Today’s Food, Agribusiness and Beverage firms are facing complex and interconnected risks.

We live in an era of unprecedented volatility. Trends on three major dimensions – economics, demographics, and geopolitics — combined with the exponential pace of technology change, are converging to create a challenging new reality for organizations. These forces create opportunities that we cannot even imagine, but also present new frontiers to be explored.
Top Five Emerging Risks in 2020

1. Commodity Price Risk
2. Failure to innovate/meet customer needs
3. Damage to reputation/brand
4. Exchange rate fluctuation
5. Increasing competition

Presence of a Formal Risk Management Department

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Formal Risk Management Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$1 Billion</td>
<td>Yes: 39%</td>
</tr>
<tr>
<td>&gt;$1 Billion</td>
<td>Yes: 91%</td>
</tr>
<tr>
<td>Overall</td>
<td>Yes: 79%</td>
</tr>
</tbody>
</table>

Risk Departments Cultivate a Comprehensive Process to Identify and Assess Current and Emerging Risks

Identification of Major Risks

- Board and/or management discussion of risk during annual planning, risk assessment or other processes: 55%
- Senior management judgment and experience: 52%
- Risk information from other function-led processes (e.g., internal audit, disclosure, compliance, etc.): 45%
- Structured enterprise-wide risk identification process: 36%
- Industry analysis, external reports: 31%
- No formalized process: 16%

Assessment of Major Risks

- Senior management judgment and experience: 54%
- Board and/or management discussion of risk during annual planning, risk assessment or other processes: 53%
- Consult with external service provider/advisor: 32%
- Structured enterprise-wide risk assessment process supported by a standard toolkit and methodology: 28%
- Risk modeling/risk quantification analysis: 26%
- No formalized process: 17%

Cyber Purchasing Patterns

- Insurance currently purchased: 65%
- Not purchased and no plans to purchase: 15%
- Plan to purchase: 20%

Cyber Risk - Completed Assessment

- Yes, quantitative: 35%
- Yes, not sure what type of assessment: 17%
- No: 19%
- Yes, both quantitative & qualitative: 20%

Data Source: Aon’s 2017 Global Risk Management Survey

To keep pace with the pervasive and fast evolving cyber threats that go hand in hand with the dizzying speed of technological innovation, much more progress is needed in the area of cyber risk control and mitigation.