

NEWS RELEASE

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TAPA LAUNCHES NEW TRUCKING SECURITY REQUIREMENTS TO FIGHT BACK AGAINST \$10 BILLION LOSSES FROM ORGANIZED CRIME ON INTERNATIONAL HIGHWAYS

A new global security standard to protect high value consumer goods travelling on international roads has been launched by the Transported Asset Protection Association (TAPA) to stamp out cargo crime levels involving attacks on vehicles estimated to cost in excess of \$10 billion per annum.

The updated and enhanced Trucking Security Requirements 2012 (TSR) replaces the 2008 version and takes effect from January 1st 2012. TSR has proven to be extremely effective for TAPA members in helping to eradicate what is a growing problem for manufacturers and global supply chain service providers. Organized criminals target what they regard as vulnerable cargo loads as they move on roads through Asia, the Americas, Europe, the Middle East and Africa and in one of the most recent incidents a truck driver lost his life in a violent criminal attack. The mounting cost of losses and insurance claims is also impacting product prices for consumers.

TAPA's 700+ global members include leading brand manufacturers in the high-tech, pharmaceutical, metal, luxury goods, tobacco and fashion industries as well as their logistics, freight forwarding, insurance and transport partners. The combined annual revenue of its members exceeds \$900 billion.

The Association previously took similar action in 2001 when it launched its original Freight Security Requirements (FSR) to protect warehouse operations from attacks by criminals. Today, FSR is recognized as the world's leading standard for securing freight centres. Having significantly reduced incidents involving warehouses, TAPA has since seen a dramatic increase in road-based crime.

In a joint statement, TAPA's regional chairmen, said: "The world of cargo crime is no longer about an opportunist individual stealing a product from a box in a warehouse. Today, we are dealing with gangs of organized criminals that are often armed and prepared to go to any lengths, like what we recently seen in September, with the murder of a driver during a hijack of his vehicle in the Philippines. Vehicles are attacked whilst being parked up overnight, at motorway service stations and even while moving and, in some countries, this may start with truck drivers being stopped by what turn out to be authentic-looking but bogus law enforcement officers.

"The new and enhanced TAPA Truck Security Requirements, which includes mandatory certification, supports the users and providers of trucking services, providing a common

standard of security measures and taking into account the different ways these services are provided globally. When adopted, TSR is a mandatory standard and adherence to it is validated and auditable by a TAPA-approved and trained independent auditor. We believe that TSR certification will result in TAPA members globally seeing a continued reduction in crime involving vehicles, similar to the significant decline in losses from warehouse attacks witnessed by members that have FSR certified facilities.

“We are very grateful to the companies that supported this initiative by committing employees’ time to work on this critical project. It is very much an investment in the greater good and an opportunity to change some of the ways companies’ do business with each other to further protect the supply chain.”

Cargo crime is one of the biggest supply chain challenges for manufacturers of high value, high risk products and their logistics service providers. In the European Union alone, the cost to businesses is estimated at €8.2 billion a year and is still growing while in the Americas, estimates for losses range from \$3-5 billion per annum. Globally, some 85% of all major cargo thefts occur during road transportation so the need for a robust and consistent trucking standard is critical.

Research shows that TAPA members, when supported by TAPA security standards, incur significantly lower theft loss levels than the industry average. Through participation in TAPA and the many opportunities for sharing crime intelligence, training, networking and its close co-operation with regulatory bodies and international law enforcement agencies, TAPA members learn to identify and understand security risks and how they can best be mitigated. TAPA’s 2010 Financial Benchmark report indicates that losses incurred by non-members are three times higher than for TAPA members.

Jason Teo, Chairman of TAPA Asia, said: “With the increase in Road Networks throughout Asia, TAPA TSR will definitely assist companies manage the security risks of road transportation by adopting the appropriate level of security for each section of the supply chain. Besides protecting the cargo, the safety of truck drivers is also our concern and it can be enhanced with the adoption of TSR. As part of our corporate responsibility, companies need to ensure that their truck drivers are working within a secured truck and given the appropriate security training. Therefore, TAPA Asia strongly urged all manufacturers and logistics service providers to secure your ground transportation using the TSR, so that we can create a safe and secure environment for everyone.”

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Notes to the editor

About TAPA:

The Transported Asset Protection Association (TAPA), a **non-profit organization**, is a unique forum that unites global manufacturers, logistics providers, freight carriers, law enforcement agencies, and other stakeholders with the common aim of reducing losses from international supply chains.

Founded in 1997, TAPA has three regions across the globe namely Asia, Europe, the Middle East and Africa and the Americas. The Association has over 700+ members include many of the world's leading manufacturing brands as well as their logistics and transport providers with combined annual sales of over US\$900 billion. For further information visit their website at <http://www.tapa-asia.org/>

TAPA has developed Freight Security Standards (FSR) for the Supply Chain, which includes warehouse security, Truck Security Requirements (TSR) for road transportation, Air Cargo (TACSS) and Food & Drugs security (FDFSR).

TAPA is moving quickly and effectively, promoting a worldwide security standard, sharing crime intelligence with its members and law enforcement partners and launching practical initiatives. The Incident Information Service (IIS) is a database of freight crimes occurring against the industry and TAPA members. The database stores incidents such as crimes of hijacking, robbery, warehouse burglary, fraud, theft from facilities and thefts from and of the vehicle & load.

About Incident Information Service (IIS)

The IIS was designed to improve the availability and flow of information on crimes against high-technology logistics supply chains within industry and between industry and Law Enforcement Agencies (LEA's). Its scope has subsequently been broadened to encompass not solely hi-tech freight chains but also other high value freight.

Its goal is to provide a centralised resource of knowledge related to criminality against freight in transit within the ASIA region and to facilitate the dissemination of that information to member companies and to LEA's.

What are the benefits?

- ❖ Facilitates the rapid dissemination of incident occurrence, which should aid in the investigation and recovery of stolen items.
- ❖ Provides well-supported statistical analyses of problem areas to allow corrective and pre-emptive actions to be taken.
- ❖ Increases awareness of the cargo theft problem at local, National and International levels.

What does IIS provide?

- ❖ Provides a service of "Flash" e-mail Incident Event Notification to rapidly broadcast information about new incidents as soon as they are reported
- ❖ Provides a database of incidents against member's freight can be stored in a common format, analysed and made available to all members and to relevant Law Enforcement Agencies (LEA's).
- ❖ Provides a managed directory of contacts within LEA's, manufacturers and logistics security personnel.
- ❖ Provides a directory of links to sources of manufacturer's product descriptions to support investigative activities.
- ❖ Disseminates a Quarterly Bulletin summarising recent incident information and other pertinent analyses of the reported data

The IIS database is secure and the details of the owner of the property and the loser, whether a buyer or a Logistics Service Provider remain confidential and anonymous.

Cargo Crime

According to the US FBI's report in 2006, the cost of global cargo theft is estimated to be billions of US\$ per year and according to the European Union, the theft of high value, high risk products moving in supply chains in Europe costs businesses in excess of €8.2 billion a year.