

Top ten risk factors for review



Fewer than 200 public companies cited Health Epidemics and Diseases (up 618.95%) on their annual 10-K as a risk factor in the previous period analyzed. With the onset of the COVID-19 pandemic, of course, that changed drastically. The six-fold increase provides yet another indicator that we have “entered a pandemic era.”

The [Trump administration's moves](#) against the popular dance-in-front-of-your-bathroom-mirror app TikTok are just the latest inflammation in a rivalry between East and West superpowers that is [turning increasingly adversarial](#). International Trade Restrictions and Protectionism risk factors (up 13.84%) are rising along with the uncertainty that [a trade pact signed in January will survive](#).



Public companies have been feeling the heat on Natural Disasters, Climate Change and Extreme Weather risk factors (up 11.38%). Not just the literal heat outside, but intensifying pressure from stakeholders. Some [corners of the government have been pushing](#) for greater ESG disclosure (including metrics relating to climate change). Meanwhile, deep-pocketed investors like [BlackRock are getting serious about pressuring issuers](#) to become more responsible stewards of the planet.

Top five risk factors

Section type	Avg. position	Documents	Prior period documents	Change
Failure to compete effectively	16	4,592	4,725	-2.81%
Business (miscellaneous)	20	4,507	4,504	0.07%
Dependence on employees, management & key personnel	22	4,461	4,528	-1.48%
Cybersecurity, data privacy & information technology	25	4,275	4,249	0.61%
Operational disruptions	23	3,730	3,712	0.48%

Five fastest rising risk factors

Section type	Avg. position	Documents	Prior period documents	Change
Health epidemics & diseases	19	1,366	190	618.95%
International trade restrictions & protectionism	23	921	809	13.84%
Natural disasters, climate change & extreme weather	23	2,260	2,029	11.38%
Anti-corruption law	30	730	662	10.27%
Employee misconduct	37	733	666	10.06%

For this report, we analyzed the 100 most commonly cited risk factor topics in Form 10-K filings from 8/01/2019-7/31/2020. We then identified the risk factors that experienced the greatest increase within those top 100 topics over the last year.