementing AI	3.30	3.12	2.89	3.09	3.05	3.01	2.83	2.80	3.08

Strategic risks

	FS	CPS	MD	AD	TMT	HC	EU	GOVT	NFP/HE
S1 - Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces	3.07	2.98	2.81	2.90	3.01	2.95	2.72	2.42	3.07
S2 - Heightened regulatory change, uncertainty and fragmentation	3.04	2.78	3.04	3.02	2.73	3.20	3.12	2.43	3.59
S3 - Impact of climate change and environmental and sustainability requirements and/or expectations	2.36	2.62	2.95	2.83	2.20	2.45	3.23	2.44	2.21
S4 - Resiliency and/or agility to manage an unexpected crisis and other uncertainties	2.68	2.71	2.87	2.92	2.47	2.73	2.83	2.44	3.17
S5 - Sustaining customer loyalty and retention	2.90	3.12	2.88	2.94	2.65	2.55	2.54	2.27	2.91
S6 - Markets served have limited growth potential	2.60	2.73	2.97	2.81	2.54	2.55	2.54	2.45	2.98
S7 - Threats of new market entrants and substitute products and services	2.83	2.95	2.87	2.97	2.73	2.74	2.43	2.42	2.61
S8 - Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.24	3.07	3.04	3.02	3.16	3.06	2.79	2.76	3.17

Industry perspectives on near-term risks

The consensus across all industries is clear: The most significant challenges are no longer purely economic, but also those related to execution, governance, and futureproofing the enterprise.

Rank	Top Risk (Overall Average)	Risk Category	Key Insight
1	Cyber threats (O4)	Operational	The single most impactful risk. Ranks first globally and is the top risk for Financial Services; Technology, Media and Telecommunications; and Government.
2	Third-party risks (O2)	Operational	Consistent with cyber, a significant risk for five of the eight industry groups.
3	Economic conditions (M6)	Macroeconomic	A foundational challenge, ranking as the top risk in Manufacturing/Distribution and Healthcare.
4	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce (S8)	Strategic	A significant risk for Financial Services; Technology, Media and Telecommunications; and Not-for-Profit/Higher Education.
5	Operations and legacy IT infrastructure unable to meet performance expectations (O6)	Operational	A significant risk for three of the eight industry groups: Financial Services, Manufacturing and Distribution, and Government.

Based on the survey of 1,540 C-suite executives and board members, this analysis isolates and synthesises the core risks poised to significantly impact strategic success across eight key industry groups over the next two to three years. The data confirms a new consensus: The primary threats are no longer purely macroeconomic but also reside at the complex intersection of digital vulnerability, structural labour challenges, and execution gaps.

Examining the top 10 risks across the eight industry groups, we find that five are operational in nature, demanding immediate internal action rather than passive external monitoring. Cyber threats and the dependencies they create are the most significant characteristics of the near-term risk landscape.

- **Cyber threats:** This is the top-rated risk in six of the eight industries (FS, TMT, HC, CPS, GOVT, AD) and features in every top 10 list. Its universal score reflects the reality that the primary asset for nearly every organisation is data, and the primary delivery channel is digital.
- **Third-party risk:** This risk is the mirror image of cyber threats, appearing in seven of eight top 10 lists. The high ranking across diverse sectors (e.g., EU, FS, HC) proves that executives understand that their digital fortress is only as strong as the weakest link in their supply chain of outsourced services, cloud providers, and technology vendors.

Risk protocols must be directed at securing the operational processes that companies use. Boards must mandate integrated oversight of cyber threats and third-party risk, viewing vendor risk as a direct extension of internal operational risk.

Three distinct labour-related risks saturate the top 10 lists, signalling a systemic crisis where talent scarcity and costs are directly impeding strategic growth and operational execution.

- **Labor costs:** Ranked highly in labour-intensive sectors like Consumer Products and Services and Manufacturing and Distribution, this risk puts direct, sustained pressure on margins and net income.
- **Talent availability:** This combined concern (talent and labour availability and skills and talent acquisition and retention) is especially acute in Healthcare and Not-for-Profit/Higher Education, where it ranks number three in both. These mission-driven sectors struggle to compete with for-profit industries on salary, creating a direct conflict between mission delivery and staffing capacity.
- **Upskilling/reskilling:** The highest-rated strategic risk in Technology, Media and Telecommunications and a top five concern in Financial Services, this risk confirms that the necessary skills to leverage AI and new technologies are simply not available, forcing organisations to build capacity internally.

Economic conditions, including inflationary pressures, is the only macroeconomic risk that appears in the top 10 for most industry groups. Its consistent high score underscores that even as executives turn their attention inward to operational risks, the external pressure of cost volatility, unpredictable consumer demand, and rising input costs remains a baseline headwind against all strategic planning. This risk is particularly pronounced in public sector entities like Government and Not-for-Profit and Higher Education, which must manage fixed or constrained revenue streams against rising operational costs.

The blind spot: organisational resistance

One of the most revealing insights comes from a risk that fails to crack the top 10 in any industry: Resistance to change restricting the organisation from adjusting its business model.

- This risk ranks near the bottom, suggesting executives believe their organisations are structurally agile or that resistance is easily overcome.
- The conflict: This contrasts sharply with the high ranking of upskilling and the persistence of legacy IT. If the talent is unprepared and the technology is outdated, organisational change is being restricted, regardless of executive perception.
- The C-suite may be overestimating organisational agility. The risks that are ranked highly are often symptomatic of the core behavioural and cultural issues represented by resistance to change. True transformation requires addressing cultural inertia, not just technology.

The following sections include a summary of top five risk concerns for each of the eight industry sectors we examine.

Top five risks – Financial Services

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.56	3.57
2	O2	Third-party risks	3.37	3.34
3	O11	Emergence of new risks from implementing AI	3.3	3.21
4	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.24	3.18
5	M6	Economic conditions, including inflationary pressures	3.19	3.65

Top five risks – Consumer Products and Services

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.39	3.17
2	M2	Increases in labour costs	3.26	3.34
3	M6	Economic conditions, including inflationary pressures	3.13	3.32
4	S5	Sustaining customer loyalty and retention	3.12	3.24
5 (tie)	O2	Third-party risks	3.12	3.02
5 (tie)	O11	Emergence of new risks from implementing AI	3.12	3.11

Top five risks – Manufacturing and Distribution

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	M4	Changes in global markets and trade policies	3.36	3.15
2	O4	Cyber threats	3.30	2.99
3	M2	Increases in labour costs	3.29	3.17
4	O2	Third-party risks	3.12	2.92
5	M6	Economic conditions, including inflationary pressures	3.11	3.32

Top five risks – Technology, Media and Telecommunications

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.23	3.28
2	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.16	3.09
3	O11	Emergence of new risks from implementing AI	3.05	3.03
4	S1	Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces	3.01	3.08
5	O6	Operations and legacy IT infrastructure unable to meet performance expectations	3.00	2.84

Top five risks – Healthcare

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	O4	Cyber threats	3.53	3.39
2	S2	Heightened regulatory change, uncertainty and fragmentation	3.20	3.24
3	O2	Third-party risks	3.17	3.31
4	M1	Talent and labour availability	3.16	3.27
5	S8	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.06	3.13

Top five risks – Energy and Utilities

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	S3	Impact of climate change and ESG requirements	3.23	3.28
2	O2	Third-party risks	3.19	2.98
3	O9	Rising threat of catastrophic natural disasters and weather phenomena	3.15	3.14
4	S2	Heightened regulatory change, uncertainty and fragmentation	3.12	3.26
5	O4	Cyber threats	3.11	2.90

Top five risks – Government

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1 (tie)	O4	Cyber threats	2.98	2.68
1 (tie)	O2	Third-party risks	2.98	2.42
3	O6	Operations and legacy IT infrastructure unable to meet performance expectations	2.86	2.26
4	O11	Emergence of new risks from implementing AI	2.80	2.36
5	M6	Economic conditions, including inflationary pressures	2.77	2.90

Top five risks – Not-for-Profit and Higher Education

Rank	Risk Code	Risk Description	2026 Score	2025 Score
1	S2	Heightened regulatory change, uncertainty and fragmentation	3.59	3.35
2	O3	Skills and talent acquisition and retention, leadership development and succession challenges	3.54	3.42
3	M1	Talent and labour availability	3.41	3.31
4	O4	Cyber threats	3.41	3.56
5	M6	Economic conditions, including inflationary pressures	3.29	3.34

Top five risks – Aerospace and Defence

Rank	Risk Code	Risk Description	2026 Score
1	O4	Cyber threats	3.90
2	O2	Third-party risks	3.51
3	O6	Operations and legacy IT infrastructure unable to meet performance expectations	3.36
4	M2	Increases in labour costs	3.19
5	M8	Increase in global terrorism, crime and violence	3.15