

H1-2024 SUPPLY CHAIN RISK OVERVIEW FOR MICRON

Increase in Electronic Cargo Thefts vs H1-2023

36%

Average Loss Value of Electronics

\$699,000

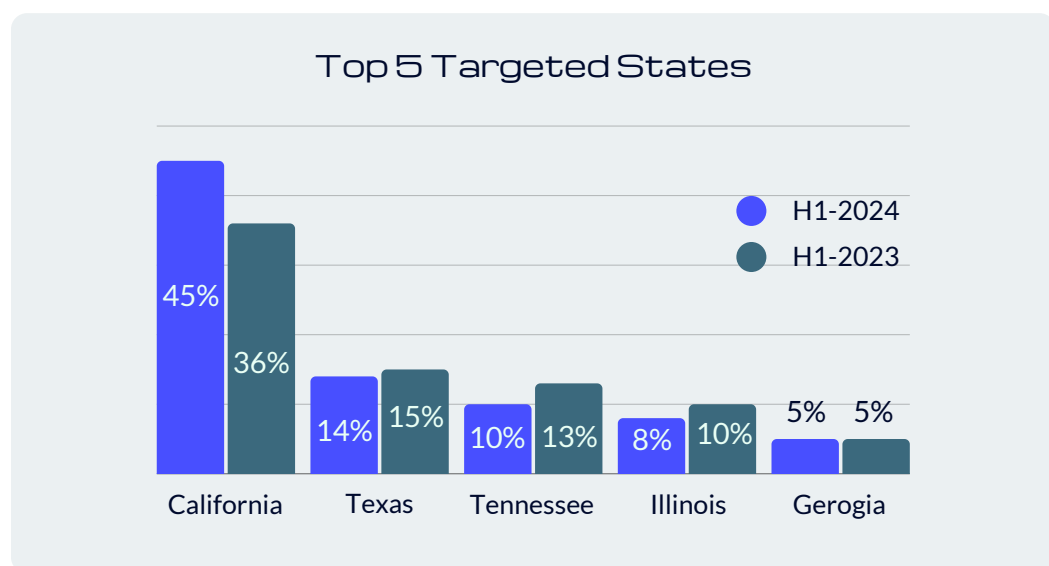
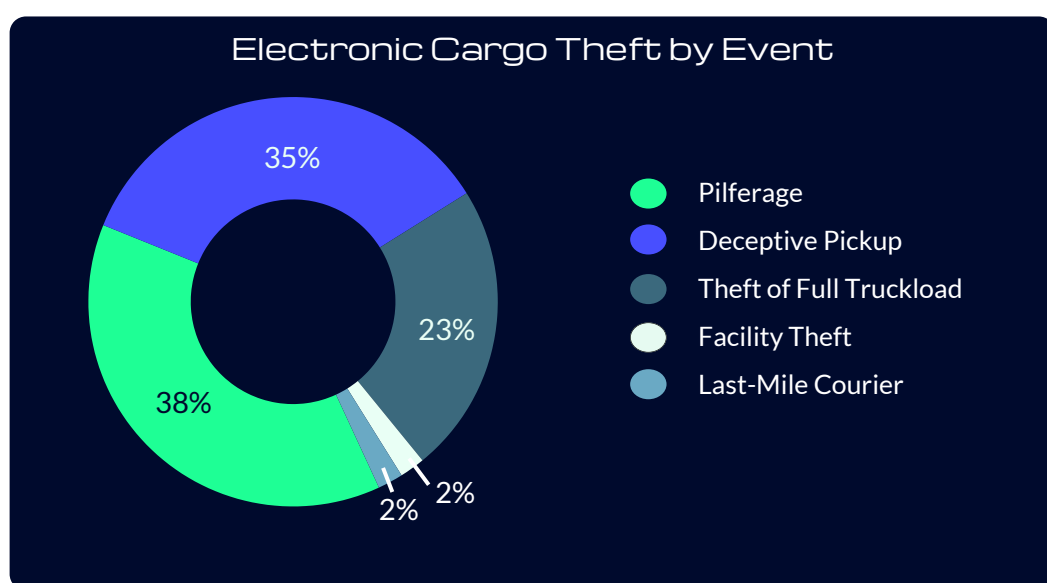
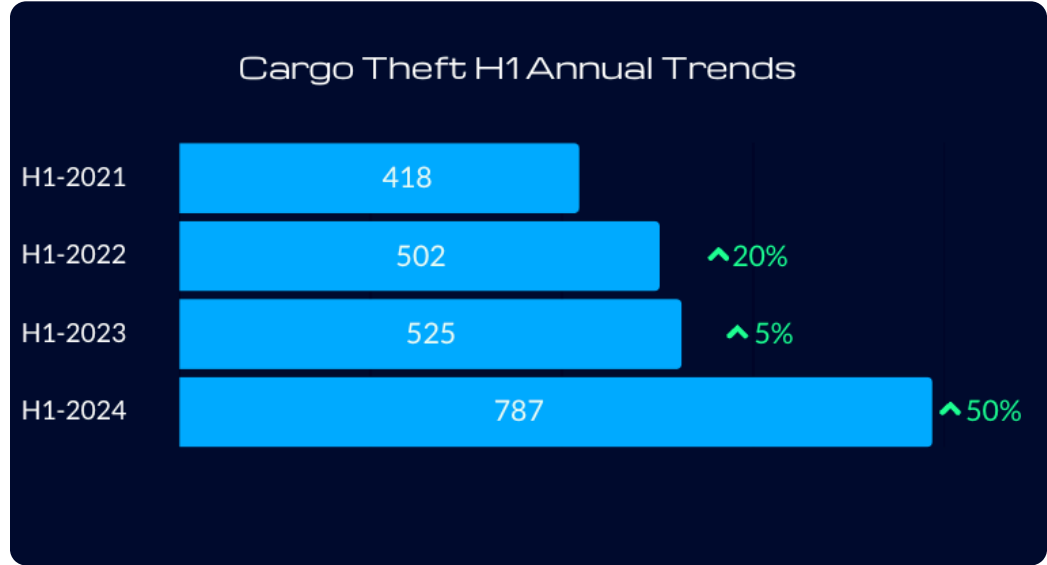
Criminals are targetting high-value loads.

Average Cargo Thefts per Day

4.34

Total Recorded Cargo Thefts

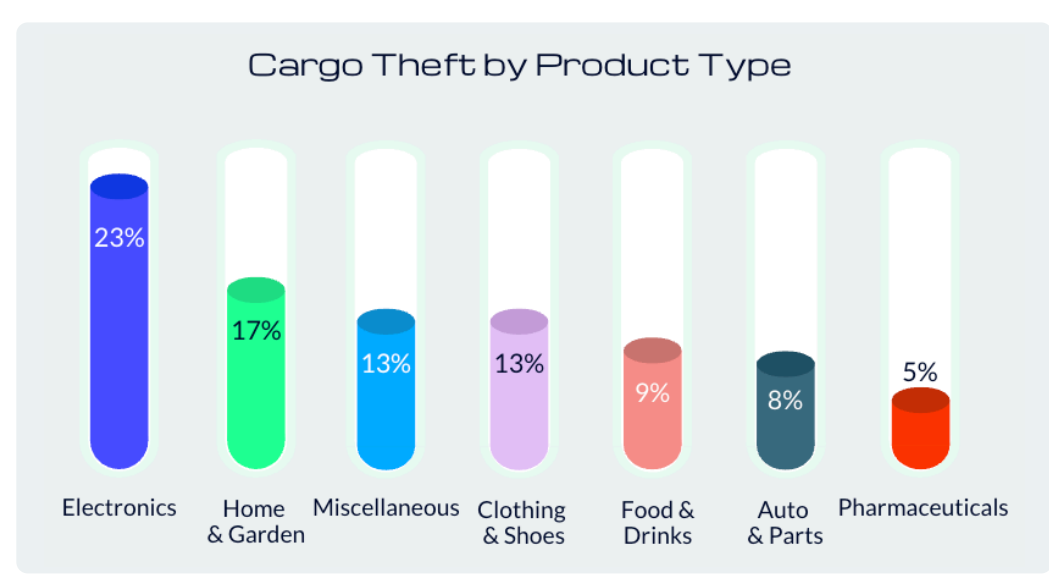
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Micron - Brand / IP Risk

Micron faces considerable challenges in protecting its supply chain, notably from potential infiltration by foreign adversaries. This risk is particularly acute given the company's contracts with sensitive sectors, including the U.S. federal government. Any breach could not only compromise the security of products intended for government use but also pose a significant threat to Micron's intellectual property. Such incidents could irreparably harm Micron's brand reputation, undermining trust and diminishing its standing in the market.

Overhaul's expertise in securing complex supply chains is critical in this context, providing robust surveillance and monitoring capabilities that detect and thwart any unauthorized or malicious activities. By safeguarding the integrity of Micron's products throughout their distribution, particularly those supplied to the U.S. federal government, Overhaul helps protect Micron's brand reputation and preserves its valuable intellectual property.



Risk Management Program ROI

A \$1 spend with Overhaul returns an \$8 cost saving for Tech industry customers.

Why Micron Goods are Targets

- High demand** - Micron products are always in high demand, making them attractive targets for theft
- Portability** - Micron products are small and easy to transport, facilitating theft and resale
- Resale value** - stolen electronics, especially Micron products, can be sold at high prices on the grey/black market, providing substantial profit for thieves

Highlight - Recovery Case

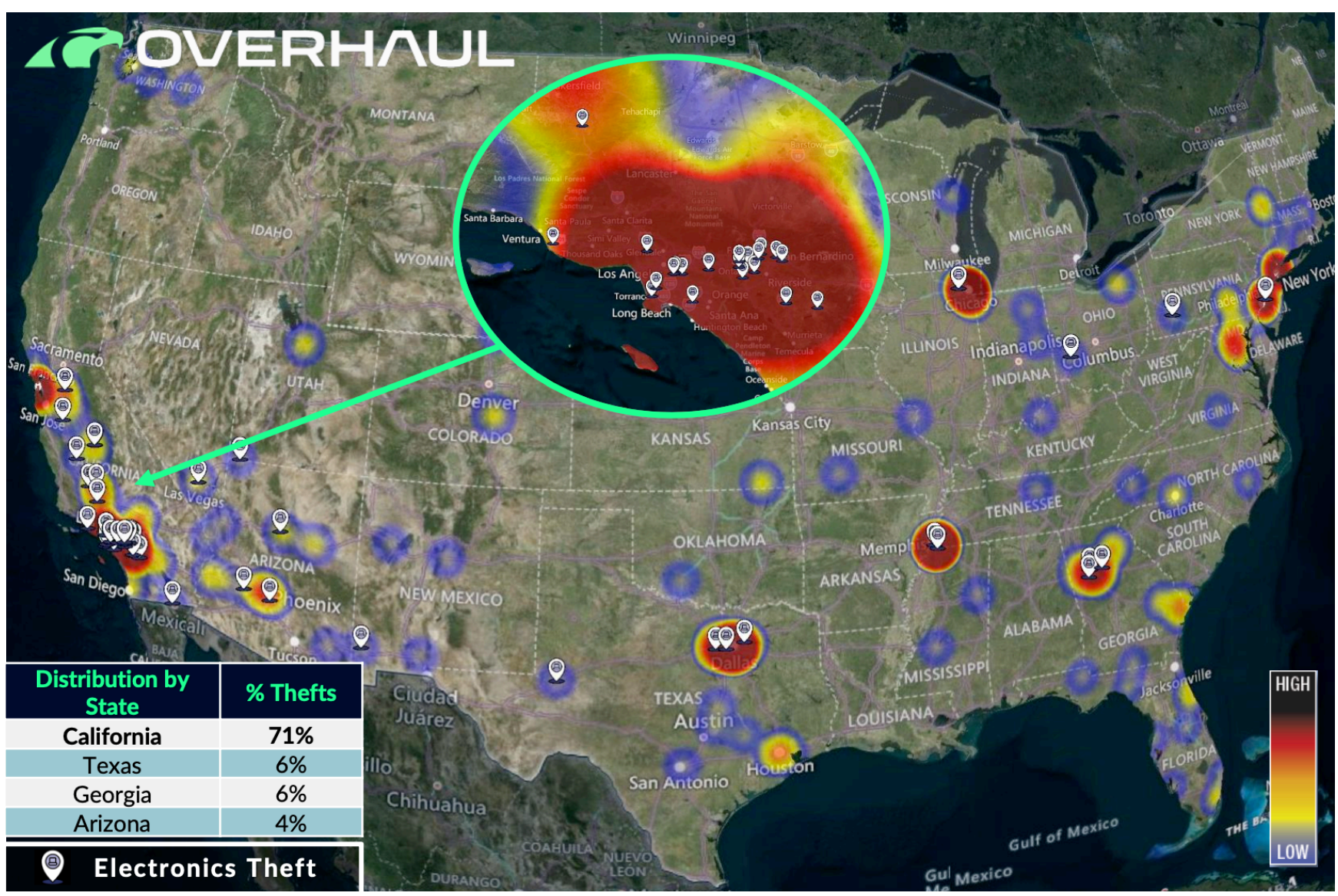
Stanton, California | Electronics | March, 24

Overhaul's recovery team recently played a crucial role in the successful recovery of a shipment of electronics in Southern California. The shipment was detected by Overhaul as deviating from its established route and heading towards SOCAL, where it stopped at a warehouse in Stanton, CA. The Overhaul Law Enforcement Team was immediately activated and contacted the California Highway Patrol for assistance.

Upon arrival, the officers witnessed electronics being unloaded at the location. However, they were unable to enter the warehouse without a warrant. (Follow to the right)

The next morning, the California Highway Patrol had the warehouse under surveillance and observed a tractor-trailer arrive and more unknown product being unloaded. Once they obtained the warrant, they locked down the warehouse and detained all suspects.

Upon inspection of the trailer, it was discovered that it was empty and the suspects were in the process of loading the electronics into the newly arrived tractor-trailer. Thanks to the quick actions of the Overhaul team the cargo was secured and taken back to its origin, preventing any potential loss for the client. This successful recovery is a testament to the effectiveness of Overhaul's logistics risk management software and services in preventing cargo theft and other issues while in transit.



Micron's manufacturing facility is located in Boise, Idaho, and the company utilizes numerous qualified distributors across the U.S., many of which operate in areas prone to high cargo theft.

Riskiest Lanes in the U.S.

- Torrance, CA - Phoenix, AZ. represents 32% of cargo theft
- Torrance, Ca. - Albuquerque, NM. represents 31% of cargo theft
- Torrance, CA - Sacramento, CA. represents 22% of cargo theft

Micron distribution providers' locations & Electronic Theft %:

- D&H - Fresno, California & Atlanta, Georgia - 71% & 6%, respectively
- Avnet - Chandler, Arizona - 4%

Key distribution providers for Micron are exposed to the riskiest transportation lanes and states in the U.S., increasing the potential for theft. This vulnerability could lead to a decline in brand reputation and a decrease in profits.

What Overhaul provides to diminish this risk:

- 80 percent reduction in theft attempts
- 96 percent recovery rate of stolen goods

Overhaul Intelligence:

- The Midwest is experiencing a significant rise in fraudulent activities, with multiple groups using diverse tactics to steal high-value cargo. The theft ranges from straightforward stealing to complex schemes like false documentation and identity theft
- Overhaul has intelligence on organized crime groups targeting cargo across the US

Q1-2024 CARGO THEFT TRENDS - US

Increase in Total Cargo Thefts vs Q1-2023

38%

Average Loss Value

\$210,597

Criminals are targetting high-value loads.

Average Cargo Thefts per Day

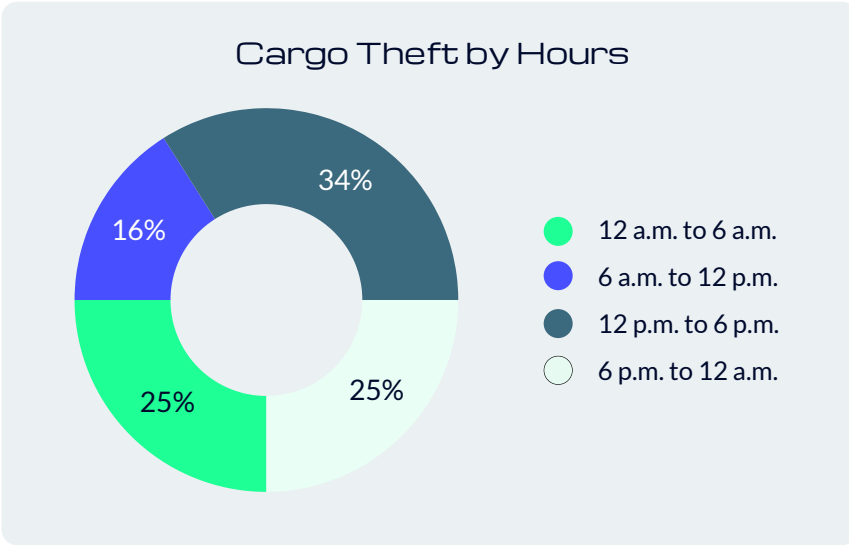
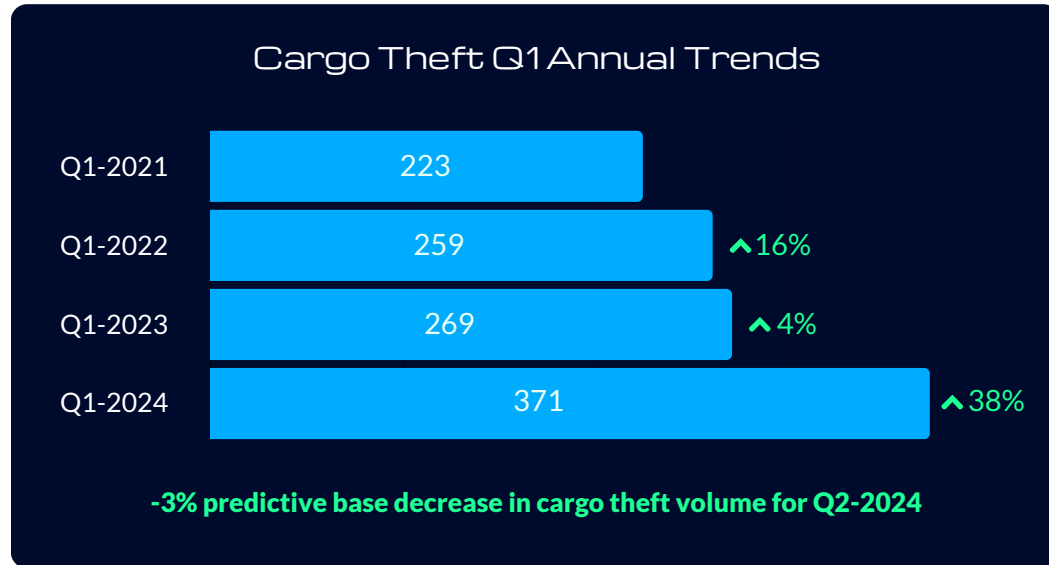
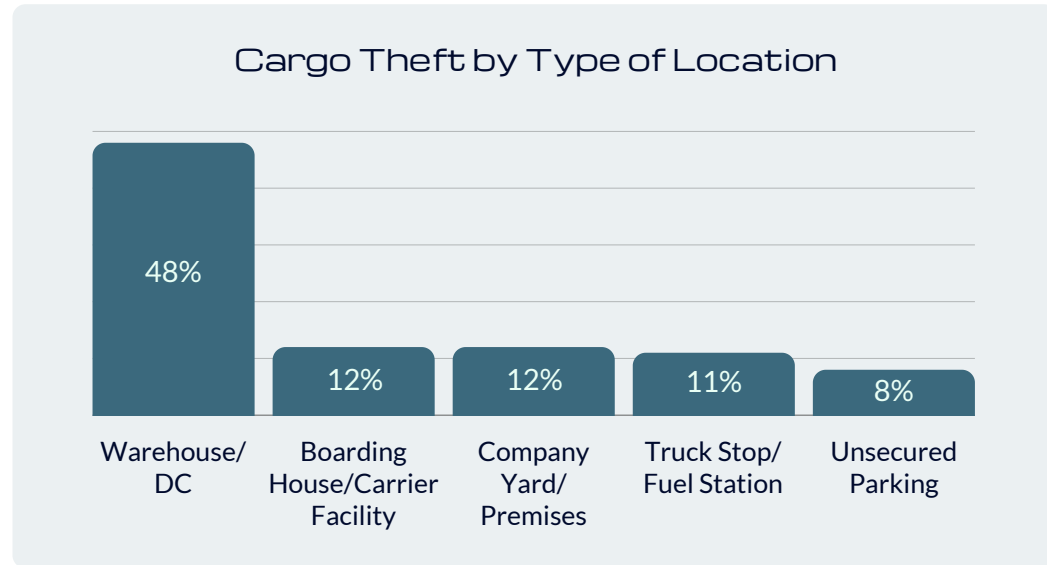
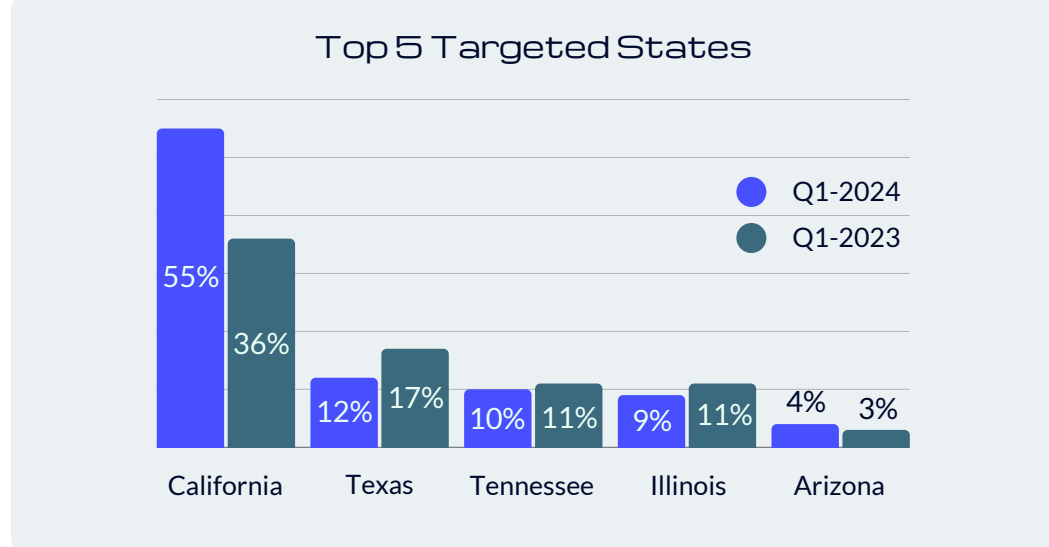
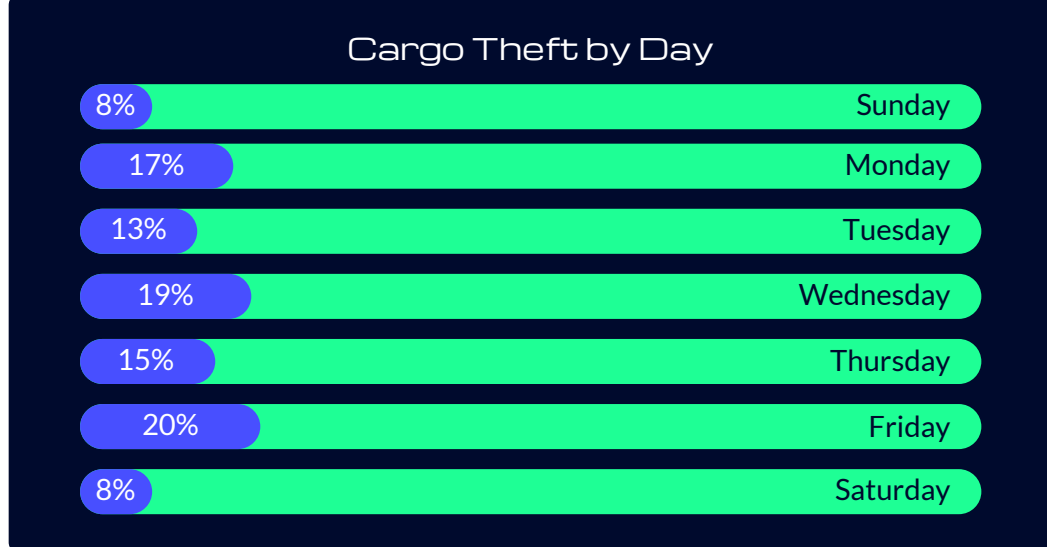
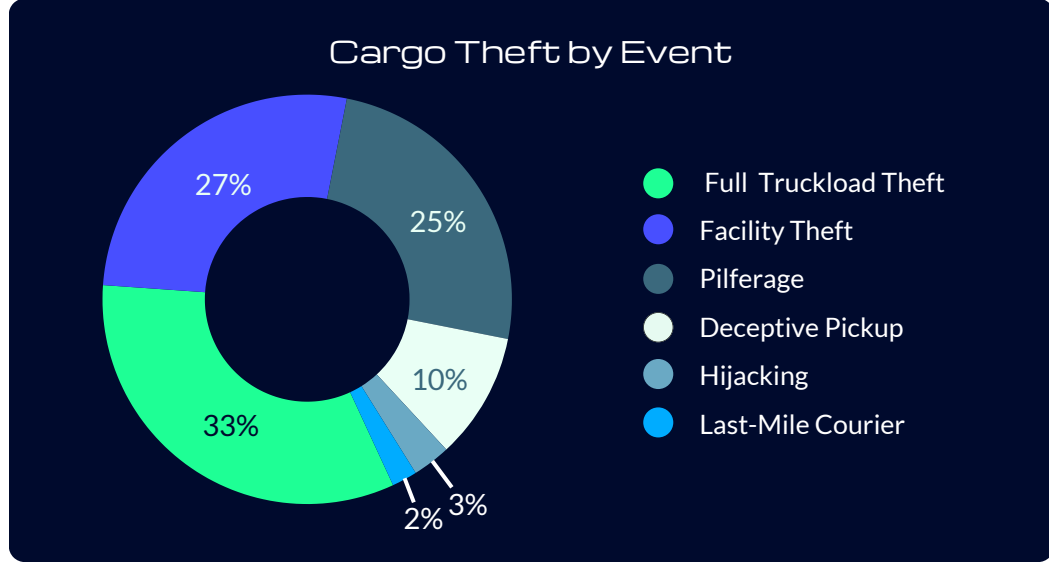
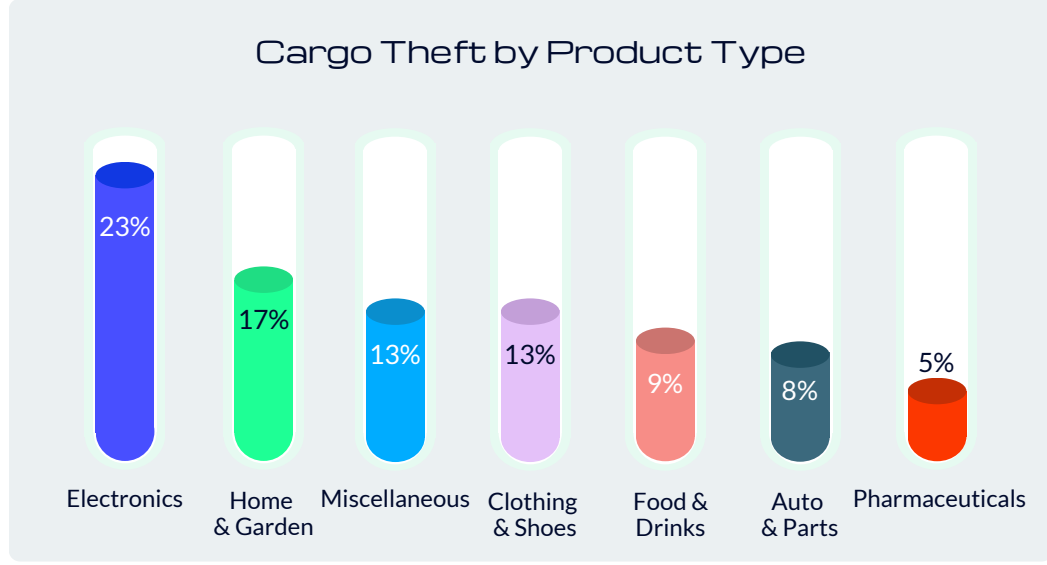
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Total Recorded Cargo Thefts

371

Average Cargo Thefts per Month

124



Highlight - Recovery Case

Stanton, California | Electronics | March, 24

Overhaul's GSOC and LE Connect recently played a crucial role in the successful recovery of a shipment of electronics in Southern California. The shipment was detected by Overhaul's GSOC as deviating from its established route and heading towards SOCAL, where it stopped at a warehouse in Stanton, CA. The LE Connect Team was immediately activated and contacted the California Highway Patrol for assistance.

Upon arrival, the officers witnessed electronics being unloaded at the location. However, they were unable to enter the warehouse without a warrant.

The next morning, the California Highway Patrol had the warehouse under surveillance and observed a tractor-trailer arrive and more unknown product being unloaded. Once they obtained the warrant, they locked down the warehouse and detained all suspects.

Upon inspection of the trailer, it was discovered that it was empty and the suspects were in the process of loading the electronics into the newly arrived tractor-trailer. Thanks to the quick actions of Overhaul's GSOC and LE Connect, the cargo was secured and taken back to its origin, preventing any potential loss for the client. This successful recovery is a testament to the effectiveness of Overhaul's logistics risk management software and services in preventing cargo theft and other issues while in transit.

