



SUPPLIER
QUALIFICATION
PROGRAM

Measured Results - Improved Performance

Supplier Qualification Program Assessment Report

ZHEJIANG TONGLU ZHONGYI GIFT FACTORY



Report No: F_IAR_3834_SQP
Audit Date: 10-Nov-2014
Zhejiang, China

74

Intertek

Supplier Qualification Program Assessment Report

Report No	F_IAR_3834_SQP
Audit Date	Nov 10, 2014
Assessment Stage	Initial
Company Full Name	ZHEJIANG TONGLU ZHONGYI GIFT FACTORY
Audit Location	No.558,Chengnan Road,Qingshan Industrial Zone, Qingshan Industrial Zone,tonglu
City	Hangzhou City
Country	China
Telephone No	0571 64241949
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Auditor(s) Name	Daniel Chen

Facility Performance Rating

Participating Facilities : 2919

High Performance

Meet Expectations.

Facility demonstrates readiness to assume responsibilities for managing and monitoring compliance activities.

Medium Performance

Further Improvement Needed.

Moderate concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.

Low Performance

Significant Action Required.

Significant concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.

Very Low Performance

Urgent Action Required.

Severe concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.



Global Score	76
Country Score	76
Industry Score	75
Facility Score	74

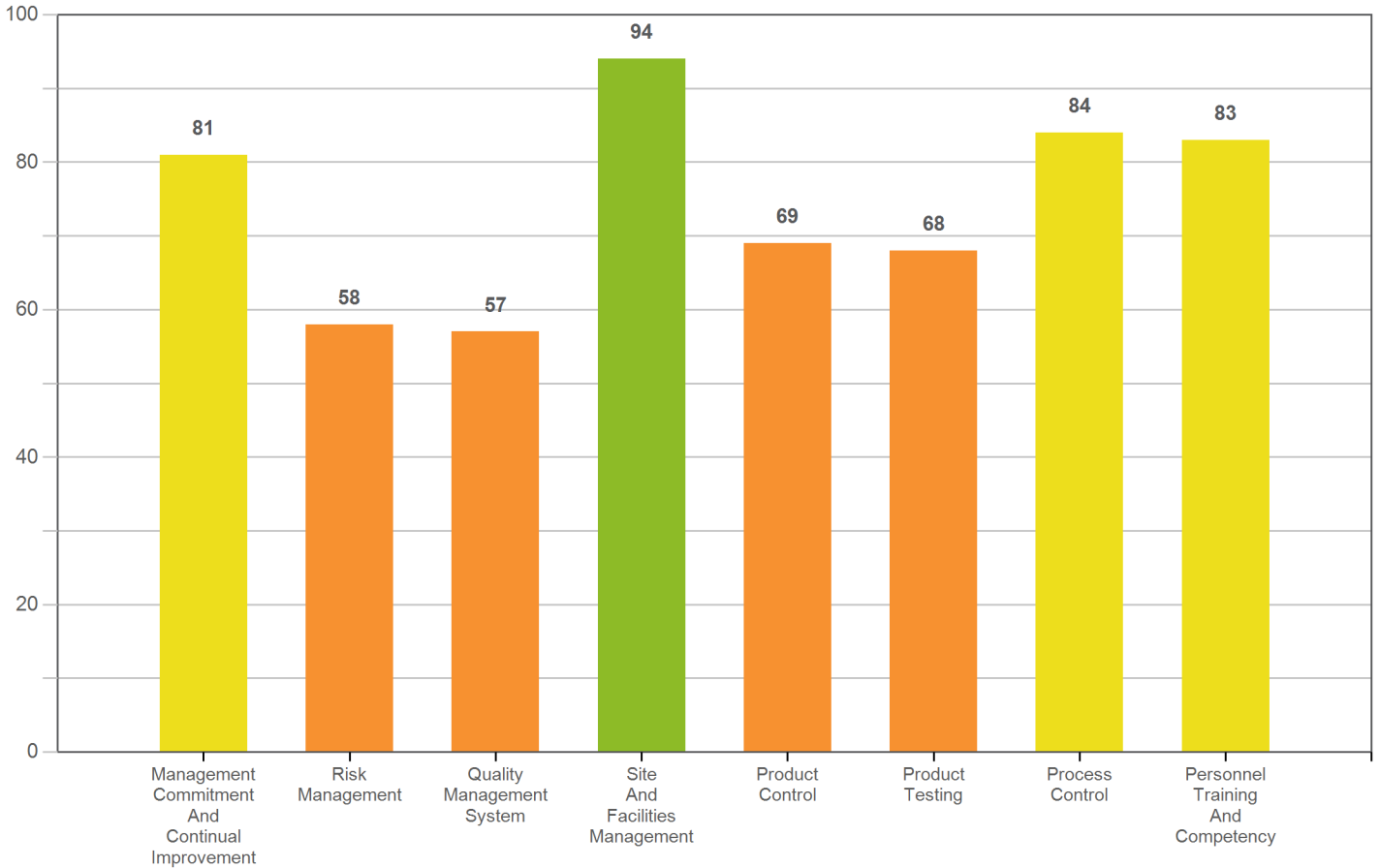
Facility Profile

Facility Name	ZHEJIANG TONGLU ZHONGYI GIFT FACTORY
Facility Legal Name	ZHEJIANG TONGLU ZHONGYI GIFT FACTORY.
Contact Name,Title	Ms. Pan Fang, Sales.
Industry	Hardlines
Products Manufactured	Candle and bamboo torch
Production Processes	Melting-casting-packing
Total Number of Machines	12
Main Machine Types	Melting machine*5,embossing machine*1, foaming machine*5, heat sealing machine*1
Year facility began operations	1998
Number of buildings the facility operates in	3
Range of total number of employees at the facility	26
Number of shifts and operating hours	8 hours per shift, 1 shift per day, 6 days per week.
Person responsible for overall product safety and quality issues, Title:	Mr. Yu Weiquan, production manager.

Facility Overview

ZHEJIANG TONGLU ZHONGYI GIFT FACTORY was established in 1998. The facility was specialized in manufacturing Candle and bamboo torch. Now 100% of its products were exported to oversea markets. The total production and storage area occupied by the facility is about 1200 square meters. A total of 26 employees were currently working in the facility. they had set up the quality management system and set up independent QC department to conduct the necessary quality control. Based on the findings from the assessment, it is considered that the facility does have basic manpower, facilities, equipment to produce Candle and bamboo torch. However, facility still need to take the corrective action on finding in the CAP report.

I. Facility Performance Summary



Performance Summary	Overall Compliance(%)	Non Compliance (%)					
		Major		Moderate		Minor	
		# of Questions	%	# of Questions	%	# of Questions	%
Facility Summary	74%	1	3.7%	20	14.8%	22	7.2%

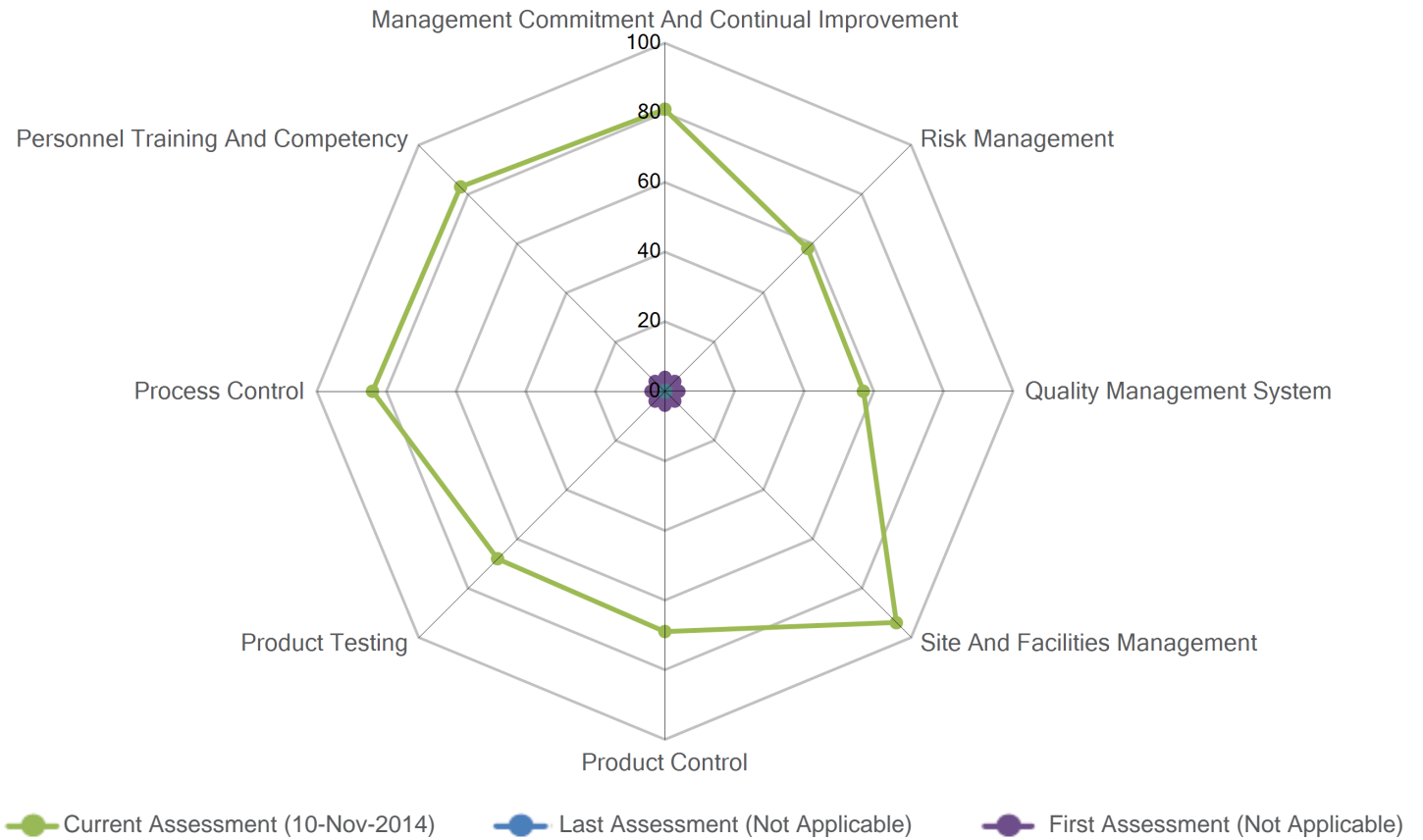


II. Key Section Performance Analysis

Key Section Name	Section Compliance		Non Compliance (%)						# of Total Questions
			Major		Moderate		Minor		
	# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%	
Management commitment and continual improvement	17	81%	0	0.0%	4	19.2%	0	0.0%	21
Risk Management	19	58%	0	0.0%	6	30.3%	3	11.4%	28
Quality Management System	80	57%	1	24.8%	3	14.8%	3	3.7%	87
Site and Facilities Management	46	94%	0	0.0%	1	2.1%	1	3.7%	48
Product Control	44	69%	0	0.0%	2	18.0%	7	12.5%	53
Product Testing	8	68%	0	0.0%	2	25.0%	1	7.0%	11
Process Control	62	84%	0	0.0%	2	10.2%	5	6.0%	69
Personnel Training and Competency	6	83%	0	0.0%	0	0.0%	2	17.5%	8
Overall Total	282	74%	1	3.7%	20	14.8%	22	7.2%	325



III. Performance Trend Analysis



Section Name	Current	Last	First	Change (Current-Last)	Change (Current-First)
Management Commitment And Continual Improvement	81	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Risk Management	58	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Quality Management System	57	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Site And Facilities Management	94	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Control	69	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Testing	68	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Process Control	84	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Personnel Training And Competency	83	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Score	74	Not Applicable	Not Applicable	Not Applicable	Not Applicable

▲ Advancers ■ Constant ▼ Decliner

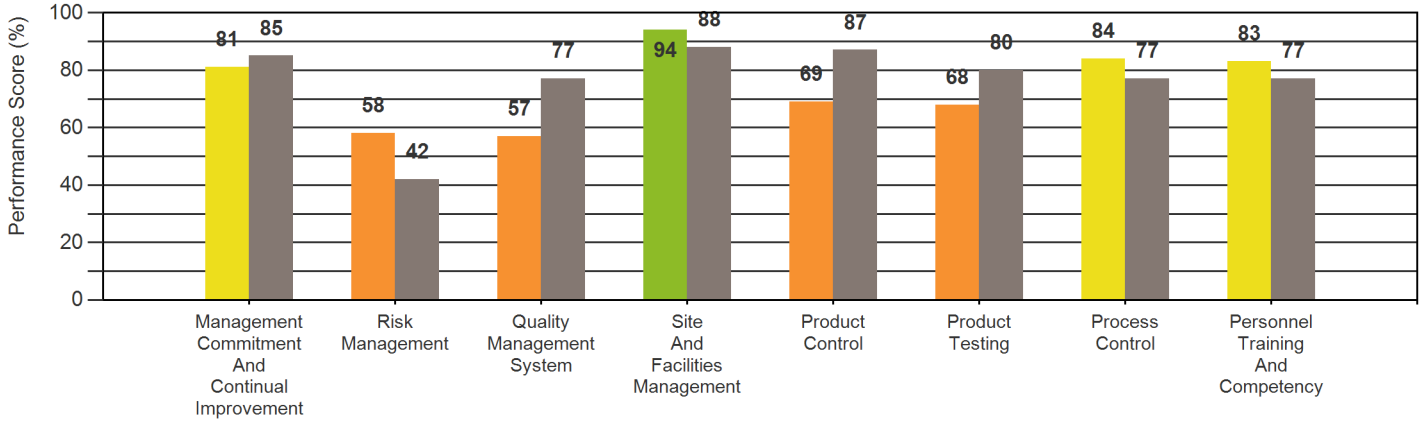
IV. Comparison Benchmark

Global Average :

Total Number of Facilities : 2919

Average Overall Score : 76

■ Global Average

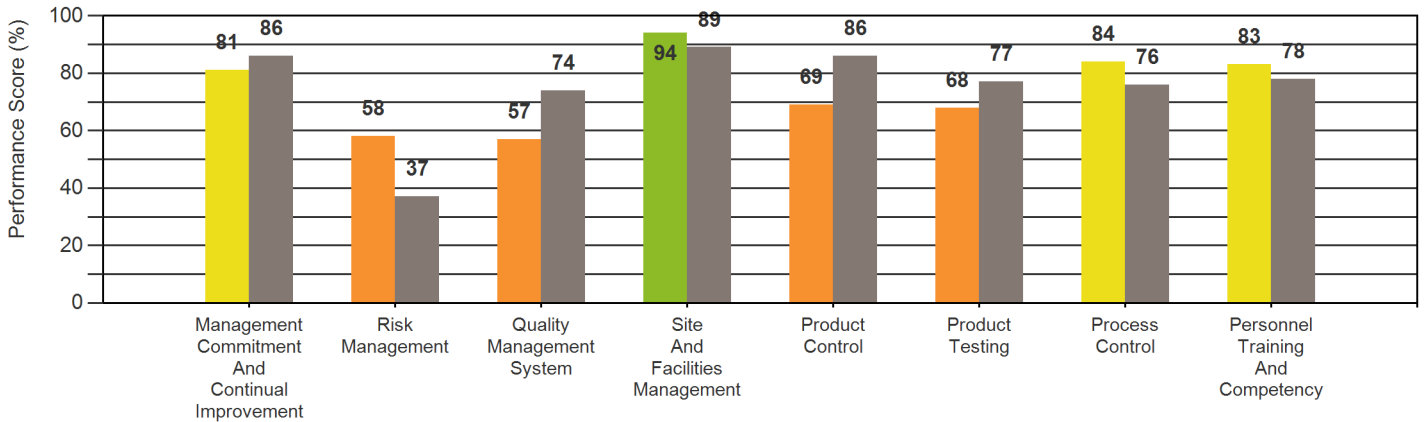


Hardlines Industry Average :

Total Number of Facilities : 844

Average Overall Score : 75

■ Hardlines Industry Average

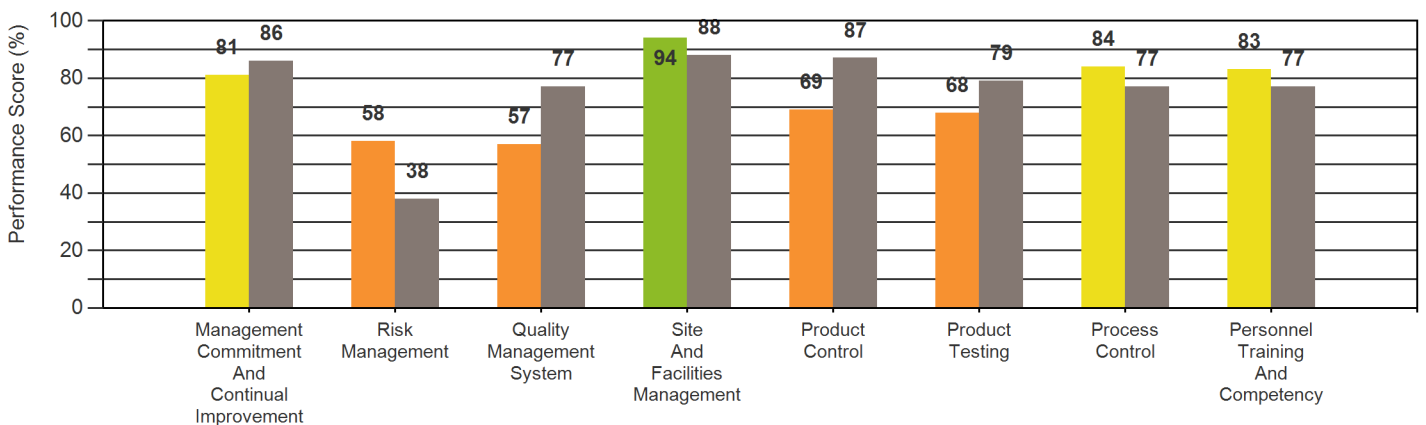


China Average :

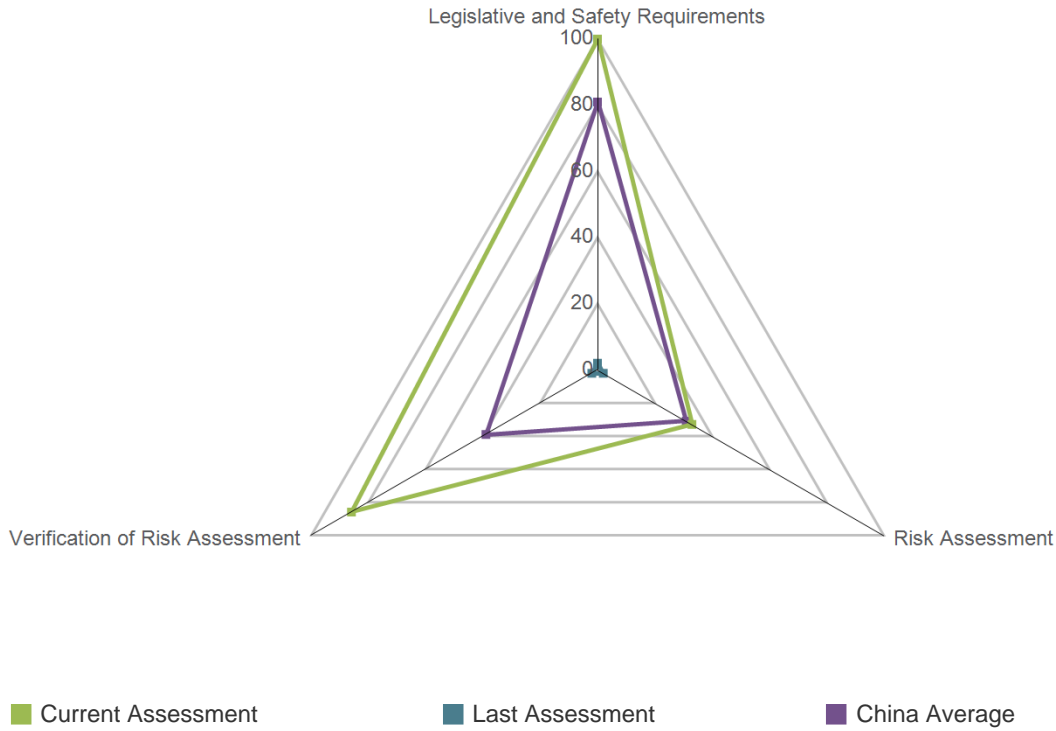
Total Number of Facilities : 2295

Average Overall Score : 76

■ China Average



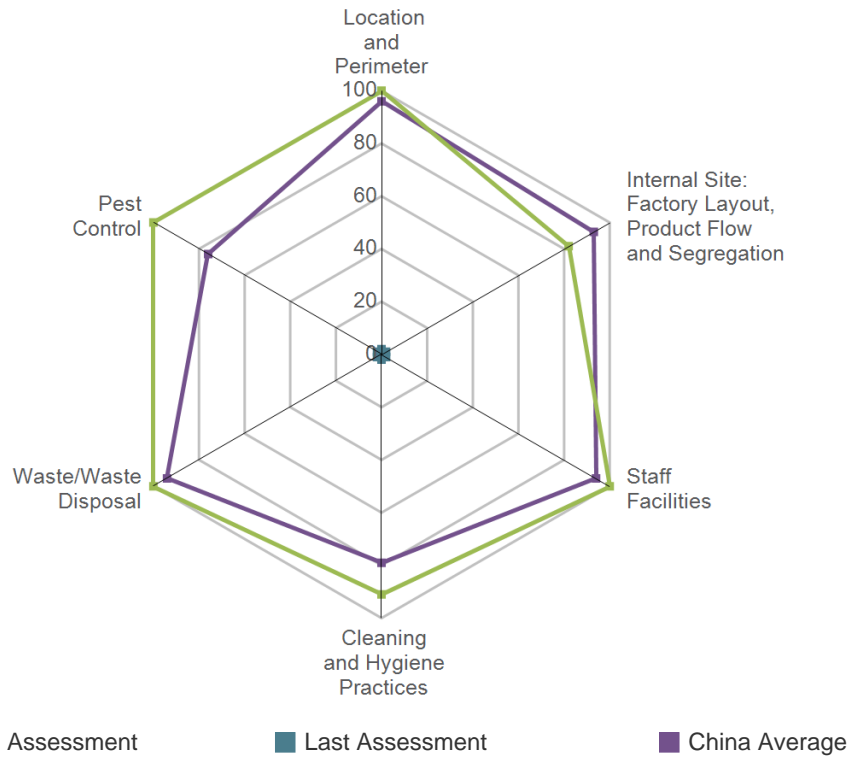
V. Sub Section Comparison Benchmark: Risk Management



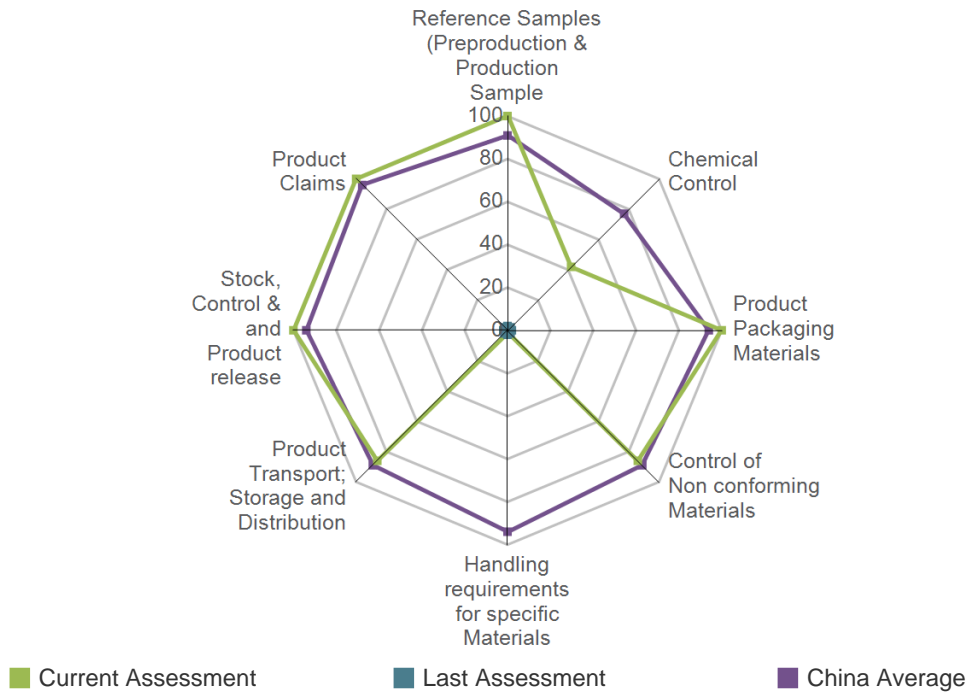
VI. Sub Section Comparison Benchmark: Quality Management System



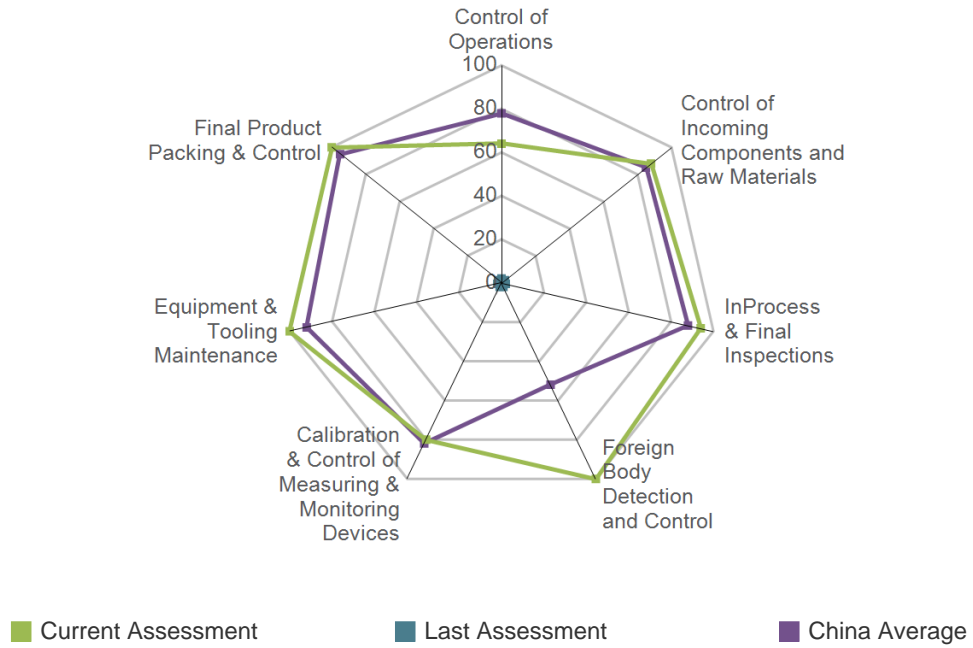
VII. Sub Section Comparison Benchmark: Site and Facilities Management



VIII. Sub Section Comparison Benchmark: Product Control



IX. Sub Section Comparison Benchmark: Process Control



X.Key Strengths and Challenges

Facility Strengths	Rating	Global Freq. of Compliance%
The company protects the light-bulbs and strip lights including those on electric fly-killer units when they constitute a risk to the products.	Minor	50%
There is a list to register the location of all glass, ceramic and brittle-plastic material (except when used as part of the product) in raw material handling, preparation, processing, and packing and storage areas.	Minor	54%

Facility Challenges	Rating	Global Freq. of Compliance%
Management review does not include customer complaints and feedback	Moderate	96%
Working space and storage capacity are not sufficient.	Minor	96%
Internal audits records and associated corrective actions are not maintained with conformity nor non conformity with requirements.	Minor	95%
The company does not perform In-process inspection at a few defined production stages.	Minor	93%
Inspection records are not maintained for a few batches of work that are subcontracted or performed externally.	Minor	91%
Testing procedure/programme does not include the test specification.	Moderate	91%
A few isolated cases are found that records of calibration and verification are not maintained for a defined period.	Minor	89%
No procedures, MSDS, description nor diagram for the handling of chemicals are available at the point of use.	Minor	89%
Management review does not include follow up actions from previous management reviews.	Moderate	87%
The product risk assessment does not determine the risk level for each identified hazard/risk.	Moderate	86%

Top 10 Challenges For Hardlines Industry

Rating	Challenges	Facility Performance
Moderate	Head and facial hair is not fully contained where there are product contamination risks.	NC
Major	The company did not implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality.	C
Moderate	Management review does not include risk management.	NC
Moderate	Testing procedure/programme does not include test sampling plan.	NC
Moderate	The company does not establish a product risk assessment for each product or a group of similar products.	NC
Moderate	Sharp tools are not permanently attached to benches.	C
Major	The company did not have a system to identify and trace raw materials through to finished goods, and vice versa.	NC
Moderate	Management review does not include statutory and regulatory requirements.	NC
Moderate	Finished products (including re-work) do not have a full traceability from raw materials source to the customer, or vice versa.	NC
Moderate	The risk assessment is not regularly reviewed, at least annually or when changes made to product design and materials and/or key manufacturing processes.	NC

Top 10 Challenges For China

Rating	Challenges	Facility Performance
Moderate	Head and facial hair is not fully contained where there are product contamination risks.	NC
Moderate	Management review does not include risk management.	NC
Major	The company did not implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality.	C
Moderate	Sharp tools are not permanently attached to benches.	C
Moderate	The company does not establish a product risk assessment for each product or a group of similar products.	NC
Moderate	The process risk assessment does not address calibration of equipment.	NC
Moderate	Testing procedure/programme does not include test sampling plan.	NC
Moderate	Management review does not include statutory and regulatory requirements.	NC
Moderate	Personnel, who have a direct effect on the product safety, quality or legality, are not trained on risk assessment procedures or outcomes as necessary for their activity.	NC
Moderate	The process risk assessment does not address the manufacturing parameters.	NC

C

Compliance

NC

Non Compliance

XI. Opportunities for Improvement

Performance Rating



81%

Section: Management commitment and continual improvement

SubSection: Management commitment and continual improvement

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	15.02	<ul style="list-style-type: none"> Management review does not include follow up actions from previous management reviews. <i>Follow up actions from previous management reviews was not reviewed in this management reviews.</i> 	87%
Moderate	N/A	15.03	<ul style="list-style-type: none"> Management review does not include customer complaints and feedback <i>Customer complaints was not reviewed in the management reviews.</i> 	96%
Moderate	N/A	15.08	<ul style="list-style-type: none"> Management review does not include risk management. <i>Risk management was not reviewed in the management reviews.</i> 	52%
Moderate	N/A	15.09	<ul style="list-style-type: none"> Management review does not include statutory and regulatory requirements. <i>Statutory and regulatory requirement was not reviewed in the management reviews.</i> 	67%

58%

Section: Risk Management

SubSection: Risk Assessment

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	24.00	<p>The company establish a product risk assessment but it does not completely cover the necessary elements. <i>The product risk assessment was established, but it did not cover all necessary elements.</i></p>	25%
Moderate	N/A	27.02	<ul style="list-style-type: none"> The product risk assessment does not determine the risk level for each identified hazard/risk. <i>Risk level for each identified risk was not defined effectively in the product risk assessment.</i> 	86%
Minor	N/A	28.00	<p>The company conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes but it does not completely cover the necessary elements. <i>The process risk assessment was established, but it did not cover all necessary elements.</i></p>	23%
Moderate	N/A	29.01	<ul style="list-style-type: none"> The process risk assessment does not address the manufacturing parameters. <i>Manufacturing parameters was not defined in the process risk assessment.</i> 	70%
Moderate	N/A	29.04	<ul style="list-style-type: none"> The process risk assessment does not address calibration of equipment. <i>Calibration of equipment was not defined in the process risk assessment.</i> 	67%
Moderate	N/A	30.03	<ul style="list-style-type: none"> The process risk assessment does not identify the accept / reject limits defined for each control point. <i>Accept/reject limits for each control points was not defined in the process risk assessment.</i> 	71%

Moderate	N/A	30.04	<ul style="list-style-type: none"> The process risk assessment does not identify the corrective action to be taken where a CCP is out of control. <i>Corrective action need to be taken was not defined in the process risk assessment.</i> 	81%
Moderate	N/A	30.05	<ul style="list-style-type: none"> The process risk assessment does not identify the responsibility of Control Points. <i>Responsibility of control points was not defined in the process risk assessment.</i> 	83%

SubSection: Verification of Risk Assessment

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	34.00	The risk assessment is reviewed but the frequency exceeds one year. <i>The risk assessment was not reviewed regularly at least annually.</i>	70%

57%

Section: Quality Management System

SubSection: Internal Audit

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	68.00	Internal audits records and associated corrective actions are not maintained with conformity nor non conformity with requirements. <i>The corrective actions were not taken in effective time scale.</i>	95%

SubSection: Purchasing, Supplier & Sub-contractor Approval and Performance Monitoring

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	70.00	The 'List of Approved Suppliers & Sub-contractors' is not up-to-date to cover the components, materials and service impacting safety, legality and quality. <i>The stearic acid supplier was not included in the list.</i>	86%
Minor	N/A	73.00	The company does not conduct ongoing performance assessment for a few suppliers & sub-contractors. <i>The ongoing supplier performance assessment record of stearic acid was not available.</i>	72%

SubSection: Identification & Traceability

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	85.00	The company does not establish a system to clearly identify the lots/batches of materials during all stages of receipt, production, storage and dispatch. <i>During the tour, most of raw materials(such as paraffin), most of semi-products, package materials were not identified.</i>	46%
Moderate	N/A	90.00	Finished products (including re-work) do not have a full traceability from raw materials source to the customer, or vice versa. <i>During the tour, checking three lots of final products from warehouse, found that it could not be traced back to the chemicals usage records.</i>	61%
Minor	N/A	91.00	The effectiveness of the traceability system regularly are not tested, at least annually. <i>The effectiveness of traceability system was not tested effectively.</i>	47%
Major	N/A	92.00	The company did not have a system to identify and trace raw materials through to finished goods, and vice versa. <i>The traceability system was not established, most of raw materials (such as paraffin), most of semi-product, package materials were not identified, checking three lots of final product from warehouse, found that it could not be traced back to the chemicals usage records.</i>	70%

94%

Section: Site and Facilities Management

SubSection: Internal Site: Factory Layout, Product Flow and Segregation

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	122.00	Working space and storage capacity are not sufficient. <i>The space of final product warehouse was not sufficient.</i>	96%

SubSection: Cleaning and Hygiene Practices

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	158.05	<ul style="list-style-type: none"> Head and facial hair is not fully contained where there are product contamination risks. <i>The head hairs were not controlled in the packing process.</i> 	39%

69%

Section: Product Control

SubSection: Chemical Control

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	195.00	A few isolated cases of chemicals are not included in 'List of Approved Chemicals with Corresponding Brands / Manufacturers'. <i>The colourant and stearic acid were not included in the chemicals approved list.</i>	79%
Minor	N/A	196.04	<ul style="list-style-type: none"> The 'List of Approved Chemicals with Corresponding Brands / Manufacturers' does not specify the intended use of chemicals. <i>The intended use of chemicals were not defined.</i> 	85%
Moderate	N/A	202.00	Incoming materials and components do not have test reports or certificates of compliance to demonstrate presence of hazardous substances / Substances of Very High Concern (SVHC) are below the threshold value for the country of sale. <i>The hazardous substances reports of paraffin, colourant and stearic acid were not available from supplier.</i>	80%
Minor	N/A	205.00	No procedures, MSDS, description nor diagram for the handling of chemicals are available at the point of use. <i>The MSDS was not available in the casting process.</i>	89%
Moderate	N/A	207.00	The company does not have a clear labeling or equivalent system in place to identify the chemical substances/components and distinguish the status (pass / fail / pending) in the warehouse. <i>The clear label to distinguish the status was not identified for chemicals.</i>	77%
Minor	N/A	209.00	The company does not adopt 'First-in and First-out' logistic concept on its warehouse management for the chemicals with expiry date. <i>The FIFO system was not established.</i>	77%
Minor	N/A	210.00	The company does not record the usage of chemical substances or components during production to ensure traceability. <i>The chemicals usage records to ensure traceability were not available.</i>	73%

SubSection: Control of Non conforming Materials

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	219.00	Procedures for the control of non-conforming materials and products are either not fully understood or implemented by the authorised personnel. <i>During the tour, some non-conformity raw materials were not identified in the raw materials warehouse.</i>	83%

SubSection: Product Transport; Storage and Distribution

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	228.00	A few isolated cases are found that preventive measures (e.g., protection or suitable packaging) are not taken to ensure the transport, storage and distribution across the supply chain minimise the risk of contamination and damage. <i>During the tour, some package materials were placed on the floor directly.</i>	78%

68%

Section: Product Testing

SubSection: Product Testing

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	247.00	Documented testing procedure/programme was incomplete or not established for a few products or group of similar products. <i>Facility conducted simply drop test and lifetime test, and as client's requirement, facility will send sample to third party body(Such as BV) to do performance and safety test.However,internal and external test sampling plan was not defined.</i>	59%
Moderate	N/A	248.02	• Testing procedure/programme does not include test sampling plan. <i>Internal and external test sampling plan was not defined.</i>	70%
Moderate	N/A	248.03	• Testing procedure/programme does not include the test specification. <i>Test specification of lifetime test was not available.</i>	91%

84%

Section: Process Control

SubSection: Control of Operations

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	283.04	• The control plan does not identify the operating parameters for production equipment and tooling. <i>Operating parameters control standards for melting process were not defined.</i>	83%
Moderate	N/A	285.00	Processes are not monitored as per defined operating parameters nor controlled within the control limits. <i>Operating parameters for melting process were monitored and recorded.</i>	65%
Minor	N/A	287.00	A few isolated cases are found that work instructions are not available for operator as a guideline at an accessible place or workstation. <i>During the tour, the working instruction of melting and package list of packing process were not available.</i>	82%

SubSection: Control of Incoming Components and Raw Materials

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	306.00	Inspection records are not maintained for a few batches of work that are subcontracted or performed externally. <i>Some incoming lot inspection records of candle from sub-contractors were not retained.</i>	91%

SubSection: In-Process and Final Inspections

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	480.00	The company does not perform In-process inspection at a few defined production stages. <i>During the tour, some in-process inspection records were not available.</i>	93%

SubSection: Calibration and Control of Measuring and Monitoring Devices

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	703.00	A few isolated cases are found that the identified measuring equipment are not calibrated before use and then at defined frequency. <i>During the tour, some electronic used in the casting process were not calibrated.</i>	70%
Minor	N/A	705.00	A few isolated cases are found that records of calibration and verification are not maintained for a defined period. <i>During the tour, some electronic used in the casting process were not calibrated.</i>	89%

83%

Section: Personnel Training and Competency

SubSection: Personnel Training and Competency

Current (10-Nov-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	722.00	A few isolated cases are found that personnel, who have a direct effect on the product safety, quality or legality, are not trained on risk assessment procedures or outcomes as necessary for their activity. <i>The risk assessment training was not conducted for all staff.</i>	57%
Minor	N/A	723.00	A few isolated cases are found that the effectiveness of trainings are not evaluated. <i>The effectiveness of QC training was not evaluated effectively.</i>	78%

Recommendation for Improvement Plan Timeline

Finding Rating	Improvement Timeline
Major	Take action within 0 ~ 1 month to make necessary improvements
Moderate	Take action within 0 ~ 3 months to make necessary improvements
Minor	Take action within 0 ~ 6 months to make necessary improvements

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