The 2025 Enterprise Risk Report

Navigating Volatility in an Era of Unprecedented Change

A New Mandate for Navigating Volatility

For decades, risk was a known variable to be managed. Today, the nature of risk itself has fundamentally changed. We have entered an era of interconnected volatility, where threats are no longer siloed or predictable.

A political decision now instantly becomes a supply chain crisis. A new technology creates a new universe of legal liability overnight. The old playbook—static, periodic reviews and siloed management—is not just inadequate; it's a direct threat to your bottom line.

This report provides a new framework for navigating this reality. We deconstruct the cascading forces at play and reveal why continuous, real-time intelligence is no longer a competitive advantage, but the essential catalyst for resilience and growth.

Key Takeaways

1. Legal Risk Overwhelms Knowledge-Based Sectors

Legal and regulatory pressure is the dominant threat for knowledge-based industries. This single category generated over 5,000 risk events for the Technology sector and over 1,500 for Healthcare. The severity is high, with 66.5% of all tech-related risks and 59.5% of healthcare risks classified as high or very high impact.

2. Operational Failures Hammer Consumer Industries

For consumer-facing sectors, the danger is tangible. Product Incidents was the number one risk in Automotive, with a massive volume of over 8,000 recorded events , and also led in the FMCG sector, where an alarming 47% of incidents were rated as "Very High" impact.

3. Risk Volatility Peaked in Spring 2025

The data proves that risk materializes in sudden, sharp spikes, rendering annual reviews obsolete. The Automotive sector saw risk events peak dramatically in March 2025 , followed immediately by the Technology sector in April and the Finance sector in May.

4. Risks are Now Deeply Interconnected

Threats operate in a complex web of cascading pressures, not in isolation. A single geopolitical decision directly fuels legal challenges and supply chain crises across the globe, proving that managing risk in functional silos is a recipe for failure.

Contents

SIGNAL AI

The Rear-View Mirror: Top Emerging Risks in H1 2025

The Three "C"s of Modern Risk

Why the Landscape is More Complex Than Ever

Risk isn't what it used to be. It's faster, more connected, and harder to predict. Yesterday's risk playbook is obsolete. To stay ahead, you need to understand the fundamental forces reshaping the global landscape. In the first half of 2025, three powerful and intertwined drivers—the Three "C"s of Conflict, Code, and Compliance—emerged as the defining sources of complexity for every business.

Conflict

Geopolitical conflict has moved from the headlines to the bottom line. The era of stable global trade is over, replaced by a fractured world of competing economic blocs. Tariffs, sanctions, and political instability have turned supply chains into strategic battlegrounds, creating constant uncertainty and making it harder to plan, source, and sell across borders.

Code

The rapid advance of technology—especially AI—is a double-edged sword. While the code driving innovation creates immense opportunity, it also opens the door to new dangers. Businesses are now facing smarter cyberattacks, novel legal liabilities, and complex ethical questions. Today, your greatest growth driver is also one of your greatest vulnerabilities.

Compliance

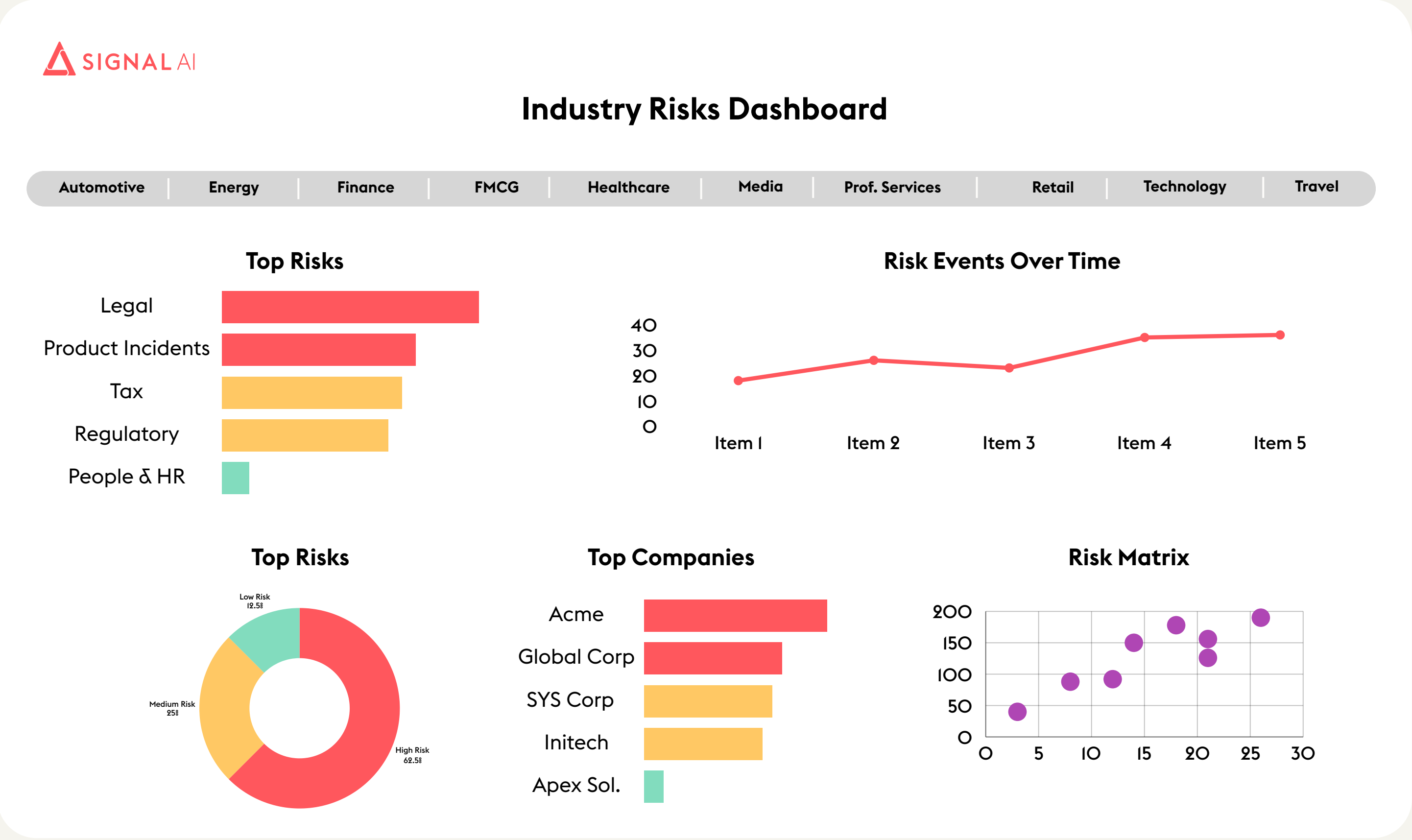
As governments race to regulate technology and trade, businesses are caught in a maze of new rules. The flood of regulations for AI, data privacy, global taxes, and ESG has turned compliance into a major strategic challenge. Navigating this gauntlet increases costs, slows down business, and demands constant C-suite attention.

See Tomorrow's Risks, Today:

Your World of Risk, In One Dashboard

In today's volatile landscape, you can't afford to be caught off guard. Traditional risk management, focused on internal data and historical patterns, leaves you blind to the millions of external threats emerging at unprecedented speed.

The Signal AI Risk Dashboard transforms your approach. Powered by sophisticated AI that analyzes millions of global data points daily, our platform moves you from reacting to crises to proactively managing risk.



SIGNAL AI

With the Signal AI Risk Dashboard, you can:

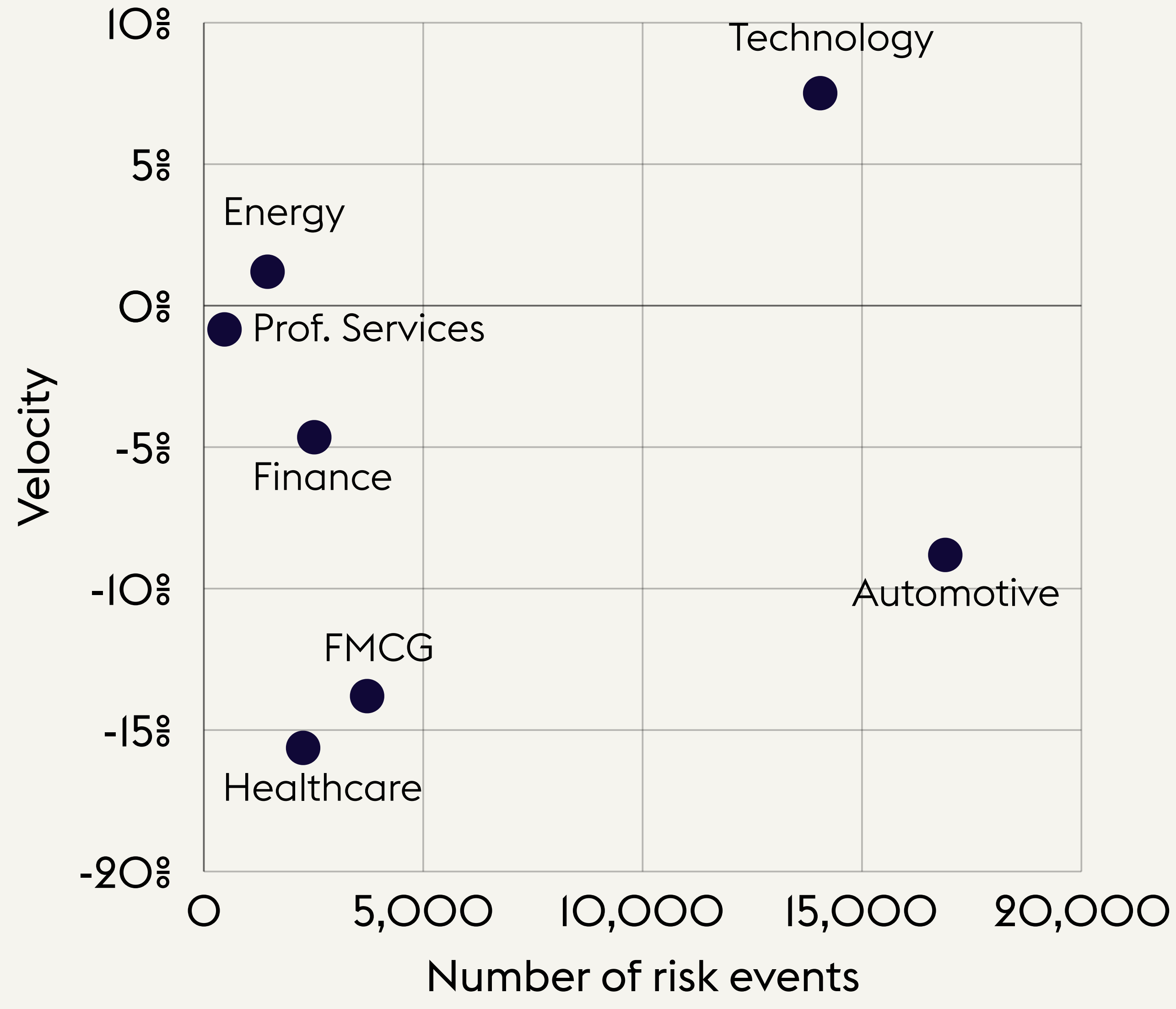
- Identify Emerging Risks: See threats on the horizon before they materialize, using our proprietary framework that covers more than 15 categories of enterprise risk.
- Prioritize with Clarity: Instantly understand where to focus your efforts with our visual Risk Matrix, which maps events by impact and likelihood.
- Benchmark Against Peers: Compare your risk profile against competitors and your industry to uncover hidden vulnerabilities and strategic opportunities.
- Get the Full Story: Go beyond surface-level alerts with deep-dive analysis into the events that matter most to your organization.

Speak to an expert →

The Modern Risk Landscape

Mapping the Concentration of Risk in a Changing World

Fig. 1: Risk events velocity across industries.



Tech and Energy at the Epicenter of Geopolitical and Digital Threats

- **The Technology Sector navigated a high-stakes paradox:** An investment "gold rush" into AI promised unprecedented growth but also fueled a hostile cyber frontier and attracted intense regulatory scrutiny from bodies like the European Union. Tech companies are now caught in a strategic vise, pressured by the market to innovate through data integration while being forced by regulators to de-integrate their platforms, creating a fundamental conflict at the heart of their business models.

- **The Energy Sector faced a trilemma:** Geopolitical volatility creating extreme price swings, the capital-intensive renewable transition while maintaining supply security, and massive unexpected electricity demand from AI-driven data centers. This convergence of geopolitical conflicts, trade policy shifts, grid instability, and the AI boom made long-term investment decisions precarious while demanding simultaneous management of traditional and renewable energy infrastructure.

The Modern Risk Landscape

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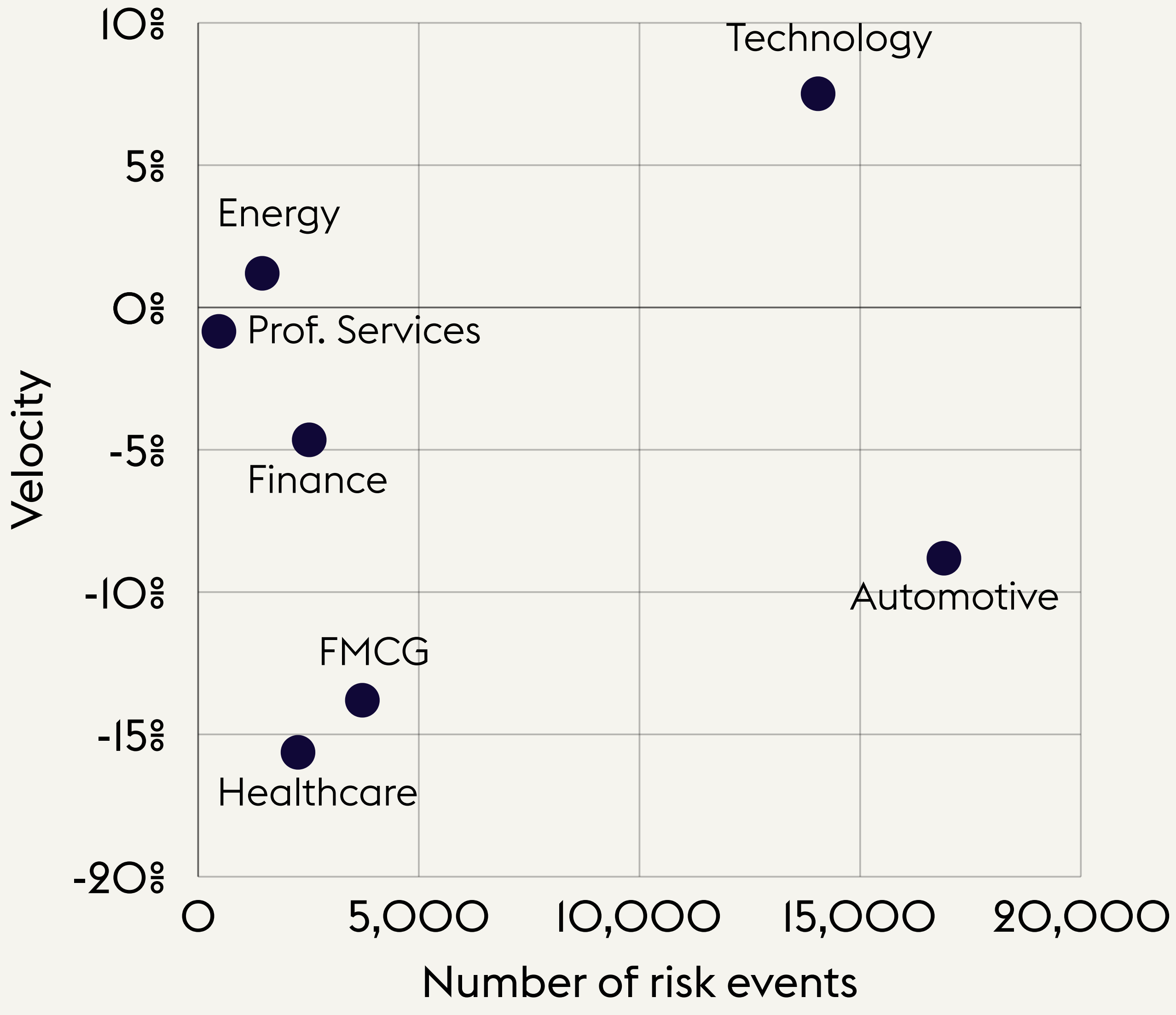
Fig. 1: Risk events velocity across industries.



Financial Pressures Mount as Margins Collapse in Consumer Sectors

- **The Automotive Sector was caught in the crossfire of tariffs and technological transformation:** The direct financial impact of the new US tariff regime, projected to cost major OEMs billions in 2025, has decimated margins and frozen long-term investment at the precise moment the industry requires massive capital for the uncertain transition to electric and software-defined vehicles. This has accelerated the hollowing out of the affordable vehicle market, creating a strategic vacuum for new, low-cost competitors.

- **The FMCG Sector was defined by a severe margin squeeze:** Extreme commodity price volatility, driven by climate shocks and geopolitical instability, collided with a newly frugal and disloyal consumer. This has eroded the pricing power of established brands and forced a fundamental reordering of consumer purchasing behavior, posing a long-term threat to the brand equity that has historically underpinned the industry.

SIGNAL AI

Top Risks Across Industries

A Breakdown of Industry Impacts

The macro forces of Conflict, Code, and Compliance do not strike all industries equally. They ripple through the global economy, creating a unique risk profile—a distinct set of challenges and pressures—for each sector. This table breaks down that divergence, revealing where the battle for resilience is being fought.

Sector	Top Risk	Second Risk	Third Risk	Overview
Automotive	Product Incidents	International Trade	Tax	60.3% of risks are high or very high impact. Top companies by frequency of risk events include Tesla, Volkswagen, and Stellantis.
Technology	Legal	International Trade	Supply Chain	66.5% of all risk events have a high or very high impact. Industry leaders Microsoft, Apple, and Google top the risk charts.
FMCG	Product Incidents	Legal	International Trade	Dominated by severe events, with 47.2% rated as 'Very High' impact and an additional 15.2% as 'High' impact.
Finance	Legal	Tech & Cyber	International Trade	34.9% of all risks are classified as high or very high impact. Binance and Coinbase are the top 2 companies with the most risk events.
Healthcare	Legal	International Trade	Product Incidents	59.5% of risks are either high or very high impact. For legal risk, the most frequent risk category, 66% are either high or very high risk.

Number of risk events

Risk Score: Low Risk Medium Risk High Risk

Connecting the Dots:

A New Era of Risk

The first half of 2025 sent a clear message: the nature of risk has fundamentally changed. The data reveals three core truths about this new landscape:

- Risk is Now Deeply Interconnected: The global drivers of Conflict, Code, and Compliance did not act in isolation. They created a complex web of cascading pressures, proving that no industry is an island. A geopolitical decision directly fueled legal and supply chain crises across the globe.
- Impact is Concentrated and Severe: These macro forces translated into specific, high-stakes threats. For consumer-facing sectors like Automotive and FMCG, the danger was tangible, with Product Incidents dominating. For knowledge-based industries like Technology and Finance, the battle was fought on the Legal front, under a constant siege of regulatory pressure.
- Volatility is the Only Constant: The timeline of risk events shows that stability is an illusion. We saw sharp, dramatic spikes across all sectors, with some industries experiencing a quadrupling of risk events in a single month. This proves that static, annual assessments are no longer sufficient to navigate a world where major crises can emerge in weeks, not years.

Impact

Automotive Sector

A Sector Under Siege from Operational and Supply Chain Failures

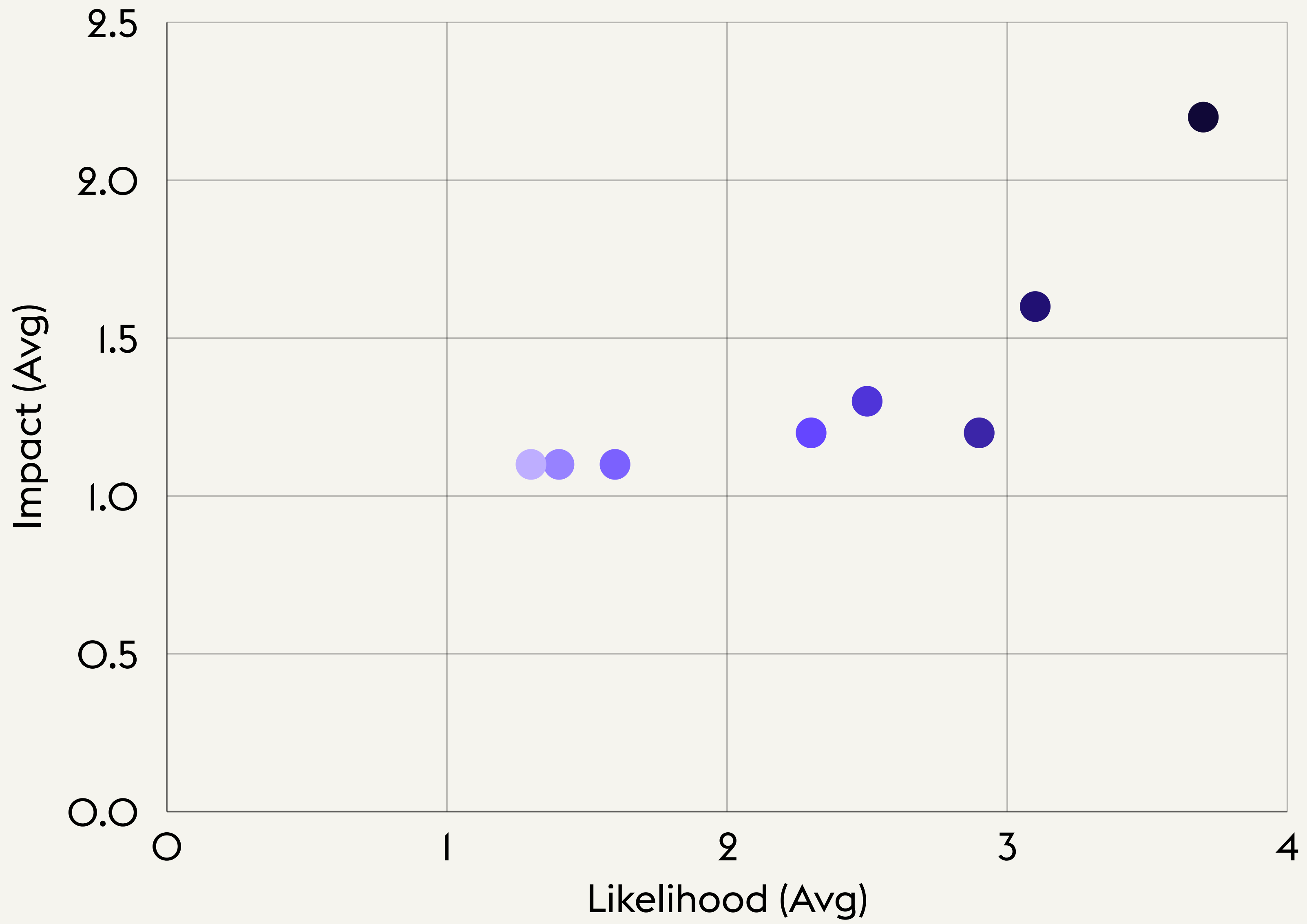
The automotive industry spent the first half of 2025 under siege from severe operational failures.

Product Incidents emerged as the undisputed number one risk, with a massive volume of over 8,000 recorded events that dwarfed all other categories. The severity was significant, with 54% of these incidents classified as "High" impact, reflecting major financial and reputational costs.

The risk matrix confirms this reality, with Product Incidents sitting alone as the highest-impact, highest-likelihood threat the industry faced. This data directly corresponds to a real-world crisis of quality and safety that played out through a massive wave of vehicle recalls.

Ford led the industry with nearly 90 separate recall campaigns—more than most automakers issue in a full year—while manufacturers like Tesla, Honda, and Volkswagen recalled millions of vehicles for critical defects. This demonstrates a systemic, industry-wide challenge affecting both traditional and electric vehicles, exposing deep vulnerabilities in today's complex automotive supply chains.

Fig. 2: Risk matrix for the automotive sector.



Automotive Sector

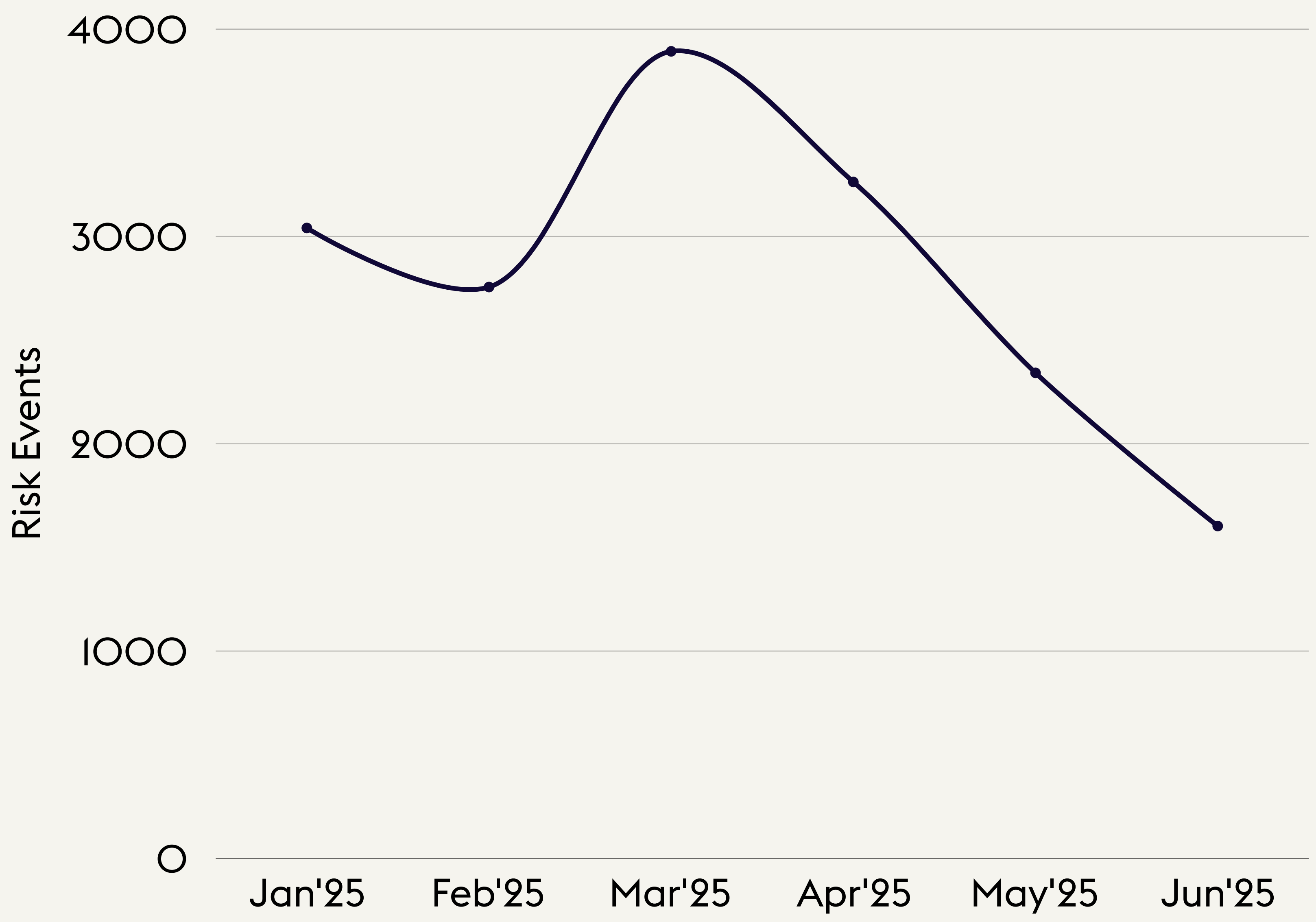
A Sector Under Siege from Operational and Supply Chain Failures

The dramatic spike in risk events peaking in March 2025 was not random. It directly correlates with a wave of major recall announcements that drew heavy fire from regulators and media. This period included the NHTSA's "Vehicle Safety Recalls Week" in the U.S. and a flurry of specific recalls from manufacturers like Audi and BMW. The resulting cascade of media coverage, regulatory filings, and consumer complaints explains the sharp peak in captured risk events.

Tesla, Inc. leads with the highest average risk score, followed by giants like Volkswagen Group and Stellantis. Tesla's position is driven by its high profile, ongoing regulatory scrutiny, and massive recalls impacting over 5.7 million vehicles. The strong presence of established automakers like Ford and General Motors in the top ranks underscores that these quality and safety challenges are deeply embedded across the entire industry, affecting legacy manufacturers and modern EV pioneers alike.

Modern EV pioneers are at the center of the automotive risk landscape. For a more detailed look at the specific challenges and opportunities within the fast-growing EV sector, from battery supply chains to regulatory hurdles, download our exclusive report.

Fig. 3: Risk events in the automotive sector.



Energy Sector

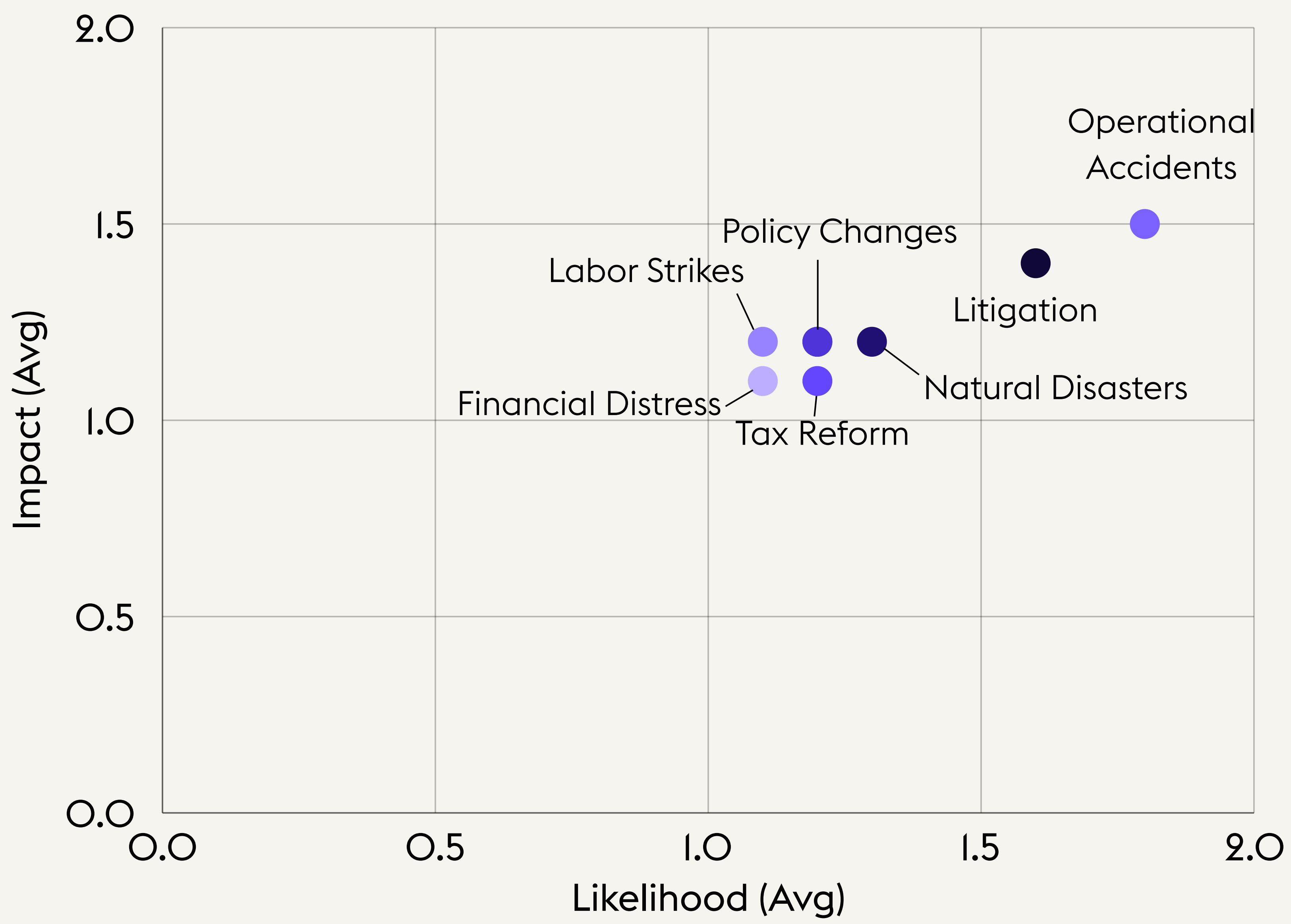
A Sector Caught Between the Energy Transition and a Supply Chain Crisis

The energy sector faced a complex mix of operational, logistical, and legal challenges in the first half of 2025.

The top risks were Supply Chain disruptions and Operational Accidents, reflecting the physical intensity of energy production, followed closely by Legal risk from an evolving regulatory landscape. The risk distribution was notably varied, with 24% of total events rated as "Very High" impact, indicating the potential for severe disruptions from a smaller number of critical incidents.

The risk matrix shows a cluster of risks, but Supply Chain issues dominate the view. This is consistent with a sector undergoing a massive and difficult transition, where these challenges are particularly sharp in the growing renewables segment. For example, several major offshore wind projects have been canceled or postponed due to rising costs and severe supply chain constraints for critical components like turbines. Further complicating the issue, attempts by overseas manufacturers to fill supply gaps are often met with intense security scrutiny

Fig. 4: Risk matrix for the energy sector.



Energy Sector

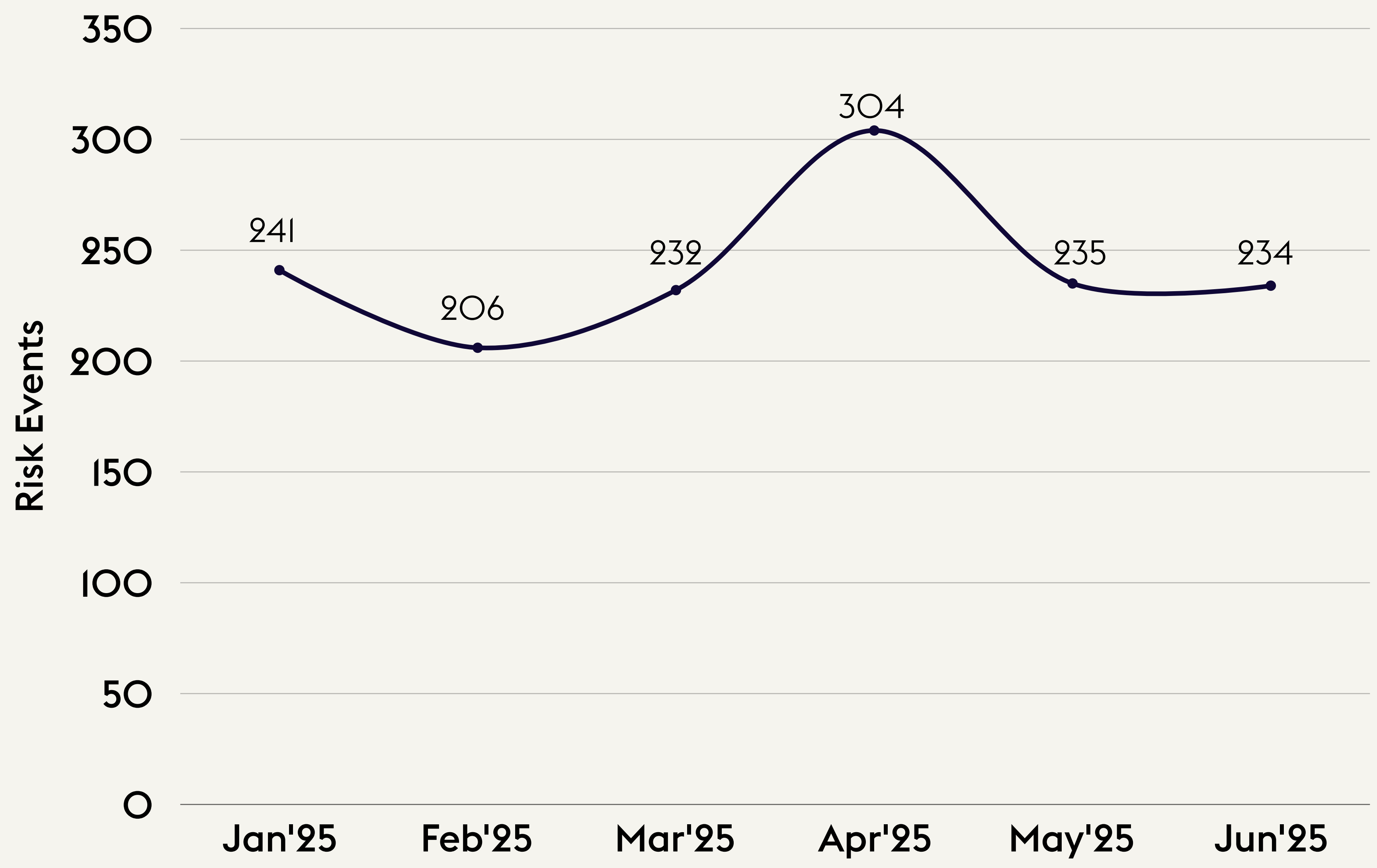
A Sector Caught Between the Energy Transition and a Supply Chain Crisis

The volatility in the energy sector, which saw risk events peak in April 2025, was driven by major policy announcements and project updates. For example, the U.S. Treasury's release of final rules for the clean hydrogen production tax credit in January created a wave of corporate activity.

Case Study

In January 2025, the U.S. Treasury released its final rules for the Section 45V clean hydrogen production tax credit, providing long-awaited regulatory certainty that spurred a new wave of corporate investment and project planning.
The rules allow producers to claim a tax credit of up to $3/kg for qualifying clean hydrogen, but only if they meet stringent requirements. Key among them are prevailing wage and apprenticeship labor standards, as well as strict environmental rules requiring hydrogen produced via electrolysis to be matched with newly-built, local, and time-matched clean electricity generation (the "three pillars").
Despite the new clarity, significant market risk persists. As of 2025, only 12% of all planned clean hydrogen production capacity in the U.S. has a committed buyer. This uncertainty is compounded by an accelerated timeline, which requires that construction on all qualifying projects must begin by the end of 2027.

Fig. 5: Risk events in the energy sector.



Finance Sector

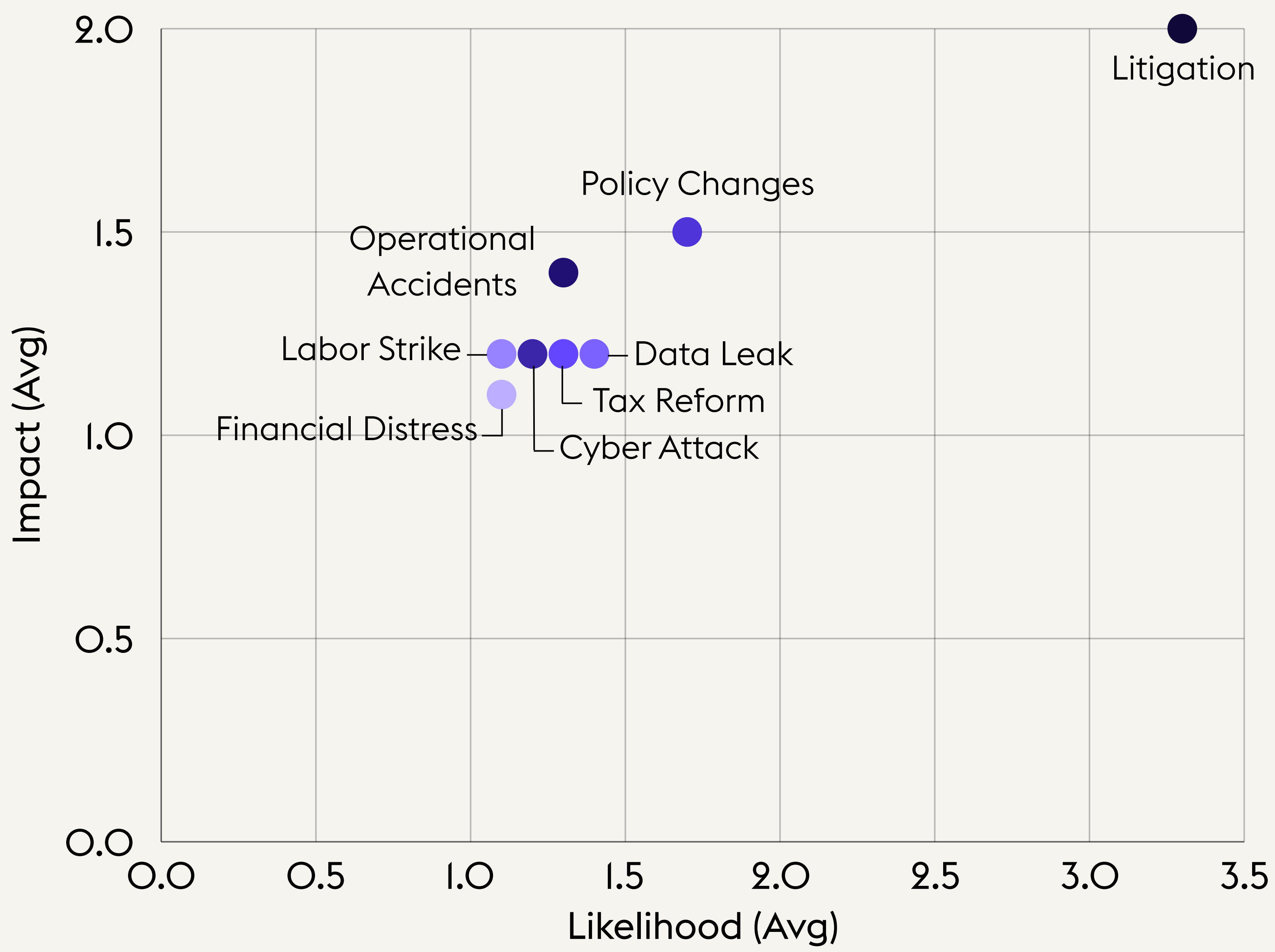
Navigating a Minefield of Regulation and Digital Threats

The financial services industry operated under a cloud of legal and technological risk in the first half of 2025. Legal issues were the undisputed top risk by a wide margin, with nearly double the volume of the second-place risk, Tech & Cyber. This pairing points to an industry grappling with the dual pressures of intense regulatory oversight and the vulnerabilities of its digital-first operating model.

The risk distribution was weighted toward "Medium" (37%) and "High" (23%) impact events, suggesting a steady stream of significant, but not typically catastrophic, compliance and security challenges.
The dominance of legal risk is starkly visualized on the risk matrix and reflects the current climate.

A recent report found that 85% of general counsels expect corporate risk to accelerate, with regulatory compliance being a top concern for 41% of them—an 11-point increase from the prior year. This pressure comes from many directions, including increased scrutiny of data privacy, AI governance, and politically sensitive issues.

Fig. 6: Risk matrix for the finance sector.



Finance Sector

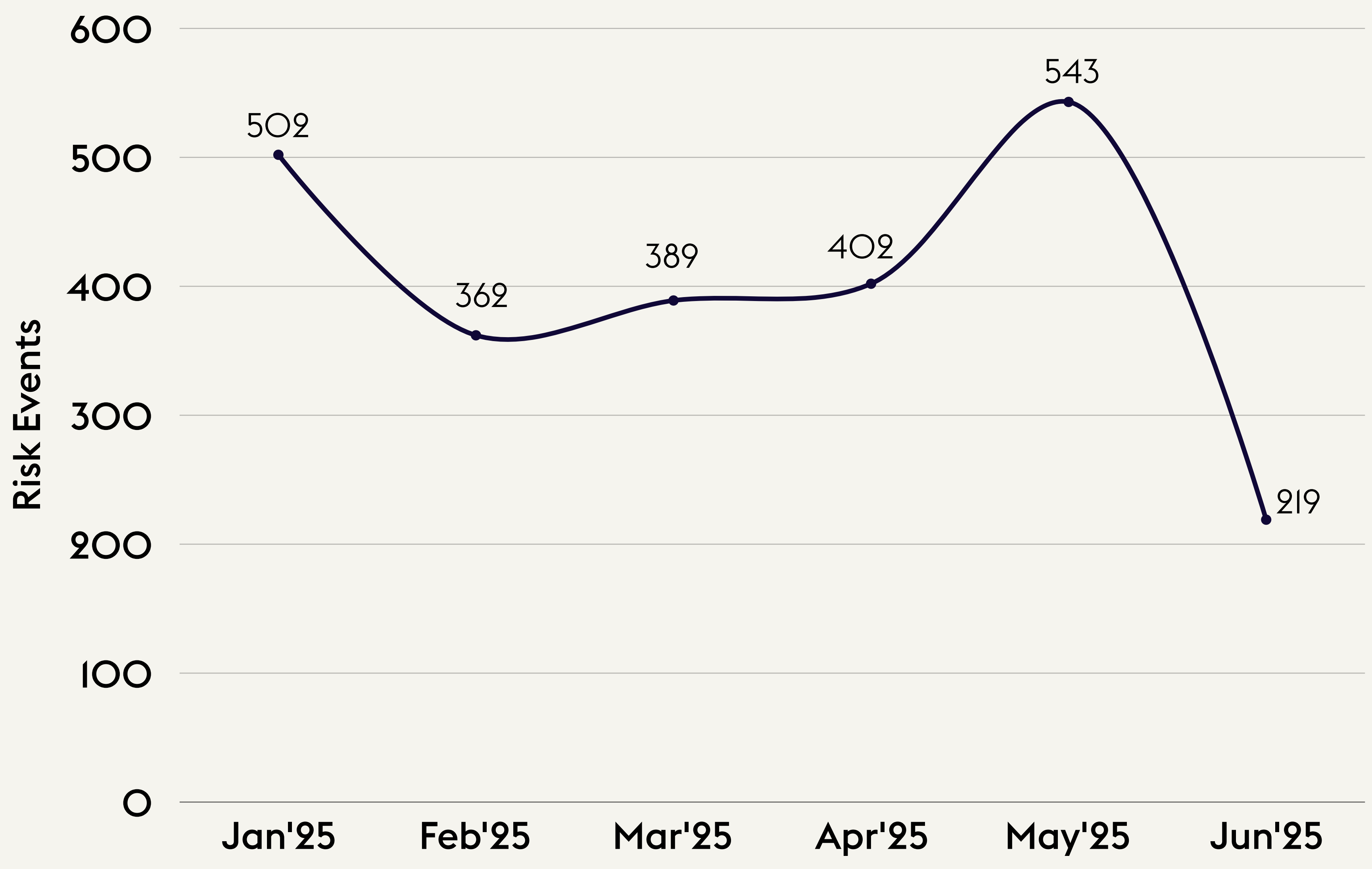
Navigating a Minefield of Regulation and Digital Threats

The significant volatility in the finance sector, which saw risk events peak in May 2025, likely corresponds to regulatory filing deadlines and major enforcement actions. This uncertainty is amplified by rapid technological change. For instance, while 55.6% of fintech professionals identify AI as a top innovation, it also introduces new risks that regulators are only beginning to address, fueling risk-related events.

The peak in risk events for the finance sector in May 2025 was driven by a convergence of market, regulatory, and enforcement pressures:

- Market Volatility: The European Central Bank's May 2025 Financial Stability Review reported a sharp volatility spike in April and May, triggered by trade tensions and leading to "major sell-offs in risky assets."
- Regulatory Deadlines: A cluster of key regulatory filing deadlines for financial institutions occurred in May, including SEC Form 13F and annual financial audits, heightening operational and reporting activity.
- Enforcement Actions: The FDIC published twelve new enforcement actions in May, coinciding with a series of announced penalties for Bank Secrecy Act violations during the same period.

Fig. 7: Risk events in the finance sector.



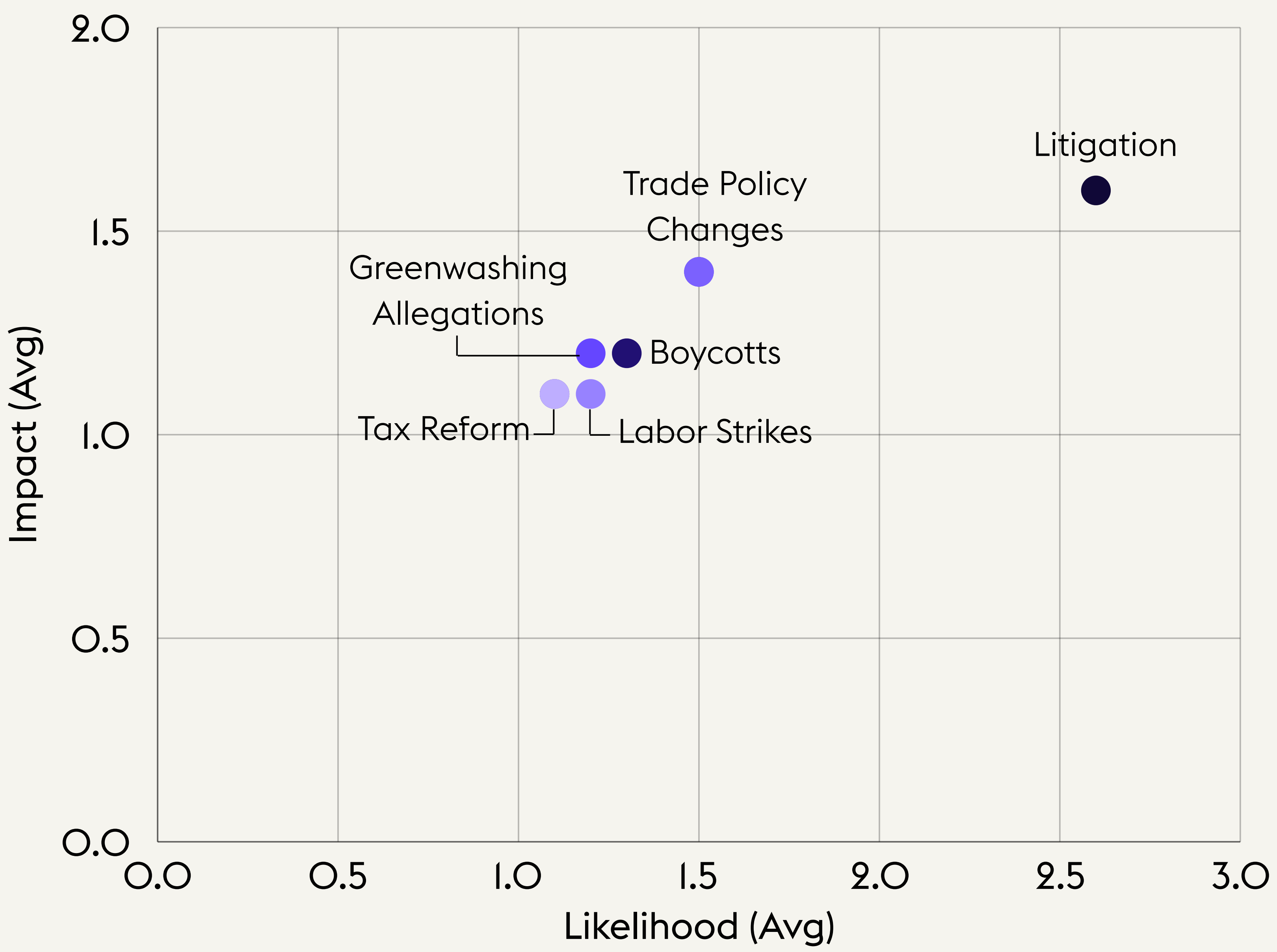
FMCG Sector

Rising Product Recalls and a Crisis of Consumer Trust

The FMCG sector, like the automotive industry, was primarily defined by operational challenges directly affecting its products. Product Incidents were the leading risk by a significant margin, followed by Legal and International Trade. The risk distribution is alarmingly concentrated at the highest severity level, with 47% of all events classified as "Very High" impact, indicating that when things go wrong, the consequences for public health and brand reputation are severe.

The risk matrix clearly visualizes this concentration of severe risk, with Product Incidents sitting in a high-impact, high-likelihood position. This reflects a persistent and growing concern in the food and beverage industry, where recalls are on the rise—reaching a four-year high in 2024. With mislabeling (especially of allergens) and contamination as the main causes, these incidents destroy consumer trust, the foundational asset of any FMCG brand.

Fig. 8: Risk matrix for the FMCG sector.



FMCG Sector

Rising Product Recalls and a Crisis of Consumer Trust

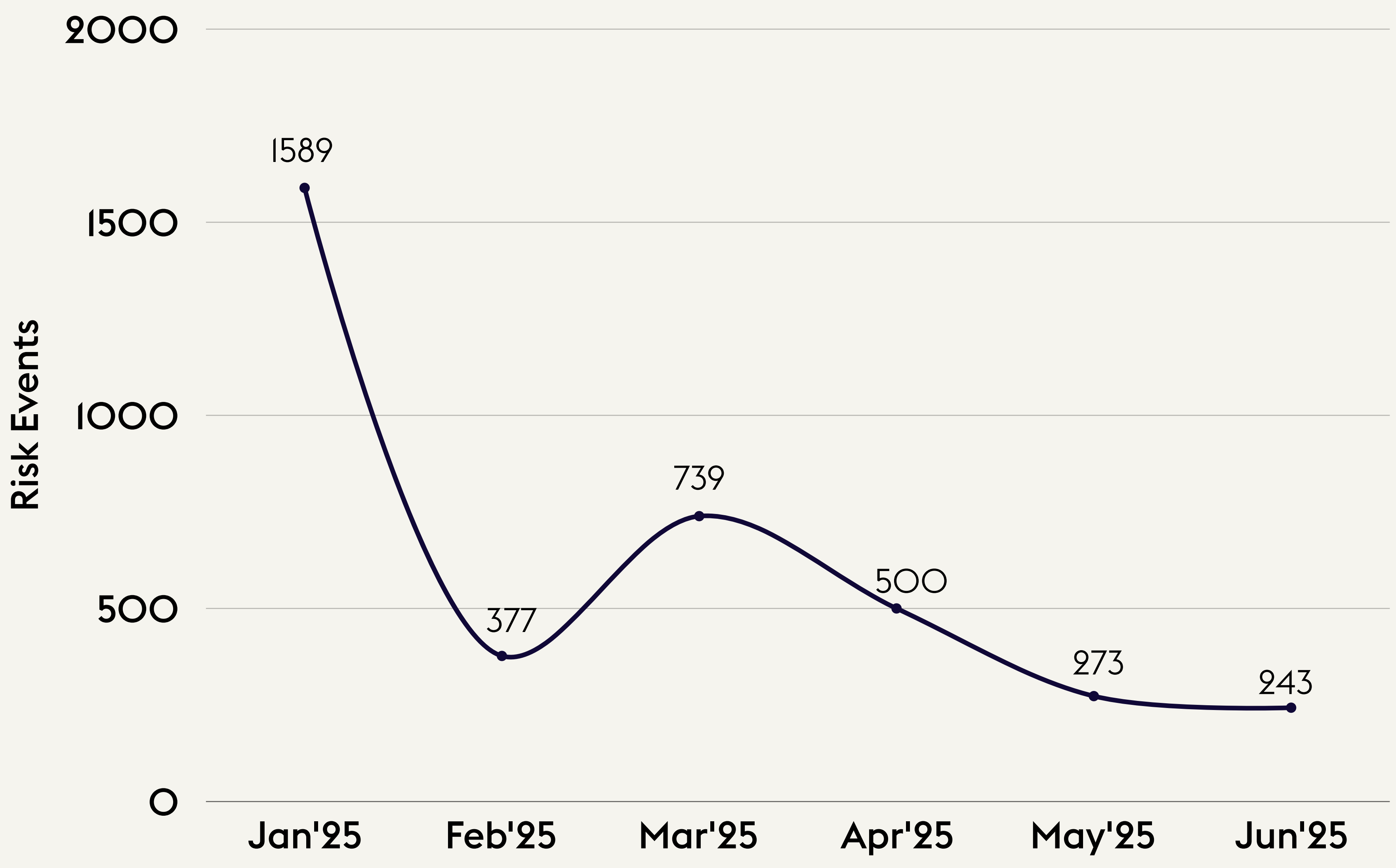
The sharp peak in risk events in January 2025 can be attributed to post-holiday reporting lags and several large-scale recalls that captured significant media attention.

Case Study

In November 2024, a recall of a single ingredient—Sifto brand salt—due to metal contamination forced numerous secondary recalls from major food manufacturers like Wonder Brands, who used the salt in their finished products. This incident is a textbook example of how one upstream failure in the supply chain can trigger a cascade of costly disruptions for downstream brands.

The list of top companies by risk is dominated by global giants like The Coca-Cola Company, Nestle, and Unilever. Their high ranking is a function of their massive scale; with thousands of products and complex global supply chains, the probability of an incident is inherently higher, and any issue is amplified by intense regulatory and consumer scrutiny. The presence of major agricultural traders like Cargill on the list also highlights the upstream vulnerabilities where contamination and quality issues often begin.

Fig. 9: Risk events in the FMCG sector.



Healthcare Sector

Geopolitical Tensions and Legal Battles Shape the Risk Landscape

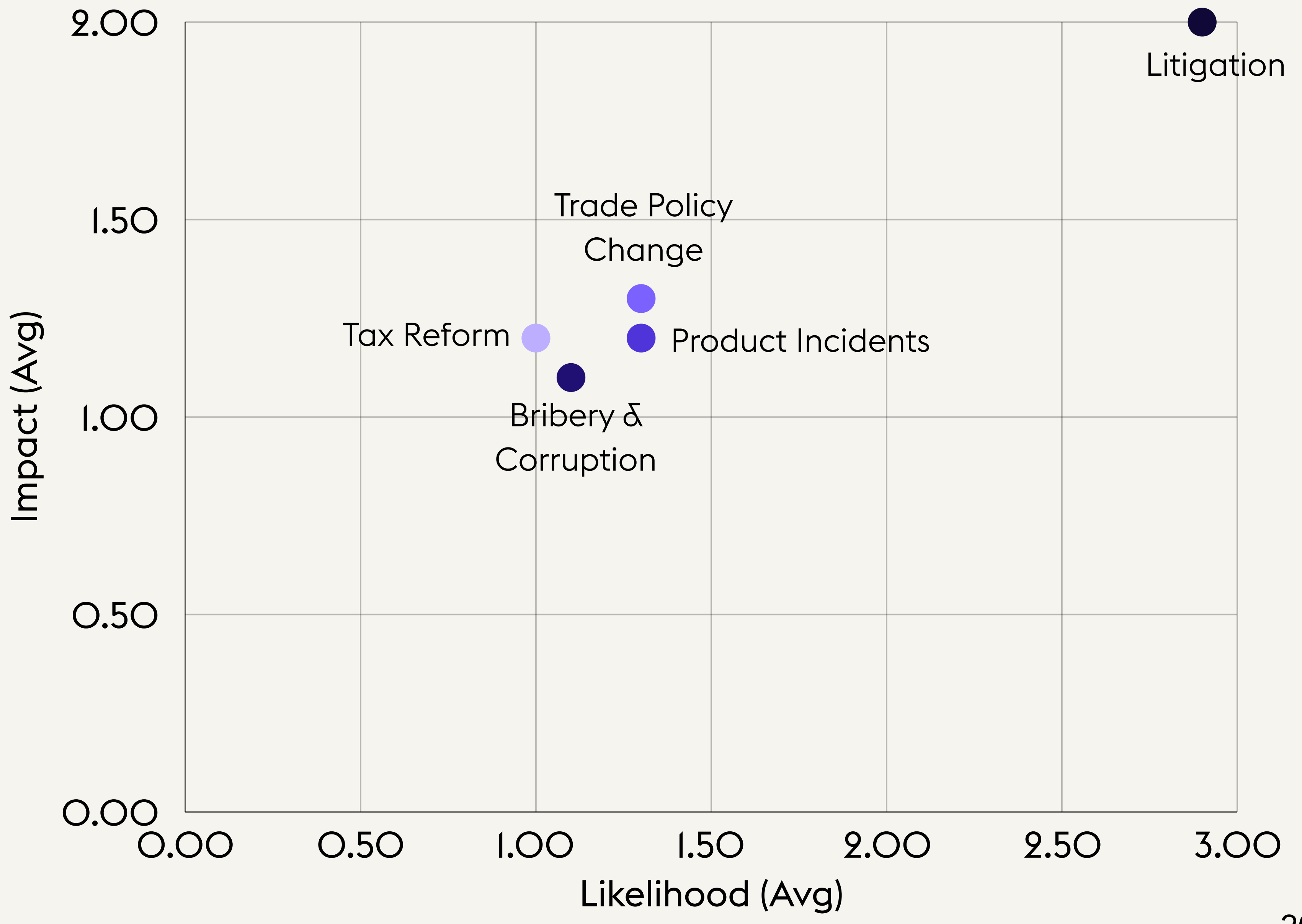
The healthcare sector—including pharmaceuticals, biotech, and medical devices—was dominated by strategic and regulatory pressures in the first half of 2025. Legal risk was the foremost concern by an overwhelming margin, with a volume exceeding 1,500 events.

This is typical for an industry that operates under the world's strictest regulations and faces constant threats of lawsuits over patents, product liability, and marketing practices. The second-largest bubble, Product Incidents, while less likely, still carries a very high impact. This reflects the severe patient safety implications of drug or device recalls, which are often driven by stricter regulatory oversight.

Case Study

The dominance of legal risk in H1 2025 is exemplified by Eli Lilly's lawsuits against telehealth providers and compounding pharmacies. The litigation targets the alleged illegal marketing of compounded tirzepatide, the active ingredient in Lilly's popular weight-loss drugs Zepbound and Mounjaro. The lawsuits, which included actions against four major telehealth firms in April 2025, followed the reinstatement of an FDA ban on compounding tirzepatide in December 2024.

Fig. 10: Risk matrix for the Healthcare sector.



Healthcare Sector

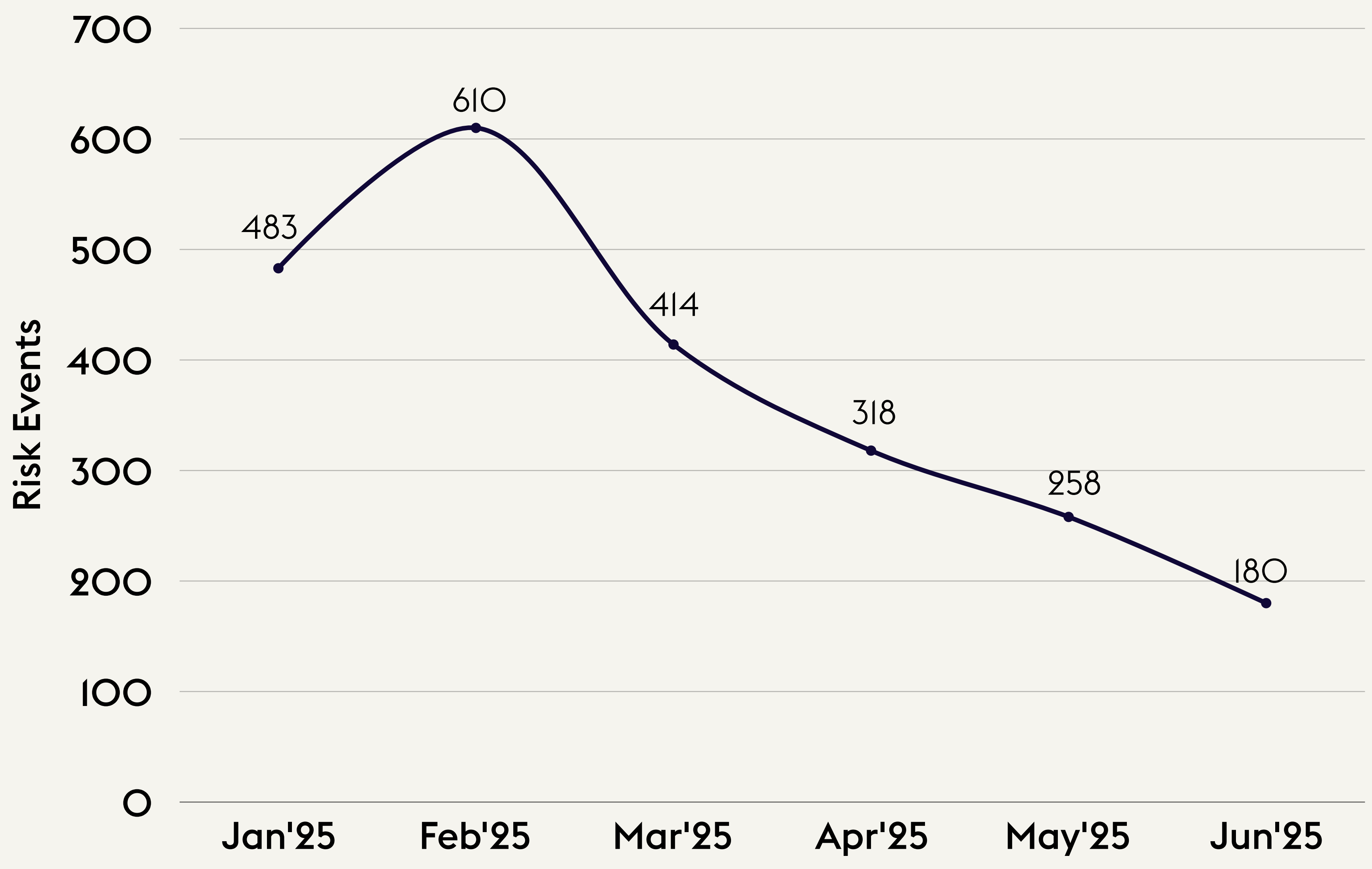
Geopolitical Tensions and Legal Battles Shape the Risk Landscape

The volume of risk events was highest in February 2025, followed by a steady decline. This peak was likely tied to the timing of major industry events, such as key regulatory decisions, the announcement of significant clinical trial results, or the resolution of major legal cases that generate substantial media and industry attention.

Key events driving global media conversations in February:

- ViVE 2025 conference (February 16-19), a major healthcare IT event with 7,500+ executives and industry experts focusing on AI, cybersecurity, virtual care, and digital health innovation.
- AHIP Executive Leadership Summit (February 17-19), another high-profile healthcare leadership conference.
- AHA Rural Health Care Leadership Conference (February 23-26), targeting public health leaders and hospitals.
- Patient Safety 2025 World Congress held February 24-25, focusing on quality and safety in healthcare.

Fig. 11: Risk events in the Healthcare sector.



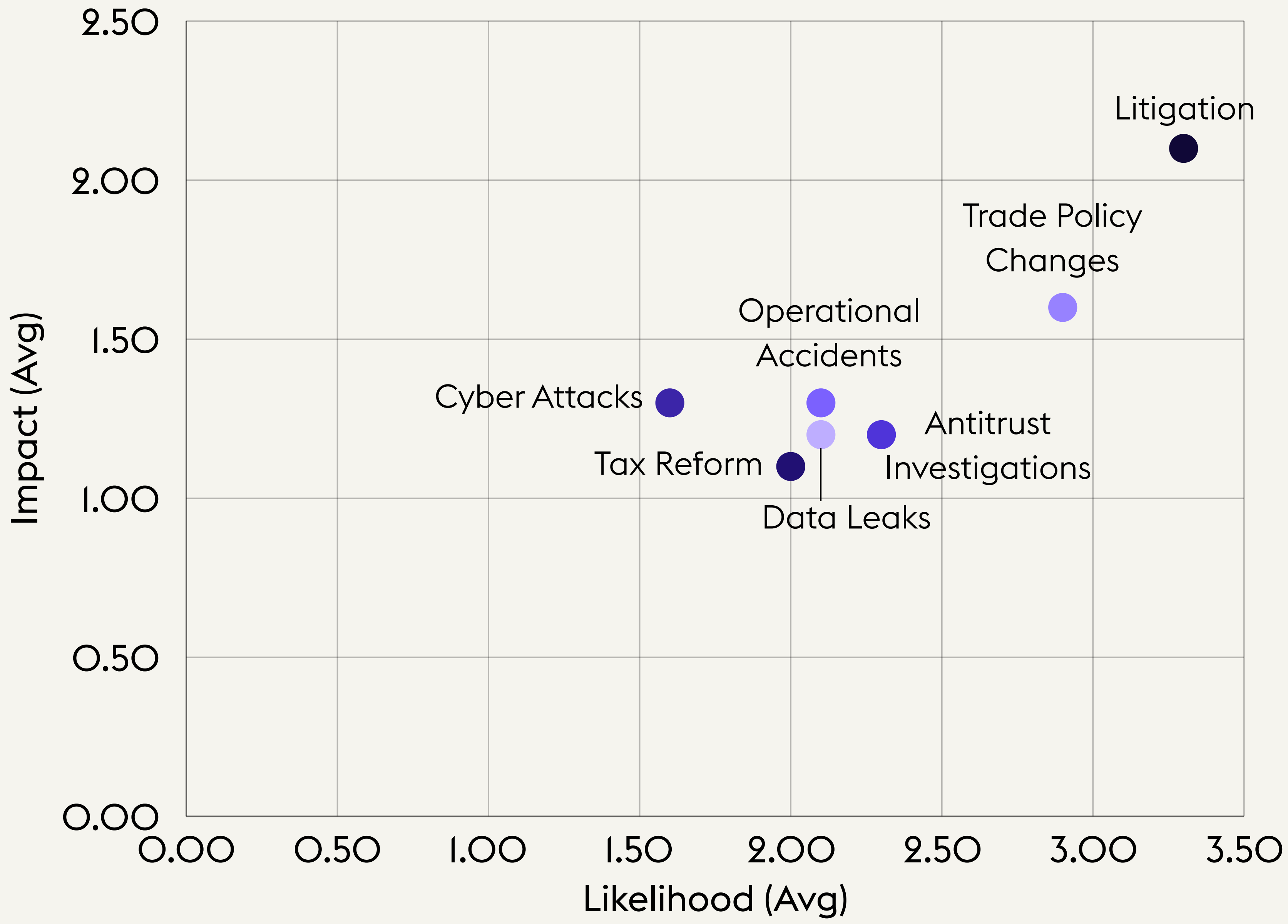
Technology

When Innovation and Geopolitics Collide

The technology sector, the engine of modern innovation, found itself bogged down in legal and geopolitical battles in H1 2025. Legal risk was the dominant concern with over 5,000 events, followed by International Trade and Supply Chain risks. This trio illustrates the industry's core challenge: its complex global operations are clashing with a fragmented and protectionist world. The severity is high, with a significant portion of events rated as "High" (37%) and "Very High" (30%) impact.

As the risk matrix shows, Legal risk is the preeminent threat. This is a direct consequence of two defining trends. First, the "AI arms race" is driving intense regulatory scrutiny and new liabilities, exemplified by the EU's AI Act which took effect in February 2025. Second, the escalating U.S.-China tech decoupling is manifesting as export controls and sanctions, turning international trade into a critical strategic risk.

Fig. 12: Risk events in the technology sector.



Technology

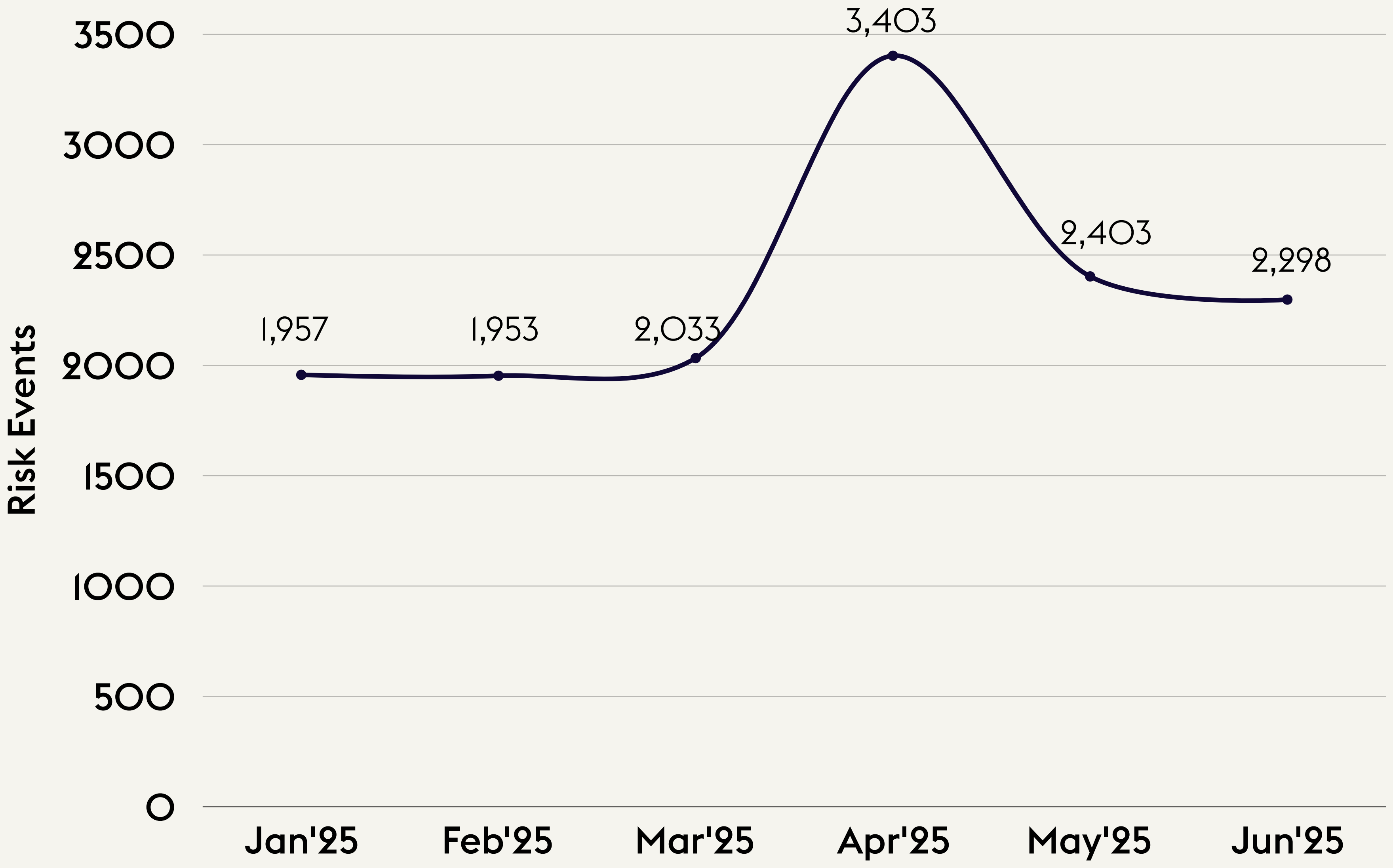
When Innovation and Geopolitics Collide

The dramatic spike in risk events in April 2025 likely corresponds to two major drivers: the announcement of new AI products, which sparked intense public and regulatory debate, and significant developments in trade policy, such as new tariffs that generated widespread media coverage.

The list of companies with the highest risk scores is led by industry titans Microsoft, Apple, and Google, reflecting their central role in the global battles over AI supremacy and international trade.

- Microsoft: Its deep partnership with OpenAI places it at the heart of the AI revolution and its associated risks.
- Apple: Its reliance on global supply chains and navigation of different regulatory environments expose it to significant trade and legal pressures.
- OpenAI: Its presence on the list, despite being private, highlights the outsized scrutiny it faces as a key developer of transformative AI.

Fig. 13: Risk events in the Technology sector.



The Road Ahead: What's Next for H2 2025?

A World in Flux

The second half of 2025 will be shaped by two interconnected forces: geopolitical fragmentation and economic deceleration.

Geopolitical Fragmentation

The post-Cold War era of hyper-globalization is over. The world is becoming more fractured and competitive, with state-based armed conflict as the top immediate risk. Misinformation amplifies this by eroding trust and creating a "tinderbox context" where conflicts easily flare up.
For businesses, fragmentation means economic weaponization through protectionism. Potential U.S. tariffs of 60% on China and 20% on other partners threaten a "global trade chain reaction" disrupting supply chains.

Economic Deceleration

This geopolitical backdrop is driving synchronized global slowdown. The IMF, World Bank, and OECD project global GDP growth slowing to 2.3-3.0% in late 2025 due to trade barriers, policy uncertainty, and tighter financial conditions. The U.S. economy will slow significantly while Europe's recovery remains vulnerable, leading to softer spending, delayed investment, and margin pressure.

The Risk Cycle

These forces create a self-reinforcing cycle. Geopolitical risks drive economic problems through protectionism, which acts as supply shocks raising costs and dampening growth. This creates a feedback loop: slower growth worsens social tensions, fueling more nationalist policies that further damage prospects. Business leaders must understand that "International Trade" and "Geopolitical Instability" are no longer separate issues but primary drivers of macroeconomic risk affecting the entire company.

The Twin Engines of Disruption: Technology and Regulation

While the economy presents a tough backdrop, two specific, connected forces will drive the most change and disruption in the second half of 2025: rapid technological innovation and the wave of complex new rules trying to keep up with it.

The AI Arms Race

The "AI arms race" will move from the lab to the mainstream consumer market in H2 2025, with major AI-integrated product launches expected from Apple (iPhone 17), Microsoft (Windows 12), and Google (Pixel 10). This explosion in AI applications is fueling unprecedented demand for data center infrastructure, forcing a technological pivot toward alternative power sources like small modular nuclear reactors (SMRs) and advanced liquid cooling solutions.

The Regulatory Tsunami

Technological advancement and the energy transition are being met with a wave of complex, often overlapping, new regulations that will create significant compliance burdens. Key developments include the implementation of highly technical U.S. Clean Hydrogen tax credit rules, new global tax regulations like the Pillar Two 15% minimum tax, heightened enforcement of supply chain regulations targeting forced labor, and the EU's landmark AI Act, which establishes a new global benchmark for AI governance.

The Imperative for Agility: The Need for Continuous Risk Monitoring

Three Critical Characteristics of Modern Risk

Dynamic: Risk events now appear as sudden "tidal waves" rather than gradual changes, with sharp spikes occurring within weeks across industries like Automotive (March) and Technology (April). Traditional annual or quarterly risk assessments are obsolete by the time they're distributed, leaving leaders navigating with outdated information.

Complex: Innovation opportunities in areas like AI and green energy simultaneously create poorly understood new liabilities. Success requires proactive, integrated approaches like Tesla's supply chain management during Model 3 launch or Google's data security focus, while failures like Chipotle's E. coli outbreak demonstrate the devastating consequences of overlooking operational risks.

Interconnected: Risks operate in complex webs where geopolitical decisions trigger economic impacts, technological advances spawn regulatory changes, and a single tariff announcement cascades through supply chains to create financial and market risks across multiple organizations. Managing risks in isolation is now a recipe for failure.

SIGNAL AI

The New Success Formula

Organizational resilience comes not from avoiding risk but from understanding it clearly and in real-time. The critical capability for 2025 and beyond is the ability to detect, interpret, and act on emerging risks before they escalate into crises. Future success will depend on being agile, informed, and prepared rather than simply being the biggest or strongest.

SIGNAL AI

About Signal AI

Signal AI is a leading global decision augmentation company, turning the world's data into knowledge and empowering business leaders across a range of industries to make informed and confident decisions. Companies like Google, Volvo and Deloitte, use the Signal AI decision augmentation solution for real-time market and media intelligence to uncover trends, risks, and opportunities and support critical decision-making.

With Signal AI, for the first time, businesses can access quantifiable reputation data and intelligence to understand what's driving their reputation. With AI-powered search and advanced analytics, you can spot emerging trends, risks and opportunities, discover unknown connections between your brand – and that of your suppliers, partners, investors and customers – and other topics and discover how these connections are impacting your business. Harnessing this data can inform more confident decision making and help drive business performance.

How can Signal AI help?

In an era of systemic volatility, static risk management is a liability. Signal AI provides the continuous, intelligence-driven monitoring you need to navigate this new landscape. While you're tracking geopolitical threats, we're identifying the financial fragility of your supplier's supplier and alerting you to the cyber vulnerabilities you can't see.

Request a demo