

# BASF IN SEARCH OF GLOBAL COMPLIANCE

The German chemical group's subsidiaries operating in South America have aligned their IT departments by adopting risk management technology in order to meet requirements issued by the company's headquarters

**H**aving a Master Information Security Plan in line with the internal policies established by the German Headquarters (HQ) was BASF S.A.'s ultimate goal. Last year, it decided to invest in the so-called "Security Compliance" project. The initiative spread throughout its South American operations, which encompass ten countries with combined annual revenue of €2.7 billion, and nearly five thousand employees. In order to achieve this, the chemical conglomerate relied on Modulo Risk Manager – Modulo's Governance, Risk and Compliance (GRC) software.

According to BASF's South American Chief Information Security Officer (CISO), Ricardo Dastis, the region's subsidiaries have been complying with the company's global Information Security policies and guidelines through a plan that is updated on an annual basis. He states that the company has achieved maturity in this area; however, it still lacks a deeper level of compliance with the global Information Security guidelines, which include specific standards for the operation of the company's corporate systems.

In order for the region's subsidiaries to adhere to the global model, the countries' IT environments

underwent an assessment. This endeavor was assisted by Modulo Risk Manager, which enabled the import of a list of security requirements developed by BASF's HQ into its own database. After developing a questionnaire, the tool was used to map out the degree of compliance with the guidelines established by the HQ.



**Dastis**, BASF's CISO: "We now have the information required to provide quick answers, which makes me more confident"

The first phase included the mapping of four guidelines focused on e-mail applications, network servers, workstations, and the data centers. Each of these was thoroughly assessed to determine what was required with regard to compliance.

User access and Lotus Notes e-mail security and password management were evaluated, along with preventative measures to ensure workstation and network server operation, as well as the

physical security standards of BASF's data centers in South America. Dastis explains that all of these environments should be in compliance with the security requirements mandated by the company's HQ.

The project was kicked off in Brazil, and soon thereafter it was replicated throughout the other South American countries, particularly Argentina, Chile and Colombia. Based on the results from the assessment performed by Modulo's tool, the IT teams were able to pinpoint all non-compliance issues. This, in turn, enabled each subsidiary to develop action plans, which are currently being implemented through the end of 2008.

### Project Benefits

"Every country has now homework to do. The intent is for all of them to adopt a standard risk mitigation plan", says Dastis. BASF hopes to increase the project scope after all action plans have been implemented. He claims gains obtained during the first phase of the project, which involved a thorough Information Security assessment of the four areas chosen by the South American subsidiaries. According to the CISO, the project's key benefit is the increase in the IT teams' knowledge about BASF's global guidelines. Until then, everyone knew of the internal guidelines, but had yet to study the documents in depth. "The project included a checklist which enabled the teams to work together to assess each security requirement. Now everyone is aware of the existence of the data repository, and what needs to be done", states Dastis. The enhanced knowledge of the subject helps the teams when implementing new corporate applications. Whenever analysts have a question, they can refer to the leading practices established by the HQ. "Now I know exactly what our gaps are, and I have access to accurate information to make decisions when responding to inquiries from HQ. This makes me more confident", says BASF's South American CISO.

## **BASF's Businesses**

Founded in 1865, BASF is a German chemical conglomerate headquartered in Ludwigshafen. Its production units, spread throughout 39 countries, conduct business with customers in over 170 nations worldwide. Over the course of these 140 years, the industry has developed a series of products to meet the demand of certain segments from chemical, agricultural, and food to oil & gas.

BASF has €8 billion in annual revenues and nine thousand employees worldwide, according to its 2007 annual report. It is currently traded in the Frankfurt (BAS), London (BFA) and Zurich (AN) stock exchanges. The group is present in 10 countries throughout South America, with combined revenues of approximately € 2.7 billion, and one thousand employees by the end of last year.

It has been operating in Brazil for nearly a century. It began operations there in 1911, when it started selling aniline, alizarin, and indigo dye compounds to the Brazilian textiles and leather industry. The company used to own a commercial branch in Rio de Janeiro.

In August 1955, the group decided to build a production plant in Brazil, and the city chosen was Guaratinguetá, located halfway between Rio de Janeiro and São Paulo. In 1959 BASF opened its first production plant in that city with 95 employees dedicated to the production of inorganics, plastics, monomers, polymers, and Styropor. At present, the German group has production plants in the following locations in Brazil : Bahia (Camaçari), Pernambuco (Jaboatão), and São Paulo (Guaratinguetá, Mauá, São Bernardo do Campo and São José dos Campos). Among the products developed in the country are the proprietary coatings Suvinil and Glasurit.

