

The Evolving Role of Corporate Legal Teams in Cybersecurity

Highlights from the ACC Foundation
2025 State of Cybersecurity Survey

Introduction

The digital age has fundamentally reshaped the risk landscape. Cybersecurity threats, once relegated to the IT department, now permeate every facet of business, impacting not only operations and finances, but also reputation and customer trust. This interconnectedness demands a holistic approach to risk management, placing cybersecurity squarely in the spotlight.

This presentation explores the expanding and increasingly crucial role of Chief Legal Officers (CLOs) and their legal departments in navigating this complex terrain, ensuring organizations are prepared for and resilient against the ever-evolving cyber threats of today and tomorrow.

The New Cybersecurity Reality

- Cybersecurity is a strategic business risk, not merely an IT issue, demanding a holistic, enterprise-wide approach that aligns with overall business objectives.
- Legal liability, regulatory compliance, business continuity, and reputational damage are all at stake in a cyber breach, emphasizing the importance of proactive cybersecurity measures.
- Proactive legal leadership is essential for shaping cybersecurity strategy, advising on risk mitigation, and ensuring compliance with evolving regulations.
- In-house counsel must gain expertise in contract negotiation, regulatory compliance, data privacy, incident response, and risk management to effectively protect the organization.

Key Trends Shaping Legal's Role

Dedicated Cyber Expertise:

Growing trend of hiring specialized in-house cyber counsel, often at senior levels.

Robust Training and Policies:

Mandatory cybersecurity training and legal involvement in policy development (data security, AI, third-party risk).

CLOs Taking Charge:

Increased involvement in cybersecurity teams, leadership roles, and board reporting.

Shifting Breach Concerns:

Focus shifting to legal and operational risks, including liability and business continuity.

Maturing Vendor Risk Management:

Legal is more active in evaluating vendor cybersecurity practices.

CLO Influence

CLOs are becoming integral leaders in cybersecurity strategy, holding leadership positions, and frequently reporting to boards. This reflects a recognition of the increasing legal and governance aspects of cybersecurity, making CLO expertise essential for incident response, strategic planning, and board communication.

- > A significant 50 percent of CLOs are part of a team with cybersecurity responsibilities, even when they do not hold a specific leadership position in that area.
- > In 93 percent of organizations a member of the legal department is part of an incident response team (IRT). The CLO is a member in 73 percent of cases.



How can CLOs lead on corporate data security?

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Dedicated Expertise

Law departments are increasingly prioritizing cybersecurity expertise by hiring specialized in-house counsel, often at senior levels. This investment reflects a commitment to proactive risk management and the complex legal landscape of data protection and cybersecurity.

- > Dedicated cyber expertise within legal departments is on the rise, from 18 percent of organizations having at least one cyber lawyer in 2020 to 32 percent in 2025.
- > Eighteen percent of organizations expect to add dedicated cyber counsel over the next two years. Senior level hires for cyber roles are also increasing.

Percentage of legal departments with at least one dedicated cyber lawyer



What are the qualifications to look for when hiring cyber counsel?

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Shifting Breach Concerns

Cybersecurity concerns are evolving. While reputational damage persists, organizations now prioritize the legal and operational ramifications of breaches, notably liability and business continuity. This trend signals a deeper appreciation for the complex consequences of cyber incidents and the imperative for comprehensive risk management.

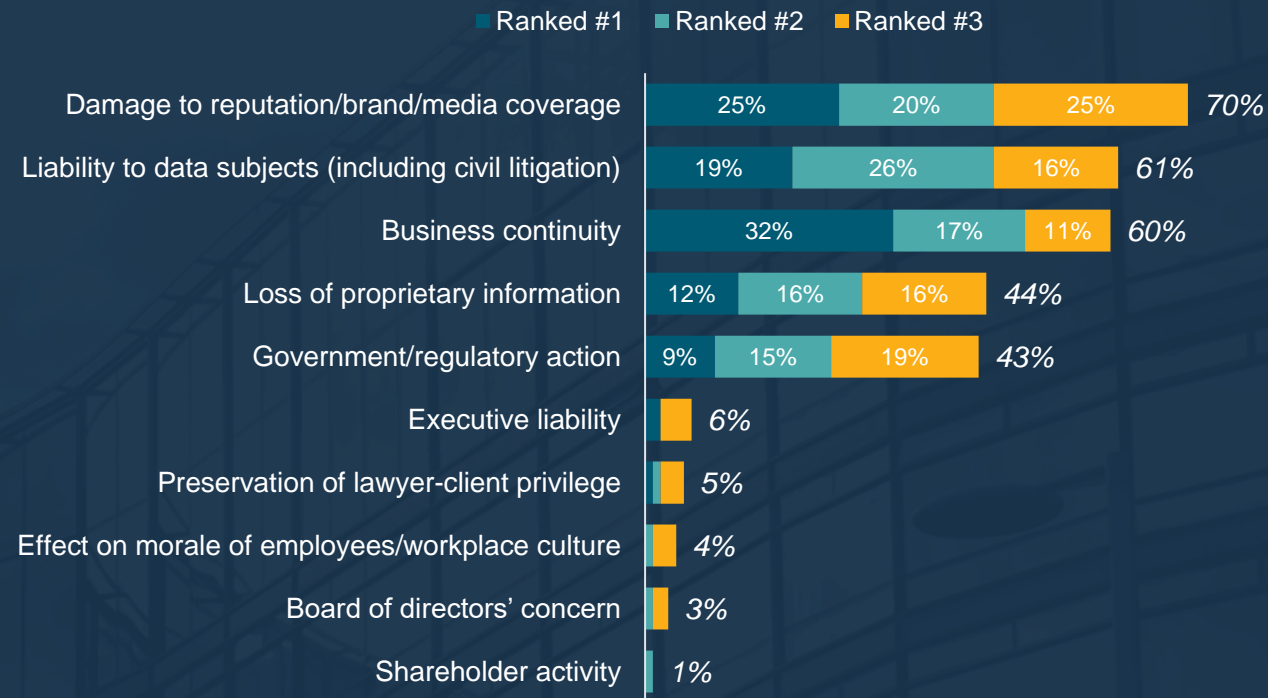


What is the CLO's role in managing a cybersecurity crisis?

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Top Concerns

While reputational damage remains the primary cybersecurity breach concern (70 percent), liability to data subjects (61 percent) and business continuity threats (60 percent) are also critical priorities.



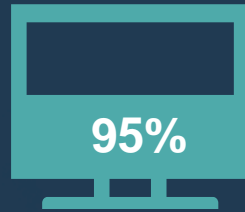
Training & Policies

Evidence of mature cybersecurity practices includes the widespread use of mandatory employee training, which reinforces the importance of human awareness. Legal departments are actively involved in revising corporate policies, ensuring they address the complexities of data security, AI, and third-party risk.



Tips for creating an effective document retention policy.

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Mandatory cybersecurity training is now nearly ubiquitous with 95 percent of organizations surveyed now requiring it, compared to 62 percent in 2018.



Key company policies that the majority of organizations currently have in place focus on data security (document retention, acceptable use, password security) and emerging technology (BYOD, AI).



81%
of organizations surveyed have a written **document retention policy** in place.



78%
of organizations surveyed have a written **acceptable use policy** in place.



73%
of organizations surveyed have a written **password policy** in place.



65%
of organizations have a written **“bring your own device” policy** in place.



62%
of organizations have a written **artificial intelligence policy** in place.

Vendor Risk Management

Vendor risk management is undergoing a significant strategic maturation: in response to the escalating dependence on third-party vendors, legal departments are now exerting a more assertive influence in the rigorous assessment of vendor cybersecurity practices and the strategic mitigation of third-party risks.

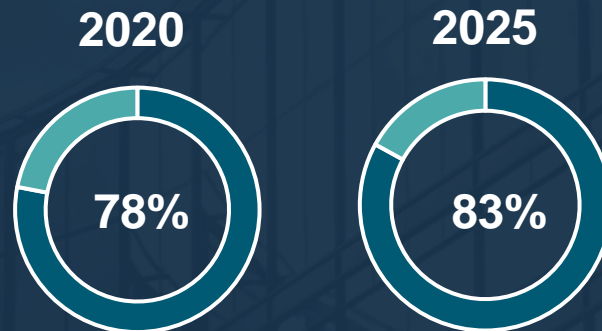


Playbook for managing a cybersecurity crisis.

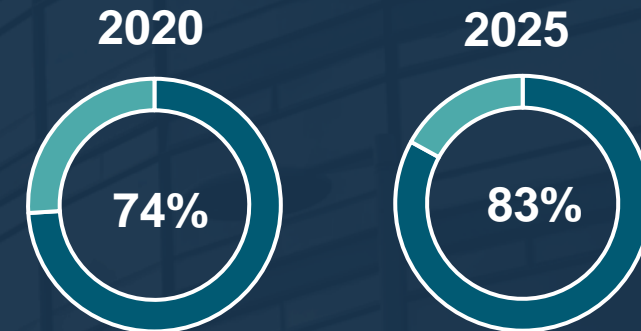
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- > Confidence in vendor cybersecurity is improving, with increased evaluation practices (83 percent of organizations now actively evaluate their vendors).
- > Legal departments are playing a more active role in third-party risk management (38 percent are now “often” involved compared to 31 percent in 2020).

Percentage of respondents who are confident their vendors protect them from cyber risk.



Percentage of respondents who evaluate vendors for cyber risk.



Conclusion: A Call to Action

- **Elevate Your Role:** Move beyond reactive compliance. Become a proactive strategic partner in cybersecurity leadership.
- **Champion Cyber Expertise:** Advocate for and develop dedicated cybersecurity legal expertise within your department.
- **Drive Comprehensive Risk Mitigation:** Expand your focus beyond reputational damage to encompass legal, operational, and vendor-related cyber risks.
- **Fortify Policies and Training:** Lead the development and implementation of robust cybersecurity policies and mandatory employee training programs.
- **Demand Vendor Accountability:** Intensify scrutiny of vendor cybersecurity practices and ensure strong third-party risk management.



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