





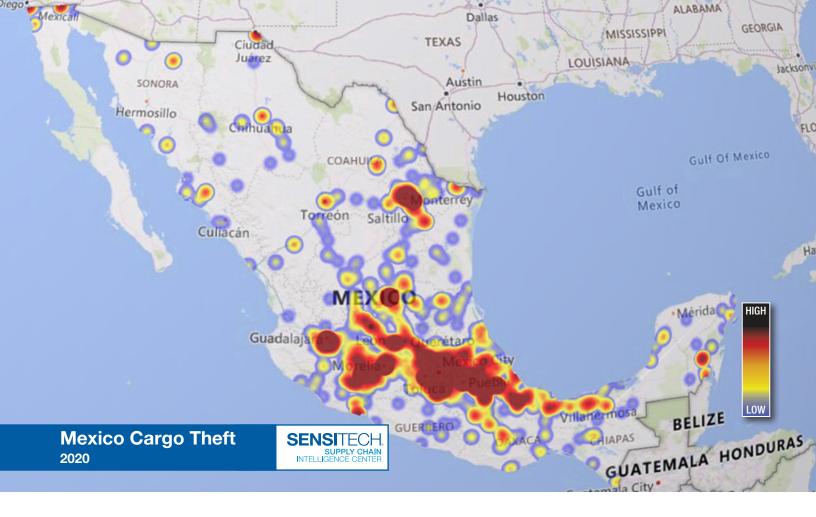




Cargo Theft Intelligence Report

Mexico Edition 2020 Annual Report



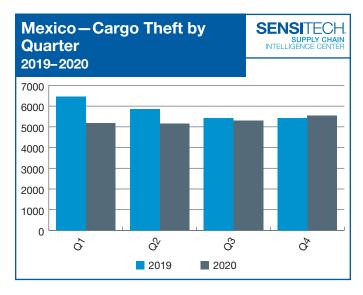


Introduction

The Sensitech® Supply Chain Intelligence Center (SCIC) recorded a total of 21,145 incidents of cargo theft in Mexico in 2020. This amount represents a decrease of 9% compared to 2019, which is attributed to the pandemic's effects on economic activity in the country and consequently on the volume of cargo available in transit.

With a monthly average of 1,762 cargo thefts, in Mexico a rate of 63.4 incidents per day was maintained during 2020, so the risk level is characterized as **SEVERE** on the SCIC's five-point risk scale, which goes from **LOW** to **MODERATE**, **ELEVATED**, **HIGH** to **SEVERE**, even with the decrease registered between 2019 and 2020.

It should be noted that delays in reporting incidents result in measured increases in theft volumes following the publication of SCIC reports. As such, the totals reported in previous documents have been modified and the changes have been reflected in the comparisons of current records with previous periods presented in this report.

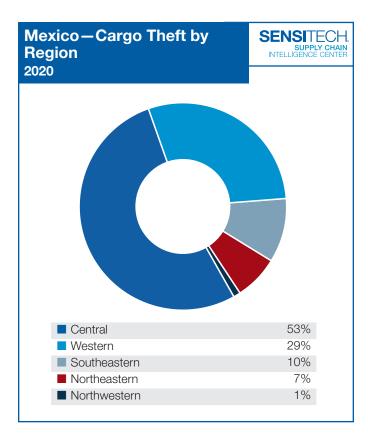


Geographic Profile

The map at the top of this page shows the geographic concentrations of cargo theft risk in Mexico. The high-risk areas for cargo transportation are concentrated in the Western and Central regions of Mexico, mainly in the State of Mexico, Guanajuato, Puebla, and Veracruz.

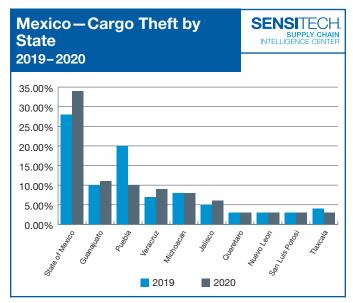
Cargo Theft by Region

In 2020, 82% of the cargo theft incidents in the country were concentrated in the Central (53%) and Western (29%) regions. Although the center of the country continues to represent the highest risk, in 2020 there was a 4% decrease in the concentration of theft in this region, while a combined increase of 3% was detected in the Western and Southeastern regions.



Cargo Theft by state

The following graph shows the top ten states with the highest incidence of cargo theft during 2020, accounting for 90% of theft occurrences in the country.

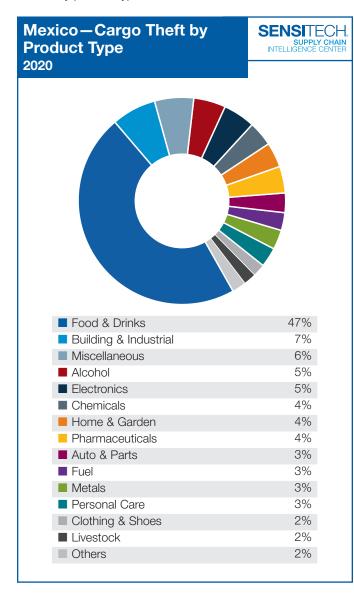


The State of Mexico ranked first in cargo theft, with a concentration of 34% of national occurrences. This percentage represents an increase of 6% compared to 2019; the decrease in the concentration of thefts in the Central region is mainly attributed to the significant decrease observed in the state of Puebla, which fell from 20% in 2019 to 10% in 2020.

In the Western region, there was an increase of 1% in the concentration of risk in the state of Guanajuato, which rose to second place at the national level.

Cargo Theft by Product Type

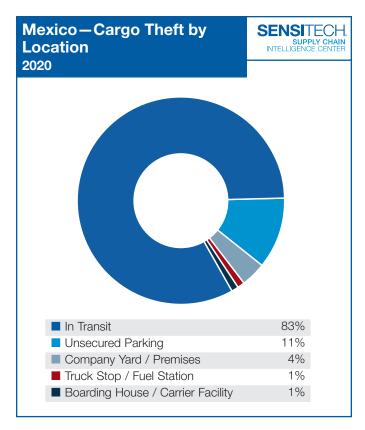
The following graph shows the distribution of cargo theft in Mexico by product type.

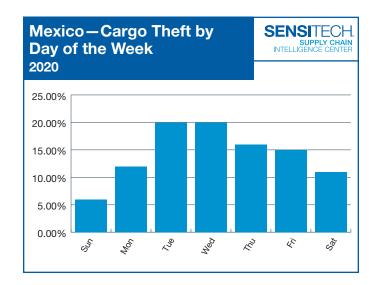


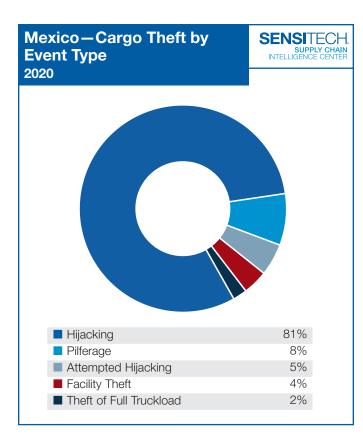
The most frequently stolen products are: Food & Drinks (47%), Building & Industrial (7%), Miscellaneous (6%), Alcohol (5%), and Electronics (5%).

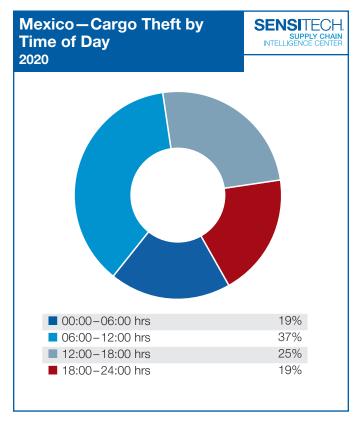
Criminal Pattern at the National Level

The following graphs show the distribution of cargo theft by location, type of event, day of the week and time, through which a criminal pattern is established at the national level.







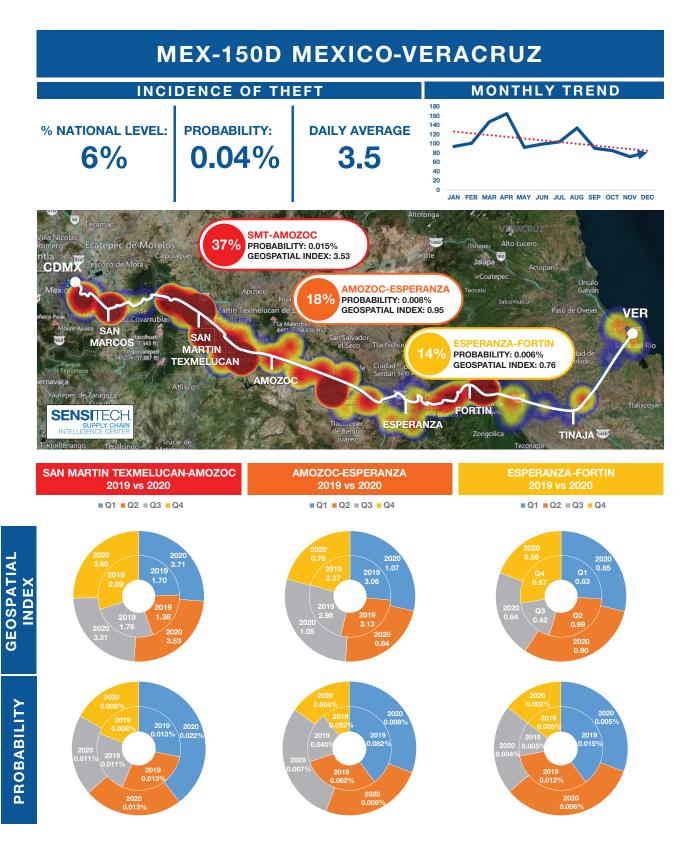


Among the trends to be highlighted, in 2020 there was a 6% increase in the theft of parked units, mainly while stopped at *Unsecured Parking* locations; however, thefts of trucks from *Customer Facilities / Carrier Yards* also occurred more frequently compared to 2019.

Similarly, it is worth noting the 5% increase in theft during daylight hours. In 2020, a 2% increase in the frequency of theft was detected from 06:00 a.m. to 12:00 p.m. and an increase of 3% from 12:00 p.m. to 6:00 p.m.

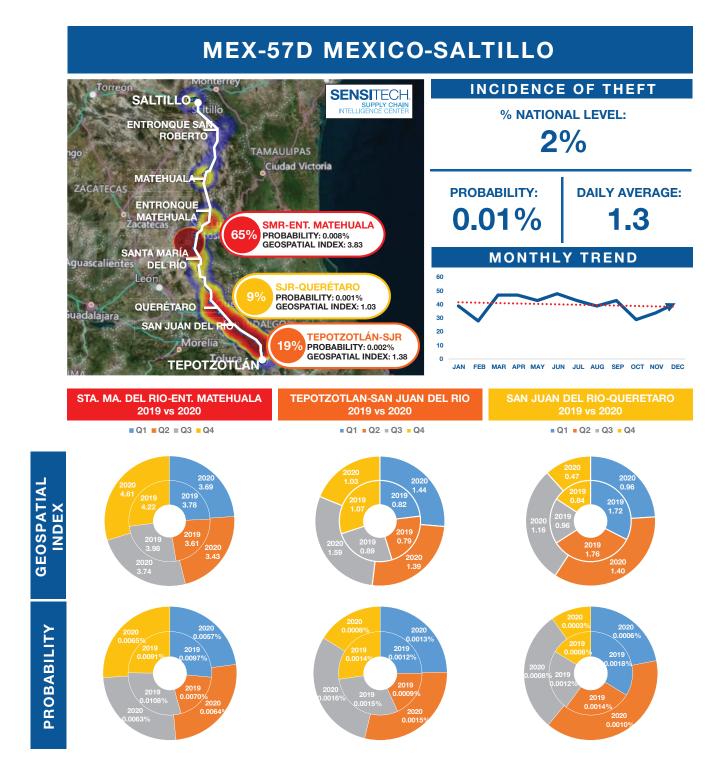
Criminal Pattern by Highway

The following is a detailed risk analysis of three highways that connect the central region to the main sea and land ports of the country. The risk levels are shown in terms of the *probability* of being a victim of cargo theft based on the daily traffic volume as reported by the Secretary of Communications and Transport (SCT) and the *geospatial index*, which measures the spatial correlation and timing of crimes in the different highway sections. The 2019 and 2020 quarterly comparison of both criteria is included for the three highest risk sections of each highway, making it possible to observe the evolution of cargo theft crime along each route.



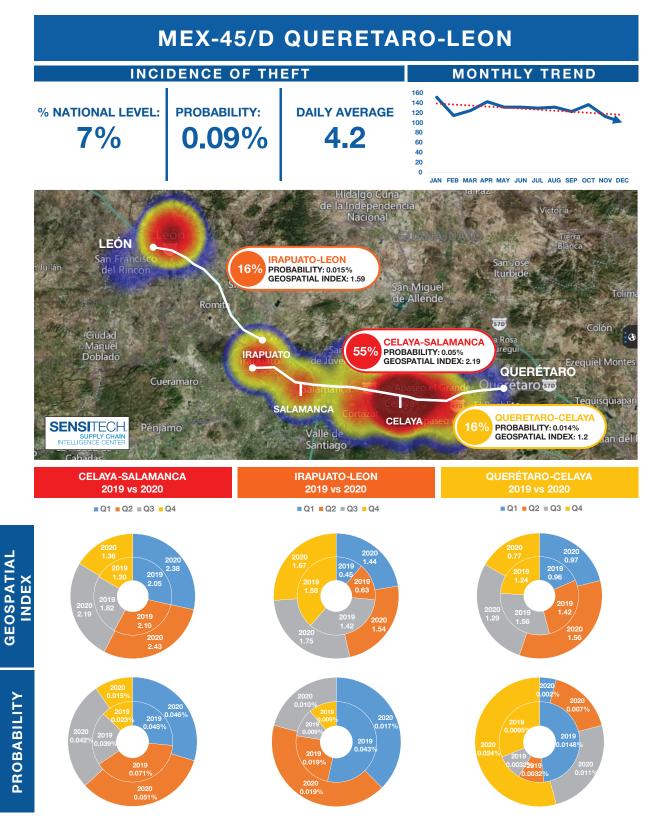
On the Mexico-Veracruz Highway (MEX-150D), a shift in crime was observed from the Amozoc-Esperanza section, in which a significant decrease was recorded between the geospatial index from 2019 to 2020, to the San Martin Texmelucan-Amozoc section, in which a proportional increase was registered. In the three sections, a decrease in the probability of theft was detected throughout the year, registering a lower probability in Q4-2020 than that observed in Q1-2020, coinciding with the decreasing monthly trend registered along the highway.

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Of the three highways analyzed, the Mexico-Saltillo Highway (MEX-57D) represented the highest volume of freight unit traffic and the lowest frequency of crimes of theft from carriers (1.3 per day). Therefore, the probability of an incident of theft on this highway is reduced to 0.01%. In 2020, an increase in the concentration of crimes was observed in the Santa María del Rio-Matehuala section (3.69 in Q1-2020 to 4.61 in Q4-2020).

This trend differs from the decreases observed in the sections of Tepotzotlan-San Juan del Rio (1.44 in Q1-2020 to 1.03 in Q4-2020) and San Juan del Rio-Queretaro (0.96 in Q1-2020 to 0.47 in on Q4-2020).



Even with a monthly downward trend in 2020, the Querétaro-Leon Highway (MEX-45D) registered the highest average of incidents of theft of the three highways (4.2 incidents of theft per day) and the lowest traffic volume. Therefore, the probability of cargo theft on this highway rose to 0.09%. The section with the highest risk, with 55% of crimes, is from Celaya to Salamanca, specifically between kilometers 37 and 49, although this section has presented a decrease in geographic concentration from 2.38 in Q1-2020 to 1.36 in Q4-2020.

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Recommendations for Risk Mitigation

Some recommendations proposed by Sensitech are for the driver to remain alert throughout the trip, especially in high-risk areas and areas with signal loss. Drivers must report to their monitoring center all risk situations that might arise during a trip, such as suspicious people and vehicles.

Furthermore, we recommend training drivers in safety issues; carrying out transport operations during daylight hours; maintaining the cargo vehicle transporting the merchandise in good mechanical condition; and constantly monitoring operations so as to identify incidents in real time and be able to react immediately. We suggest stopping at previously established, low-risk areas and to not deviate from authorized routes.







About Sensitech Security Services Data



Unless otherwise noted, the theft statistics in this assessment are derived from data collected by the Sensitech Supply Chain Intelligence Center (SCIC) and other information collected from reliable sources. The SCIC captures cargo theft and supply chain risk data from numerous sources around the globe. These include, but are not limited to, the databases of Sensitech's Security Services, its customers, law enforcement agencies, industry organizations, insurance industry sources, and news reports. This report offers an analysis of the data collected during 2020, providing insight into cargo theft and supply chain risk across the globe.

Please note that cargo theft goes largely unreported; as such, total theft figures for a particular country or region are likely higher than stated. In addition, global cargo theft circumstances and risks change, sometimes frequently and quickly, and in ways that may make the facts and opinions expressed here no longer valid. Therefore, the extent to which organizations rely on the information provided in this assessment should be solely at their discretion.

About Sensitech Security Services

Sensitech Inc. is a leading provider of **global logistics security services**, offering tracking and monitoring solutions that provide organizations with cargo security, **transparency** and **supply chain integrity** from origin to destination. Using real-time visibility technology and layered solutions, organizations can actively monitor their cargo anywhere in the global supply chain to mitigate the risks associated with theft, spoilage, counterfeiting and more. With operations across the globe, Sensitech is uniquely positioned to deliver services regionally across diverse supply chains.

Sensitech is focused on delivering supply chain visibility solutions that track, monitor and protect products for global leaders in the food, life sciences, consumer goods, and industrial markets. Our solutions are focused in three key areas: **cold chain**, **supply chain security**, and **logistics performance management**. Cold chain solutions address temperature-sensitive, complex supply chains focused on delivering the highest quality possible, while our supply chain security solutions help to mitigate risks associated with theft, diversion and chain of custody. Sensitech's logistics performance solutions deliver origin-to-destination, real-time transparency to any in-transit journey. Sensitech is an ISO 9001:2015 company, headquartered in Beverly, Mass., with over 35 sales, service and distribution locations around the world. Sensitech is a **Carrier** company, a leading provider of heating, air conditioning and refrigeration systems, building controls and automation, and fire and security systems leading to safer, smarter, sustainable and high-performance buildings.

More information about Sensitech is available at www.sensitech.com

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