



February 6, 2003

Dear Business Partner;

In response to September 11, U.S. Customs began developing a new industry-wide security standard for protecting supply chains against terrorism. Customs is actively seeking company participation in the program, now known as the Customs - Trade Partnership Against Terrorism, or C-TPAT. C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. C-TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain— importers, carriers, brokers, warehouse operators and manufacturers. Through this initiative, Customs is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.

Ricoh Electronics, Inc. (REI) has volunteered to participate in this program. We are committed to develop and implement a program to enhance security throughout the supply chain in accordance with the C-TPAT guidelines. We are asking our business partners to join us in participating in this first worldwide supply chain security initiative. Your participation will help ensure a more secure supply chain for everyone.

We are asking that the attached Vendor Security Questionnaire be reviewed, completed, and returned to REI **one week after receipt**. An e-mail copy of the questionnaire is available upon request, or you can get a copy through our web-site at www.rei.ricoh.com. We will also require that you have an officer of your company review and sign the document. All information on the questionnaire will be confidential. C-TPAT offers businesses an opportunity to play an active role in the war against terrorism.

Sincerely,

John Kline
Ricoh Electronics, Inc.
C-TPAT Coordinator

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RICOH ELECTRONICS, INC.**U.S. CUSTOMS SERVICE-TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT)****CONFIDENTIAL SECURITY PROFILE QUESTIONNAIRE FOR OVERSEAS VENDORS (AFFILIATE OR NON-AFFILIATE) AND FOR U.S. DESTINATION LOCATIONS (AFFILIATE OR NON-AFFILIATE)****I. PHYSICAL SECURITY**

- A. [Describe the physical security (e.g. video cameras, alarms, security personnel, gates, access controls, etc.) in the facilities that manufacture/store Ricoh's merchandise for export (overseas vendors).]

or:

[Describe the physical security (e.g. video cameras, alarms, security personnel, gates, access controls, etc.) in the facilities that receive Ricoh's merchandise at the first U.S. port of unloading, i.e. CFS, bonded warehouse, third (3rd)-party provider warehouse].]

1. All buildings should be constructed of materials that withstand any unlawful entry or outside intrusion.
2. External Security Controls:
 - a. Are all external access points to the premises and buildings properly secured with adequate fences, gates, guards, locking devices and/or alarm systems?
 - b. This includes, but is not limited to:
 - i. Perimeter Gates
 - ii. Perimeter Fences
 - iii. External Doors
 - iv. Windows
 - v. Skylights
 - c. Are locks/combinations periodically changed?
 - d. Are all keys to the establishment accounted for?
3. Internal Security Controls:
 - a. Are there restricted access locations within the building(s)?
 - b. If so, how are they secured from unauthorized access?
4. Lighting: Is there adequate exterior and interior lighting at entrances and exits to or from building and premises, cargo storage and staging areas, loading/unloading docks, parking areas, etc.?
5. Video Cameras: Are there interior and/or exterior video cameras?

- a. If so, what areas are covered (i.e.; entrances and exits from buildings and premises, cargo storage and staging areas, loading/unloading docks, parking areas)?
 - b. Are the video camera screens monitored by a security officer or other company personnel? If so, what is the frequency?
 - i. Periodically during business hours **[time frame]**.
 - ii. Continually during business hours **[time frame]**.
 - iii. Round the clock – seven days a week.
 - c. Do the video cameras have tapes? If so, how long are these tapes maintained and where are they stored?
6. Alarms/Motion Detectors:
- a. What type of theft controls, (i.e., alarms and/or motion detectors, etc.) are currently in place at the facility?
 - b. What areas are secured with these devices?
 - i. Dock Doors and/or Access Doors
 - ii. Windows
 - iii. Skylights
 - iv. Cargo Storage and Staging Areas
 - v. Loading/Unloading Docks
 - c. Is there an internal/external communications system in place?
 - d. Does the system alert internal security personnel? If so, how?
 - e. Does the system alert the local law enforcement police? If so, how?
 - f. Have there been any instances where the police have had to respond to an intrusion alarm at your facility? What was the average response time?
7. Parking:
- a. Are there separate parking areas for employees, contract employees/laborers, outside private contractors, and/or other private vehicles?
 - b. Are these parking areas separate from the shipping, loading/unloading docks, and cargo storage and staging areas?

II. ACCESS CONTROLS and PROCEDURAL SECURITY

A. GENERAL SECURITY PROCEDURES

- 1. Does the company have written security procedures in place that address all areas of physical and procedural security?
- 2. Are there information security controls in place?

- a. Is there restricted access to the company's information systems? If so, how is this access controlled?
 - i. Passwords?
 - ii. Firewalls?
 - b. Is system access eliminated immediately upon termination?
 - c. Are there periodic internal reviews of the automated systems? If so, who reviews them and how often are the reviews performed?
 - d. Are there written procedures detailing the review process?
 - e. Is there traceability of computer transactions?
3. Are procedures in place to notify the local U.S. Customs Service port or other applicable enforcement agencies of any abnormal or illegal activity?
- a. What type of abnormal activity warrants such notification?
 - b. Are these activities reported when they are suspected or detected or both?
 - c. Provide name of agency, contact name and address of each.
4. Describe processes for any identified security problems.
- a. How are they reported?
 - b. How are they corrected?
5. Is there a documented maintenance program in effect that ensures any necessary repairs or replacements effecting security? How often is it performed?
6. In the event of an emergency/evacuation, how do you secure the facility/premises?
7. In case of emergency, are employees familiar with emergency response system?
8. Where do you maintain floor and/or flow plans?
9. Are annual security reviews conducted? If so how and by whom?

B. ACCESS TO PREMISES

- 1. Are there procedures for handling the protection of incoming and outgoing merchandise and the restriction of unauthorized persons entering the premises?
- 2. What are the check in procedures currently in place at all entrances to and exits from the premises?

3. Is there a manned guard gate at entrances to and exits from the premises? If so:
 - a. Is there a gate log maintained?
 - b. Are entrance and exit dates and times logged?
 - c. Is a list maintained of individuals, trucking companies, contract laborers, etc. that have authorized access?
4. Do passenger vehicles and pick-up/delivery trucks use the same entrance to and exits from the premises?
5. Do visitors, employees, and contract employees use the same entrances to and exits from the premises?
6. Is a daily security check of the premises conducted? By whom?
7. Employee Access:
 - a. Are employees required to show an identification badge and/or picture I.D. on entering the premises? Or do employees use an electronic card reader to gain access?
 - b. Are employees' vehicles searched on entry to or exit from the premises? Under what circumstances?
8. Contract Employees:
 - a. Are contract employees required to show an identification badge and/or picture I.D. on entering the premises?
 - b. Are contract employees vehicles searched on entry to or exit from the premises? Under what circumstances?
 - c. Are security patrols conducted? If so, how often, and where?
 - i. Are locations that could serve as a temporary hiding place evaluated and/or searched during patrols?
 - d. Is there a system of controlling vehicles authorized to park on the premises? Decals, etc.
9. Pick Up/Delivery Vehicles:
 - a. Are truck drivers required to show a valid drivers license and sign in on entering the premises? If not, are they required to show identification in some other manner?
 - b. Are pick up/delivery vehicles physically searched when entering and/or leaving the premises? Describe search process.
 - c. Incoming and Outgoing mail/packages

- i. How is mailroom secured?
- ii. How are mail and packages screened?

10. Visitors:

- a. Are contract employees required to show an identification badge and/or picture I.D. on entering the premises?
- b. Are visitors' vehicles physically searched when entering or leaving the premises?

C. ACCESS TO BUILDINGS

1. Are all employees, visitors, drivers, and vendors positively identified while on the premises?

2. Do only authorized personnel have access to offices, warehouses, loading/unloading docks?

3. How is an unauthorized or unidentified person challenged?

4. Company Employees:

- a. Do company employees access offices and/or warehouses through employee only entrances and exits?
- b. Do company employees wear an identification badge and/or picture I.D.? Are badges color-coded to specific access areas or otherwise specifically identified?
- c. Do company employees access authorized areas using an electronic card reader?
- d. Are they subject to search or examination upon entering or leaving the facility?
 - i. Daily, upon arrival and/or departure for their shift?
 - ii. Each time they enter or exit the facility?
 - iii. Periodically at random?

5. Contract Employees:

- a. Does the company have specific access controls for contract employees or private contractors?
- b. Are they under company security?
- c. Do they enter buildings or cargo storage and staging areas through employee only entrances?
- d. Do contract employees wear an identification badge and/or picture I.D.?
- e. Are they subject to search or examination upon entering or leaving the facility?
 - i. Daily, upon arrival and/or departure for their designated job?
 - ii. Each time they enter or exit the facility?

iii. Periodically at random?

6. Visitors:

- a. Do visitors enter buildings or cargo storage and staging areas through a visitor's entrance?
- b. Are they required to sign in and out?
- c. Are visitors required to show a picture I.D.?
- d. Are they required to wear a visitor's badge? If not, how are visitor's identified while on the premises?
- e. Are they properly escorted while on the premises?
- f. Are they subject to examination upon entering or leaving the facility?
- g. Are visitor badges collected upon departure?

7. Unauthorized Persons:

- a. Are procedures in place for identification of an unauthorized person on the premises?
- b. How are they identified from others?
- c. How is an unauthorized or unidentified person challenged?
- d. How are they handled?
- e. Are written procedures in place?
- f. Do all employees know what to do if this event occurs?
- g. Are procedures in place to notify Customs or other applicable enforcement agencies of any abnormal or illegal activity?
 - i. What type of abnormal activity warrants such notification?
 - ii. Are these activities reported when they are suspected, detected or both?

8. Do the above procedures protect against the introduction of illegal merchandise and/or the exchange or loss of legal merchandise?

D. RECEIVING/UNLOADING DOCK

- 1. Are the areas where cargo is received, unloaded, stored, staged, and loaded, secure, with restricted access to authorized persons only?
- 2. Do truckers have access to cargo staging areas within the facility?

3. Are there procedures in place to track the timely movement of cargo for both incoming and outgoing merchandise? Do these procedures include scraps/waste, reworked and returned products?
4. Is there a designated security officer that supervises the loading or unloading of cargo? If so:
 - a. Do they wear identification badges and/or picture I.D.?
 - b. Are they employed by the company or contracted from the outside?
 - i. Does the company provide the outside contractor with guidelines for the level of background investigation or training necessary to conform to their standards?
 - ii. If contracted from the outside, is the company aware of the outside contractor's personnel requirements?
 - c. If internal, what are the requirements for security officers?
 - i. What type of training or experience is required?
 - ii. Do security officers fully understand their scope of authority?
 - iii. Are security officers required to participate in a continued security related education process or certification?
5. If there is no designated security officer, are there other security controls in place for shipping and receiving cargo?
6. Receiving:
 - a. Do receiving personnel receive advance notice for arrival of cargo? What type and from whom?
 - b. Does cargo transfer immediately from the importing carrier to the facility? If not, list the locations where the merchandise may be held prior to the delivery to your site.
 - c. Is cargo immediately unloaded and received into your warehouse facilities or is it stored in an outside yard, etc.
 - d. Do you have a receiving (examination)/quarantine and release procedure?
 - e. Describe the security procedures to protect cargo that is being received at the facility. Specifically, how do you ensure:
 - i. That the products, quantities, and package identification physically unloaded on the conveyance being received declared on any packing lists, bills of lading, or other documents match.
 - ii. That there are no abnormal powders, odors, or liquids present on shipments.

- iii. Are there procedures for seals on containers, trailers, or railcars that are received and unloaded at the facility? Do these procedures include?
 - (i) Verifying seals
 - (ii) Breaking seals
 - (iii) Recording seals
 - f. What procedures exist to inspect incoming products for authenticity, packaging/product integrity, and evidence of unauthorized re-labeling/repackaging?
 - g. At receipt, are security checks performed on:
 - i. Full Containers (CL)/Trailers (TL)/ Railcars
 - (i) Is the condition of conveyance examined?
 - (ii) Are conveyance sealed? If so, are seals checked and confirmed against documentation.
 - (iii) Is there any indication of tampering with contents?
 - (iv) How are the contents of the conveyance examined?
 - (v) Are contents and quantities verified?
 - (vi) Describe your procedures for overages, shortages, and/or damaged cargo received.
 - a.) How are they identified?
 - b.) How are they reported?
 - ii. Less Than Container Loads (LCL)/Trailorloads (LTL)
 - (i) Is the cargo palletized/unitized or loose freight (drums, crates, super sacks, etc.)?
 - (ii) To what extent is the cargo examined at the time of unloading?
7. Shipping:
- a. Does shipping personnel have advance notice of cargo to be loaded?
 - b. Describe the security procedures to protect cargo that is being shipped from the facility. Specifically, how do you ensure:
 - i. That the products and quantities declared on any packing lists, bills of lading, or other documents match what is physically loaded on the conveyance being released?
 - ii. The security and integrity of the cargo that is being released?
 - iii. Are there procedures for seals on containers, trailers, or railcars that are loaded and released from the facility? Do these procedures include?

- (i) Affixing seals
 - (ii) Replacing seals
 - (iii) Recording seals
 - (iv) Tracking seals
- C. Is the cargo shipped directly from your manufacturing and/or storage site to the exporting carrier? If not, list the location(s) where the cargo may be stored prior to delivery to the exporting carrier?
- d. Are procedures in place at the overseas vendor location that verify the products and quantities loaded with the foreign inland carrier matches what is unloaded at the U.S. destination?

E. CARGO AREAS

- 1. Are proper storage procedures in place to ensure the security of cargo held in and/or outside the buildings?
- 2. For inside storage of cargo, where is it held and how is it secured?
 - a. Describe the manner of storage, segregation and marking of goods. This includes but is not limited to:
 - i. International goods
 - ii. High-Value goods
 - iii. Dangerous/Hazardous goods
 - b. Who has access to these goods?

F. CONTAINER YARD

- 1. For outside storage of cargo, where is it held and how is it secured?
- 2. Are both empty and full containers properly stored and identified?
 - a. Are empty and full containers intermingled in the container yard?
 - b. Is there a locator system that identifies the location of all empty and full containers at all times?
 - c. What additional security is involved in protection of full, partial, or any containers stored outside (i.e., additional locks, parked back to back or up against a building, etc.)

I. SERVICE PROVIDERS

B. PHYSICAL SECURITY

- 1. Does the service provider provide and maintain written standards/contracts as to their service provider's physical plant security?
- 2. Do they periodically review these commitments to identify any weakness or potential weakness in security?

C. ASSESSMENT

1. How are service providers assessed?
 - a. For fiscal soundness?
 - b. For ability to properly deliver goods and services within the conditions of the contract?
 - c. Other?

IV. PERSONNEL SECURITY**A. EMPLOYEES (PERMANENT, SEASONAL, VOLUNTEER)**

1. Describe the screening process for prospective employees.
 - a. Application verifications?
 - b. Background checks?
 - c. Immigration and Naturalization Service verifications/work authorization?
2. Describe the pre-employment screening process.
3. Are background checks performed periodically on existing employees?
4. Are employee security levels of access periodically re-evaluated? How and by whom?
5. Are employees required to wear identification badges or picture I.D.'s? If not, is there a procedure for identifying company personnel while on the premises?
6. Are I.D. badges collected upon termination of employment?
7. Are keys/key cards/access cards/company credit cards collected upon termination of employment?
8. How are employees required to account for their attendance?
9. Are employees restricted from bringing personal items into the facility?
10. Are employee storage facilities (lockers, etc.) subject to search?
11. Are employees required to park in areas separate from the shipping/loading docks and cargo storage and staging areas?
12. How do you provide an appropriate level of supervision to all employees?
13. Are employees monitored for unusual behavior patterns (i.e.: early arrival for shift, late departure, etc., questions on sensitive subjects, etc.)? If so, what merits monitoring?

14. Do employee automobiles have a parking sticker for identification?
 15. Is there an initial and ongoing employee security and awareness training program?
- B. Describe any internal codes of conduct for employees.
- C. Describe procedures for reporting and managing employee security issues.
- D. **CONTRACT/TEMPORARY EMPLOYEES**
1. Who constitutes a contract employee?
 2. Are I.D. badges collected upon termination of employment?
 3. Are keys / key cards / access cards / company credit cards collected upon termination of employment?
 4. How are employees required to account for their attendance?
 5. Are employees restricted from bringing personal items into the facility?
 6. Are employee storage facilities (lockers, etc.) subject to search?
 7. Are employees required to park in areas separate from the shipping/loading docks and cargo storage and staging areas?
 8. How do you provide an appropriate level of supervision to all employees?
 9. Are employees monitored for unusual behavior patterns (i.e.: early arrival for shift, late departure, etc., questions on sensitive subjects, etc.)? If so, what merits monitoring?

V. EDUCATION AND TRAINING PROGRAMS

- A. Is there a security awareness program for employees? Does it include information on internal conspiracies, product integrity, tampering, unauthorized access and criminal and terrorist activity?
- B. Are there employee incentives in place for active participation of these controls?
- C. Are these programs built into job performance standards?
- D. Are there periodic security reminders issued?
- E. Do you advise employees to be alert for counterfeit products, including sales staff?

I AFFIRM THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Name]

[Title]

[Company]

[Date]

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