

Enterprise
Resiliency and
Severe Weather



Agenda

- Building Enterprise Resiliency
- Impact of Severe Weather Events
- Planning for Weather Events
- How Technology Can Help



Business Resilience is No Longer Optional

"...the ability to deliver on your mission and vision regardless of any kind of crisis or disruption, be it extreme weather, political upheaval, cyberattack, or the next disease outbreak — will become a competitive advantage for those that embrace it as a core principle."

Forrester Blog, <u>Business Resilience Is No Longer Optional</u>, by Stephanie Balaouras – May 12, 2020



CEOs will mandate a culture of organizational resilience to survive coinciding threats from COVID-19, cybercrime, severe weather events, and political instabilities

Gartner Prediction by 2025



Enterprise Resilience is a Journey

The more time and insight you have, the more options you have and the less expensive those options are

Reactive Resiliency Posture

- More business interruption
- Potential for loss of life
- Execs dealing with crisis communications
- Supply Chain disruptions
- Avoid certain market opportunities
- Slower recovery from critical events



Proactive Resiliency Posture

- Avoid shutdowns altogether
- People avoid danger areas
- Avoid negative PR
- Meet production goals
- Grow into new markets
- Recover faster from a critical event



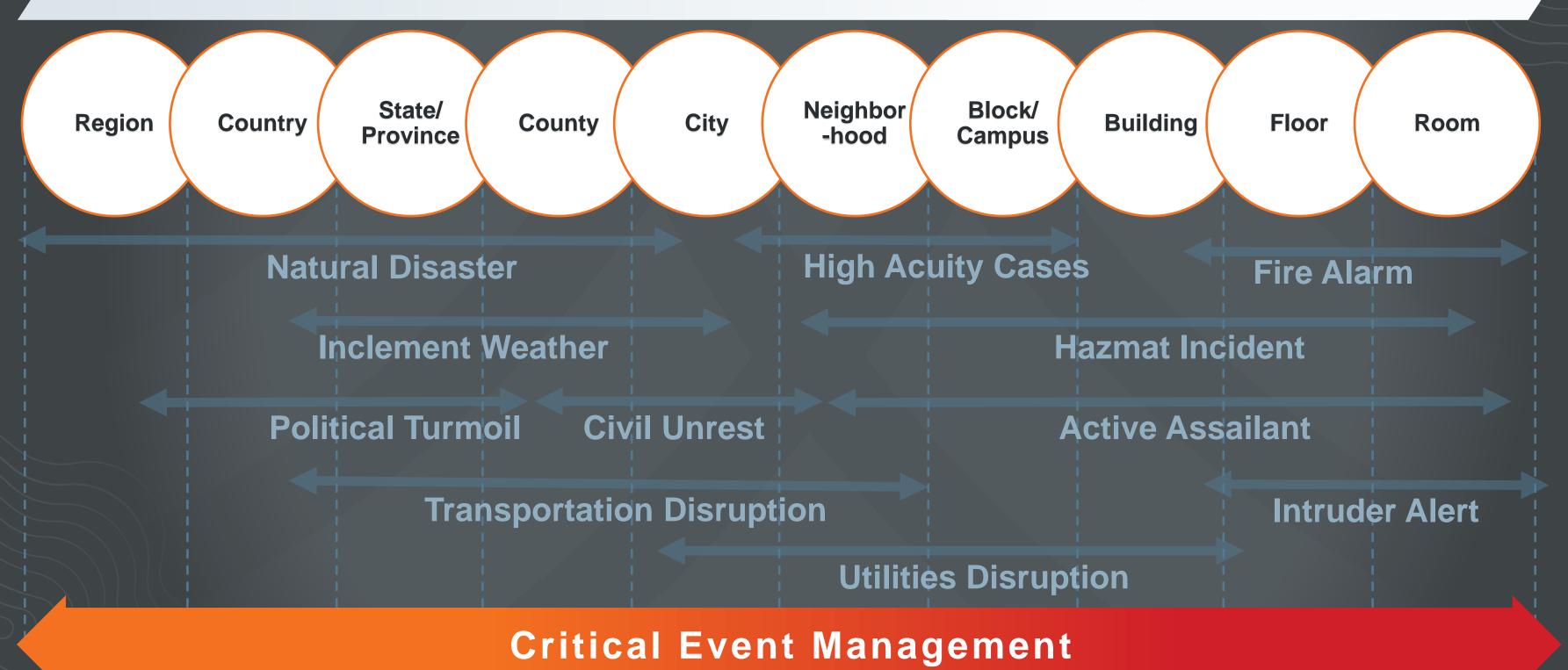
What's Needed...

Streamline critical event response and accelerate resolution



Outside-In: Looking Beyond the Traditional Four Walls

Coordinated Real-time Response Across the Organization





Traditional Barriers



Your People

HR | BCM | Compliance



Your Places

Physical Security | BCM



Your IT

IT | Technology



Your Operations

Technology | Supply, etc...

SILOED TEAMS

COMPLEX **PROCESSES**

DISPARATE SYSTEMS



Impact on Business of Severe Weather

40% Increase in weather-related events since 2019 causing \$80B in insured losses

Natural Catastrophe Losses In The United States By Peril, 2020

	No. of events ¹	Fatalities	Economic losses ²	Insured losses ³
Severe convective	51	106	\$49,323 M	\$35,000
storm/tornado				
Tropical cyclone/hurricane	12	73	\$40,059 M	21,600
Wildfire, drought, heatwave	19	43	\$22,959 M	13,900
Flooding	4	8	\$5,292 M	2,200
Winter storm	4	6	\$1634 M	930
Earthquake	4	0	\$152 M	58
Total	94	~250	\$119,000	\$74,000

⁽¹⁾ Natural disasters that cause at least \$25 million in insured losses; or 10 deaths; or 50 people injured; or 2,000 filed claims or homes and structures damaged. Includes Puerto Rico and the U.S. Virgin Islands.

Tornados - 689 tornados in first 6 months of 2021 (on track with 2020). Losses totaled over \$10B per year and 73 lives lost.

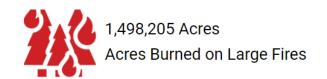


Hurricanes - Hurricane Laura est. \$8 - \$12B in damages (lost operations)

In Pensacola Beach, Florida, <u>Hurricane Sally</u> pushed construction barges into the Pensacola Bay Bridge and it is now closed for repairs until March

Wildfires - 2020 Season - over \$20B in business impact PG&E rolling blackouts







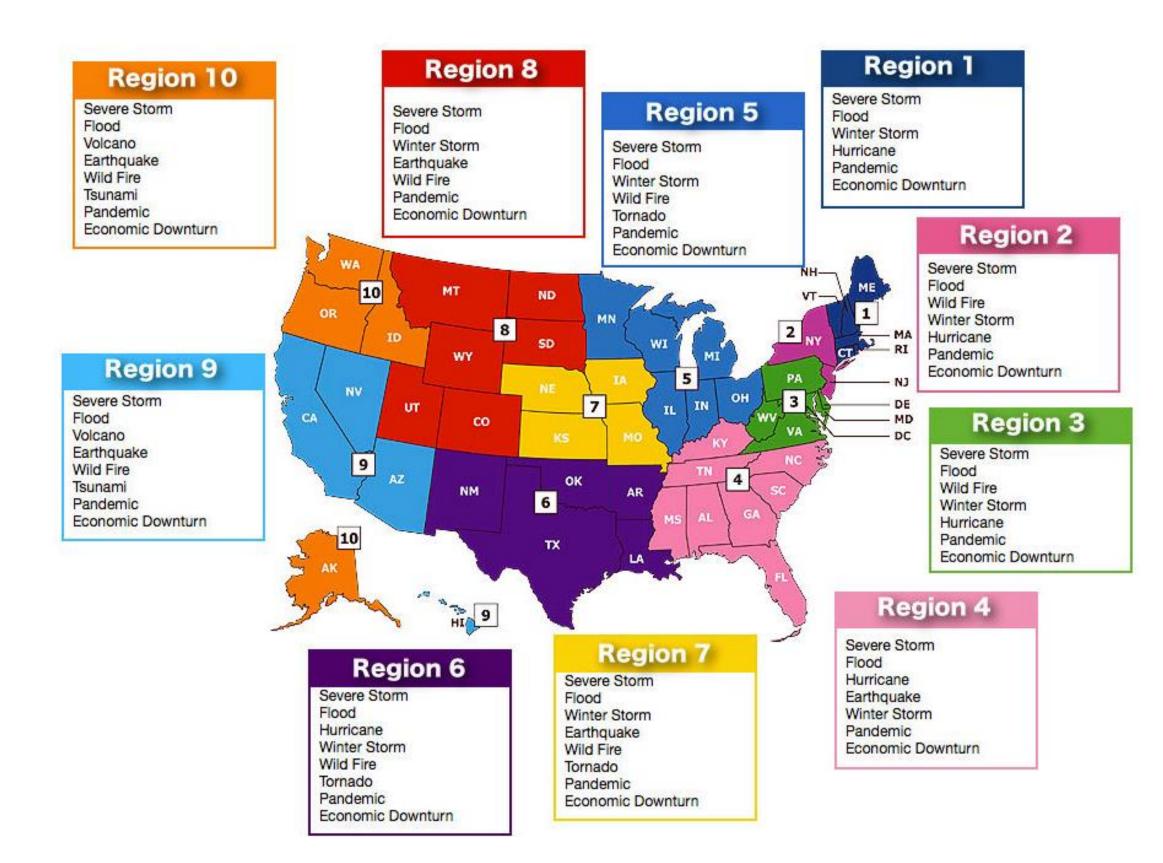
Winter Weather - Winter Storm Uri costing the state between \$195 billion and \$295 billion



⁽²⁾ Includes any direct physical damage or direct net loss business interruption costs.

⁽³⁾ Includes losses sustained by private insurers and government-sponsored programs such as the National Flood Insurance Program. Subject to change as loss estimates are further developed. As of February 23, 2021.

Typical Weather Seasons



- Tornados (severe Spring/ Summer)
 - + May June, Southern Plains
 - Gulf Coast, Early Spring
 - June July, Northern Plain
- Hurricanes (June 1- Nov 30)
- Wildfires (all year)
- Winter (Nov March)



How can you prepare

- Review Business Continuity Plans Quarterly
 - + Ensure you have plans for weather (identify events most relevant)
 - + Consider impact on your direct employees/sites as well as vendors/partners/suppliers
 - + Consider secondary impacts (e.g. bridge going down)
 - + Ensure you have a post-event plan (e.g. EAP, claims filing, etc...)
 - Have cross-department governance
 - + Assume multiple events occurring at the same time (e.g. weather + COVID or cyberrisk)
 - + Are there ways to automate/enhance response

Monitoring and Preparation

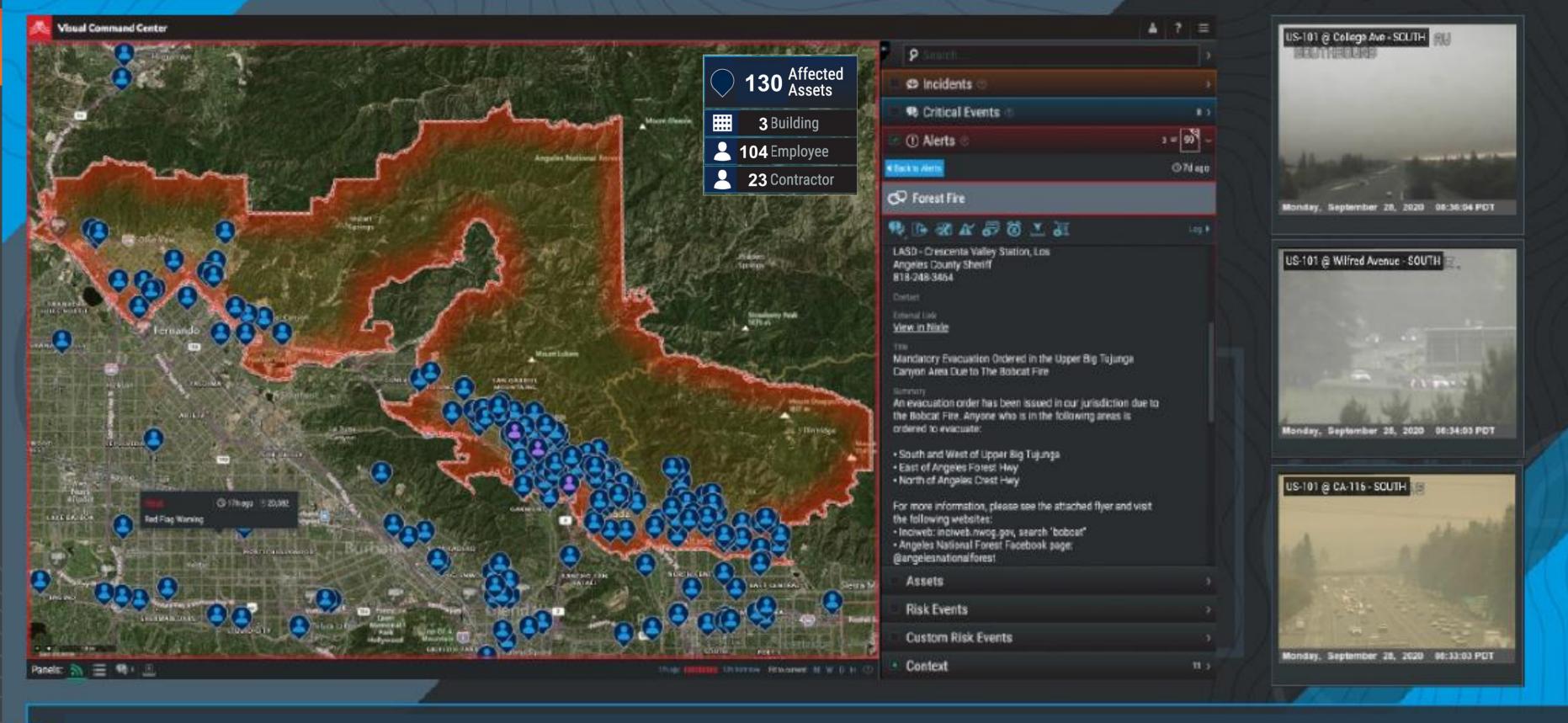
+ What sources of information will you use to stay current with weather (and other) risks to your people and places?
What about your vendors/partners?

Communicate & Practice

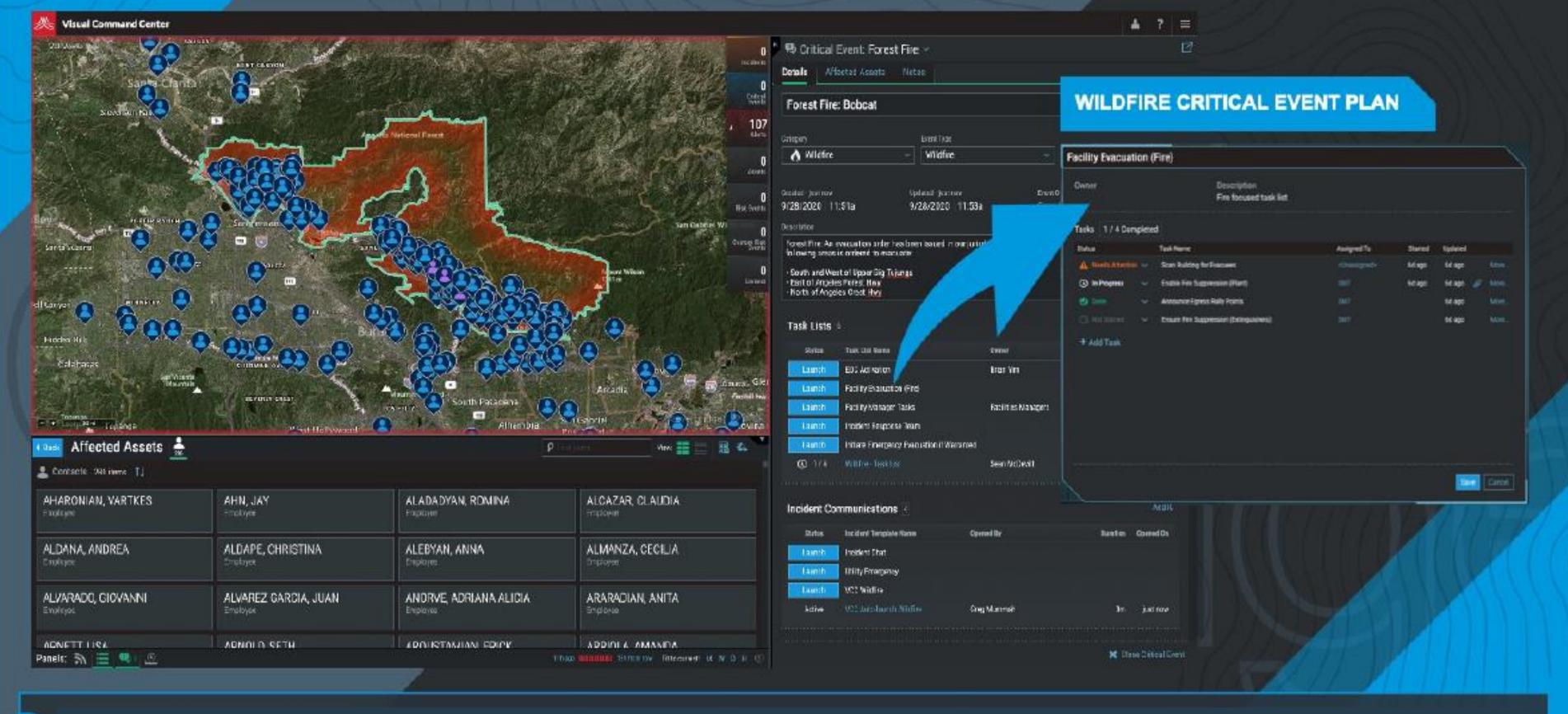
- + Ensure you proactively communicate and reinforce plans to all employees and team leads
- + Ensure you have means to reach all employees and team leads during an event
- + Test your plan in exercise(s)



How technology can help

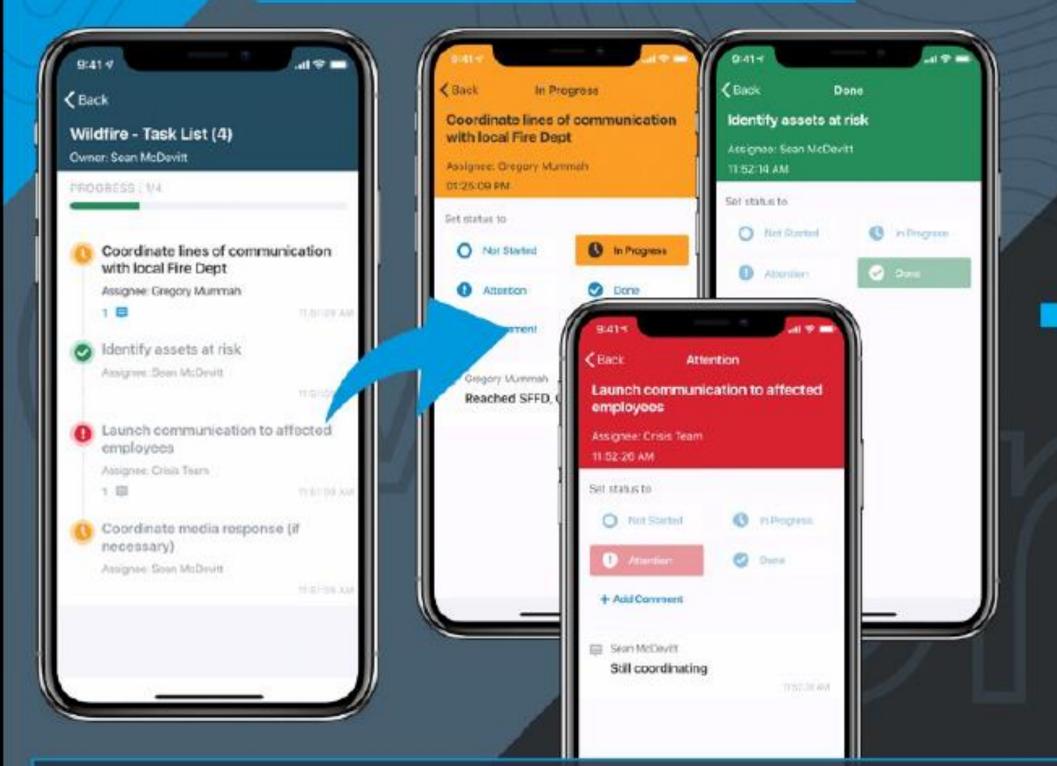


A wildfire is reported near your corporate campus in California. It grows rapidly to cover several hundred acres. With real-time monitoring, you are able to quickly understand that your corporate campus, 2 manufacturing sites, and just over 100 employees and travelers in the fire zone or where it might spread.

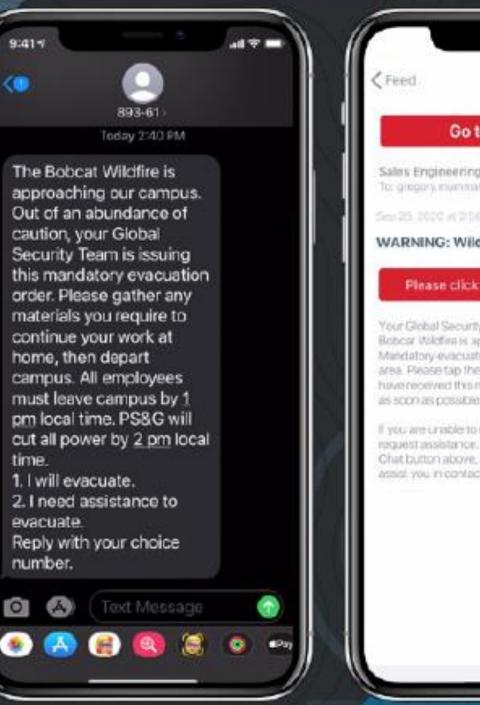


Your security team activates your wildfire critical event plan. The system notifies responders across all departments of the activation and their immediate assigned tasks.

CRISIS MANAGEMENT TEAM TASKS



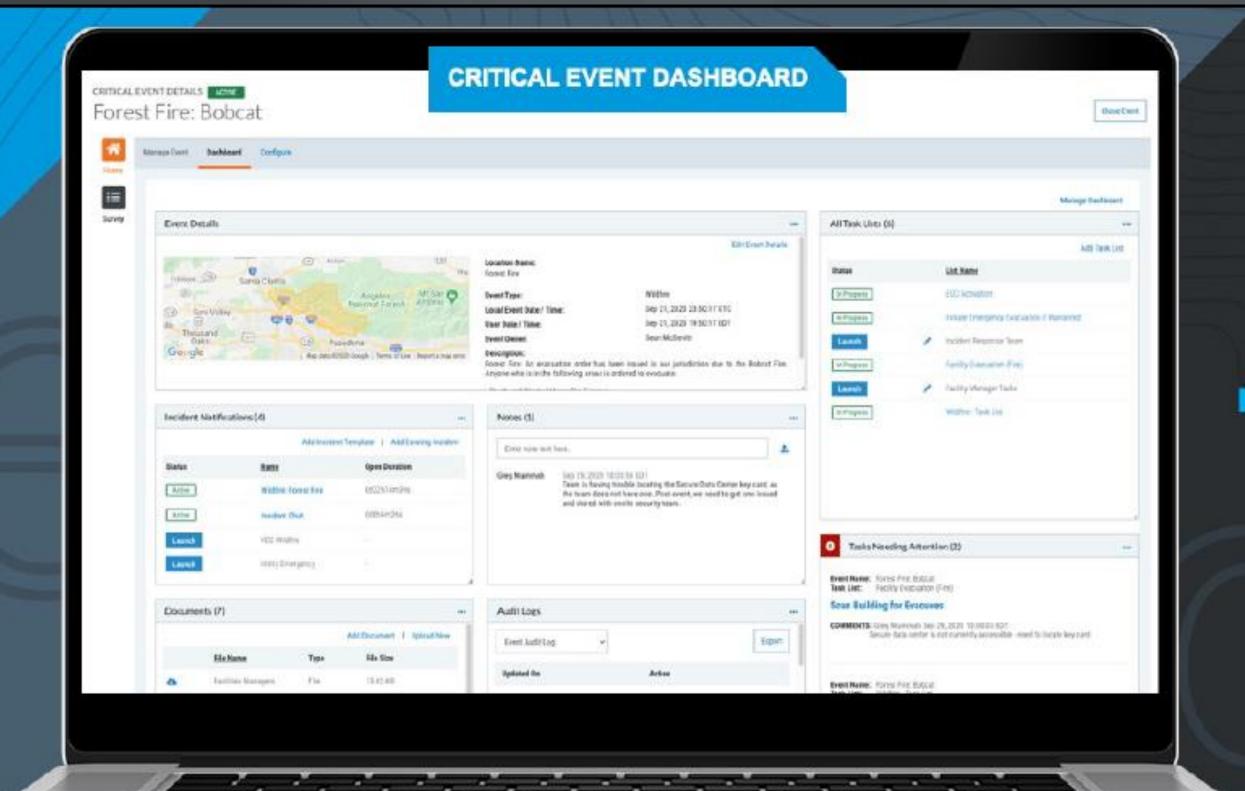
EMPLOYEE GUIDANCE

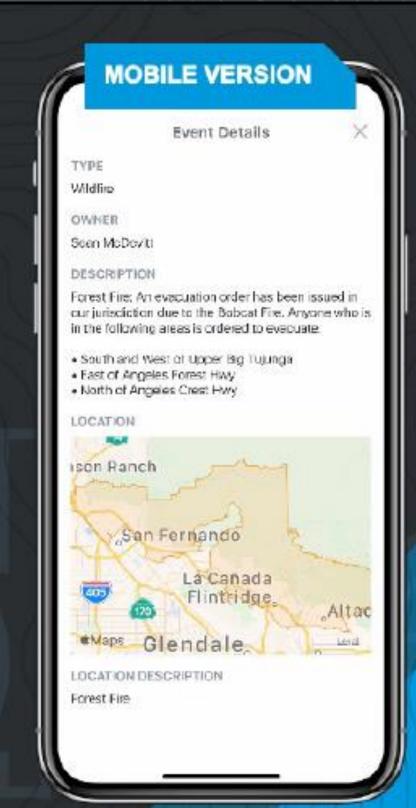


Go to Secure Chat Sales Engineering Demo Org. To: gregory, mumman-Sept 25, 2000 at 2:50:10 PM WARNING: Wildfire Danger Please click here to confirm receipt Your Global Security Team has determined that the Bobcar Wildfire's approaching your home office Mandatory evacuation orders are being issued in your area. Please tap the Confirm button to indicate you you are unable to evacuate, please call 911 and request assistance. You may also sap the Secure Chat button above, and someone from the GST will assist you in contacting local authorities.

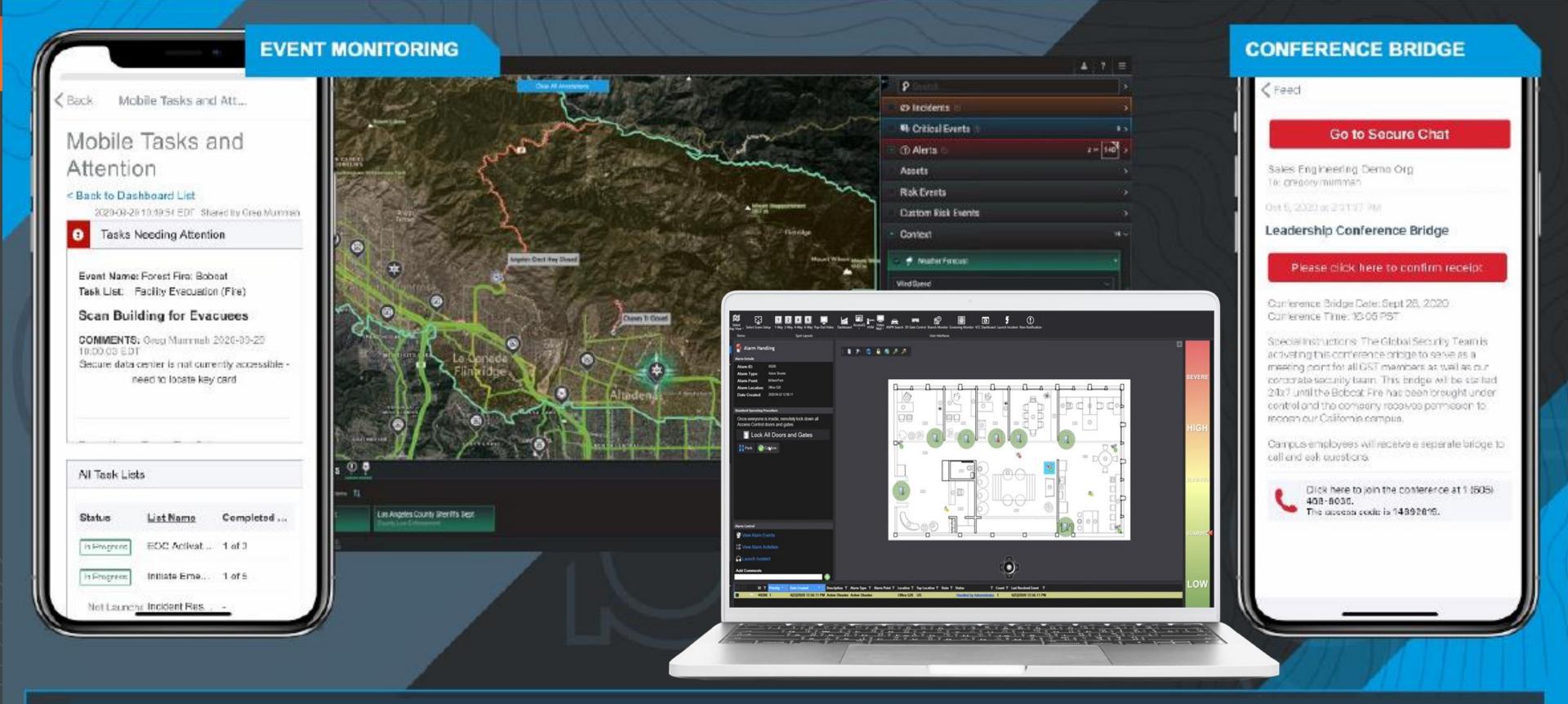
Based on your plan, security begins evacuation of impacted facilities and the corporate campus. Operations expands capacity at a non-impacted site and reroutes supplies to that facility.

HR reaches out to employees who work at the impacted sites informing them not to come to work and offering shifts at the open facility. They also contact employees living in the zone about assistance needs

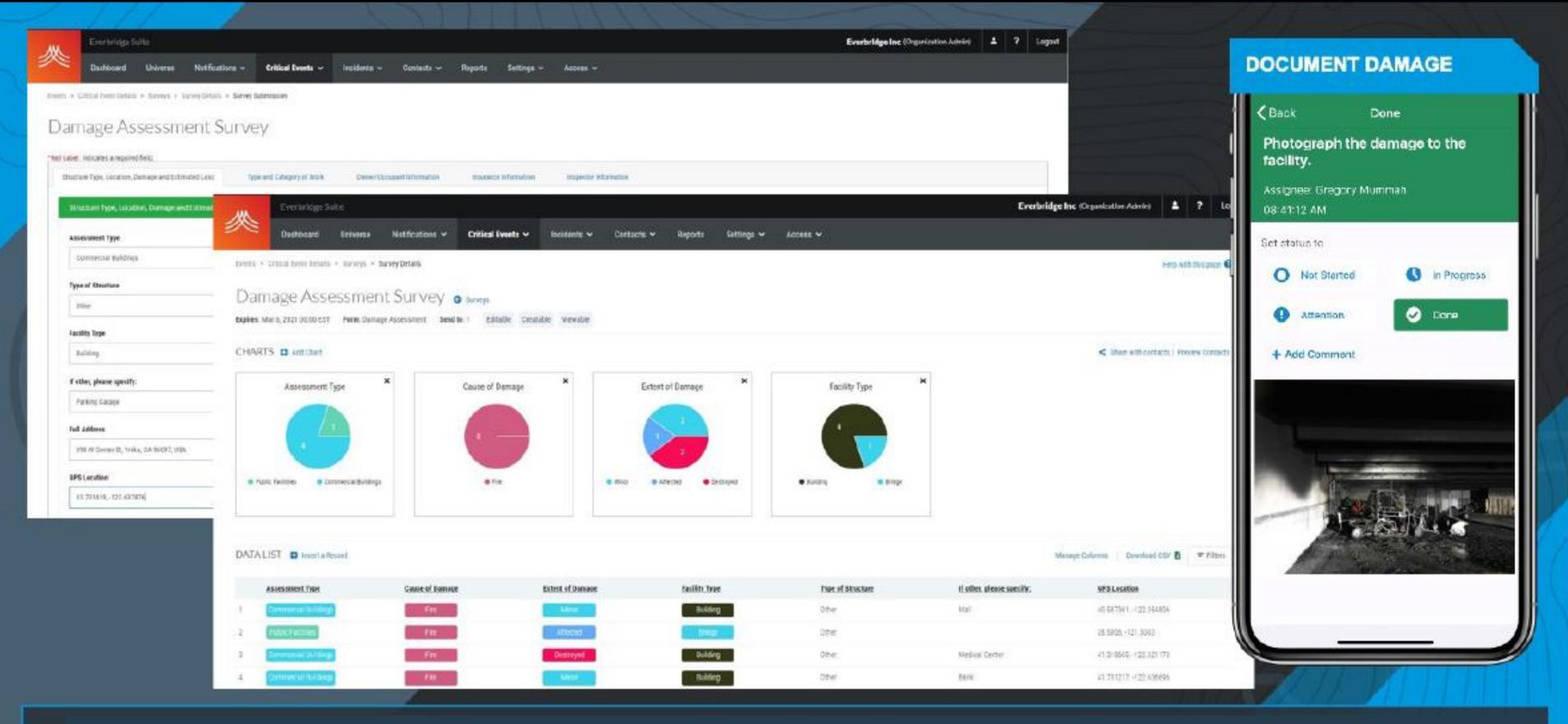




Senior leadership expects to be kept informed during the shut-down. To address this, your team creates an event dashboard. Leaders can access the dashboard via laptop or mobile device. The dashboard refreshes automatically as your shut-down tasks are completed.



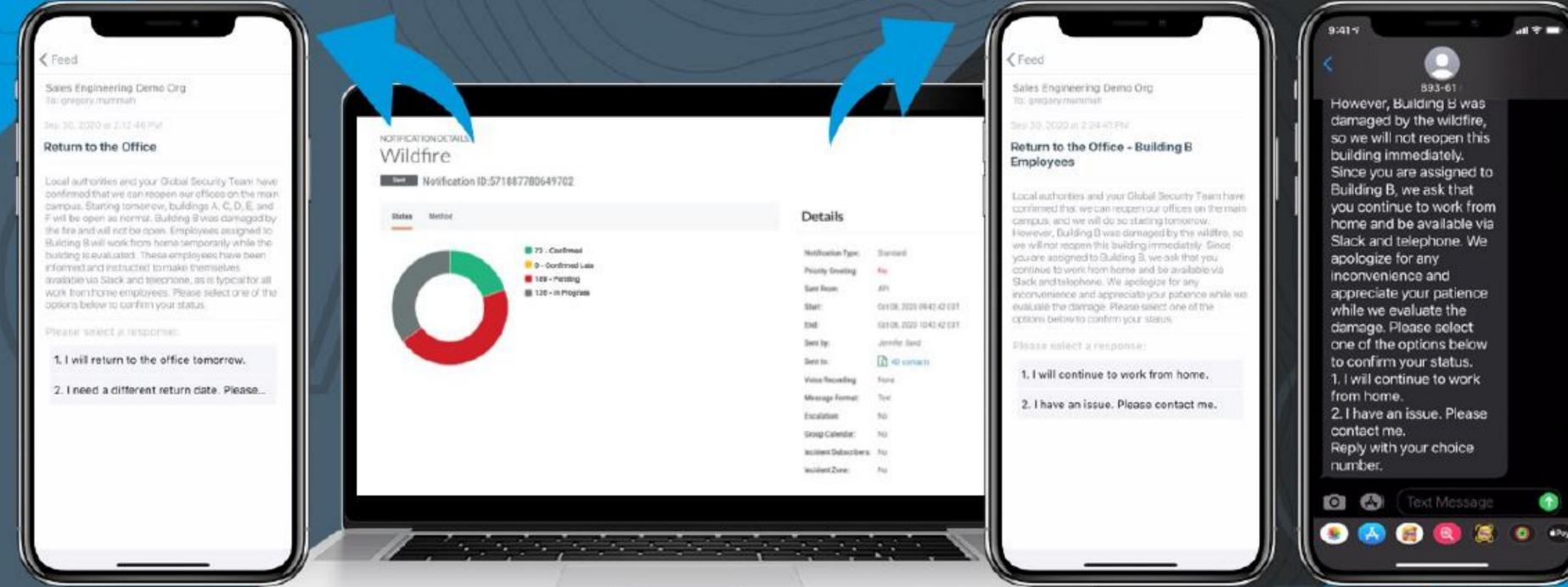
After confirming that all employees at the impacted facilities have evacuated. The security team remotely locks down those locations and monitors the progress of the fire perimeter. They also staff a conference bridge for security team members and a separate bridge for employees with questions.



As the fire is contained near your facilities, your security team is allowed into the area to assess damage. The team photographs and documents the damage, including major damage to the second manufacturing site and a parking structure on the main campus. Both structures are deemed unusable at this time.

BACK TO CAMPUS

WORK FROM HOME



The security team gives the OK to reopen the rest of the campus. Power is restored to all buildings except the second manufacturing site and the parking structure.

(CEM METHODOLOGY

Employee Safety in a Wildfire



CEM Capabilities by Event Phase



- Alert on the wildfire and show the perimeter and all assets potentially at risk
- Validate the wildfire is happening and its location with cameras other contextual tools
- · Re-assess continually as the wildfire perimeter changes
- Post-event, assess the damage



- Corporate campus in California in relation to the fire perimeter
- Work-from-home employee locations as well as select employee homes
- Travelers, partners, and other relevant assets in the area
- Responders as they evacuate campus and again when they return for damage assessment



- Communicate with stakeholders and all employees, including work-from-home employees
- Evacuate the campus and inform all employees as the threat evolves
- Keep management informed for the duration of the wildfire
- · Post-event, document damage and decide what facilities can reopen



- Review crisis management plan execution and logs and identify any gaps
- Review communications strategy execution and logs and identify any gaps
- Leverage after-action report data to perform tabletop exercises and address wildfire response plan gaps
- Adjust alert severity and distance thresholds according to updated risk tolerance

Leveraging technology to manage Enterprise Resiliency

Walgreens

Throughout the 2018 hurricane season, Walgreens' SOC leveraged Everbridge to conduct **hundreds of safety and wellbeing checks** on impacted team members" to keep employees and staff safe.

Safety & Continu



By using CEM one pharmacy was able to coordinate with the state to fly medications into Beaumont, Texas during Hurricane Harvey, ensuring over 13,000 clients with pre-packaged medications received access."

2017



"[Our] Bank utilized Everbridge, to send polling notifications to all 18,100 employees via the Everbridge Mobile App, asking if they have COVID symptoms and following up directly if answered YES."

2017





