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## **World Security Report Finds Physical Security Incidents Cost Companies USD\$1 Trillion in 2022**

- *Landmark research on world security gauged opinions of 1,775 chief security officers based in 30 countries*
- *Large global companies surveyed have combined 2022 annual revenue of more than \$20 trillion – a quarter of the world’s gross domestic product*
- *Study finds economic unrest is biggest security-impacting hazard in next 12 months*

**IRVINE, Calif. — Sept. 11, 2023** — According to the first-ever *World Security Report*, large, global companies lost a combined \$1 trillion in revenue in 2022 due to physical security incidents. Economic unrest is expected to be the greatest security-impacting hazard in the next 12 months, a significant increase on the prior year.

The report also found that companies anticipate a surge in threats and hazards like social unrest, climate change, fraud and theft. As a result, physical security budgets are predicted to increase significantly to keep people, property and assets safe. Security leaders intend to focus investments on advanced technology and providing security professionals with additional skills and training.

Fraud – deception intended to result in gain – is likely to be the biggest external threat over the coming year. The leaking of sensitive information is predicted to be the biggest internal threat. Dangers posed by hackers, protestors, spies and economic criminals are expected to soar.

Commissioned by [Allied Universal®](#), the world’s leading security and facility services provider, and its international business, [G4S](#), the *World Security Report* documents opinions of 1,775 chief security officers (CSO) or those in equivalent positions from 30 countries. Working for large, global companies with a combined annual revenue of more than \$20 trillion – a quarter of the world’s gross domestic product, CSO participation was independent and anonymous.

“As the world’s leading security company, we commissioned this report for the benefit of the entire industry and the companies we protect. It comes at a time when organizations across the

globe are increasingly navigating more complex security hazards and threats. The research shows the impact of security threats on organizations is multidimensional – from the disruption of productivity to the loss of customers, to the potentially staggering financial impact,” said Steve Jones, Allied Universal’s global chairman and CEO.

One in four (25%) companies reported a drop in their corporate value following an external or internal security incident during the last 12 months.

In addition to CSOs, the report also surveyed 200 global institutional investors to understand the impact of security incidents on the value of publicly traded companies. Investors estimated an average 29% drop in stock price in the wake of a significant internal or external security incident in the last 12 months.

“Global businesses are facing increased security threats; a tight labor market globally; and rapidly changing technology that presents new risks and requires different skills. In addition, executive boards are grappling with balancing physical and cybersecurity alongside other priorities. The *World Security Report* helps our entire industry and the wider business community better understand and operate in the challenging, global and fast-moving security landscape,” said Ashley Almanza, executive chairman of G4S, Allied Universal’s international business.

## Key findings from the World Security Report:

### Security Threat and Incident Findings

- **Economic unrest** was reported by 47% as the greatest security-impacting hazard in the next 12 months -- up from 39% in the previous year.
- **Climate change** events are on the rise and the second most concerning hazard, with 38% saying they may be impacted in the next year. This was followed by social unrest (35%), disruption to energy supplies (33%) and war or political instability (32%).
- **Leaking of sensitive information** is expected to be the biggest internal threat in the next 12 months according to 36% of respondents.
- **Misuse of company resources or data** was the most common internal incident with 35% of companies having experienced this already over the last 12 months.
- **Fraud** is expected to be the biggest external threat in the next year, predicted by 25% of CSOs.
- **Fraud and phishing and social engineering** were the most common external security incidents experienced in the last 12 months (23%).
- The threat from two groups, **subversives, hackers, protestors, or spies** and **economic criminals**, are likely to soar, with 50% and 49% of respondents predicting they will be impacted by these groups, both up from 39% in the last year.

### Security Budgets

- **Security budgets** represented approximately \$660 billion (3.3%) of global revenue at respondent companies in 2022.
- **Physical security budgets** at 46% of respondent companies are set to significantly increase in the next 12 months.
- **Artificial intelligence (AI)** is top of the agenda for future physical security technology investment, with 42% intending to invest in AI and AI-powered surveillance over the next five years.

### **The Future of Security Insights**

- Cyber threats that threaten physical security systems are challenging to operations according to nine out of 10 respondents.
- CSOs reported a disconnect between physical security incidents and the importance placed on them at board level; nine in 10 CSOs said company leaders are more concerned about cyber than physical security.
- Eight in 10 (84%) said recruitment of security professionals will be challenging over the next five years.
- Nine in 10 (92%) said people skills are more important than physical attributes of strength in front-line security professionals.

### **About the 2023 World Security Report**

This landmark research is an independent, anonymous survey of 1,775 chief security officers (CSOs), or those in equivalent roles, from large, global companies in 30 countries, with a combined annual revenue of more than \$20 trillion in 2022, representing a quarter of the world's total Gross Domestic Product (GDP). <https://worldsecurityreport.com/>

### **About Allied Universal®**

The world's leading security and facility services provider and trusted partner to more than 400 of the *FORTUNE* 500, Allied Universal® delivers unparalleled customer relationships, innovative solutions, cutting-edge smart technologies and tailored services that enable clients to focus on their core businesses. With operations in over 100 countries, Allied Universal is the third-largest private employer in North America and seventh in the world. Annual revenue is more than \$20 billion. There is no greater purpose and responsibility than serving and safeguarding customers, communities and people. For more information, visit [www.aus.com](http://www.aus.com).