ANNEX 3

RISK CATEGORIES AND TYPES

Strategic risks

1. **Corporate governance risk**
   The risk that employees will not act in the interests of shareholders and other stakeholders.

2. **Competitive risk**
   The risk of losing competitive advantage.

3. **Innovation risk**
   The risk that innovations will make your company less successful.

4. **Intellectual property risk**
   Risks related to intellectual property.

5. **Merger and acquisition risk**
   Risks related to these processes.

6. **Business risk**
   The risk that your overall business strategy and plan will be ineffective and/or fail to deliver results.

7. **Economic risk**
   The risk that the economy will enter a recession.

8. **Technological change**
   The risk that technology will become obsolete.

9. **Change management risk**
   Risks related to the management of change.

10. **Project risk**
    The risk that projects will fail (deadlines, budget).

11. **Ethics risk**
    The risk that your core principles and ethics will be breached.

12. **Reputational risk**
    The risk of damage to your company’s image.

13. **Sustainability risk**
    The risk of failing to meet sustainability goals and targets.

Financial risks

14. **Profit risk**
    The general risk that profit will decline or a loss will be incurred.

15. **Availability of capital**
    The risk that you will be unable to finance your business.

16. **Asset risk**
    Risk related to asset prices or values (for example, real estate).

17. **Interest rate risk**
    The risk that interest rates will change (rise).

18. **Currency risk**
    The risk of exchange rate changes when you buy or sell.

19. **Inflation risk**
    The risk of price increases in critical costs (for example, energy).

20. **Investment risk**
    The risk of changes in the value of investments.

21. **Liquidity risk**
    The risk that you will be unable to sell assets efficiently (quickly and at an acceptable price).

22. **Systemic risk**
    The risk that the global financial system or the national financial system will suffer a collapse.

23. **Concentration risk**
    Having one or a few dominant customers or suppliers.

24. **Credit risk**
    The risk that debtors will not repay their debts.

25. **Fraud risk**
    The risk of losses from fraud.

26. **Accounting risk**
    The risk of accounting errors.

27. **Breach of trust risk**
    The risk that your company breaches its fiduciary duties (for example, inside information).

28. **Counterparty risk**
    The risk that other companies will fail to honour their contractual obligations.

29. **Tax risk**
    The risk that your taxes will increase.

Marketing and sales risks

30. **Revenue shortfall risk**
    The general risk that revenue will decline.

31. **Demand risk**
    Lower than planned demand for your products.

32. **Market competition risk**
    The risk that competitive forces will reduce your company's revenue (for example, a price war).

33. **Sales forecast risk**
    The risk that sales forecasts will be inaccurate.

34. **New product development risk**
    The risk that new products will appear on the market.

35. **Customer relationship risk**
    The risk of damaged relationships with customers.

36. **Brand value risk**
    The risk of a decline in brand value.

37. **Publicity risk**
    The risk of negative public information.

38. **Key customer risk**
    The risk of losing a major customer.

39. **Location risk**
    The risk of choosing an unsuitable location (for example, a retail site).

Operational risks

40. **Infrastructure risk**
    Risks related to infrastructure (for example, interruption of electricity or gas supply).

41. **Maintenance and repair risk**
    Risk in the maintenance and repair process (for example, human error during equipment servicing).

42. **Product failure risk**
    The risk that your product will fail or your services will not be delivered properly.

43. **Product liability risk**
    The risk of legal liability related to your products and services.

44. **Operational quality risk**
    The general risk of operational disruption (for example, your website or e-shop is not working).

45. **Production interruption risk**
    Failure to achieve production targets.

46. **Logistics risk**
    The risk of logistics failure (for example, failure to deliver goods to your retail outlets on time).

47. **Procurement risk**
    Risk related to the purchase of goods and services.

Information technology

48. **IT architecture risk**
    The risk that the architecture of your IT systems will not meet business objectives.

49. **Data quality and data loss risk**
    The risk of poor quality data or loss of data.

50. **Technology quality risk**
    The risk of quality problems in software and hardware.

51. **Platform risk**
    The likelihood of choosing a technology platform that is unsuitable for achieving business objectives effectively.

52. **Information security risk**
    The risk of information security incidents.

People risks

53. **Employee safety risk**
    The risk that accidents will occur or that a poor working environment will affect employees and their health.

54. **Employer reputation risk**
    The risk that the company will acquire a poor reputation and find it difficult to recruit the best talent.

55. **Employer liability risk**
    The risk of a claim being brought against you for work-related actions or incidents.

56. **Employment law compliance risk**
    The risk of non-compliance with employment laws and regulations.

57. **Talent management risk**
    The risk of losing top talent and key employees.

58. **Remuneration and benefits risk**
    The risk that remuneration and benefits will be ineffective or applied inappropriately.

59. **Recruitment risk**
    The risk of hiring the wrong candidate or breaching ethics or the law in the recruitment process.

60. **Employee data privacy risk**
    The risk that you will disclose personal information about your employees.

Compliance and legal risks

61. **Compliance risk**
    The risk of failing to comply with laws and other regulations.

62. **Mandatory reporting risk**
    The risk of failing to meet regulatory reporting requirements.

63. **Liability risk**
    The risk of legal claims.

External risks

64. **Force majeure**
    Acts of nature, war and terrorism.

65. Political risk

Risk related to political change.