GLOBAL GUARDIAN

2022 Global Safety & Security Study

OCTOBER 2022

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The world is less peaceful and more prone to disruption today than it was three years ago. Corporate enterprise leaders are increasingly concerned about the growing volume of real-time domestic and international threats putting their operations, assets, and employees at risk. As companies resume normal operations and travel increases in the wake of a receding COVID-19 pandemic, additional threat vectors—including a surge in violent crime, increase in ransomware, and growing intensity of natural disasters—are emerging in the cyber and physical security domains. The urgent need to re-evaluate internal strategies, contingency plans, and current protections is growing among the country's largest corporations.

Around the world, geopolitical events and regional conflicts continue to cause major disruptions for companies and organizations with a global presence. These events involving global powers not only highlight kinetic warfare as a threat vector but also the residual effects of conflict. The war in Ukraine is already causing major disruptions to agricultural production and Trans-Atlantic supply chains; a conflict in Taiwan would create similar disruptions - likely to an even greater degree - by threatening the lives of thousands of U.S. employees based in the Indo-Pacific and the hundreds of billions of dollars in trade and investment that flows through the region each year.

> It is the primary responsibility of physical security, cybersecurity, and human resources leaders to ensure that corporate executives, employees, operations, assets, and customers are protected against threats. That protection also entails delivering robust and comprehensive duty of care services related to safety, security, and travel. To that effect, Global Guardian wanted to understand what the leaders in our economy, the largest U.S.-based corporations – those with 10,000 or more employees – are concerned about when it comes to protecting their enterprise. We commissioned a study of their outlook on global safety and security, and the findings confirm what our security experts have advised: that the current and future environment is one of high alert for large and multinational businesses.

About two-thirds of security and human resources professionals surveyed said that the number of security threats facing their companies and employees, including safety and medical risks, have increased in the last three years. Additionally, over the next three years, most of these executives expect major global threats to be more disruptive or at least on par with today, an already heightened level of risk.

Almost all of the professionals surveyed believe their company has sufficient crisis response plans in place to respond to current threats. At the same time, most companies have expanded their security budget in the

past year, with many citing the need to address anticipated new risks as part of their decision. For enterprise leaders responsible for protecting companies, an increase in security or duty of care budgets reflects growing concerns and a recognition that what has been successful in the past may no longer be adequate in this more layered and complex threat landscape.

"...an increase in security or duty of care budgets reflects growing concerns and a recognition that what has been successful in the past may no longer be adequate in this more layered and complex threat landscape."

Despite companies and enterprise leaders indicating a high degree of confidence in their internal crisis response plans, there remains a significant gap in preparedness. A majority of companies needed to enlist help from additional duty of care providers to address their most recent crisis. Concurrently, the number of companies that expressed a high level of satisfaction toward their provider during their most recent crisis was lower than expected, implying that the coverage of their current crisis response structure may not be as sufficient as initially perceived.

The relationship between companies and their duty of care providers is becoming more complex as the threat landscape expands. In many instances, companies are working with three or four providers who are assessing and responding to the same threats independently of each other. That combination may be producing redundancy and holes in duty of care coverage, in turn becoming less effective in addressing companies' duty of care obligation.

This gap between confidence and preparedness will likely remain an issue that affects the ability of companies to deliver effective duty of care services for their employees. It also suggests that merely increasing security budgets may not be adequate without consideration of specific factors such as communication plans and employee training.

Less than half of enterprise leaders, for example, believe that most of their employees would know what to do if they were to encounter an emergency while traveling. Duty of care services impact a variety of touchpoints within a company's overall architecture, but people are the most important asset and priority to protect. With an ever-changing threat landscape, protecting employees through effective emergency response along with tracking and monitoring remain the most appreciated features in the duty of care domain.

As the volume of real-time threats not only increases but affects a larger number of touchpoints within companies and organizations, the ability to provide comprehensive duty of care services will continue to grow. How companies respond will not just fall on security and human resources professionals; CEOs, CFOs, COOs and other executives will be more involved in the decision-making process and will need to determine how security programs and budgets are implemented across their enterprise. These challenges bring crucial opportunities for companies and leaders to identify gaps in their preparedness and build responses that ensure resilience against threats to their operations and employees.

"Duty of care services impact a variety of touchpoints within a company's overall architecture, but people are the most important asset and priority to protect. With an ever-changing threat landscape, protecting employees through effective emergency response along with tracking and monitoring remain the most appreciated features in the duty of care domain."

1 **While the threat landscape is only becoming more complex, leaders acknowledge there is a gap in employee preparedness. 65% of executives** report an increase in the number of security threats their organization faces, compared to 2019, **yet only 41%** believe that most of their employees would know what to do in an emergency while traveling.

2 **Most companies (58%) have expanded their security budget** in the past year – primarily to address new risks.

3 **Geopolitical threats are top of mind for security leaders. 58% of executives express notable concern** about a potential invasion of Taiwan.

4 **Emergency Response is an area of opportunity for most organizations. 63% of executives had to enlist help from another provider** during a recent incident, indicating gaps in those plans.

5 **Organizations value effective emergency response, tracking and monitoring, and customer service most from their duty of care providers.**

PROFILE OF PARTICIPATING COMPANIES & EXECUTIVES

RESPONDENT'S TITLE	TOTAL
Chief Security or Risk Officer	30%
Chief Human Resources Officer	18%
Chief Operating Officer	2%
Vice President (or SVP or EVP) of Security or Risk	31%
Vice President (or SVP or EVP) of Human Resources	19%

Operations 2%
HR 37%
Security 61%
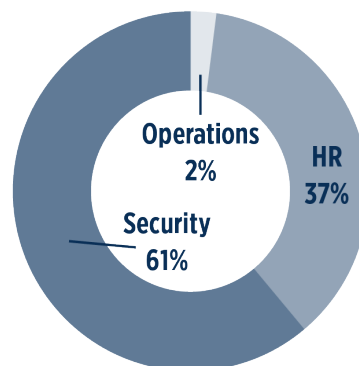
COMPANY'S EMPLOYEE COUNT			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Employees Total			
Average	56,142	78,415	21,093
Median	14,000	13,650	15,000
Employees in the U.S.			
Less than 10K	33%	42%	21%
10K - 24,999	61%	53%	71%
25K+	6%	5%	8%
Average	17,005	18,563	14,688
Median	10,000	10,000	11,000
Employees worldwide (excl. U.S.)			
Less than 2.5K	34%	36%	30%
2.5K - 4,999	23%	16%	33%
5K+	43%	48%	37%
Average	39,138	59,852	6,406
Median	3,200	4,000	3,000

COMPANY'S TOTAL 2021 REVENUE (IN MILLIONS)			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Average	$6,311	$6,400	$6,368
Median	$2,350	$2,000	$3,400

Note: Shading in the table represents data that is statistically higher than its comparison, between security and HR professionals.

CATEGORY OR INDUSTRY COMPANY OPERATES IN			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Manufacturing	19%	15%	28%
Energy, Utilities, Oil & Gas	11%	14%	8%
Industrial Goods & Machinery	10%	10%	10%
Technology & Telecommunications	10%	13%	4%
Aerospace & Defense	7%	11%	1%
Construction, Real Estate & Leasing	7%	8%	6%
Financial Services	7%	5%	9%
Retail & Wholesale	6%	5%	8%
Healthcare & Medical	4%	3%	6%
Automotive	4%	3%	7%
Business & Consumer Services	4%	4%	2%
Consumer Packaged Goods	4%	4%	3%
Distribution, Transportation, Logistics	3%	3%	3%
Food Service	2%	2%	3%
Agriculture & Forestry	1%	1%	2%

RESPONSIBILITY FOR SECURITY, SAFETY, DUTY OF CARE, OR TRAVEL ACCIDENT INSURANCE FOR COMPANY			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Primary responsibility over one or more of these	72%	82%	55%
Partial responsibility over one or more of these	29%	18%	45%

TIME IN CURRENT ROLE			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
2 years	8%	7%	12%
3 years	16%	16%	17%
4 years	22%	20%	22%
5 years or more	54%	58%	50%

ANTICIPATED SECURITY THREATS

The outlook for global safety and security is unsettling. Over the next 3 years, one quarter of security and HR executives at the largest U.S. companies expect major global threats to be more disruptive, assuming 5+ global events annually. **The vast majority (81%) believe threats will be on par with today (2-4 events annually) or more disruptive (5+ global events annually)**. Considering the heightened level of disruptions in the current global environment, even this steady state necessitates that major corporations augment their safety and security preparedness.

WHAT IS YOUR OUTLOOK REGARDING MAJOR GLOBAL THREATS OVER THE NEXT 3 YEARS? DO YOU EXPECT GLOBAL THREATS TO BE...?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
More disruptive (5+ global events annually)	27%	24%	31%
On par with today (2-4 global events annually)	54%	54%	54%
Less disruptive (1 or no events annually)	19%	22%	15%

Executives widely report an increase in security threats since 2019. Approximately half say threats faced by their company have somewhat increased (47%), while 18% saw a significant increase.

WOULD YOU SAY THE NUMBER OF SECURITY THREATS (INCLUDING PERSONAL SAFETY / MEDICAL RISKS DURING TRAVEL) YOUR COMPANY FACES HAS INCREASED OR DECREASED SINCE 2019?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Significantly increased	18%	22%	14%
Somewhat increased	47%	43%	54%
Stayed the same	20%	21%	19%
Somewhat decreased	10%	14%	4%
Significantly decreased	4%	1%	9%

Global Guardian scores these two metrics (future outlook and recent threats) into a Threat Alert Scale. According to security concerns reported by large U.S. companies, the current threat status is High Alert:

| SECURITY CRISIS	HIGH ALERT	ON GUARD	WATCHFUL	AT EASE
Significantly increased number of security threats in past 3 years and anticipated more disruptive threats in next 3 years, based on a blended average of 2.0 to 3.5*	Increased number of security threats in past 3 years and/or anticipated more disruptive threats in next 3 years, based on a blended average of 0.5 to 1.99*	Steady number of security threats in past 3 years and/or anticipated threats on par in next 3 years, based on a blended average of -0.49 to 0.49.*	Decreased number of security threats in past 3 years and/or anticipated less disruptive threats in next 3 years, based on a blended average of -1.99 to -0.5*	Significantly decreased number of security threats in past 3 years and anticipated less disruptive threats in next 3 years, based on a blended average of -3.5 to -2.0*

*The weighted average assigns a value to each response based on its relative impact on actual and potential security threats. For this scale, responses to the questions "Would you say the number of security threats your company faces has increased or decreased since 2019?" is assigned a value of −4 to +4, and "What is your outlook regarding major global threats over the next 3 years?" is assigned a value of −3 to +3. The Threat Alert Scale is comprised of the sum average of these weighted scores.

Most companies (58%) have expanded their security budget in the past year (especially where HR executives are responsible for safety and security) – primarily to address new risks.

65% of security and HR executives believe the number of security threats their company faces have significantly or somewhat increased.

As threats rise, executives have expanded their security budgets in the past year.

Expanded to address new risks → **42%**

Expanded for other reasons → **16%**
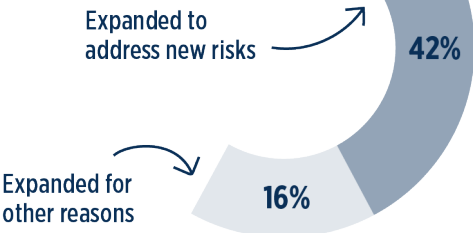
HAS YOUR SECURITY BUDGET CHANGED IN THE PAST YEAR IN ANY OF THESE WAYS?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Expanded to address new risks	42%	37%	48%
Expanded for other reasons	16%	16%	16%
Cut due to recent economic concerns	17%	22%	9%
Cut for other reasons	5%	6%	3%
Kept the same	20%	18%	23%

The most significant perceived threats to employees' safety and wellbeing are cybersecurity (76%), natural disasters (59%), and rising crime and violence (56%). Regional conflicts and geopolitical tensions also are a major concern.

Most concerning threats to safety and wellbeing of employees:

Cybersecurity	76%
Natural Disasters	59%
Rise in Crime/Violence	56%
Workplace Violence	48%
Geopolitical Tensions	46%
Regional Conflicts	43%
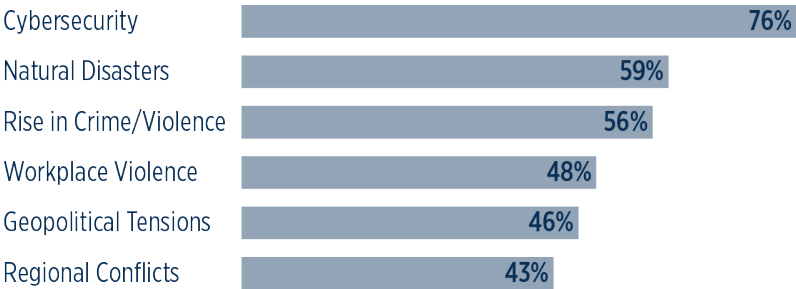
WHICH OF THE FOLLOWING THREATS, IF ANY, MOST CONCERN YOU WHEN IT COMES TO THE SAFETY AND WELLBEING OF YOUR EMPLOYEES?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Cybersecurity	76%	73%	79%
Natural disasters	59%	56%	65%
Rise in crime/violence	56%	56%	57%
Workplace violence	48%	45%	53%
Geopolitical tensions (between countries)	46%	48%	43%
Regional conflicts (e.g. war in Ukraine)	43%	48%	36%
Social erosion or societal divisions	21%	23%	16%

Additionally, 58% of executives express notable concern about a potential invasion of Taiwan. **Given the nature of business interdependencies with the involved countries, nearly all large U.S. companies are likely to experience some level of business, economic, or security risk should the China-Taiwan conflict escalate.**

THINKING ABOUT YOUR ORGANIZATION – ITS OPERATIONS AND ITS EMPLOYEES – WHAT IS YOUR LEVEL OF CONCERN ABOUT A POTENTIAL INVASION OF TAIWAN? WOULD YOU SAY YOU ARE...			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Very concerned	25%	23%	27%
Moderately concerned	33%	33%	33%
A little concerned	25%	27%	21%
Not concerned	17%	16%	19%

EMERGENCY / CRISIS PREPAREDNESS

Most companies (64%) assemble coverage across 3 or more providers to support medical, travel and security related events or emergencies. There is a significant difference between security and HR professionals, with HR executives typically employing fewer partners. **Spreading "duty of care" across multiple providers requires careful integration to ensure a coordinated and swift response.**

How many providers does your company currently use to support medical, travel, and security related events or emergencies?
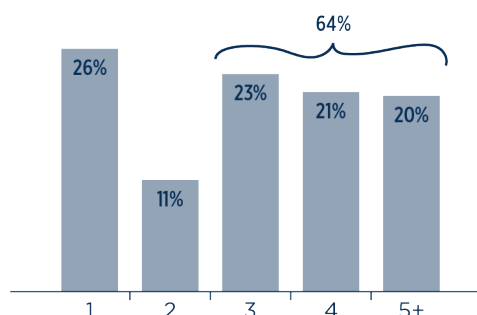
HOW MANY PROVIDERS DOES YOUR COMPANY OR ORGANIZATION CURRENTLY USE TO SUPPORT MEDICAL, TRAVEL, AND SECURITY RELATED EVENTS OR EMERGENCIES?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
1	26%	19%	37%
2	11%	11%	11%
3	23%	27%	16%
4	21%	25%	12%
5 or more	20%	18%	23%

(omits 3 respondents who do not have duty of care coverage)

Typically, companies review the terms and conditions of their "duty of care" policies every couple of years. However, six out of 10 have not reviewed what is covered in the past year, indicating potential preparation gaps considering the growing number of security threats they face.

WHEN WAS THE LAST TIME YOU OR SOMEONE AT YOUR COMPANY REVIEWED THE TERMS AND CONDITIONS OF YOUR "DUTY OF CARE" POLICY(IES) TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
In the past year	39%	35%	44%
Approx. 2 years ago	36%	33%	41%
Approx. 3 years ago	13%	17%	7%
Approx. 4 years ago	7%	9%	4%
Approx. 5 years ago or longer	3%	3%	4%
We have not done this at all	1%	1%	0%

(omits 3 respondents who do not have duty of care coverage)

Almost all professionals (96%) believe their company has sufficient crisis response plans. Yet lack of pressure testing (next question) may render plans ineffective in practice. Additionally, 63% had to enlist help from another provider during a recent incident (subsequent question), indicating gaps in those plans.

DO YOU BELIEVE YOUR COMPANY HAS SUFFICIENT CRISIS RESPONSE PLANS?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Yes	96%	96%	95%
No	4%	3%	5%
Doesn't Know	0%	1%	0%

Among security and HR executives at the largest U.S. companies,

96% believe their company has sufficient crisis response plans.

YET

63% had to enlist help from an extra duty of care provider to address a recent incident.

50% conduct tabletop sessions of potential security situations annually or more often.

Only half of companies brainstorm or simulate potential safety or security situations at least once a year to pressure test their response plans. Such exercises are a simple way companies can reduce their vulnerabilities and ensure the preparedness of all parties in the current security environment.

DO YOU EVER CONDUCT BRAINSTORMING OR TABLETOP SESSIONS TO CONSIDER OR SIMULATE POTENTIAL SAFETY OR SECURITY SITUATIONS THAT YOUR COMPANY OR EMPLOYEES MIGHT FACE?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Yes, annually or more often	50%	48%	53%
Yes, every 2 or 3 years	45%	44%	46%
Less often than every 3 years	5%	8%	1%
No, never	0%	0%	0%

SECURITY CRISES IN RECENT YEARS

Almost all (9 out of 10) companies say they experienced some sort of crisis as a result of the Covid-19 pandemic. Other events that commonly caused an employee safety or security crisis include the war in Ukraine (39%) and recent natural disasters (31%, more commonly mentioned by security professionals). These data indicate that security issues are just as likely "close to home" as they are in global travel, and companies should ensure sufficient coverage for the increasingly widespread impact of natural disasters.

DID YOUR COMPANY EXPERIENCE A SAFETY OR SECURITY CRISIS AS A RESULT OF ANY OF THE FOLLOWING, OR FOR ANY OTHER REASON OR EVENT, IN THE PAST 5 YEARS?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Covid-19 (2020)	91%	92%	89%
War in Ukraine (2022)	39%	38%	42%
Recent Natural Disaster	31%	37%	23%
Texas Power Grid Failure (2021)	14%	12%	18%
Medical Collapse in India due to the Delta Variant (2021)	12%	11%	14%
Fall of Kabul, Afghanistan (2021)	9%	11%	7%
Myanmar Coup (2021)	4%	5%	3%
Some other event or crisis in the past 5 years	2%	1%	4%
None of these	1%	1%	0%

While about half of security and HR professionals were happy with their providers' response to a recent crisis, still four in 10 report that their provider(s) only "somewhat met expectations." **As threats rise, the gap between expectations and performance may prove more of a challenge for large companies.**

IN THE MOST RECENT CRISIS OR INCIDENT YOUR ORGANIZATION FACED, THINKING ABOUT THE OVERALL OUTCOME, HOW WELL DID YOUR PROVIDER(S) MEET YOUR EXPECTATIONS?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Definitely met expectations	58%	57%	58%
Somewhat met expectations	39%	41%	36%
Did not meet expectations	3%	1%	5%

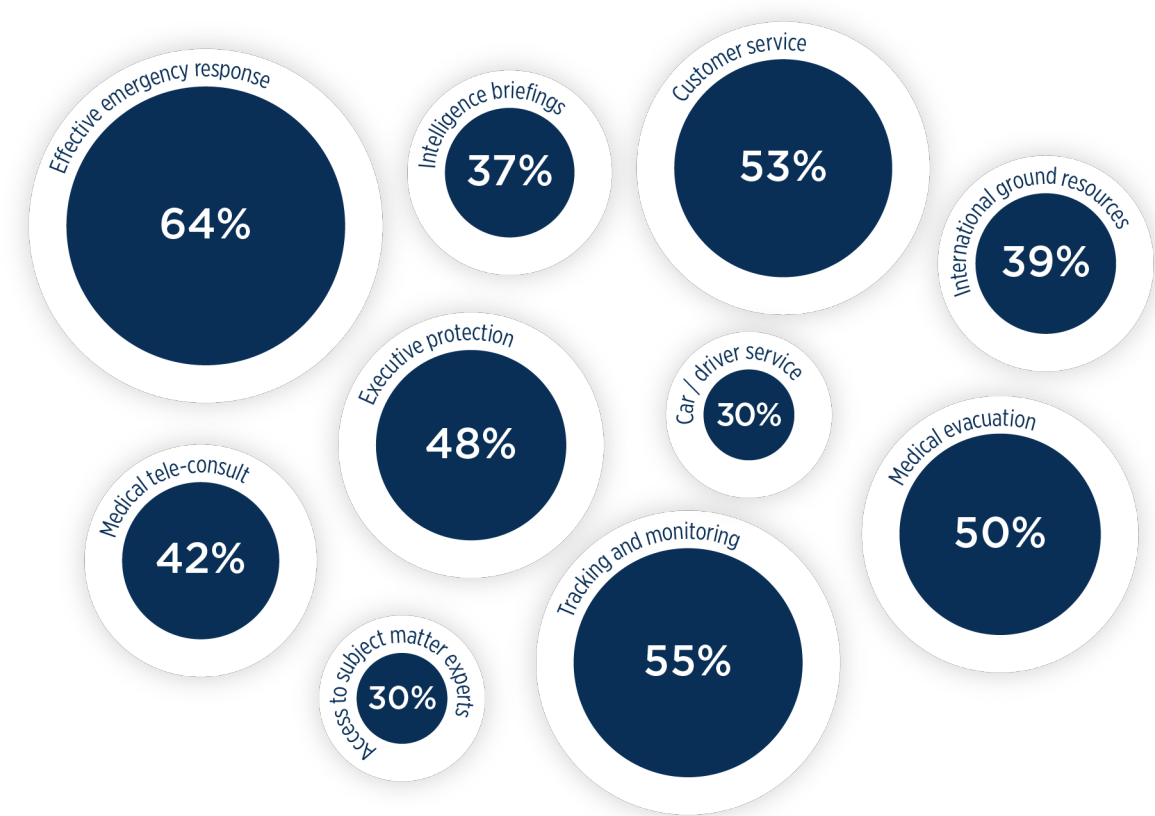*(omits 3 respondents who do not have duty of care coverage)*

However, 63% had to enlist help from another provider during a recent incident, indicating their "duty of care" coverage might not be as sufficient as they believe.

DID YOUR ORGANIZATION HAVE TO ENLIST HELP FROM ANOTHER PROVIDER TO ADDRESS THE MOST RECENT CRISIS OR INCIDENT YOU FACED?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Yes	63%	63%	63%
No	37%	36%	37%
Don't know	0%	1%	0%

(omits 3 respondents who do not have duty of care coverage)

Those responsible for security most appreciate these features from their "duty of care" providers: effective emergency response (64%), tracking and monitoring (55%), customer service (53%) and medical evacuation (50%). Security professionals are more interested in security expertise and on-the-ground capabilities. The top feature confirms the importance of being able to mobilize a response quickly when a crisis or incident develops.

Effective emergency response 64%

Intelligence briefings 37%

Customer service 53%

International ground resources 39%

Executive protection 48%

Car / driver service 30%

Medical tele-consult 42%

Medical evacuation 50%

Tracking and monitoring 55%

Access to subject matter experts 30%

ADEQUATELY CARING FOR EMPLOYEES

The concept of "duty of care" implies not only crisis readiness and business protection, but also caring for the wellbeing of employees and protecting them from undue risk. To deliver on these responsibilities, many security and HR professionals at large companies say they brief employees about emergency response plans at least annually (60%), though the balance do so less often.

HOW OFTEN DO YOU COMMUNICATE ABOUT YOUR EMERGENCY RESPONSE PLANS TO YOUR EMPLOYEES?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Annually or more often	60%	59%	60%
Every 2-3 years	38%	38%	38%
Less often, but proactively	1%	1%	1%
Only as a situation occurs, or reactively	1%	1%	0%

60% of security and HR executives communicate their emergency response plans to their employees at least annually **YET** only **41%** believe that most of their employees would know what to do in an emergency when traveling.

However, these procedures may be insufficient, as only four out of 10 believe that most of their employees would know what to do if they were to encounter an emergency while traveling. People are companies' greatest priority, and this gap in communication can lead to a failure in "duty of care."

OF YOUR EMPLOYEES WHO TRAVEL FOR WORK, HOW MANY, DO YOU THINK, KNOW WHAT TO DO IF THEY ENCOUNTER AN EMERGENCY WHILE TRAVELING?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Most	41%	41%	43%
Some	48%	48%	45%
Very few or none	11%	10%	12%

Most companies have "duty of care" services for traveling employees, but only just over half provide services for employees' family members traveling with them.

DO YOUR PROVIDERS FULFILL "DUTY OF CARE" FOR…?			
"YES" RESPONSES	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Traveling employees	96%	96%	98%
Employees' families traveling with them	59%	57%	58%

(omits 3 respondents who do not have duty of care coverage)

About half of employees from large U.S. companies (who normally travel) have resumed regular business travel since the Covid-19 pandemic.

WHAT PERCENTAGE OF YOUR WORKFORCE HAS RESUMED BUSINESS TRAVEL (OF THOSE THAT NORMALLY TRAVEL)?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Average	51%	46%	60%
Median	60%	46%	70%

More than half of employees have returned to an in-person workplace, of those that would normally be located on-site. In both cases, HR professionals are more likely to be at companies where employees have returned to pre-Covid work patterns.

WHAT PERCENTAGE OF YOUR WORKFORCE HAS RETURNED TO AN IN-PERSON WORKPLACE (OF THOSE THAT WOULD NORMALLY BE LOCATED IN-PERSON)?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Average	61%	54%	72%
Median	70%	60%	80%

In most organizations, "duty of care" falls under the responsibility of a Chief Security (or Risk) Officer or executive. Human resources officers and executives (and, secondarily, CFOs) also have significant responsibilities in this area, especially when a security executive is not in place.

IN YOUR ORGANIZATION, WHO IS RESPONSIBLE FOR YOUR "DUTY OF CARE" PLANS?			
	TOTAL	SECURITY PROFESSIONALS	HR PROFESSIONALS
Chief Security (or Risk) Officer or executive	89%	98%	76%
Chief Human Resources Officer or executive	45%	23%	81%
Chief Financial Officer	18%	14%	24%
Chief Operating Officer	2%	0%	2%