TrustArc

2022
Global Keys to Privacy

For the third year running, TrustArc has conducted its Global Privacy Benchmark Report, providing a 360° view into how enterprises manage data protection and privacy. Surveys were gathered from around the world, including especially Europe, the UK, and the US. Senior leadership inside the privacy office, along with their privacy team members, expressed their views, as did employees ranging from senior executives through middle management to front-line (non-managerial) staff.

Our 2022 findings revealed the urgency of getting organized as the number of regulations worldwide grows and threats to privacy run rampant. Managing the evolving global regulatory landscape is an enormous challenge. Coping with new regulations, implementing new cross-border data mechanisms, and maintaining a patchwork of separate local compliance requirements are the three biggest challenges enterprises face.

What Are the Keys to Privacy?

In our global survey, we gathered multiple ratings on privacy as it relates to privacy in day-to-day operations, leadership, organizational approaches, and confidence among stakeholders. We obtained 360° input from all levels within enterprises across the globe. We then narrowed all of the questions we asked into a subset that statistically best correlate with stakeholder confidence in their organization's approach to privacy.

Our statistical modeling resulted in 12 items that are key to measuring privacy among both experts and employees at all levels within enterprises.

7 KEYS TO PRIVACY:

1. Having the Board of Directors regularly review and discuss privacy matters.

2. Pursuing privacy as a core part of business strategy.

3. Making sure privacy permeates daily business decisions with great importance.

4. Embracing privacy practices as a key differentiator.

5. Being mindful of privacy as a business.

6. Ensuring every employee can formally raise a privacy issue with confidence that there will be no reprisal.

7. Sufficiently training employees in privacy matters.

5 KEY OUTCOMES:

1. Confidence your company can keep all employee and customer relevant data secure and protected.

2. Confidence your customers/clients have in your management of data privacy.

3. Confidence your employees have in your management of data privacy.

4. Confidence your partners/third parties have in your management of data privacy.

5. Confidence the general public has in your management of data privacy.

We allocated points based on the principle that marks should be deducted where privacy was perceived by stakeholders to be compromised. We devised a score that was sound (statistically valid and reliable), easy to follow, and intuitive.

The result was a Privacy Index that represents a grand mean of these 12 ratings, with scores that could range from -100 to +100.

2022 Global Privacy Index "Keys to Privacy" Results

This year we saw a decline in the Privacy Index score year over year. In 2020, the average score among all companies was 61% (median equaled 68%), which held steady at 61% in 2021 (a slight rise in the median to 70%) and then fell to 50% in 2022 (median of 63%). The exception was large enterprises with over US$5B in revenues who maintained relatively high privacy competence scores year over year.

Taking a simpler view of these distributions, it is rather astounding the variations in privacy that occur across companies. At the low end of the spectrum, fully 13% of the Privacy Index scores fell below 0. By contrast with these companies, fully a third of companies (33%) were exceptionally good at privacy, scoring 75 or higher.

2022 Global Privacy Score Ranges by Revenue Size

Legend:
- Over US $5 Billion
- $1 Billion to $5 Billion
- $501 Million to $999 Million
- $51 Million to $500 Million
- $50 Million or Less
- All Revenues

Privacy Index Score Ranges

We also saw considerable variation across regions, with the UK showing the highest levels of confidence in Privacy Index scores and Europe the lowest.

Privacy Measurement

The age-old business mantra coined by Peter Drucker: "If you can't measure it, you can't manage it" plays out in the privacy sphere. To the question "Does your company currently measure the effectiveness of its privacy program?" asked for the first time in 2022, we found that most companies did so. Among companies ranging from $50M in annual revenue to those over $5B, 83% measure privacy. By contrast, smaller companies under $50M in annual revenue more often did not, with this percentage just 39%.

Supporting the importance of privacy measurement, we determined that companies who measured its effectiveness performed better than the overall norm on our Privacy Index. By contrast, those who did not were precipitously less competent in inspiring trust in their stewardship of privacy for stakeholders.
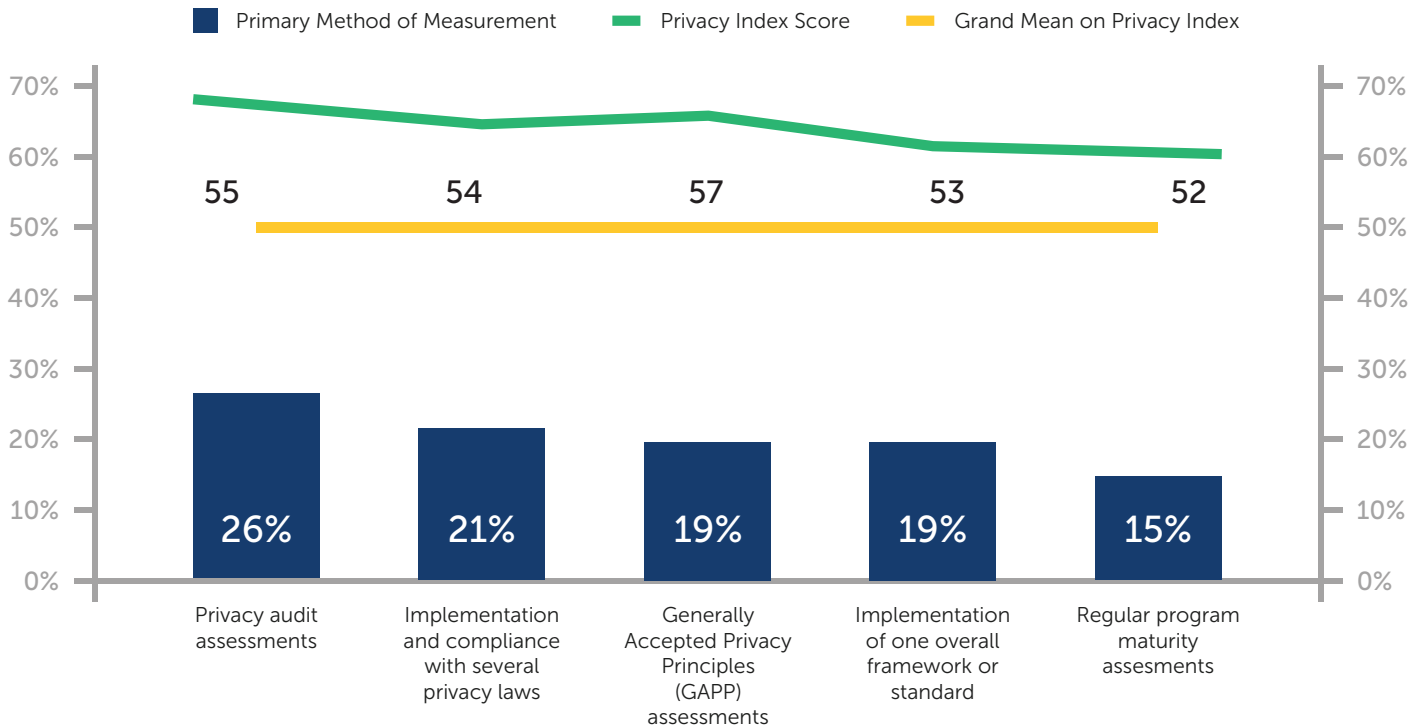
2022 Keys to Privacy Index by Region

Europe ▮ UK ▮ USA ▮

Europe	UK	USA
42	61	56

Privacy Index Scores
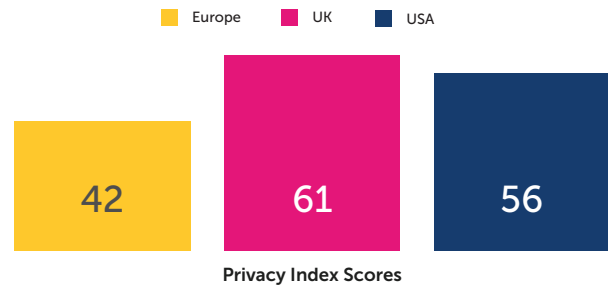
2022 Privacy Keys Index Scores by Privacy Management

Does your company currently measure the effectiveness of its privacy program?

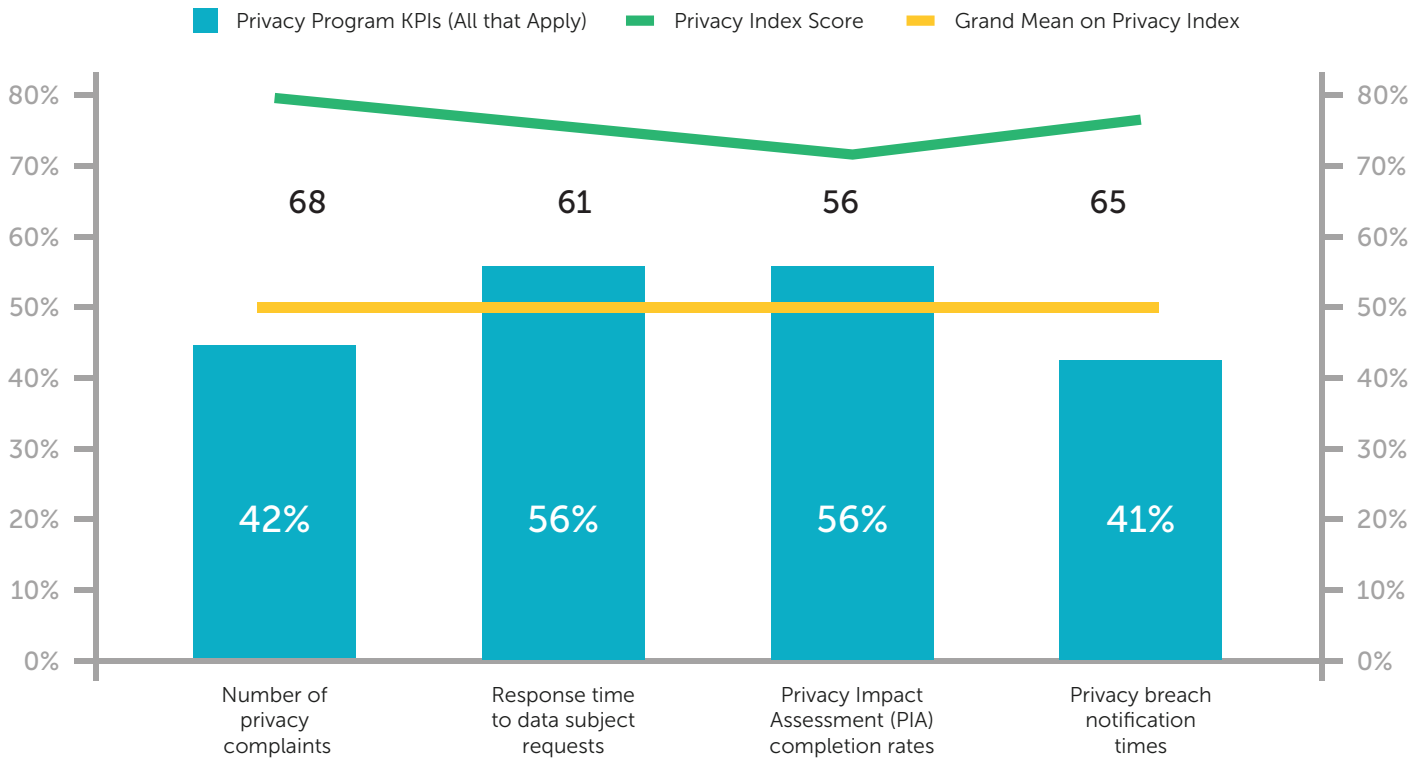| Yes	No
55	23

Of those who do measure their privacy effectiveness, the Privacy Index scores across methods for doing so are shown below. Privacy Audit Assessments are most frequently undertaken versus other methods. Irrespective of the method, every one of the measurements was associated with a higher-than-average Privacy Index score.

Primary Method of Measurement and Grand Mean on Privacy Index

▮ Primary Method of Measurement   ▬ Privacy Index Score   ▬ Grand Mean on Privacy Index

	Privacy audit assessments	Implementation and compliance with several privacy laws	Generally Accepted Privacy Principles (GAPP) assessments	Implementation of one overall framework or standard	Regular program maturity assesments
Privacy Index Score	55	54	57	53	52
Primary Method of Measurement	26%	21%	19%	19%	15%

Organizations that go further in establishing Privacy KPIs do even better. They exceed the Privacy Index score averages by up to 18 percentage points. It is clear that measuring effectiveness is important, and establishing business goals (KPIs) that solidify accountability to privacy, takes this one step further.
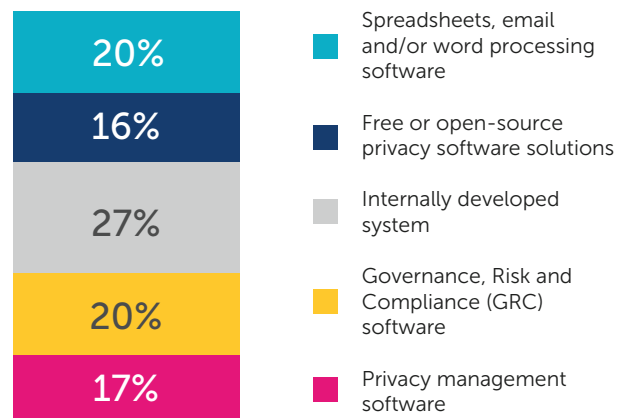
Privacy Keys by KPIs

Legend:
- Privacy Program KPIs (All that Apply)
- Privacy Index Score
- Grand Mean on Privacy Index

Privacy Index Score values (green line): 68, 61, 56, 65

Category	Value
Number of privacy complaints	42%
Response time to data subject requests	56%
Privacy Impact Assessment (PIA) completion rates	56%
Privacy breach notification times	41%

The Impact of "Made to Purpose" Software

Our 2022 findings illustrated a wide variety of technical approaches to managing privacy.

While most organizations use a variety of approaches, when asked about their primary approach, we evidenced that just one in five uses "made to purpose" privacy software.
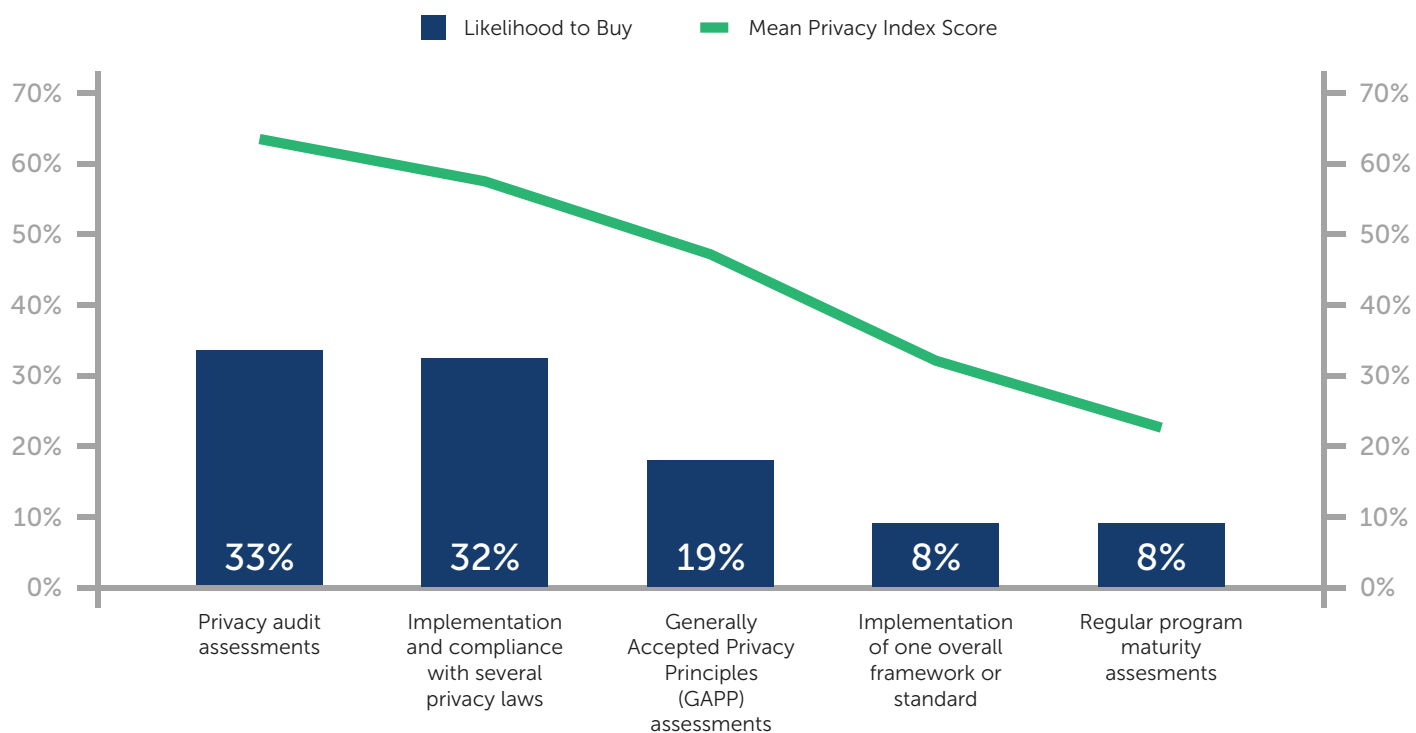
That result was surprising, given the onslaught of technical demands enterprises face due to new technologies alongside a growing number and complexity of privacy regulations worldwide.

Primary Solution to Manage Privacy Program

Percentage	Solution
20%	Spreadsheets, email and/or word processing software
16%	Free or open-source privacy software solutions
27%	Internally developed system
20%	Governance, Risk and Compliance (GRC) software
17%	Privacy management software

What was not surprising was that as the desire for a comprehensive data privacy management software solution increases, there is a correlated dramatic rise in the Privacy Index scores. Those "very likely" to buy an overall privacy management solution had Privacy Scores 8x higher than those "very unlikely."

Privacy Index Scores by Likelihood of Purchasing an Overall "Made to Purpose" Privacy Software Solution

Legend: ■ Likelihood to Buy — Mean Privacy Index Score

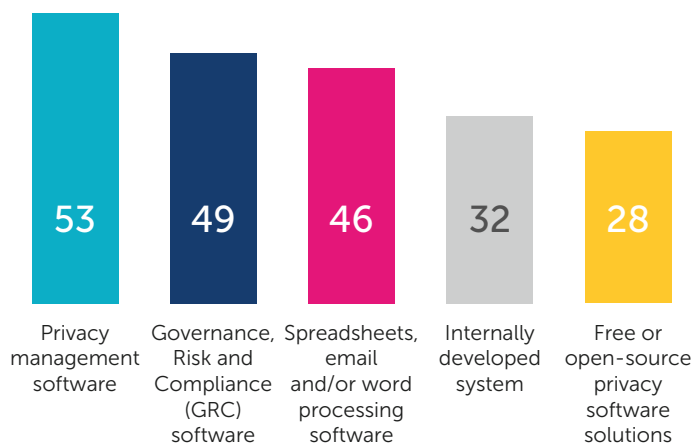| Category	Likelihood to Buy
Privacy audit assessments	33%
Implementation and compliance with several privacy laws	32%
Generally Accepted Privacy Principles (GAPP) assessments	19%
Implementation of one overall framework or standard	8%
Regular program maturity assessments	8%

For Privacy Teams, including both executives who oversee this function and the privacy team members themselves, the merits of deploying an overall Privacy Management Software solution were made clear.

The chart below shows the Privacy Index scores for Privacy Teams that have various software approaches to the challenges they face.

Clearly, "going it alone" with free or open-source solutions or building home-grown solutions does little to instill confidence in the ability to manage privacy.

Privacy Index Scores by Type of Software Solution Adopted by Privacy Teams

| Type	Score
Privacy management software	53
Governance, Risk and Compliance (GRC) software	49
Spreadsheets, email and/or word processing software	46
Internally developed system	32
Free or open-source privacy software solutions	28

Of all the software solutions, only privacy management software was associated with a higher than average Privacy Index score. These results dramatically underscore the need for professional, made to purpose software for managing privacy.

Stakeholder Confidence Increase When Brands Take Privacy Seriously

Getting organized on privacy has demonstrable benefits. As regulations worldwide grow in numbers and complexity and threats to privacy run rampant, companies need help. Made to purpose privacy management software that organizes and executes against these demands is of paramount importance.

Although TrustArc's global Privacy Index saw a decline this year from last, organizations that were organized against this onslaught of demands fared much better. They backed up their privacy investments in people and software with measurable goals, worked toward improved outcomes, and benefited from these efforts with improved privacy confidence among all stakeholders.

The public, customers, third-party partners, and perhaps most importantly, employees themselves all feel more confident when the brands they represent and purchase from take privacy seriously. As our Privacy Index scores amply illustrated, building an internal culture of privacy from top to bottom results in strong confidence among all stakeholders.
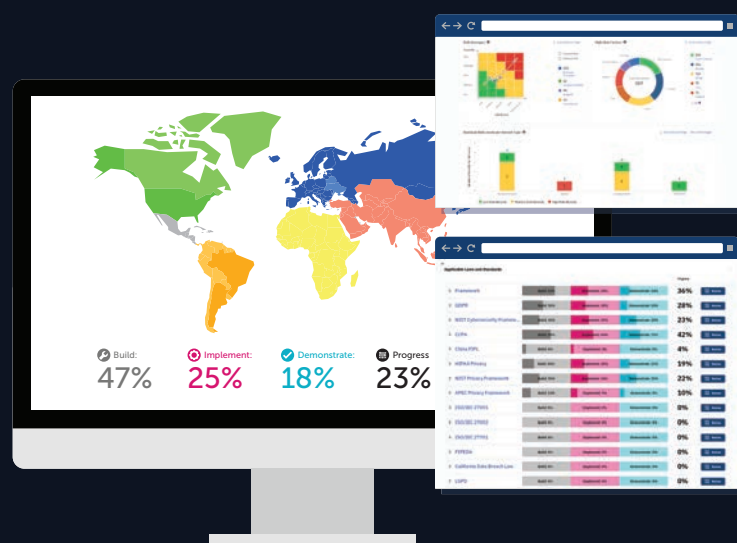
Forge a Culture of Data Privacy Across Your Organization

Data privacy management is complex, but it doesn't have to be hard.

With automation, action, and accountability, PrivacyCentral helps your organization create a scalable privacy program that offers business continuity for years to come. Identify the data privacy laws you must comply with, generate action steps to address gaps, and create progress reports for stakeholders, all in one place.

PrivacyCentral has everything you need to operationalize privacy into business value - and avoid the costly repercussions and fines from inferior privacy practices.

Learn More about PrivacyCentral

About TrustArc

As the leader in data privacy, TrustArc automates and simplifies the creation of end-to-end privacy management programs for global organizations. TrustArc is the only company to deliver the depth of privacy intelligence, coupled with the complete platform automation, that is essential for the growing number of privacy regulations in an ever-changing digital world. Headquartered in San Francisco and backed by a global team across the Americas, Europe, and Asia, TrustArc helps customers worldwide demonstrate compliance, minimize risk, and build trust. For additional information, visit www.trustarc.com.

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