### Top Ten Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>% of Respondents</th>
<th>% with Loss</th>
<th>% with Plans in Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic slowdown/slow recovery</td>
<td>72%</td>
<td>34%</td>
<td>25%</td>
</tr>
<tr>
<td>Increasing competition</td>
<td>58%</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Major project failure</td>
<td>45%</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>Cash flow/liquidity risk</td>
<td>41%</td>
<td>22%</td>
<td>55%</td>
</tr>
<tr>
<td>Commodity price risk</td>
<td>40%</td>
<td>27%</td>
<td>30%</td>
</tr>
<tr>
<td>Regulatory/legislative changes</td>
<td>37%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Workforce shortage</td>
<td>35%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Damage to reputation/brand</td>
<td>32%</td>
<td>16%</td>
<td>36%</td>
</tr>
<tr>
<td>Third party liability (incl. E&amp;O)</td>
<td>31%</td>
<td>27%</td>
<td>61%</td>
</tr>
<tr>
<td>Failure to attract or retain top talent</td>
<td>30%</td>
<td>7%</td>
<td>58%</td>
</tr>
</tbody>
</table>

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### About Aon

Aon plc (NYSE:AON) is a leading global provider of risk management, insurance brokerage and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 72,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative risk and people solutions. For further information on our capabilities and to learn how we empower results for clients, please visit: http://aon.mediaroom.com.

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For full insights from the survey, visit us at aon.com/2017GlobalRisk

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### 2017 Construction Industry Report Highlights

- **Economic slowdown/slow recovery**: 72% of respondents indicated this as a top 10 risk, with 34% experiencing loss and 25% with plans in place.
- **Increasing competition**: 58% indicated this as a top 10 risk, with 37% experiencing loss and 29% with plans in place.
- **Major project failure**: 45% indicated this as a top 10 risk, with 34% experiencing loss and 45% with plans in place.
- **Cash flow/liquidity risk**: 41% indicated this as a top 10 risk, with 22% experiencing loss and 55% with plans in place.
- **Commodity price risk**: 40% indicated this as a top 10 risk, with 27% experiencing loss and 30% with plans in place.
- **Regulatory/legislative changes**: 37% indicated this as a top 10 risk, with 10% experiencing loss and 12% with plans in place.
- **Workforce shortage**: 35% indicated this as a top 10 risk, with 29% experiencing loss and 33% with plans in place.
- **Damage to reputation/brand**: 32% indicated this as a top 10 risk, with 16% experiencing loss and 36% with plans in place.
- **Third party liability (incl. E&O)**: 31% indicated this as a top 10 risk, with 27% experiencing loss and 61% with plans in place.
- **Failure to attract or retain top talent**: 30% indicated this as a top 10 risk, with 7% experiencing loss and 58% with plans in place.

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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. Economic slowdown/ silver economy
2. Increasing competition
3. Workforce shortage
4. Failure to attract or retain top talent
5. Political risk/ uncertainties

Presence of a Formal Risk Management Department

<table>
<thead>
<tr>
<th>Companies &lt; $1 Billion</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes: 44%</td>
<td>No: 56%</td>
</tr>
<tr>
<td>Yes: 50%</td>
<td>No: 50%</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: 58%
- Senior management judgment and experience: 51%
- Risk information from other functions/led processes (e.g., internal audit, disclosure, compliance, etc.): 33%
- Industry analysis, external reports: 29%
- Structured enterprise-wide risk identification process judgment and experience: 26%
- No formalized process: 20%

**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: 51%
- Consult with external service provider/advisor: 28%
- Structured enterprise-wide risk assessment process supported by a standard toolkit and methodology: 22%
- Risk modeling/risk quantification analysis: 19%
- No formalized process: 18%

Cyber Purchasing Patterns

- Insurance currently purchased: 67%
- Plan to purchase: 26%
- Not purchased and no plans to purchase: 7%

Cyber Risk – Completed Assessment

- Yes, qualitative: 39%
- Yes, not sure what type of assessment: 20%
- No: 12%
- Not sure: 12%

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.