

News release

Date 28/10/2021

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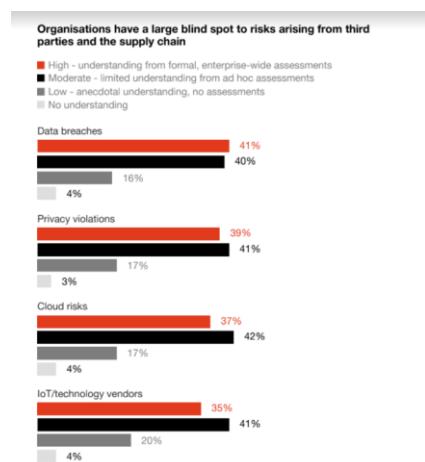
Companies may be overlooking the riskiest cyber threats of all

Third-party cyber risks are a glaring blind spot according to PwC survey

Ho Chi Minh City, 28 October, 2021: A majority of companies don't have a handle on their third-party cyber risks – risks obscured by the complexity of their business relationships and vendor/supplier networks. This is the finding of the [PwC's 2022 Global Digital Trust Insights Survey](#). The survey of 3,600 CEOs and other C-suite executives globally found that 60% have less than a thorough understanding of the risk of data breaches through third parties, while 20% have little or no understanding at all of these risks.

The findings are a red flag in an environment where 60% of the C-suite respondents anticipate an increase in cyber crime in 2022. They also reflect the challenges organizations face in building trust in their data -- making sure it is accurate, verified and secure, so customers and other stakeholders can trust that their information will be protected.

Notably, 56% of respondents say their organizations expect a rise in breaches via their software supply chain, yet only 34% have formally assessed their enterprise's exposure to this risk. Similarly, 58% expect a jump in attacks on their cloud services, but only 37% profess to have an understanding of cloud risks based on formal assessments.



Graphic 1: Organisations have a large blind spot to risks arising from third parties and the supply chain

Sean Joyce, Global & US Cybersecurity & Privacy Leader, PwC United States said: "Organizations can be vulnerable to an attack even when their own cyber defenses are good; a sophisticated attacker searches for the weakest link - sometimes through the organization's suppliers. Gaining visibility and

managing your organization's web of third-party relationships and dependencies is a must. Yet, in our research, fewer than half of respondents say they have responded to the escalating threats that complex business ecosystems pose."

In the Vietnam context, Pho Duc Giang, Director of PwC Vietnam Cybersecurity Ltd., commented: "The convenience of the tech-enabled world has led to an ever-larger and more complex ecosystem of organisations as service users and their related service providers. Despite the evident benefits of using third-party providers, the associated risks are not to be ignored. In Vietnam, few companies are able to comply with the requirements related to digital transformation, particularly those concerning the management of third-party cyber and privacy risks. Therefore, the adoption of international standards and good practices are imperative for organisations to improve the effectiveness of supply chain management and minimize third-party risks."

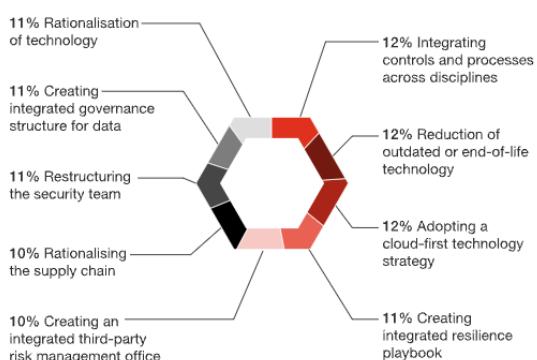
Simplifying the way to cybersecurity

While simplification is a challenge, there is ample evidence that it is worthwhile. According to the survey, 3 in 10 respondents overall said their organisations had streamlined operations over the past two years. The "most improved" in our survey (the top 10% in cyber outcomes) were five times more likely to have streamlined operations enterprise-wide. These top 10% organisations are also 10 times more likely to have implemented formal data trust practices and 11 times more likely to have a high level of understanding of third party cyber and privacy risks.

Asked to prioritise among nine initiatives aimed at simplifying cyber programs and processes, the survey respondents however could not choose, allotting near-equal importance to all of them.

Simplification of cyber: spending is spread across several initiatives

Average share of total spending on cyber simplification



Question: In the next two years, what proportion of your cybersecurity spend will your organisation allocate to each of the following initiatives to simplify cybersecurity?
Base: 3,602 respondents
Source: PwC, 2022 Global Digital Trust Insights, October 2021.

Graphic 2: Simplification of cyber: spending is spread across several initiatives

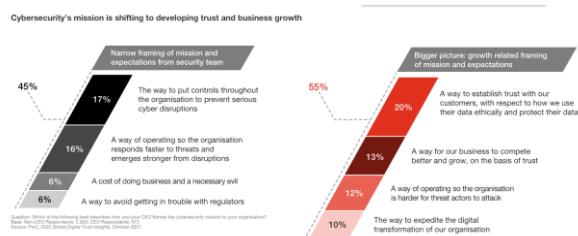
CEO engagement can make a difference

Proactive CEO engagement in setting and achieving cyber goals makes a difference. Executives in the "most improved" group, reporting the most progress in cybersecurity outcomes, were 12x more likely to

have broad and deep support on cyber from their CEOs. Most executives also believe that educating CEOs and boards so they can better fulfill their cyber responsibilities is the most important act for realising a more secure digital society by 2030.

CEOs and other executives also agree on the changing cyber mission. Cybersecurity's mission has shifted to developing trust and business growth, with 54% framing it beyond cyber defense and controls.

Commenting on the findings, Nguyen Phi Lan, PwC Vietnam's Risk Assurance Leader, said: "Up to 70% of CEOs voted that the 2022 budget will be increased for cybersecurity. Most of them are of the view that cybersecurity is much more than a matter of "internal controls". Cybersecurity has indeed played an important role in gaining trust from their customers and supporting sustained business growth."



Graphic 3: Cybersecurity's mission is shifting to developing trust and business growth

Ends

About the Survey

The 2022 Global Digital Trust Insights is a survey of 3,602 business, technology, and security executives (CEOs, corporate directors, CFOs, CISOs, CIOs, and C-Suite officers) conducted in July and August 2021 by PwC Research. Sixty-two percent of respondents are with companies with US\$1 billion and above in revenues; 33% are with US\$10 billion+ companies. Respondents operate in a range of industries: tech, media, telecom (23%), industrial manufacturing (22%), financial services (20%), retail and consumer markets (16%), energy, utilities, and resources (8%), health (7%), and Government and public services (3%). Respondents by region include: Western Europe (33%), North America (26%), Asia Pacific (18%), Latin America (10 %), Eastern Europe (4%), Middle East (4%), and Africa (4%).

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