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# Industry 4.0 from an IoT security standpoint

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# Key questions for today's session

### Industrie 4.0 connects humans, machines, processes, and the flow of goods along value chains

- Which security requirements do we expect for this infrastructure and how can such an infrastructure be established?
- How can we assure a high trust level along the value creation network

### Security by design has to be the superior principle

- How can security-by-design be accomplished for the complete life cycle?
- How does a road map for an Industrie 4.0 security ecosystem look like?

# Is security really and issue for the value chain?

- ~ 80% of data breaches have a supply chain origin
- ~ 45% of data breaches leveraged components of a (current or past) partner
- ~ 70% of companies lack visibility in their supply chain
- ~ 60% of companies lack an appraisal process for the cybersecurity of its partners
- ~ 40% of companies surveyed suffered a data breach in the last 12 months
- ~ 40% of companies surveyed had financial losses 1-10 MUSD

# Challenges and drivers to security in Industrial IoT

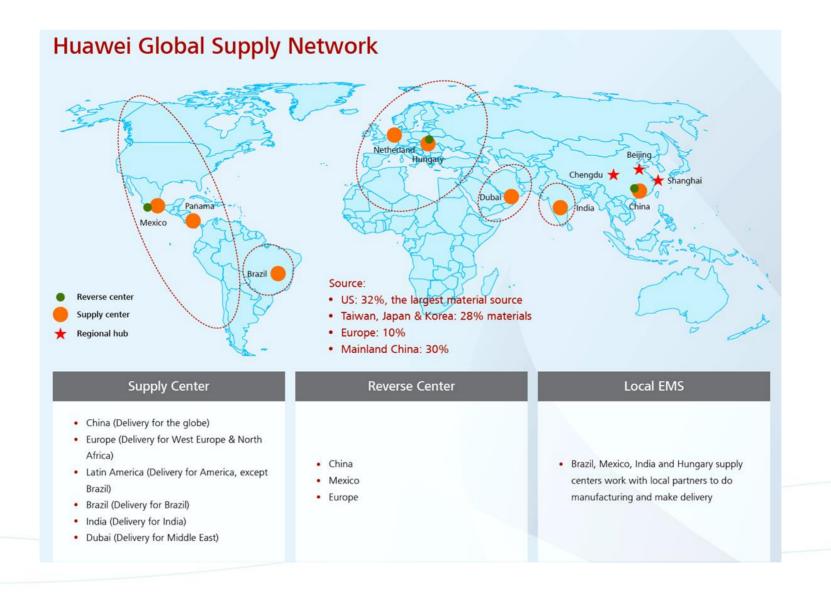
### Challenges

- Lack of visibility
- Lack of transparency
- Lack of alignment
- Lack of controls

#### **Drivers**

- Internet of Things (instrumentation and interconnection
- Digitization (code as the innovation engine)
- 3-D Printing (fine-grain embedment)

# Huawei's supply chain situation



# Huawei's approach to supply chain security

Supplier Name	Audit Date
Audited Location	Contact Person & Title
Lead Auditor	Auditor

No.	Item	Weight	Percentage	Weighted Score	Remarks
1	Security agreement	7%			
2	Security system	12%			
3	Product development	18%			
4	Security test	20%			
5	Third party software security	6%			
6	Delivery security	5%			
7	Product service security	5%			
8	Vulnerability advisory and emergency response	16%			
9	Traceability	5%			
10	Personnel management	6%			
Total	Total				
Grad	е				

This audit checklist includes 10 items and 49 questions, each of which weights 5% to 15% of the total score. There are 1 to 10 questions in each item to evaluate the supplier's cyber security.



Weighted Score	Grade	Risk Level	
< 70%	D Failed	High risk	
≥ 70%	C Normal	Medium risk	
≥ 80%	B Good	Low risk	
≥ 90%	A Excellent	Benchmark	

# Key supply chain aspects of security

### Risk management aspects

- Secure environment
- Secure development

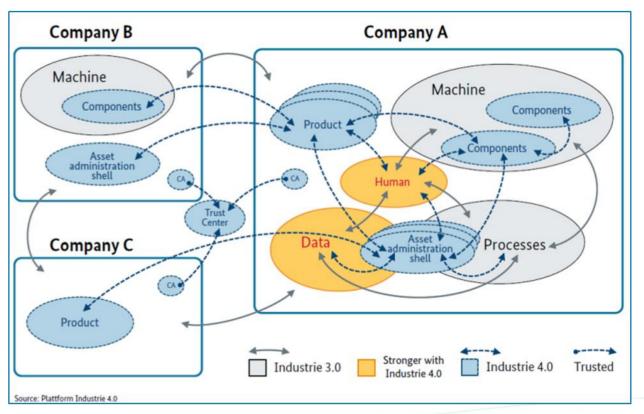
### Authenticity

- Component (i.e. asset)
- Supplier (i.e. stakeholder)
- Interaction (i.e. trust in the supply chain)

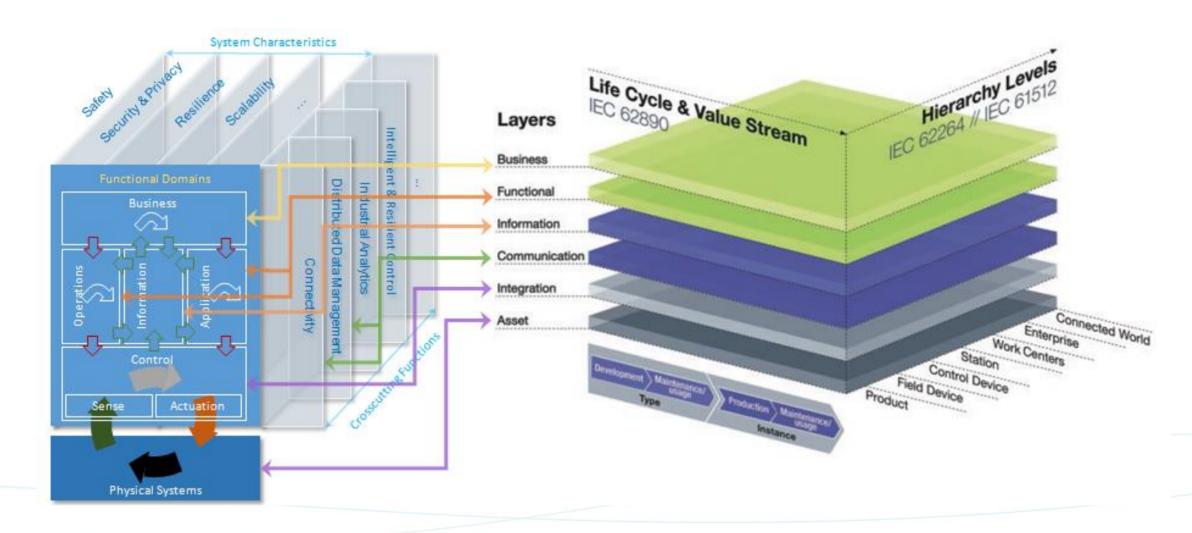
### Industrie 4.0 vision

### Dynamic online/semi-online system

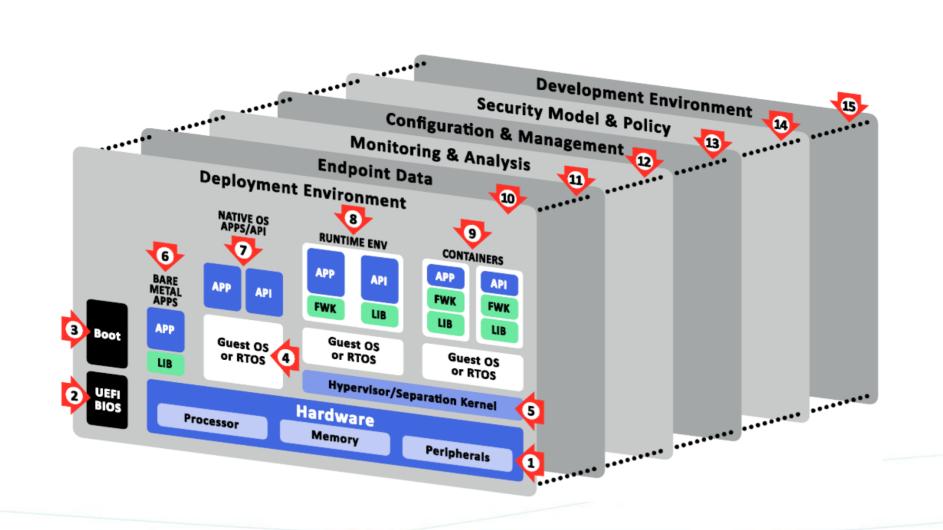
- Trust
  - Suppliers
  - Partners
- Trustworthiness
- Identification
  - Across organizations
- Interactions
  - Business purpose & relevance



### Industrie 4.0 reference model



# Industrial Internet Consortium threat model



# Principles of security design for industrial IoT

### Online trust management

- Identity management system
- Certificate management system
- Key management system

### Online policy enforcement

- Policy provision (e.g. authentication, access control, etc.)
- Policy enforcement

### Online intelligence management

Knowledge management on threat and vulnerabilities

### Online adaptation

- Statistical analysis at multiple levels
- Online model learning

# Pillars of security architecture for industrial IoT

#### Security-by-design

• Security aspects MUST be integrated in requirements management

#### Secure defaults

• Consideration of secure defaults in system/process design

#### Reliable asset identification

- Tamper-proof identification framework
- Interoperable identity schemes

#### Compartmentalization of infrastructure

Segregation and isolation

#### Policy enforcement

- Monitoring and analysis of asset interactions (e.g., DPI)
- Enforcement of policy (e.g. hardening, configuration templates, etc.)

#### Testing and validation

- Internal assessments (e.g. penetration tests, etc.)
- Independent assessments (e.g., reviews, audits, etc.)

# Secure development throughout lifecycle processes

### **Primary** Lifecycle

- Acquisition
- Supply
- Development
- Operation
- Maintenance

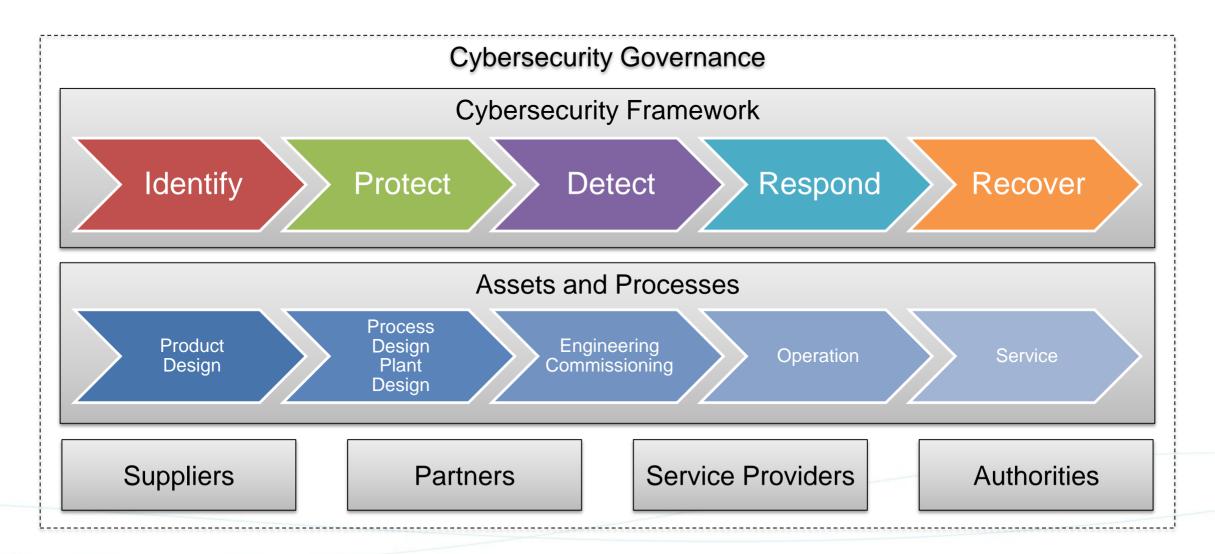
### Supporting Lifecycle

- Audit
- Configuration Management
- Joint Review
- Documentation
- Quality Assurance
- Problem Solving
- Verification
- Validation

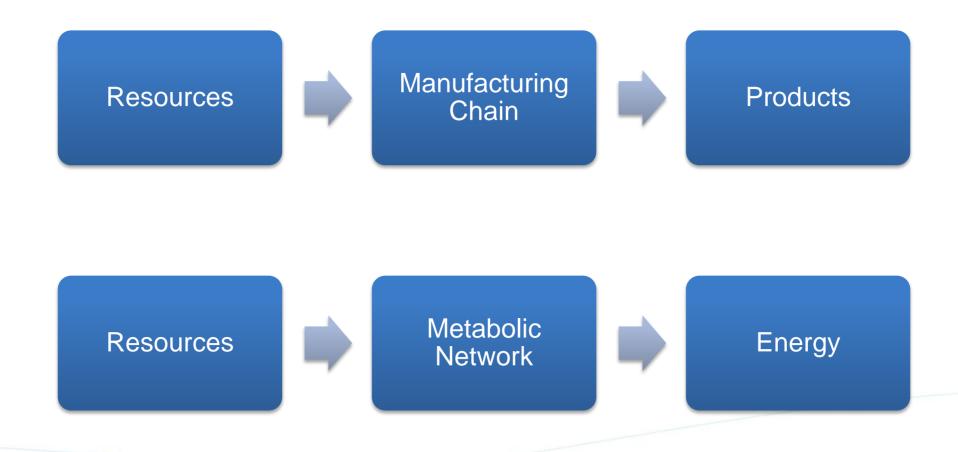
### Organizational

- Management
- Infrastructure
- Improvement
- Training

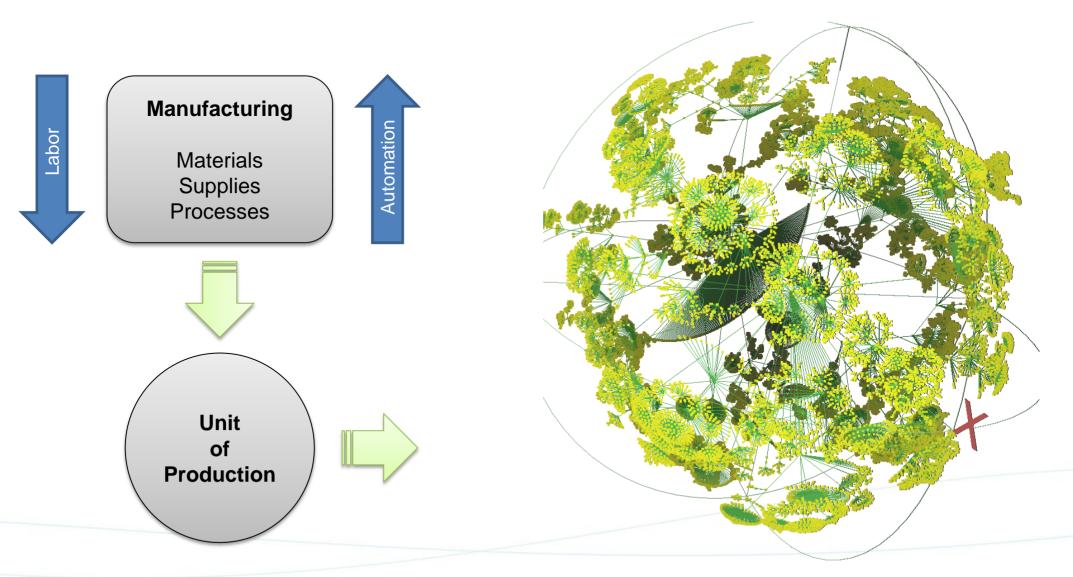
# Industrial value chain design vis-à-vis security design



# From static chains to self-balancing networks of value

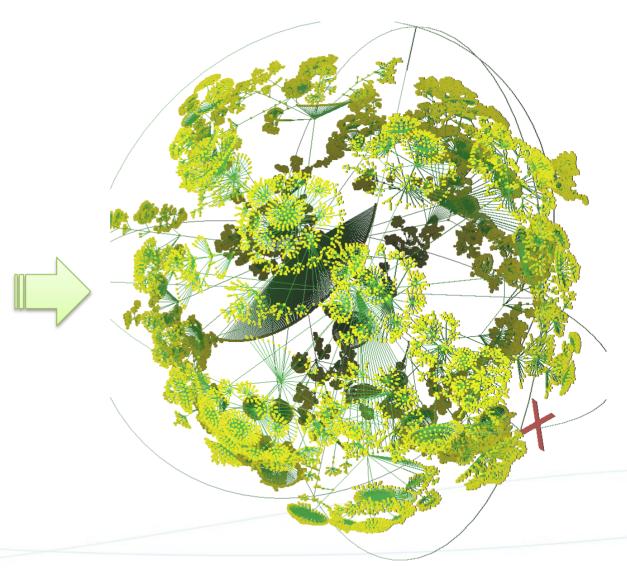


# From static chains to self-balancing networks of value



# How do we securely get from here to there?





# Possible roadmap for ecosystem security

#### Establish joint initiative vehicle to drive security

- Driven by participation across the value chain
- Business enablement for value-at-risk decisions

#### Establish governance framework

- Decision structures
- Collaboration enablers
- Operating processes

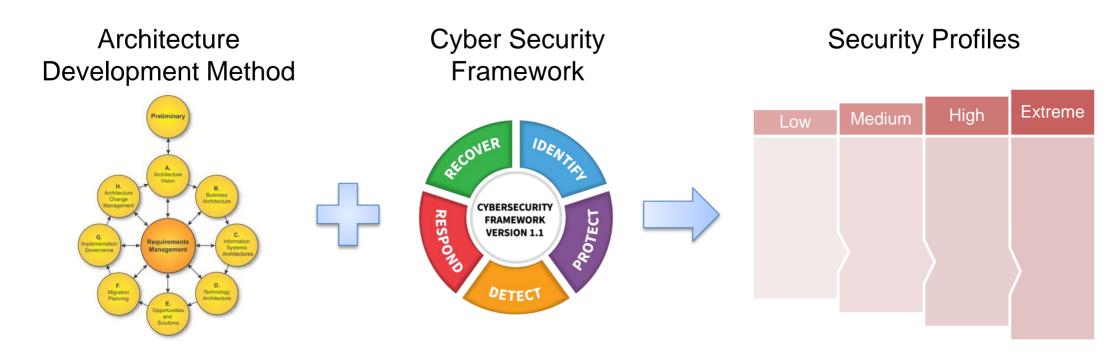
#### Deploy security integration architecture

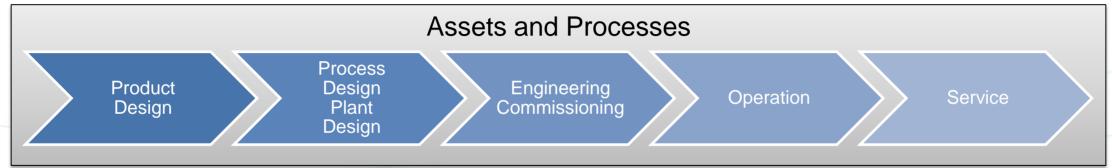
- Foundation and distribution of trust
- Standard and interoperable identity schemes
- Identity resolution and mapping services
- Services for online security management

#### Alignment and compliance framework

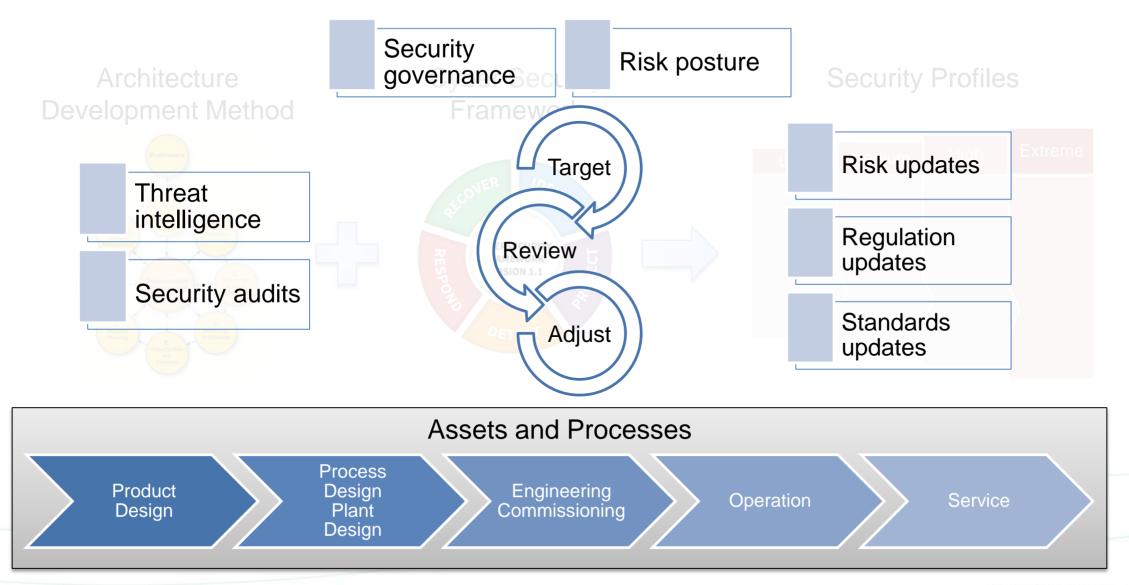
- Measures of adoption and alignment
- Acceleration of lighthouse innovation

# Iterative development of a security roadmap





# Iterative development of a security roadmap



### Thank You.

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