

CORRECTIVE ACTIONS AND IMPROVEMENT PLAN (CAP) For George/ASDA

Supplier Name	Smallworld Accessories Ltd	Supplier ID	30909955	Audit Date	8-Dec-17
Factory Name	Fenghe Plastic and Silk Flower Products Factory	Factory ID	3612727	Audit Type	<input checked="" type="checkbox"/> Initial Audit
Factory Location	No 36, Yinhai Road, Lingxia, Shishuikou Village, Qiaotou Town, Dongguan City, Guangdong Province, China	Audit Company	BV		<input type="checkbox"/> Re-audit
Product Category	hair accessory, silk flower	Auditor Name	Julian Yao		<input type="checkbox"/> Follow-up Audit
Audit Result		Audit Acceptance	<input type="checkbox"/> Yes <input type="checkbox"/> No		

Audit Clause No.	Audit Clause	Non-Compliance Description	Factory Corrective Action Plan	Agreed Completion Date (DD/MM/YYYY)	Evidence required for sign off	Verified by Audit Company	Sign off by Walmart	Remarks/ Comments
1.0.1.1	Are lighting sufficient in the following key areas? Inspection Areas	The lighting was adequate in some inspection areas, but the lighting in final QC inspection area was insufficient, only 320 lux in it.	The factory should ensure lighting condition accordance with Wal-Mart's minimum request, 600 lux for inspection areas.	8-Mar-2018	Photos of improved illumination in final inspection area with corresponding light meter reading indicated.			
1.0.1.2	Are lighting sufficient in the following key areas? Production Areas	The lighting was adequate in some production areas, but the lighting in some working areas of assembly workshop was insufficient, only 303 lux in it.	The factory should ensure lighting condition accordance with Wal-Mart's minimum request, 400 lux for production areas.	8-Mar-2018	Photos of improved illumination in assembly areas with corresponding light meter reading indicated.			
1.0.1.4	Are lighting sufficient in the following key areas? Warehouse/Storage and Loading Areas	The lighting was adequate in finished products warehouse, but the lighting was insufficient in some incoming materials storage areas, only 104 lux in it.	The factory should ensure lighting condition accordance with Wal-Mart's minimum request, 150 lux for warehouse and loading area.	8-Mar-2018	Photos of improved illumination in incoming materials warehouse with corresponding light meter reading indicated.			
1.0.7	No broken windows or leaking roofs that may result to product contamination was observed during Audit.	One glass window was broken in assembly workshop, which may cause product contamination.	All windows, walls and roofs should be properly maintained to avoid production contamination.	8-Mar-2018	Photo of repaired windows.			
1.1.5	Machines, equipments and tools are properly labeled with date of last maintenance/calibration and schedule.	All machines were properly maintained, relevant records were kept, most equipments were periodically calibrated, but one set electronic balance was not calibrated in incoming materials warehouse.	The factory should periodically calibrated all inspection and testing equipments, relevant records should be kept.	8-Mar-2018	Photo of calibration records of electronic balance.			
1.1.7	Factory has proper, clean and organized storage area of critical tooling (i.e. injection moulds) with labelled shelves.	Most critical tools were placed onto shelves, but some shelves placed with injection molds were not labeled.	All critical tools should be properly identified and stored in labelled shelves.	8-Mar-2018	Photos of tools on labelled shelves.			
2.0.3	Workers & Supervisors are familiar to these quality policies and objectives.	2 of the 5 randomly selected employees did not know the quality policy and quality objectives.	All QC staff and employees should be trained on the factory's quality policies and objectives and make sure they understand it well.	8-Mar-2018	Photos of training records for the factory's quality policies and objectives.			
3.0.2	Proper first in-first out (FIFO) system on materials are practiced.	The factory had identified most incoming materials, but some incoming metal parts in incoming materials warehouse were not labelled with incoming date or other information to ensure FIFO.	The factory should strictly implement FIFO system, all materials should be properly identified to ensure FIFO.	8-Mar-2018	Photos of incoming materials identified with incoming date.			
3.0.12	Materials, components and accessories are properly stacked and identified with tags / labels and off the floor.	The factory had properly identified most incoming materials, but some incoming metal parts in incoming materials warehouse were not with incoming date, lot number, etc to ensure traceability.	All materials should be clearly labelled with part number, lot number/production date or other information to ensure tractability, and all materials should be properly stored to avoid contamination and destroy.	8-Mar-2018	Photos of identification information of incoming materials.			
7.0.3	Is there a formal, documented Technical training or certification program for QC INSPECTORS on QC processes?	The factory had conducted training to all QC inspectors, training plan, training records and performance records were kept, but based on the interview of 3 QC inspectors, one of IQC inspector was not familiar with the sampling plan and inspection standards they used.	The factory should conduct training to all QC inspectors, the effectiveness of the training should be verified, relevant records should be kept.	8-Mar-2018	Photos of training records of QC inspectors on sampling plan.			

NOTE: The above mentioned Corrective Action Plan and improvements were reviewed and discussed between authorized 3rd Party and Supplier Representatives and by doing so have pledged to fulfill actions required based on target completion dates.

Agreed by:	Date
Supplier Representative:	8-Dec-17
Ms. Zhang Xuyan	
Audit Company Representative:	Date
Julian Yao	8-Dec-17