

Preparing for the Securities & Exchange Commission's Cybersecurity Disclosure Rules

In 2023, the average cost of a cybersecurity breach in the US climbed to a staggering \$9.48M¹, continuing to be a major disruptor for organizations and a top concern for executives. The US Securities and Exchange Commission (SEC) has introduced regulations to ensure organizations have adequately planned for cybersecurity risk and are positioned to provide timely incident disclosure.

In July 2023, the SEC adopted rules requiring publicly traded companies to disclose material cybersecurity incidents and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance, beginning as early as December 15, 2023 for <u>certain registrants</u>. Primarily, these rules aim to provide investors and stakeholders with "consistent, comparable, and decision-useful" disclosures, and push companies to embrace and commit to a cybersecurity mindset.

Companies will be required to disclose:

- 1. New Form 8-K Item 1.05 (Incident Disclosure): Within four (4) business days of determination of materiality, any cybersecurity incident the Company deems "material", and include details about the nature, scope, timing, and impact on the Company, including on financial condition and results of operations.
- 2. New Regulation S-K Item 106 (b) and (c) (Risk Management & Cybersecurity Governance Disclosure): On an annual basis, processes for identifying and managing risk from cybersecurity threats, including board oversight of such risk and how cybersecurity risks have already, or may in the future, materially impact the organization.

Please refer to the factsheet and the final rules for further details.

Rapid7 Provides Solutions to Assess, Identify, and Manage Cybersecurity Risks Across the Kill Chain

Cloud Risk Complete solution provides real-time visibility into risk across on-premises and cloud environments, which can be clearly communicated to all relevant stakeholders. The platform enables security to effectively prioritize risk with an attacker mindset based on exploitability, blast radius, and business context. Integrated automation allows organizations to drive accountability, enforce compliance and accelerate remediation, speeding up risk reduction and fostering more effective cross-team collaboration. Executive Risk View makes it easy for security leaders to effectively communicate current risk posture and trends to executive stakeholders and board members with engaging visualizations and actionable metrics.

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Rapid7 was a natural fit, as they are the market leaders in security, <u>information</u> event management. They have a world-class managed detection and response capability and an active place in the global threat community.

Dragonfly Technologies

 $^{1.\ \}underline{https://www.ibm.com/reports/data-breach}$

^{2.} https://www.sec.gov/news/statement/gensler-statement-cybersecurity-072623

Managed Threat Complete solution brings Rapid7 customers a comprehensive view into their digital environment, providing always-on managed detection and response (MDR) alongside unlimited vulnerability management (VM), unlimited digital forensics and incident response (DFIR), security orchestration, automation, and response (SOAR), all backed by industry-leading extended detection and response (XDR) technology. Proactive risk management alongside high fidelity detections brings customers the confidence that their attack surface is covered, and they are drastically decreasing an attacker's opportunity to successfully breach an organization. This deep visibility empowers customers to build a full picture of their risk profile and threat landscape, with the right context to understand the scope and impact of a threat for disclosure.

| Prevent / Assess | Detect | Respond |
|---|---|---|
| Active Risk, CSPM, CIEM, laC Security, CWP, Vulnerability Risk Management | SIEM & XDR Technology, Managed Detection & Response, Rich Telemetry | Reporting, Active Response, DFIR, Mitigation & Remediation |
| Proactively shrink your hybrid attack surface, assessing for risk and noncompliance from on-prem assets to cloud. Leverage Active Risk to prioritize vulnerabilities based on exploitability and potential business impact. | Our expert SOC team keeps eyes on your environment around the clock, monitoring for malicious activity and correlating multiple points of rich telemetry to provide deep context for every alert. | Halt attackers immediately and pull deep forensic endpoint data and reports. Our team seamlessly pivots from a SOC investigation to Incident Response, providing in-depth mitigation and remediation actions so the same attack doesn't happen twice. |

About Rapid7

Rapid7 is creating a more secure digital future for all by helping organizations strengthen their security programs in the face of accelerating digital transformation. Our portfolio of best-in-class solutions empowers security professionals to manage risk and eliminate threats across the entire threat landscape from apps to the cloud to traditional infrastructure to the dark web. We foster open source communities and cutting-edge research—using these insights to optimize our products and arm the global security community with the latest in attacker methodology. Trusted by more than 11,000 customers worldwide, our industry-leading solutions and services help businesses stay ahead of attackers, ahead of the competition, and future-ready for what's next.



InsightVM helps us in our metrics when we present to the executive council each month. So, being able to show that we reduced vulnerabilities is key. I like the fact that it has APIs, so we can actually create our own security dashboard from all of our disparate tools and pull it all in and say, "Here are the needles and the gauges and all the information: this is where we want to be, and this is where we are today. It's pretty cool.

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