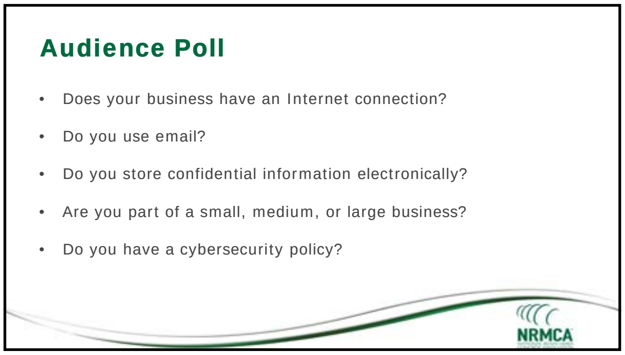
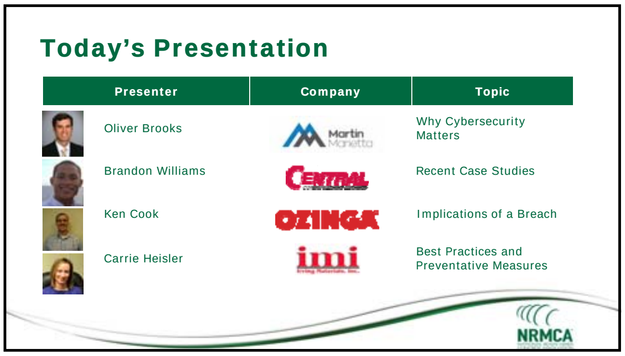
## Why Cybersecurity Matters to the Ready Mix Concrete Industry

NRMCA Annual Convention
Las Vegas, NV
March 5, 2016



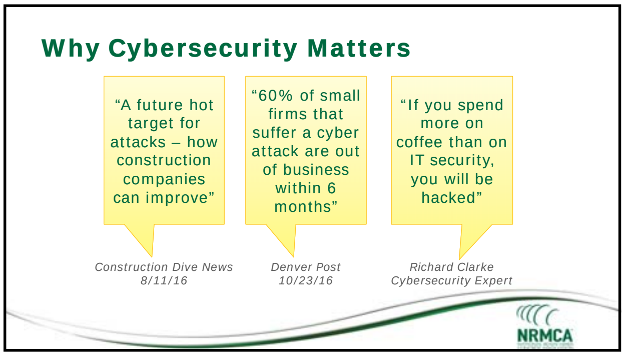
## Audience Poll

- Does your business have an Internet connection?
- Do you use email?
- Do you store confidential information electronically?
- Are you part of a small, medium, or large business?
- Do you have a cybersecurity policy?



## Today's Presentation

| Presenter | Company | Topic |
|---|---|---|
| Oliver Brooks | Martin Marietta | Why Cybersecurity Matters |
| Brandon Williams | CENTRAL | Recent Case Studies |
| Ken Cook | OZINGA | Implications of a Breach |
| Carrie Heisler | imi | Best Practices and Preventative Measures |



## Why Cybersecurity Matters

"A future hot target for attacks – how construction companies can improve"

*Construction Dive News 8/11/16*

"60% of small firms that suffer a cyber attack are out of business within 6 months"

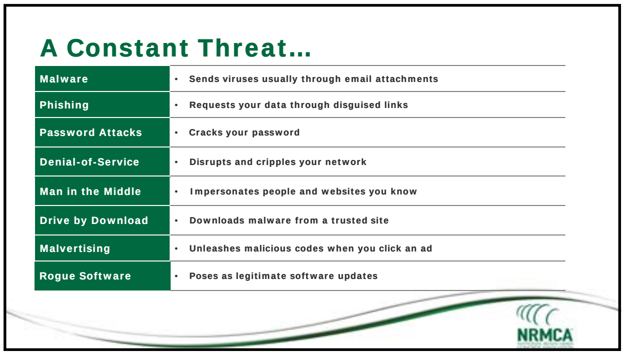
*Denver Post 10/23/16*

"If you spend more on coffee than on IT security, you will be hacked"

*Richard Clarke Cybersecurity Expert*

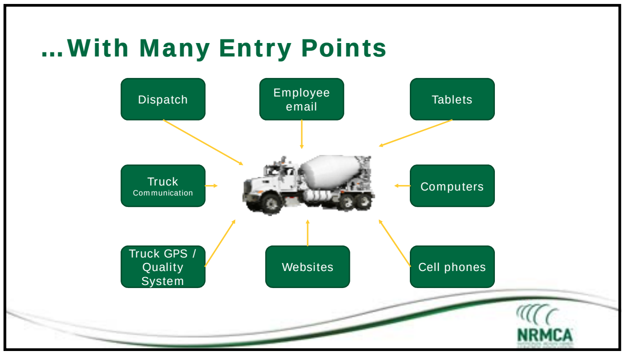
## A Constant Headline

## Are We Next?

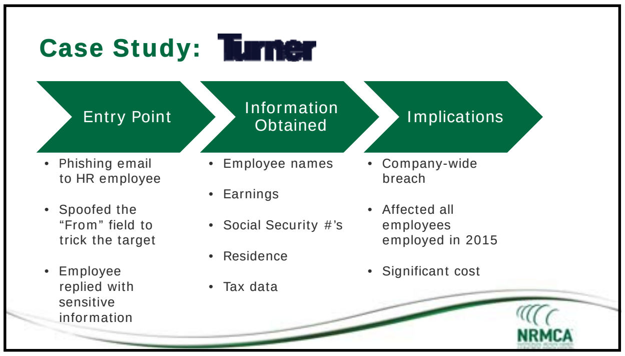


## A Constant Threat…

| | |
|---|---|
| Malware | • Sends viruses usually through email attachments |
| Phishing | • Requests your data through disguised links |
| Password Attacks | • Cracks your password |
| Denial-of-Service | • Disrupts and cripples your network |
| Man in the Middle | • Impersonates people and websites you know |
| Drive by Download | • Downloads malware from a trusted site |
| Malvertising | • Unleashes malicious codes when you click an ad |
| Rogue Software | • Poses as legitimate software updates |



## …With Many Entry Points

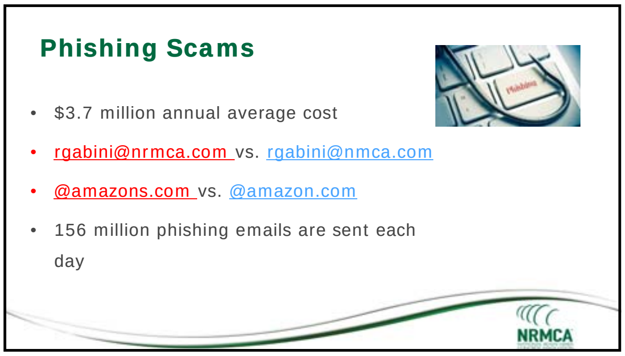


## Case Study: Turner

Entry Point
- Phishing email to HR employee
- Spoofed the "From" field to trick the target
- Employee replied with sensitive information

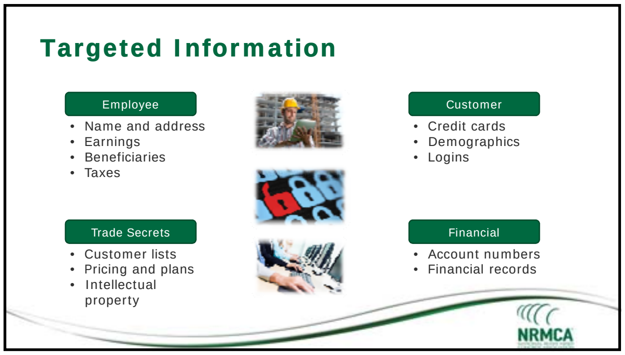
Information Obtained
- Employee names
- Earnings
- Social Security #'s
- Residence
- Tax data

Implications
- Company-wide breach
- Affected all employees employed in 2015
- Significant cost



## Phishing Scams

- $3.7 million annual average cost
- rgabini@nrmca.com vs. rgabini@nmca.com
- @amazons.com vs. @amazon.com
- 156 million phishing emails are sent each day



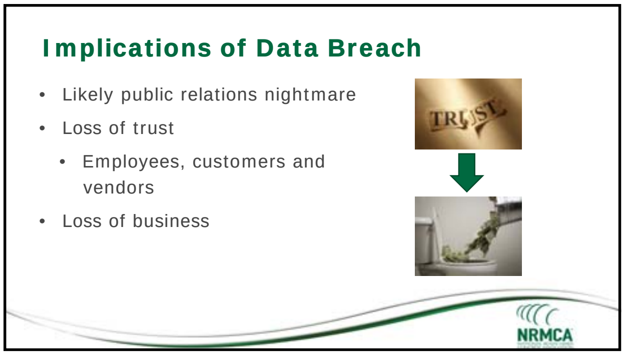
## Targeted Information

Employee
- Name and address
- Earnings
- Beneficiaries
- Taxes

Customer
- Credit cards
- Demographics
- Logins

Trade Secrets
- Customer lists
- Pricing and plans
- Intellectual property

Financial
- Account numbers
- Financial records



## Implications of Data Breach

- Likely public relations nightmare
- Loss of trust
  - Employees, customers and vendors
- Loss of business

## Implications of A Breach

**Financial Impact**

- Average Cost:
  - $4 million globally
  - $7 million U.S.
- ~$221 per each sensitive record compromised

- What makes up these costs?
  - Employee terminations
  - Outside consultants
  - Loss of business ($3.97/record)

Source: Ponemon Institute

## Implications of A Breach

**Transportation Sector**

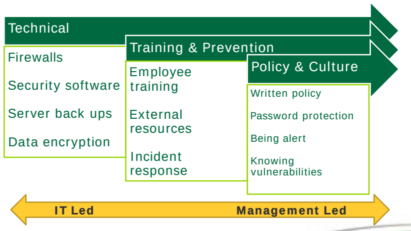
- ~$129 per each record (transportation industry)
- Average of 29,611 records compromised during 2016

**Potential Business Impact**

Less than 1,500 hacked records can cost as much as 1 ready mix truck

An "average size" attack could replace your next acquisition!

## Protecting Your Assets



Technical

- Firewalls
- Security software
- Server back ups
- Data encryption

Training & Prevention

- Employee training
- External resources
- Incident response

Policy & Culture

- Written policy
- Password protection
- Being alert
- Knowing vulnerabilities

IT Led — Management Led

## Where Can Senior Managers Focus?

| Recommendation | Rationale |
|---|---|
| Reinforce a culture of tight cybersecurity | • Most boards of directors think cyber security is a threat<br>• Management support is key |
| Support mandatory training | • Creates awareness<br>• Threats evolve over time |
| Ban thumb drives | • Many carry viruses and malware |
| Limit access to sensitive data | • Reduces risk exposure<br>• Edward Snowden example |
| Support a strong password policy | • Most common passwords are easy to hack |

*Source: Paul McGillicuddy*

## Most Common Passwords
**(Based on 2015 data)**

- 123456
- password
- 12345
- 12345678
- qwerty
- 1234356789
- 1234

*"...There are only two different types of companies in the world: those that have been breached and know it, and those that have been breached and don't know it.*

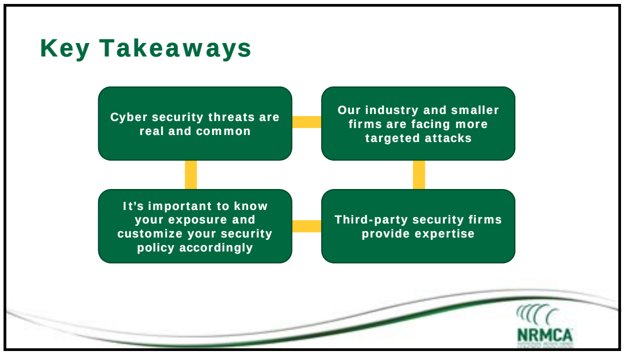
*Ted Schlein, Venture Capitalist*

*Source: Paul McGillicuddy*

## Ensuring Strong Passwords

- Create password 10 characters or longer
- Include uppercase & lowercase letters, numbers, and symbols

*Source: csid*



## Key Takeaways

Cyber security threats are real and common

Our industry and smaller firms are facing more targeted attacks

It's important to know your exposure and customize your security policy accordingly

Third-party security firms provide expertise

## Thank You