

C L I F F O R D  
C H A N C E



**SURVEY OF CYBERSECURITY DISCLOSURES IN ANNUAL REPORTS ON FORM 10-K FILED BY  
SELECTED WELL-KNOWN SEASONED ISSUERS**

MAY 2024

# TABLE OF CONTENTS

INTRODUCTION	3
SURVEY HIGHLIGHTS	4
BOARD OVERSIGHT	6
MANAGEMENT ROLE	9
CYBER SECURITY FRAMEWORKS	11
THIRD PARTY SERVICE PROVIDERS	12
METHODOLOGY	13
ANNEX A	14
CONTACTS	17

# INTRODUCTION

We have developed this survey to provide information to our clients and other interested parties about cybersecurity related disclosures included in annual reports on Form 10-K. Our survey focuses on companies registered with the U.S. Securities and Exchange Commission (SEC) that have disclosed that they qualify as well-known seasoned issuers and that we understand are included in the Fortune 100 index.

The following charts reflect selected statistics that we believe provide useful information about cybersecurity disclosure characteristics and related governance practices. A list of the companies whose annual reports we reviewed is provided in [Annex A](#).

On July 26, 2023, the U.S. Securities and Exchange Commission (**SEC**) adopted [final rules](#) that require annual disclosure by public companies of their cybersecurity risk, management, strategy, and governance practices (**Cyber Rules**). These requirements apply to annual reports for fiscal years ending on or after December 15, 2023. For more information regarding the Cyber Rules, see our client briefing:

<https://www.cliffordchance.com/briefings/2023/08/sec-adopts-new-cybersecurity-disclosure-requirements-for-public-.html>

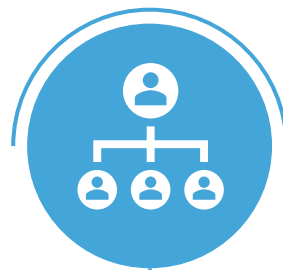
Please contact Megan Gordon, Devika Kornbacher or another member of your Clifford Chance client service team if you would like to discuss this survey or have any related questions.

# SURVEY HIGHLIGHTS



**Board oversight.** Almost all of the surveyed companies report that cybersecurity risk oversight is allocated to a board committee. Only two companies disclose that this oversight responsibility remains with the full board. For more than three-quarters of the surveyed companies, an audit committee is the responsible committee.

Frequency of cyber risk reporting to boards varies, with ad hoc, periodic, and quarterly reporting being the most common. Annual reporting is less common among the surveyed companies.

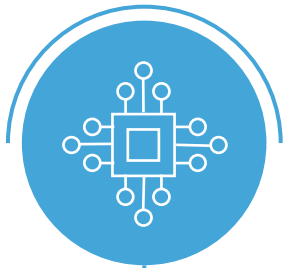


**Management role.** Less than one-third of the surveyed companies disclose a management-level, cybersecurity-specific committee. Nearly all surveyed companies disclose having a Chief Information Security Officer (**CISO**). Approximately one-third of the surveyed companies provide disclosures regarding their Chief Information Officer (**CIO**).

Of the 15 companies with a management-level cybersecurity-specific committee, almost none specify the number of such committee's members, most report such members being a cross-functional team of senior leaders, and most include a description of at least some members' responsibilities (most commonly the CISO's).

# SURVEY HIGHLIGHTS

## (CONTINUED)



**Cybersecurity framework.** More than one half of the surveyed companies refer to at least one cybersecurity framework, with NIST being referenced in one half of these instances.

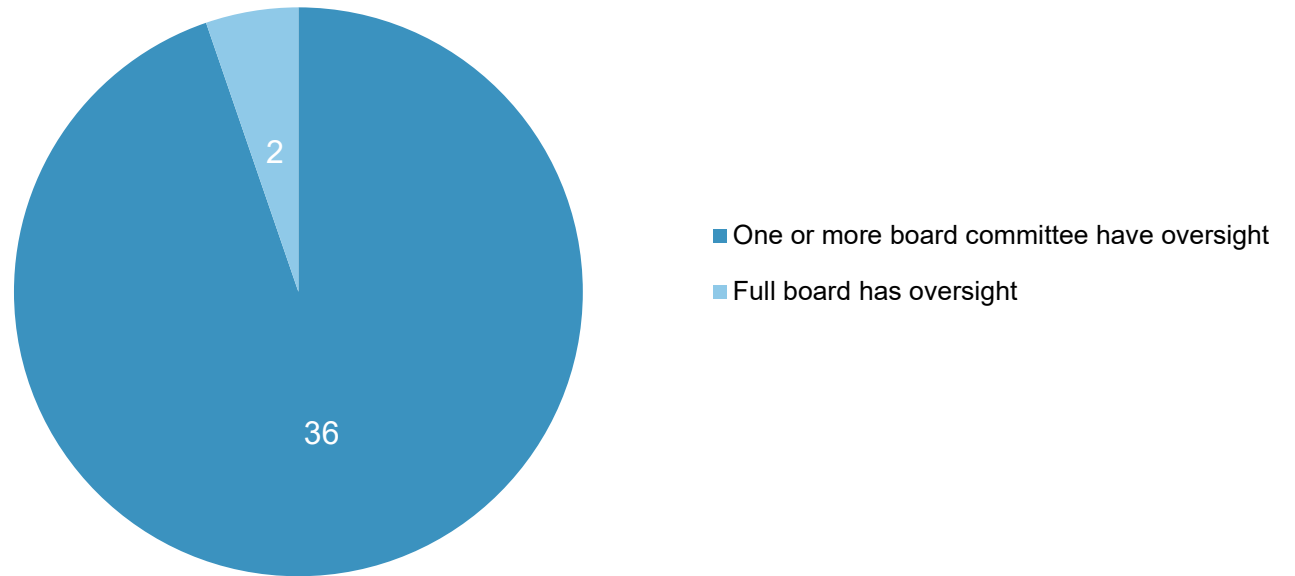


**Engagement of third parties.** Nearly all surveyed companies disclose the use of third parties related to assessing, identifying, or managing cybersecurity risk. The most common approach is to list but not name third parties and the most referenced types of third parties include consultants, experts, and auditors.

# BOARD OVERSIGHT

The Cyber Rules require companies to disclose their board of directors' oversight of risks arising from cybersecurity threats, including identifying relevant committees or subcommittees.

Of the 44 surveyed companies, only two reported that oversight for cybersecurity risk remains with the full Board.

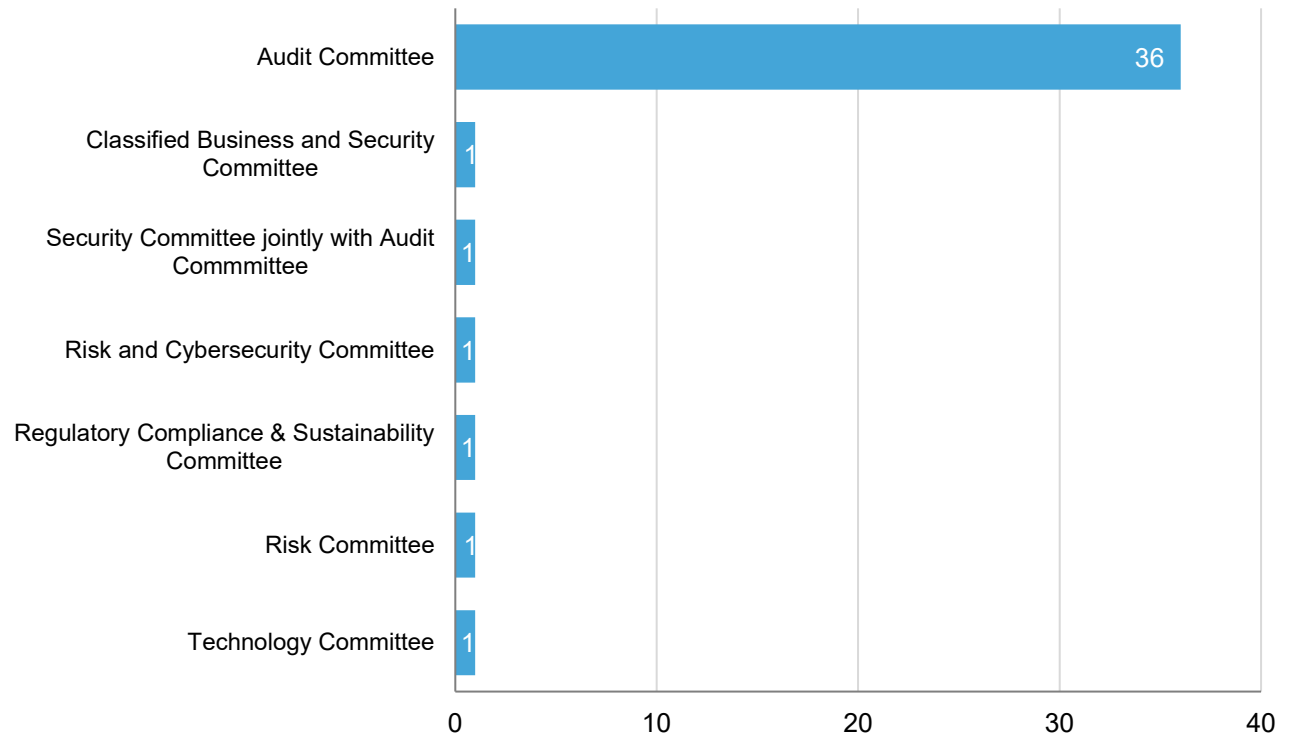


# BOARD OVERSIGHT (CONTINUED)

The Cyber Rules require companies to disclose their board of directors' oversight of risks arising from cybersecurity threats, including identifying relevant committees.

Of the 44 surveyed companies: 1) 36 disclose that an Audit Committee (or a variation on this name) has primary oversight responsibility of the company's cyber risks; and 2) 6 report bespoke approaches, such as delegating oversight to a highly specialized committee, such as: a Regulatory Compliance & Sustainability Committee; a Technology Committee; a Risk and Cyber Security Committee; a Risk Committee; or a Classified Business and Security Committee. Two of the surveyed companies do not delegate oversight of cyber risk to any board committee.

## BOARD COMMITTEES

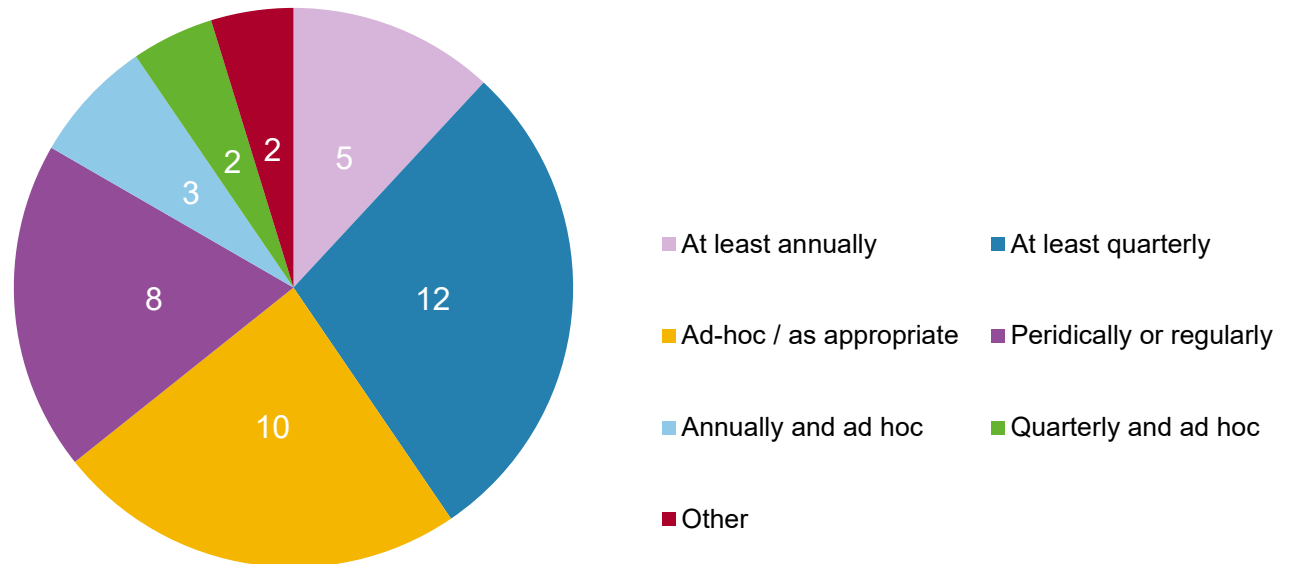


# BOARD OVERSIGHT

## (CONTINUED)

**The Cyber Rules require companies to describe processes by which a board, a committee or a subcommittee is informed of cybersecurity risks.**

The frequency of reporting cybersecurity risks to the relevant board committee (or the full board) varied among the surveyed companies. Many of the surveyed companies indicated that management reports to the relevant board committee at least quarterly, periodically or regularly, in addition to ad hoc reporting: 1) twelve of the surveyed companies indicate reporting at least quarterly; 2) ten indicate reporting ad hoc or as appropriate; 3) five indicate reporting at least annually; 4) eight indicate reporting periodically or regularly; 5) three indicate report annually and ad hoc; 6) two indicate reporting quarterly and ad hoc; and 7) two report alternative approaches: reporting at least twice per year, and reporting at every board meeting and ad hoc.

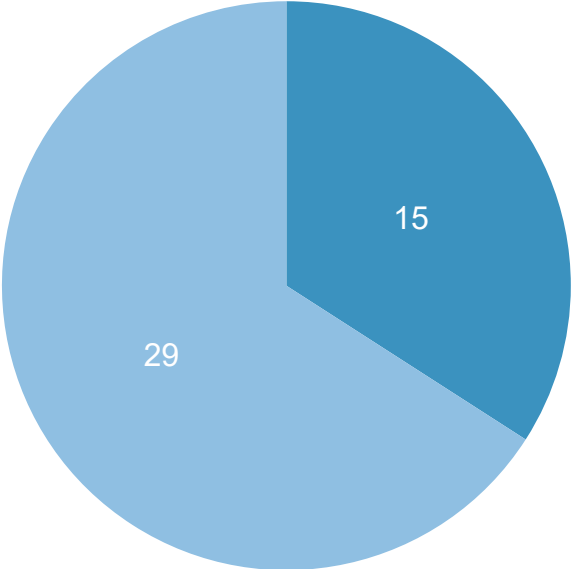




# MANAGEMENT ROLE

Of the 44 surveyed companies, 15 report having a management-level cybersecurity-specific committee.

The most commonly disclosed participants in these committees include the Chief Financial Officer, the Chief Legal Officer and cross-functional teams of senior leaders.



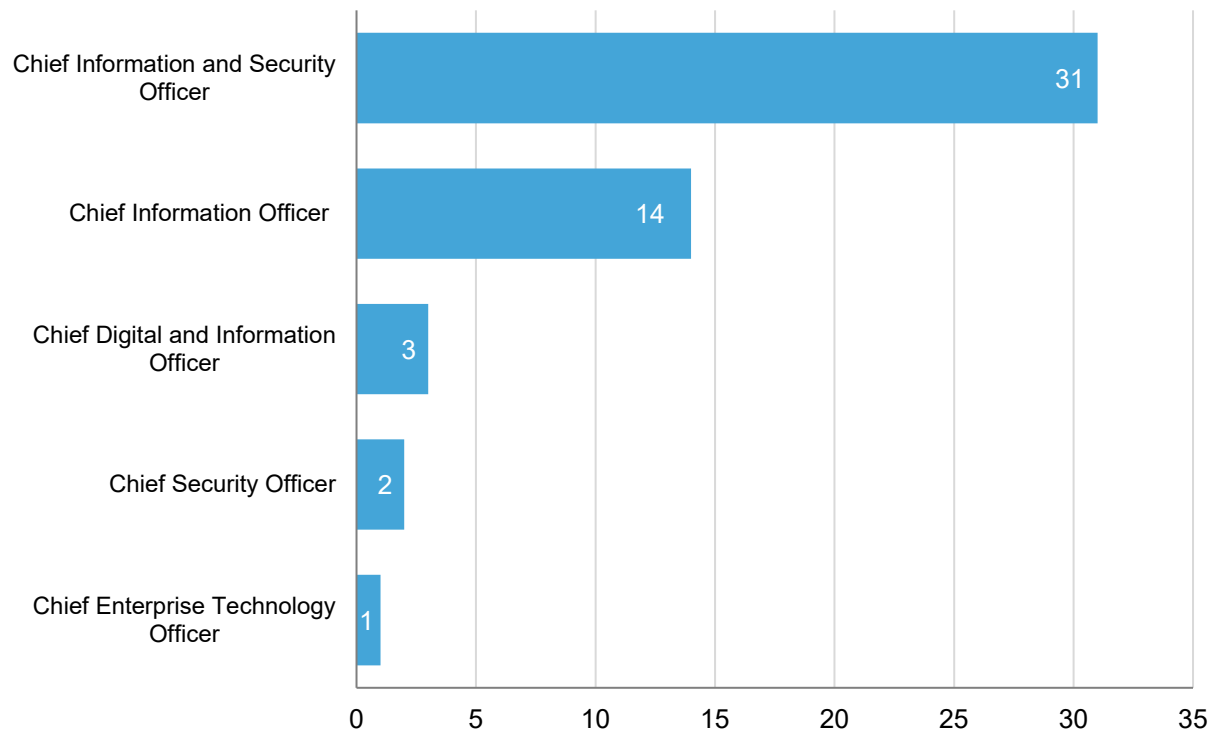
- Report having a management-level cybersecurity committee
- Does not report having a management-level cybersecurity committee

# MANAGEMENT ROLE (CONTINUED)

The Cyber Rules require companies to describe management committees or positions responsible for, and experience with, assessing and managing cyber risks.

Of the 44 surveyed companies: 1) 31 disclose that their CISO has this responsibility; and 2) 14 disclose that their CIO has this responsibility. Several of the surveyed companies report that two officers, such as the CIO and CISO, are jointly responsible.

## DISCLOSED EXECUTIVE OFFICER TITLES

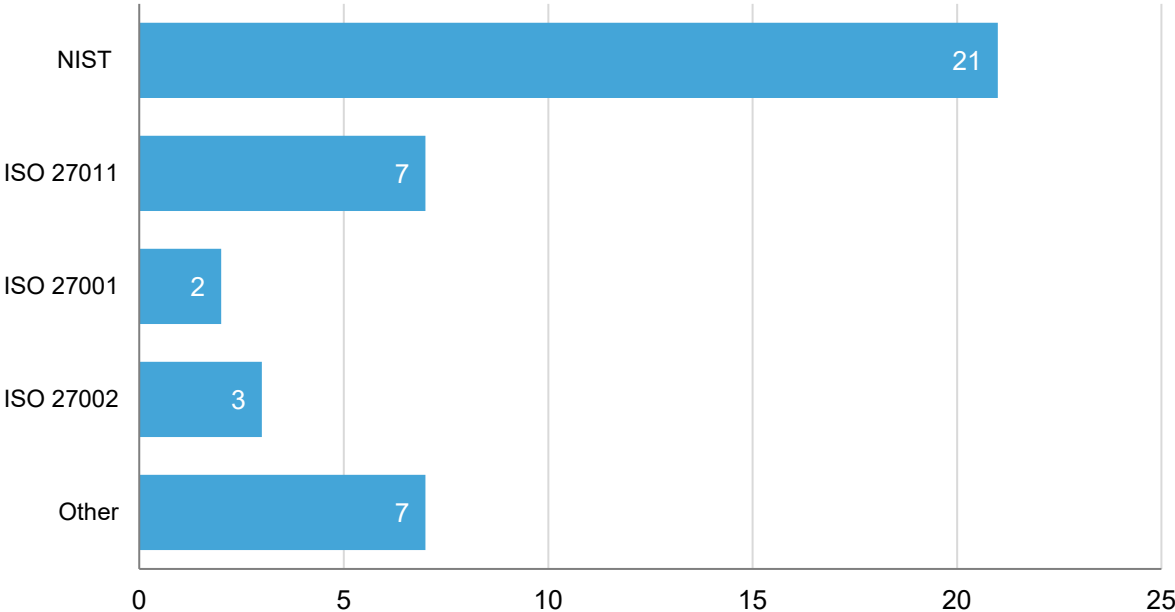


# CYBER SECURITY FRAMEWORKS

While the Cyber Rules do not require reference to cybersecurity frameworks, 27 of the surveyed companies reference use of at least one cybersecurity framework, with NIST appearing in 21 of these instances and in certain instances together with other frameworks.

Four of the surveyed companies reference broad compliance with industry standards and best practices.

## DATA SECURITY FRAMEWORKS

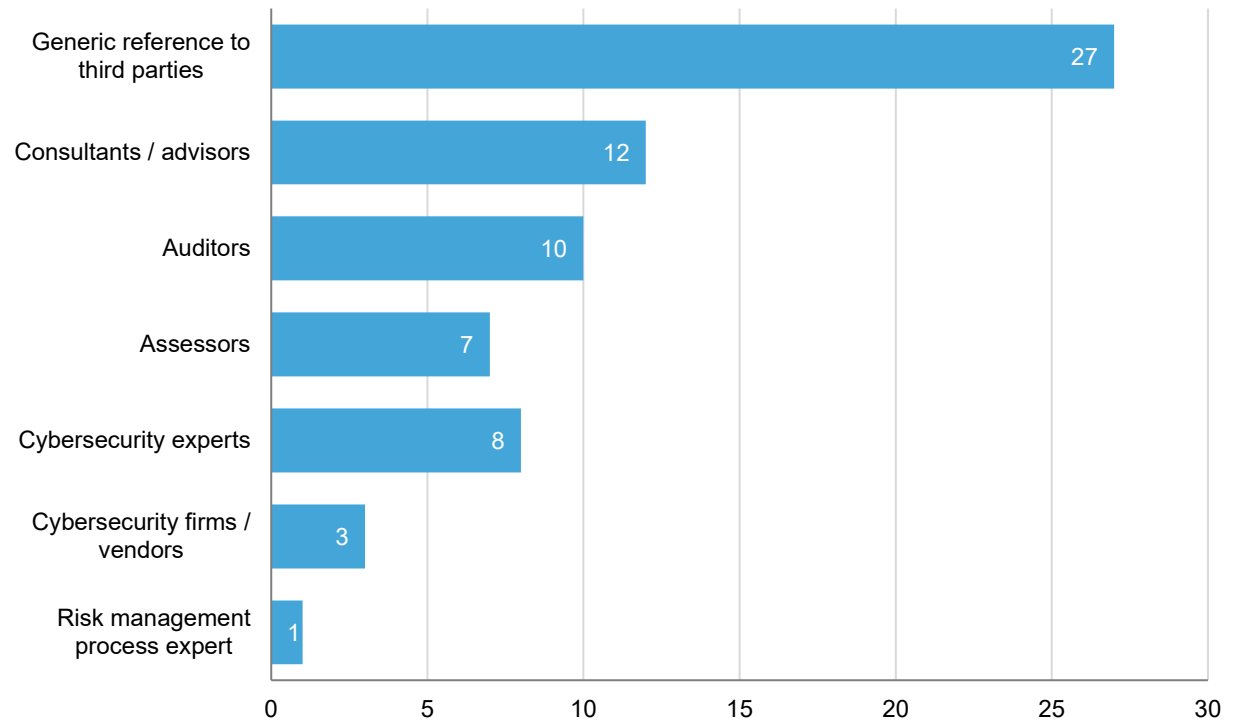


# THIRD PARTY SERVICE PROVIDERS

The Cyber Rules require disclosure of whether a cybersecurity program engages consultants, auditors, or other third parties.

43 of the surveyed companies reference engagement of third parties in response to this disclosure requirement, with the following being the most common approaches: 1) 27 reference engagement of third parties generically; 2) 12 reference consultants or advisors; 3) 10 reference auditors (either alone or in combination with other parties); and 4) 8 reference cybersecurity experts (either alone or in combination with other parties).

## DISCLOSURE OF THIRD-PARTY SERVICE PROVIDERS

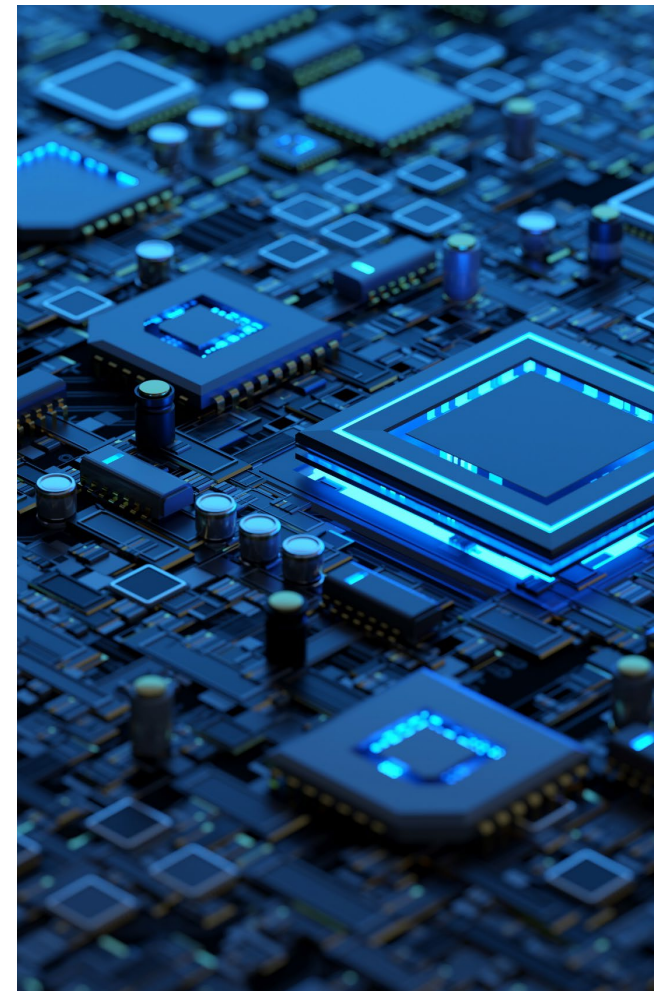


# SURVEY METHODOLOGY

The data points presented in this survey were gathered from 44 selected annual reports on Form 10-K filed with the U.S. Securities and Exchange Commission between January 29 and April 22, 2024 by registrants that had disclosed that they qualify as well-known seasoned issuers and that we understand are included in the Fortune 100 index. A list of the companies whose annual reports we reviewed is provided in [Annex A](#).

In compiling the data for this survey, we chose to aggregate certain substantially similar items that we believe presented only a minor variation in naming or phrasing. For example:

- we counted disclosures that indicated quarterly reporting the same as disclosures that indicated “not less than” quarterly reporting;
- we counted a “Chief Digital and Information Officer” together with a “Chief Information and Digital Officer”; and
- we counted allocation of oversight to an “Audit & Finance Committee” as allocation of oversight to an “Audit Committee.”



# ANNEX A

## SELECTED ANNUAL REPORTS REVIEWED

Company Name	Date of Form 10-K filing	SIC – Industry	Exchange
ABBVIE INC.	02/20/2024	2834 – PHARMACEUTICAL PREPARATIONS	NYSE
ALBERTSONS COMPANIES, INC.	04/22/2024	5411 – RETAIL-GROCERY STORES	NYSE
ALLSTATE CORP	02/21/2024	6331 – FIRE, MARINE & CASUALTY INSURANCE	NYSE
ALPHABET INC.	01/31/2024	7370 – SERVICES-COMPUTER PROGRAMMING, DATA PROCESSING, ETC.	NASDAQ
AMAZON COM INC	02/02/2024	5961 – RETAIL-CATALOG & MAIL-ORDER HOUSES	NASDAQ
AMERICAN AIRLINES GROUP INC.	02/21/2024	4512 – AIR TRANSPORTATION, SCHEDULED	NASDAQ
BERKSHIRE HATHAWAY INC	02/26/2024	6331 – FIRE, MARINE & CASUALTY INSURANCE	NYSE
BEST BUY CO INC	03/15/2024	5731 – RETAIL-RADIO, TV & CONSUMER ELECTRONICS STORES	NYSE
BRISTOL-MYERS SQUIBB COMPANY	02/13/2024	2834 – PHARMACEUTICAL PREPARATIONS	NYSE
CATERPILLAR INC	02/16/2024	3531 – CONSTRUCTION MACHINERY & EQUIP	NYSE
CHARTER COMMUNICATIONS, INC.	02/02/2024	4841 – CABLE & OTHER PAY TELEVISION SERVICES	NASDAQ
CIGNA GROUP	02/29/2024	6324 – HOSPITAL & MEDICAL SERVICE PLANS	NYSE
COCA COLA CO	02/20/2024	2080 – BEVERAGES	NYSE

# ANNEX A

## SELECTED ANNUAL REPORTS REVIEWED (CONTINUED)

Company Name	Date of Form 10-K filing	SIC – Industry	Exchange
COMCAST CORP	01/31/2024	4841 – CABLE & OTHER PAY TELEVISION SERVICES	NASDAQ
CONOCOPHILLIPS	02/15/2024	2911 – PETROLEUM REFINING	NYSE
DELL TECHNOLOGIES INC.	03/25/2024	3571 – ELECTRONIC COMPUTERS	NYSE
DELTA AIR LINES, INC.	02/12/2024	4512 – AIR TRANSPORTATION, SCHEDULED	NYSE
DOW INC.	01/31/2024	2821 – PLASTIC MATERIALS, SYNTH RESINS & NONVULCAN ELASTOMERS	NYSE
ELEVANCE HEALTH, INC.	02/21/2024	6324 – HOSPITAL & MEDICAL SERVICE PLANS	NYSE
ENTERPRISE PRODUCTS PARTNERS L.P.	02/28/2024	4922 – NATURAL GAS TRANSMISSION	NYSE
EXXON MOBIL CORP	02/28/2024	2911 – PETROLEUM REFINING	NYSE
FORD MOTOR CO	02/07/2024	3711 – MOTOR VEHICLES & PASSENGER CAR BODIES	NYSE
GENERAL MOTORS CO	01/30/2024	3711 – MOTOR VEHICLES & PASSENGER CAR BODIES	NYSE
HOME DEPOT, INC.	03/13/2024	5211 – RETAIL-LUMBER & OTHER BUILDING MATERIALS DEALERS	NYSE
JOHNSON & JOHNSON	02/16/2024	2834 – PHARMACEUTICAL PREPARATIONS	NYSE
KROGER CO	04/02/2024	5411 – RETAIL-GROCERY STORES	NYSE
LOCKHEED MARTIN CORP	01/23/2024	3760 – GUIDED MISSILES & SPACE VEHICLES & PARTS	NYSE
LOWES COMPANIES INC	03/25/2024	5211 – RETAIL-LUMBER & OTHER BUILDING MATERIALS DEALERS	NYSE

# ANNEX A

## SELECTED ANNUAL REPORTS REVIEWED (CONTINUED)

Company Name	Date of Form 10-K filing	SIC – Industry	Exchange
MARATHON PETROLEUM CORP	02/28/2024	2911 – PETROLEUM REFINING	NYSE
MERCK & CO., INC.	02/26/2024	2834 – PHARMACEUTICAL PREPARATIONS	NYSE
META INC.	02/02/2024	7370 – SERVICES-COMPUTER PROGRAMMING, DATA PROCESSING, ETC	NASDAQ
PBF ENERGY INC.	02/15/2024	2911 – PETROLEUM REFINING	NYSE
PEPSICO INC	02/09/2024	2080 – BEVERAGES	NASDAQ
PHILLIPS 66	02/21/2024	2911 – PETROLEUM REFINING	NYSE
PROGRESSIVE CORP	02/26/2024	6331 – FIRE, MARINE & CASUALTY INSURANCE	NYSE
PRUDENTIAL FINANCIAL INC	02/21/2024	6311 – LIFE INSURANCE	NYSE
RTX CORP	02/05/2024	3724 – AIRCRAFT ENGINES & ENGINE PARTS	NYSE
TARGET CORP	03/13/2024	5331 – RETAIL-VARIETY STORES	NYSE
TESLA, INC.	01/29/2024	3711 – MOTOR VEHICLES & PASSENGER CAR BODIES	NASDAQ
THERMO FISHER SCIENTIFIC INC.	02/22/2024	3829 – MEASURING & CONTROLLING DEVICES, NEC	NYSE
TJX COMPANIES INC	04/03/2024	5651 – RETAIL-FAMILY CLOTHING STORES	NYSE
UNITED PARCEL SERVICE INC	02/20/2024	4210 – TRUCKING & COURIER SERVICES (NO AIR)	NYSE
UNITEDHEALTH GROUP INC	02/28/2024	6324 – HOSPITAL & MEDICAL SERVICE PLANS	NYSE
WALMART INC.	03/15/2024	5331 – RETAIL-VARIETY STORES	NYSE



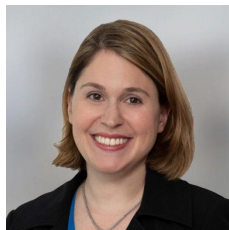
# CONTACTS

## AMERICAS



**STEVEN GATTI**  
PARTNER

**T** +1 202 912 5095  
**E** steven.gatti  
@cliffordchance.com



**MEGAN GORDON**  
PARTNER

**T** +1 202 912 5021  
**E** megan.gordon  
@cliffordchance.com



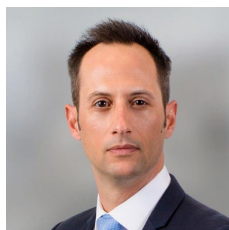
**PATRICK JACKSON**  
PARTNER

**T** +55 11 3019 6017  
**E** patrick.jackson  
@cliffordchance.com



**DEVIKA KORNBACHER**  
PARTNER

**T** + 1713 821 2818  
**E** devika.kornbacher  
@cliffordchance.com



**JEFFREY LEMASTER**  
PARTNER

**T** +1 212 878 3206  
**E** jefferey.lemaster  
@cliffordchance.com



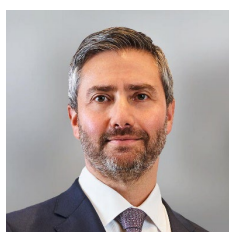
**LEIGH OLIVER**  
PARTNER

**T** +1 202 912 5933  
**E** leigh.oliver  
@cliffordchance.com



**MEIGHAN O'REARDON**  
PARTNER

**T** +1 202 912 5933  
**E** meighan.oreardon  
@cliffordchance.com



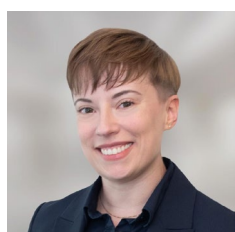
**DANIEL SILVER**  
PARTNER

**T** +1 212 878 4919  
**E** daniel.silver  
@cliffordchance.com



**KATHLEEN WERNER**  
PARTNER

**T** +1 212 878 8526  
**E** kathleen.werner  
@cliffordchance.com



**KELLEY BLEDSOE**  
COUNSEL

**T** +1 202 912 5933  
**E** kelley.bledsoe  
@cliffordchance.com



**BRIAN YIN**  
ASSOCIATE

**T** +1 202 912 5902  
**E** brian.yin  
@cliffordchance.com

# CONTACTS

## APAC



**STELLA CRAMER**  
PARTNER

**T** +65 6410 2208  
**E** stella.cramer  
@cliffordchance.com



**GARETH DEINER**  
PARTNER

**T** +65 6410 2202  
**E** gareth.deiner  
@cliffordchance.com



**LIU FANG**  
PARTNER

**T** +852 2825 8919  
**E** fang.liu  
@cliffordchance.com



**JEAN THIO**  
PARTNER

**T** +65 6506 1956  
**E** jean.thio  
@cliffordchance.com



**ALAN YEUNG**  
PARTNER

**T** +852 2826 3520  
**E** alan.yeung  
@cliffordchance.com



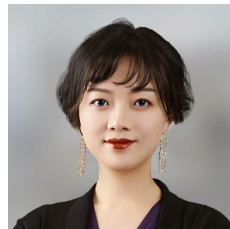
**YULING GENG**  
FOREIGN LEGAL COUNSEL

**T** +852 2825 8926  
**E** yuling.geng  
@cliffordchance.com



**STEPHANIE J. LIMAN**  
COUNSEL

**T** +65 6506 1955  
**E** stephanie.liman  
@cliffordchance.com



**ERXIN LU**  
COUNSEL

**T** +86 10 6535 4906  
**E** erxin.lu  
@cliffordchance.com



**TERRENCE MOLONEY**  
COUNSEL

**T** +61 2 8922 8559  
**E** terrence.moloney  
@cliffordchance.com



**DAVID OLDS**  
COUNSEL

**T** +852 2825 8996  
**E** david.olds  
@cliffordchance.com

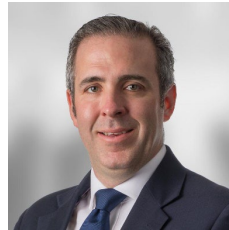
# CONTACTS

## EUROPE



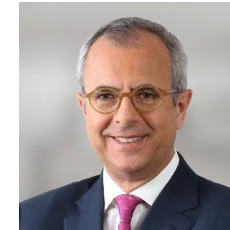
**JILL CONCANNON**  
PARTNER

**T** +44 20 7006 1142  
**E** jill.concannon  
@cliffordchance.com



**MICHAEL DAKIN**  
PARTNER

**T** +44 20 7006 2856  
**E** michael.dakin  
@cliffordchance.com



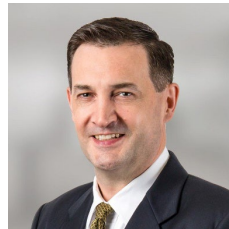
**PETER DIENERS**  
PARTNER

**T** +49 211 4355 5468  
**E** peter.dieners  
@cliffordchance.com



**DR. GEORGE HACKETT**  
PARTNER

**T** +49 69 7199 3103  
**E** george.hackett  
@cliffordchance.com



**JOHANNES JUETTE**  
PARTNER

**T** +44 20 7006 5015  
**E** johannes.juetter  
@cliffordchance.com



**DR. HOLGER LUTZ**  
PARTNER

**T** +49 69 7199 1670  
**E** holger.lutz  
@cliffordchance.com



**DREW RUNDUS**  
PARTNER

**T** +44 20 7006 2875  
**E** drew.rundus  
@cliffordchance.com



**DR. GUNNAR SACHS**  
PARTNER

**T** +49 211 4355 5460  
**E** gunnar.sachs  
@cliffordchance.com



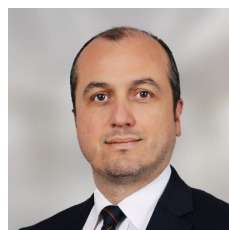
**DESSLAVA SAVOVA**  
PARTNER

**T** +33 1 4405 5483  
**E** dessislava.savova  
@cliffordchance.com



**DR. AXEL WITTMANN**  
PARTNER

**T** +49 69 7199 1528  
**E** axel.wittmann  
@cliffordchance.com



**OLIVIER PLESSIS**  
COUNSEL

**T** +33 1 4405 5487  
**E** olivier.plessis  
@cliffordchance.com



**LAURA SCAGLIONI**  
COUNSEL

**T** +39 02 8063 4254  
**E** laura.scaglioni  
@cliffordchance.com

**C L I F F O R D**  
**C H A N C E**

**Attorney Advertising: Prior results do not guarantee a similar outcome.**

**Clifford Chance, Two Manhattan West, 375 9th Avenue, New York, NY 10001, USA**

© Clifford Chance 2024

Clifford Chance US LLP

**[WWW.CLIFFORDCHANCE.COM](http://WWW.CLIFFORDCHANCE.COM)**