

Emerging Risk Radar



Emerging risk considerations

Spring 2026 (Publication 7)



Emerging risk – why and what?

Why?

The board should establish and keep under review the risk and internal control framework and determine the nature and extent of the emerging and principal risks it is willing to take to achieve its strategic objectives.

What?

An emerging risk might be defined as:
“a new or unforeseen level of uncertainty driven by external events – the risk may still be forming, and it may not be clear as to the implications for the business, be these negative or positive.”

To be watchful of these emerging risks and how they might play through is an important element of preparedness and the business management of risk.

We have framed the emerging risks as:

Most prevalent: emerging risk themes that were more regularly identified in our discussions.

Keep monitoring: to represent the emerging risk themes that had a moderate prevalence in our discussions.

Worth watching: those emerging risk themes that were less prevalent.

The emerging risks are constantly evolving and shifting. They can be translated into any sector and are all worthy of consideration.

Emerging risk radar – Spring 2026

Given your strategic objectives, what do you see as the **emerging events or threats that could impact on your business**, either negatively or positively, and that you believe should be watched?

This content is based on our on-going dialogue with board members & senior management drawn from workshops and discussions across all industries/sectors as well as drawing on our own current emerging risk knowledge.

Key emerging risks in summary

There are 28 emerging risks identified, an increase of 2 since the last publication. New emerging risks in the form of **Gen X staff opting to leave employment** and **AI replacing humans** – both emerging risks impacting private, public and not for profit sectors, both creating an environment where there is less institutional memory, knowledge and experience that can be called upon.

7 emerging risks identified as most prevalent being 1 more since the last publication. These are included across the areas of **political & policy (1)**, **technological (3)**, **commercial (2)** and **economic (1)**. There is increasingly reference to **business resilience and continuity** and specifically relating to **supply chain**. There have also been updates in wording to previous emerging risks.

Many of these emerging risks are already recognised and being tackled by businesses. These risks, however, are constantly changing and therefore their management should be kept under review by the Board or equivalent. Furthermore, these emerging risks rarely exist in isolation, so it is important that a holistic view is taken to understand their connectivity and how best to manage these emerging risks.

The top 3 most prevalent emerging risks

01

Geo-political instability

Geo-political change and instability, including potential for trade wars, fall-out from and expansion of armed conflicts and the impact and influence on businesses and society.

02

Cyber attacks increasing

Cyber-attacks increasing in frequency and complexity, including targeted attacks on infrastructure and supply chains. Unable to sufficiently invest in defence and recovery – attacks more disabling, coupled with loss of data.

03

Artificial Intelligence (AI) governance lag

Increasing use of and reliance on AI without sufficient checks and balances to ensure strengths, weaknesses, threats and opportunities are understood.

These have remained unchanged since the last publication.

Emerging risk considerations

What do you see
as the emerging
risks?

How far will these
emerging risks
affect your
business?

How far will these
emerging risks
play through into
your existing
strategic risks?

How far will they
change the way
you currently
manage your
strategic risks?

How will you
respond?
How will you
continue to review
the emerging
risks?

Emerging risk radar Spring 2026

Societal and Community

- 1.1 – Availability of, access to and effectiveness of public services is reduced.
- 1.2 – Increasing awareness of mental health and physical well-being issues impacting productivity.
- 1.3 – Societal tensions stemming from, by example, politics, racial, ethnicity, diversity, wealth, age, and cultural differences, spilling over into the work environment.
- 1.4 – Access to affordable housing, homelessness and poor housing conditions impacting workforce.
- 1.5 – Epidemic creating disruption and impacting productivity.

Governance

- 8.1 – Reduced accountability and transparency e.g. lip service to rules and standards, conflicts of interest unchecked.
- 8.2 – Developing the board capacity and capability – fitness for future, availability of NEDs and having real world insights.
- 8.3 – Cultural challenges and tensions within the board room and work-place.
- 8.4 – Loss of trust in institutions and their leadership, both large businesses, government and public sector bodies.

Economic and Financial

- 6.1 – Increasing operating costs e.g. energy, staff etc.
- 6.2 – Reduced investment in research and development, reducing agility and innovation due to funding options being reduced and macro-economic conditions.
- 6.3 – Access to and availability of finance / funding due to cost of finance and funding changes.
- 6.4 – Increasing levels of fraudulent activity making use of technology as a tool for doing so, including AI e.g. deep fakes.

People Resources

- 7.1 – Reduced investment in staff development & apprenticeships, increased use of temporary contracts.
- 7.2 – **NEW:** Gen X in key roles opting to leave employment before retirement leading to loss of corporate memory in the form of knowledge and experience.
- 7.3 – **NEW:** AI replacing human roles.

Political, Policy and Regulation

- 2.1 – Change in government priorities resulting in new or changes to laws, policies, regulations affecting businesses..
- 2.2 – Geo-political change & instability, including trade wars, fall-out from and expansion of armed conflicts, all influencing & impacting society and business.
- 2.3 – Increasing level of regulation & compliance.

Environmental

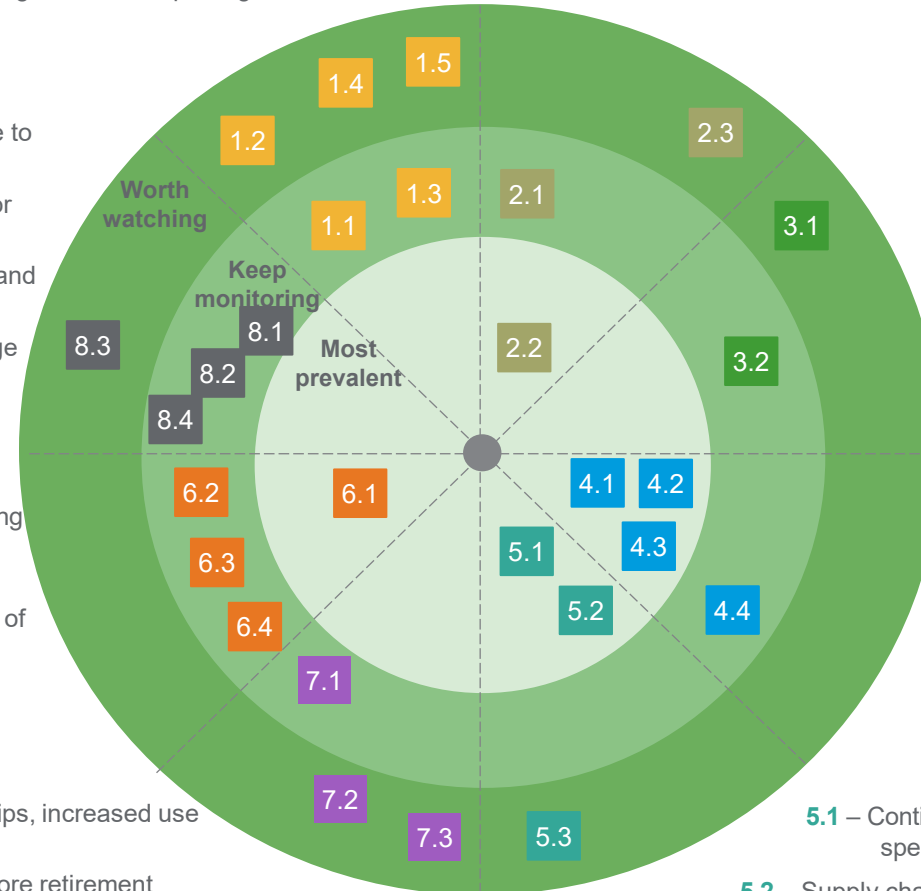
- 3.1 – Ability to effectively engage with and leverage off the sustainability agenda.
- 3.2 – Increasing weather pattern shifts & extreme weather impacting infrastructure, supply chains, production and operations – threatening continuity of operations.

Technological

- 4.1 – Cyber-attacks increasing in frequency and complexity including targeted attacks on infrastructure and supply chains.
- 4.2 – Artificial Intelligence (AI) efficiencies not fully explored coupled with governance lag – no sufficient checks and balances.
- 4.3 – Operational resilience of technology increasingly threatened e.g. power outage, IT infrastructure age, cost of maintenance / lack of investment, sabotage / attack, vulnerabilities of 3rd parties not known etc.
- 4.4 – Disinformation spread via social media platforms impacting businesses.

Commercial

- 5.1 – Continued economic slowdown. Overall reduced economic confidence and spending by consumers. Reduced / changes in spending by Government.
- 5.2 – Supply chain resilience threats due to extended nature and loss of visibility e.g. geo-politics, in-secure physical and technological assets, applicable law etc
- 5.3 – Various factors leading to market / business restrictions e.g. tariffs, trade embargos, location, laws & customs, access to competition, labour availability, ownership, acquisition & merger.



Emerging areas of risk

Spring 2026

Consistent >
Increasing <
Decreasing >

Direction of travel since previous emerging risk radar publication.

	Most prevalent	
2.2	Geo-political change and instability, including potential for trade wars, fall-out from and expansion of armed conflicts. All influencing and impacting on businesses and society - creating trade, travel and communication barriers.	>
4.1	Cyber-attacks increasing in frequency, complexity with greater levels of disruption, including targeted ransomware attacks across all sectors, infrastructure and supply chains. Coupled with loss / theft of data. Businesses being unable to invest in defence or afford cost of recovery leading to business failure.	>
4.2	Artificial Intelligence (AI) governance lag – increasing use of and reliance on AI without sufficient checks and balances to ensure strengths, weaknesses, threats and opportunities are understood.	>
4.3	Operational resilience of technology increasingly threatened e.g. power outage, IT infrastructure age, cost of maintenance / lack of investment, sabotage / attack (be this physical or digital via cyber attack), vulnerabilities of 3 rd parties not known etc	>
5.1	Continued economic slow-down. Persistent inflation. Reduced spending by consumers. Reduced and / or changes in spending by Government impacting all sectors.	>
5.2	Supply chain resilience threats due to extended nature and loss of visibility e.g. geo-politics, in-secure physical and technological assets, applicable law etc. <i>Previous publication ref 6.2.</i>	<
6.1	Affordability and cost pressures e.g. employment costs, energy costs etc. Creating financial pressure impacting investment and discretionary spend. Impacting longer term plans.	>

Emerging areas of risk

Spring 2026

Direction of travel since previous emerging risk radar publication.

	Keep monitoring	
1.1	Availability and effectiveness of public services are reduced due to under investment, lack of resources, strategic change e.g. devolution, local government review and police reform. Further, likely increased industrial action and increasing demand from the public.	➤
1.3	Societal tensions created, stemming from, by example, racial, ethnicity, diversity, wealth, age, cultural differences as well as fall out from global geo-political tensions and instability, as well as social media. These can spill-over into the working environment.	➤
2.1	Change in government priorities resulting in new or changes to laws, policies, regulations and consequences affecting businesses across all sectors.	➤
3.2	Increasing weather pattern shifts and extreme weather physically impacting availability and access to infrastructure, supply chains, production – threatening continuity of operations.	➤
4.4	Disinformation spread via social media platforms impacting businesses (including use of AI deep fake) – including targeted attacks on businesses and individuals associated with them, impacting investment etc and creating reputation damage.	➤
6.2	Reduced investment in research and development - businesses take a short-term approach and focus on business as usual (reducing agility and innovation) due to macro-economic conditions including geo-political challenges. <i>Previous publication reference 5.2.</i>	➤
6.3	Access to and availability of finance and funding – impacting both private, public and not for profit sectors, including cost of finance, funding changes - including funding and grants provided by Government.	➤
6.4	Increasing levels of fraudulent activity making use of technology as a tool for doing so including use of AI.	➤

Emerging areas of risk

Spring 2026

Direction of travel since previous emerging risk radar publication.

	Keep monitoring	
7.1	Reduced investment in staff development & apprenticeships, increased use of temporary contracts, reducing business capacity and capabilities with declining organic growth. This is compounded by generational outlook towards employment and use of AI (<i>see specific separate emerging risks in worth watching</i>). In turn impacting organisation corporate memory, knowledge and experience.	➤
8.1	Reduced accountability and transparency e.g. lip service to rules and standards, conflicts of interest go unchecked.	➤
8.2	Developing the board member capacity and capability - fitness for future, including availability of non-executives for appointment and holding modern world insights.	➤
8.4	Loss of trust in institutions and their leadership, both large businesses, government and public sector bodies.	⬆

Emerging areas of risk

Spring 2026

Direction of travel since previous emerging risk radar publication.

	Worth watching	
1.2	Increasing awareness of mental health and physical well-being issues impacting individuals stemming from post pandemic fall-out e.g. remote working fatigue, expectation of business v individuals. Further, being increasing poverty etc. Also impacting on public services and employers (creating potential duty of care implications).	➤
1.4	Access to affordable housing. Increasing homelessness and poor housing conditions. e.g. damp and mould hazards. Access to affordable housing and the impact on individuals, families, society more widely and business in the form of access to / availability of staff due to location or ill-health.	➤
1.5	Epidemic (and potential for lock down locally, nationally) impacting public health, operations and productivity.	➤
2.3	Increasing level of regulation, compliance and inspection / enforcement.	✓
3.1	Ability to effectively engage with and leverage off the sustainability agenda, including ability to meet green agenda targets (coupled with potential for Green Washing).	✓
5.3	Various factors leading to market changes impacting business e.g. access to materials and labour, global trade embargos, restrictions, tariffs, business re-location, competition, ownership / acquisition and merger.	➤
7.2	NEW: Staff in key roles opting to leave employment before retirement leading to loss of corporate memory in the form of knowledge and experience. Often generation X staff in key roles. This loss of cumulative knowledge and experience can weaken operations and controls, reduce effectiveness / efficient decision making.	New
7.3	NEW: AI replacing human roles.	New
8.3	Shifts in business culture due to external influence and attitudes creating conflicts and tensions amongst leadership in all sectors.	➤

Emerging risk radar Autumn 2025 *Previous publication*

Societal and Community

- 1.1 – Availability and effectiveness of public services are reduced.
- 1.2 – Increasing awareness of mental health and physical well-being issues.
- 1.3 – Societal tensions stemming from, by example, racial, ethnicity, diversity, wealth, age, and cultural differences, spilling over into the work environment.
- 1.4 – Access to affordable housing, homelessness and poor housing conditions.
- 1.5 – Epidemic / further pandemic (and lock down) impacting productivity.

Governance

- 8.1 – Loss of accountability and oversight – lip service to standards / codes, lack of transparency in decision making, conflicts of interest justified.
- 8.2 – Developing the board capacity and capability – fitness for future, availability of NEDs and having real world insights.
- 8.3 – Shifts in business culture due to external influence and attitudes creating conflicts / tensions amongst leadership.
- 8.4 – **NEW** Loss of trust in institutions, both large businesses, government and public sector bodies.

Economic and Financial

- 6.1 – Affordability & cost pressures e.g. staff, energy etc.
- 6.2 – Supply chain resilience across all ranges of goods and services, including supply chain visibility.
- 6.3 – Access to and availability of finance and funding including cost of finance and funding changes.
- 6.4 – Increasing levels of fraudulent activity making use of technology as a tool for doing so, including AI.

People Resources

- 7.1 – Loss of access to skills, knowledge and experience – reduced investment in staff development / apprenticeships, temporary contracts more frequent, reduced pool of skilled / experienced staff available with movement between employers and increased use of AI replacing human roles.



Political, Policy and Regulation

- 2.1 – Change in government priorities resulting in new or changes to laws, policies, regulations affecting businesses.
- 2.2 – Geo-political change and instability, including potential for trade wars, fall-out from and expansion of armed conflicts and the influence on society and business.
- 2.3 – Increasing level of regulation, compliance and inspection.

Environmental

- 3.1 – Ability to effectively engage with and leverage off the sustainability agenda.
- 3.2 – Increasing weather pattern shifts / extreme weather impacting businesses productivity and continuity / recovery of operations.

Technological

- 4.1 – Cyber-attacks increasing in frequency and complexity.
- 4.2 – Artificial Intelligence (AI) governance lag – increasing use of and reliance on AI without sufficient checks and balances.
- 4.3 – Operational resilience of technology increasingly threatened e.g. power outage, IT infrastructure age, cost of maintenance / lack of investment, sabotage etc.
- 4.4 – **NEW** Misinformation spread via social media platforms impacting businesses.

Commercial

- 5.1 – Continued economic slow-down. Persistent inflation. Reduced spending by consumers. Reduced / changes in spending by Government.
- 5.2 – Reduced investment in research and development, reducing agility and innovation due to macro-economic conditions.
- 5.3 – Various factors leading to market changes e.g. access to materials and labour, global trade restrictions, location, competition, ownership, acquisition & merger.

Further insights



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4risk: <https://youtu.be/12NyJhSNK3o>

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4policies: <https://youtu.be/ufXYt1juwhA>

4questionnaires: <https://youtu.be/NW17EoRJsis>

This is our 7th emerging risk radar publication.

We know from feedback that this lands well with boards and management in all sectors, with the publication being used for comparison with existing risk information, as well as helping inform strategy and plans, strengthen and improve controls, stress testing and risk mitigation plans, with the publication often being used to stimulate board, committee and management discussion – including at away days as part of board and organisation development.

We are now offering a facilitated emerging risk discussion / workshop so that individual businesses may get more from the emerging risk radar. If you would like to know more about this service, then please make contact.

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Note re contents of the emerging risk radar:

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