



SUPPLIER
QUALIFICATION
PROGRAM

Measured Results - Improved Performance

Supplier Qualification Program Assessment Report

Team Concepts Printing Factory



Report No: F_IAR_5381_SQP
Audit Date: 05-May-2014
Guangdong, China

64

Intertek

Supplier Qualification Program Assessment Report

Report No	F_IAR_5381_SQP
Audit Date	May 05, 2014
Assessment Stage	Initial
Company Full Name	Team Concepts Printing Factory
Audit Location	Jinfu 2 Road, Huanan Industrial Park, Liaobu Town
City	Dongguan
Country	China
Telephone No	86 769 38893668
Fax No	86 769 38893684
Auditor(s) Name	Paul Xiao

Facility Performance Rating

Participating Facilities : 2262

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 **75**

Facility Score **64**

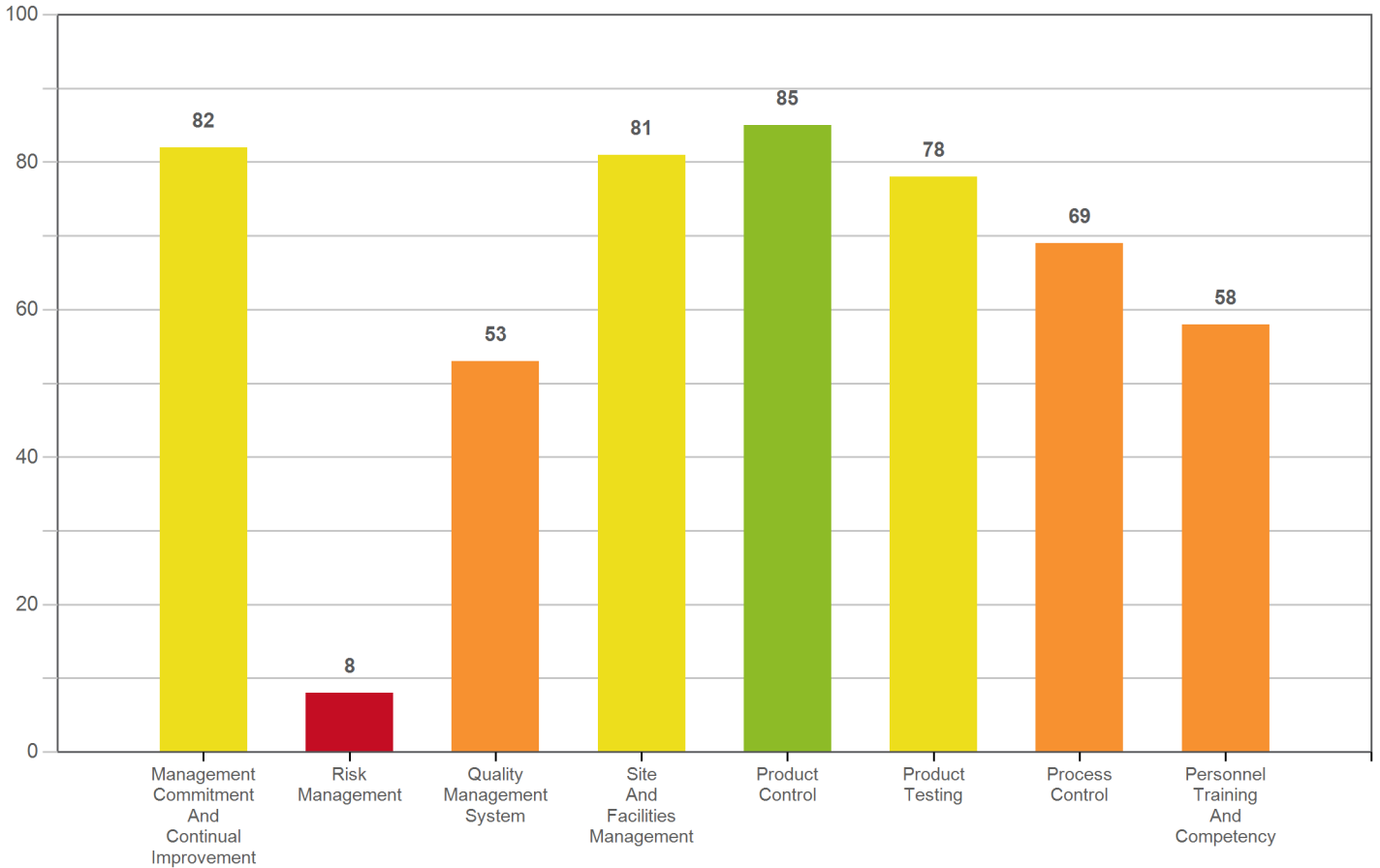
Facility Profile

Facility Name	Team Concepts Printing Factory
Facility Legal Name	Team Concepts Printing Factory
Contact Name, Title	Mr. Michael Lu / General Manager
Industry	Paper products
Products Manufactured	Printed paper products (such as puzzle, gift box, bag and file folder)
Production Processes	Cutting, printing, laminating, shaping, assembly and packing
Total Number of Machines	24
Main Machine Types	2 -plate making machine, 1 -cutting machine, 3 -printing machine, 8 -shaping, 1 -laminating machine etc.
Year facility began operations	1997
Number of buildings the facility operates in	3
Range of total number of employees at the facility	120
Number of shifts and operating hours	One shift per day / 8 hours per shift
Person responsible for overall product safety and quality issues, Title:	Mr. Xiong Bin / Quality Manager

Facility Overview

Team Concepts Printing Factory was established in 1997, and started the manufacturing of printed paper products from 1997. The main products manufactured by the factory cover kinds of printed paper products (such as puzzle, gift box, bag and file folder). The cutting, laminating, printing, shaping, assembly and packing processes were taken in factory, and the surface treating process was sub-contracted if necessary. The total land area occupied by the factory was about 10,000 square meters, and the factory consists of 3 buildings, which were used as the production, warehouse, office, dormitory and canteen room. The factory employed around 120 staffs. The factory's main customers were Dollar Tree, Dollar General, VOX Promotion Group, Weltbild, Novo Box, Paper Song, Mines Press etc., all products were exported to oversea markets.

I. Facility Performance Summary



Performance Summary	Overall Compliance(%)	Non Compliance (%)					
		Major		Moderate		Minor	
		# of Questions	%	# of Questions	%	# of Questions	%
Facility Summary	64%	3	17.5%	14	13.1%	21	5.2%

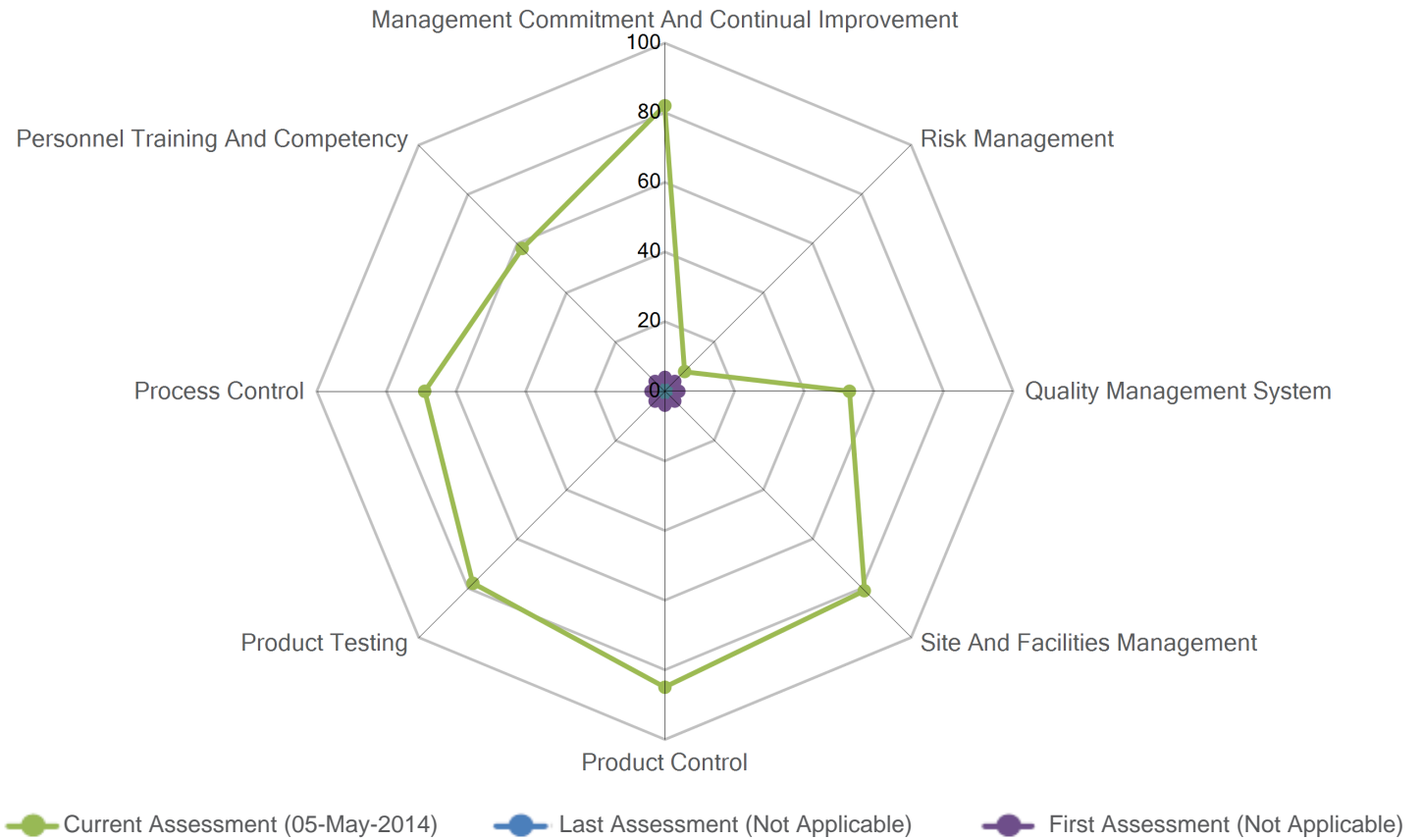


II. Key Section Performance Analysis

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	18	82%	0	0.0%	2	10.4%	1	8.0%	21
Risk Management	3	8%	1	64.1%	2	25.6%	1	1.8%	7
Quality Management System	71	53%	1	25.0%	3	10.6%	9	11.9%	84
Site and Facilities Management	48	81%	0	0.0%	3	14.0%	2	4.6%	53
Product Control	45	85%	0	0.0%	1	10.3%	2	4.5%	48
Product Testing	9	78%	0	0.0%	1	13.9%	1	7.8%	11
Process Control	89	69%	1	22.8%	1	4.6%	5	3.2%	96
Personnel Training and Competency	7	58%	0	0.0%	1	41.7%	0	0.0%	8
Overall Total	290	64%	3	17.5%	14	13.1%	21	5.2%	328



III. Performance Trend Analysis



Section Name	Current	Last	First	Change (Current-Last)	Change (Current-First)
Management Commitment And Continual Improvement	82	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Risk Management	8	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Quality Management System	53	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Site And Facilities Management	81	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Control	85	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Testing	78	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Process Control	69	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Personnel Training And Competency	58	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Score	64	Not Applicable	Not Applicable	Not Applicable	Not Applicable

▲ Advancers
 ■ Constant
 ▼ Decliner

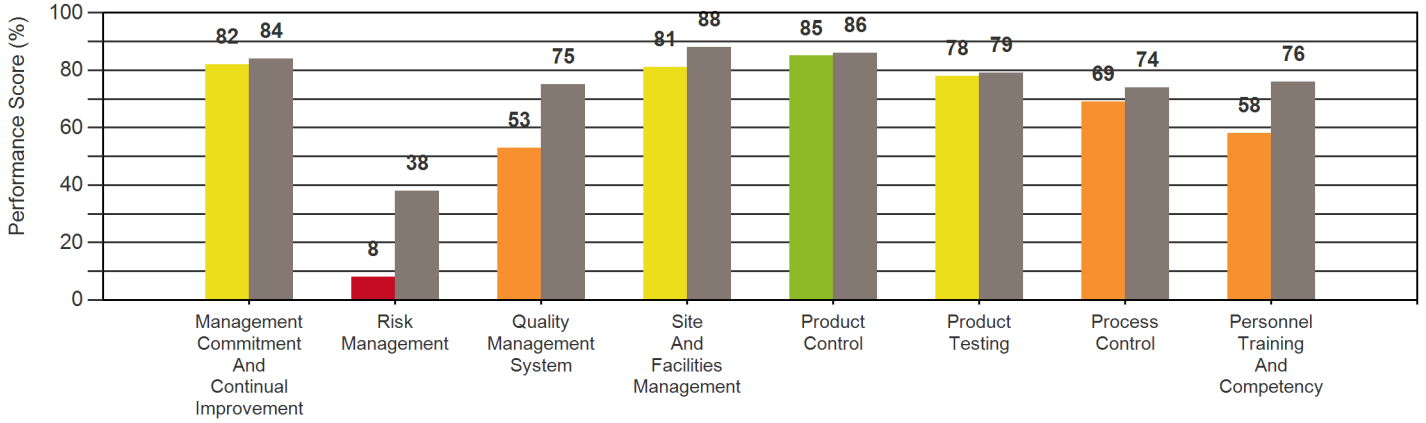
IV. Comparison Benchmark

Global Average :

Total Number of Facilities : 2262

Average Overall Score : 75

■ Global Average

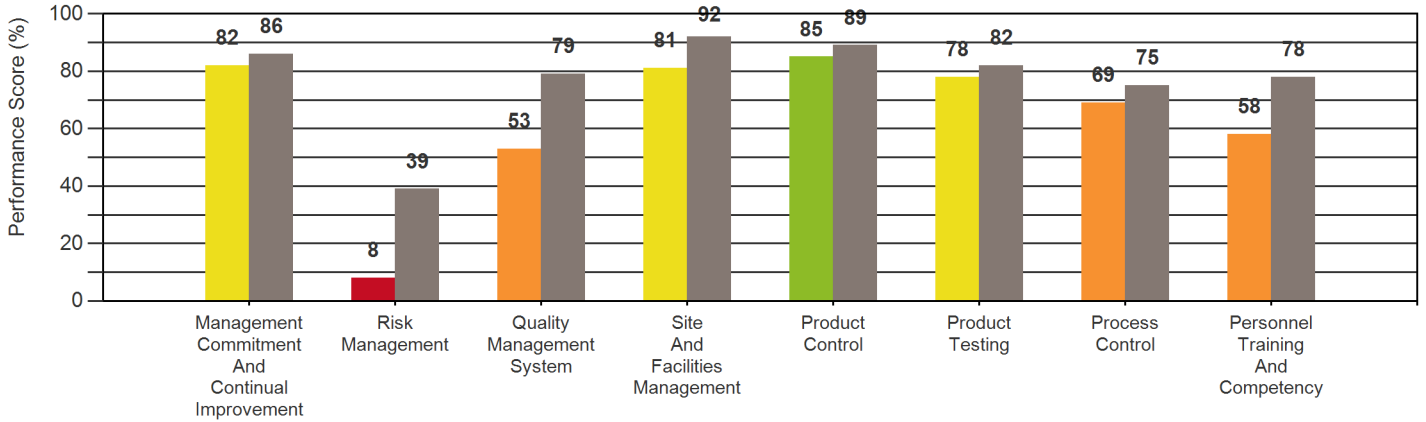


Paper Products Industry Average :

Total Number of Facilities : 103

Average Overall Score : 77

■ Paper Products Industry Average

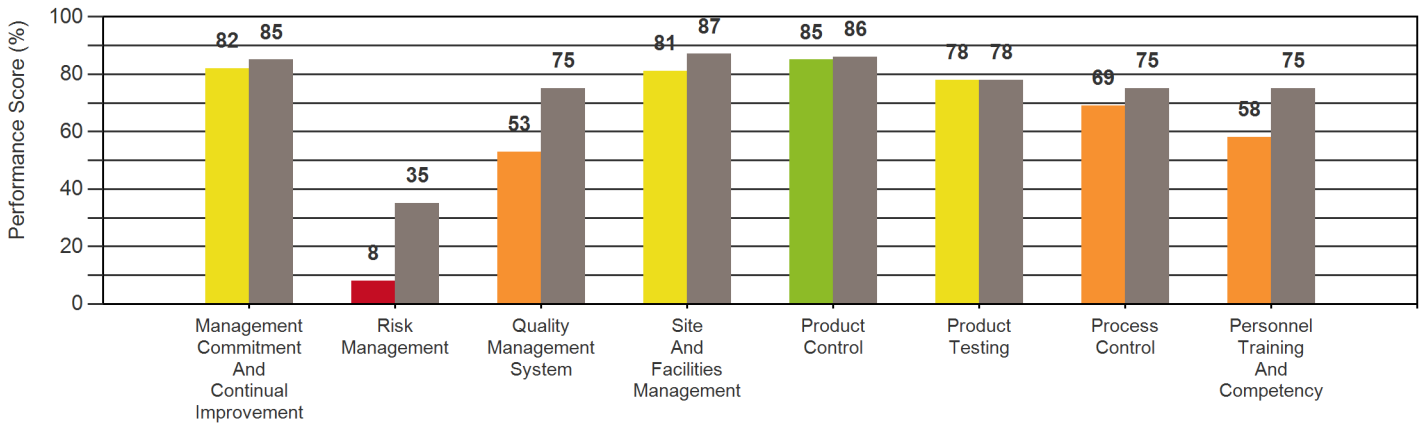


China Average :

Total Number of Facilities : 1779

Average Overall Score : 74

■ China Average



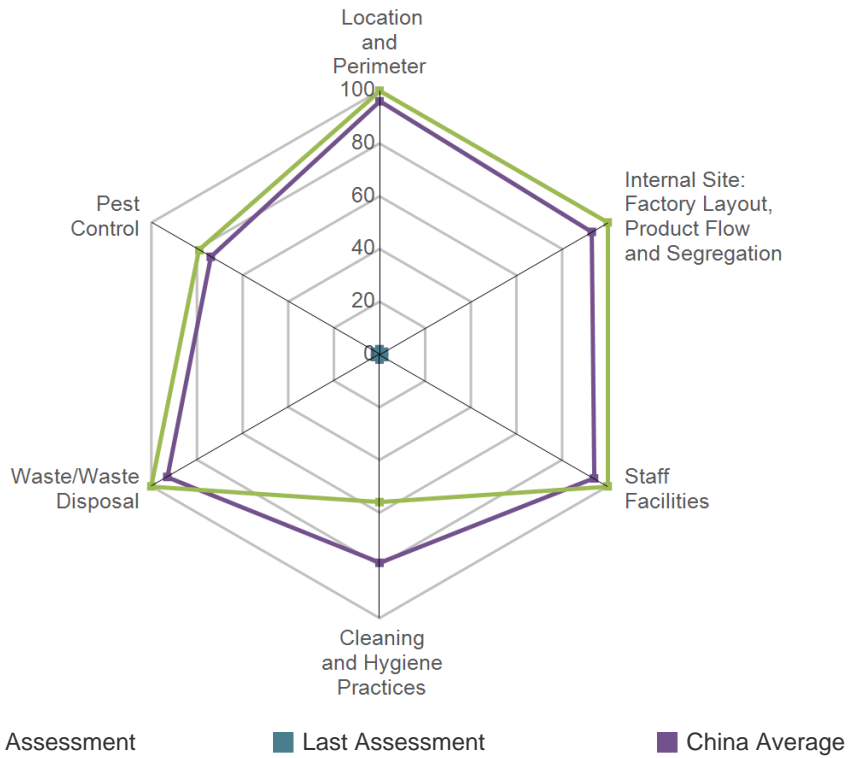
V. Sub Section Comparison Benchmark: Risk Management



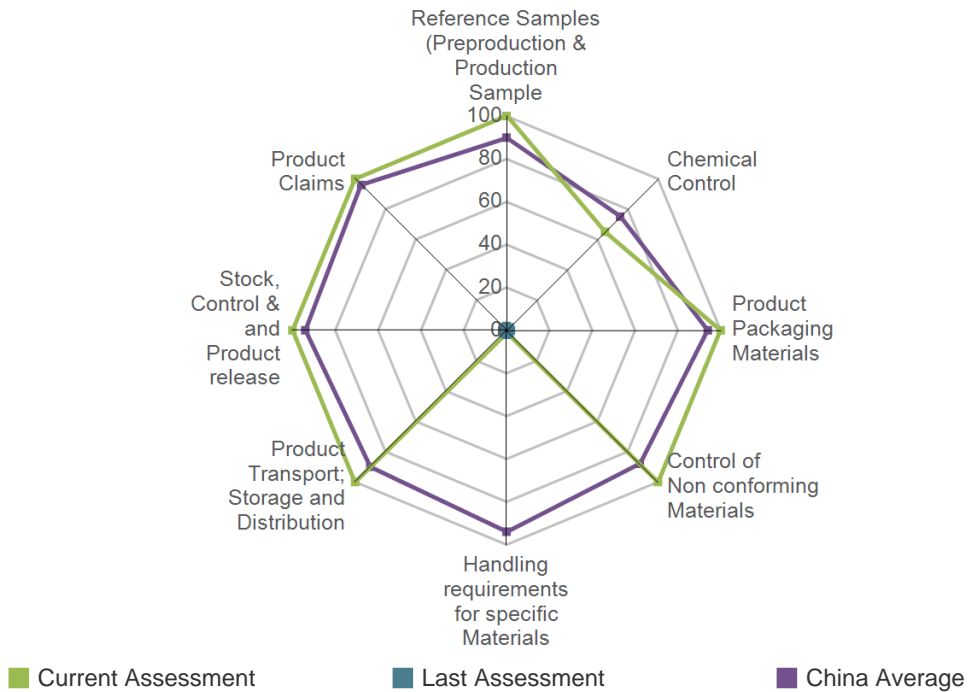
VI. Sub Section Comparison Benchmark: Quality Management System



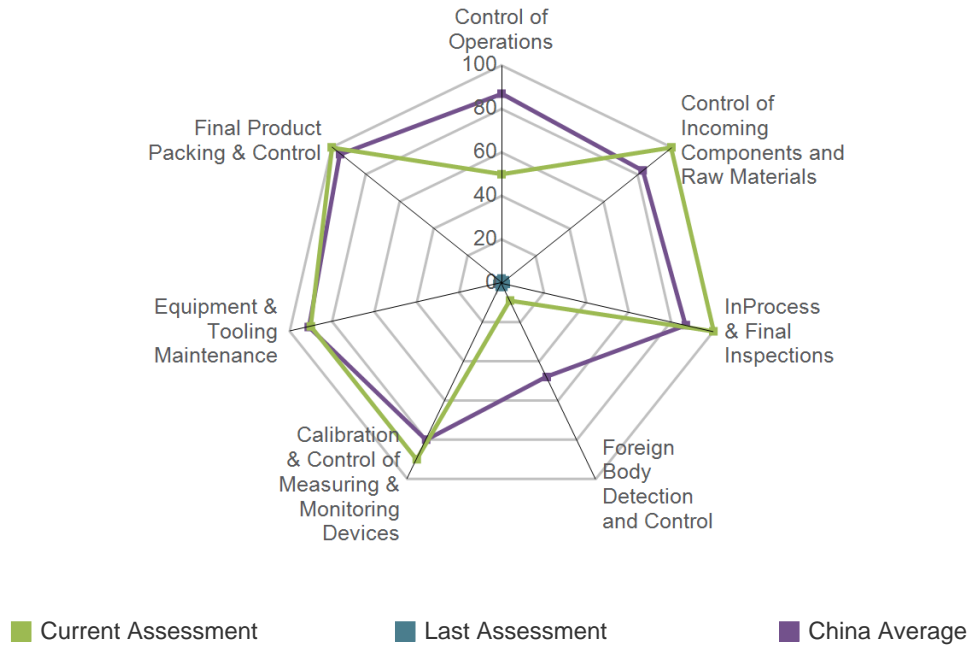
VII. Sub Section Comparison Benchmark: Site and Facilities Management



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%
No facility strength defined		

Facility Challenges	Rating	Global Freq. of Compliance%
The company does not establish supplier & sub-contractor selection and approval process.	Minor	90%
A few isolated cases are found that the company is not fully aware of relevant legislation, mandatory standards and industry/customer codes of practice applicable to the product in the countries of intended sale.	Minor	90%
Cleaning practices are not completed effectively so as to minimise risk of contamination.	Moderate	89%
A few isolated cases are found that records of calibration and verification are not maintained for a defined period.	Minor	88%
The company does not have appropriate arrangements in place to cover for the absence of key staff.	Minor	86%
The maintenance system does not include the contingency plans for failure of essential equipment.	Minor	86%
The 'List of Approved Suppliers & Sub-contractors' is not up-to-date to cover the components, materials and service impacting safety, legality and quality.	Moderate	85%
Testing procedure/programme does not include the stages (e.g., pre-production, production) where testing is to be performed.	Moderate	84%
Windows, pipe openings and/or drains in areas affecting production and storage are not fitted with screens and traps to prevent pest entry.	Minor	81%
The company's management only defines the quality objectives but no product safety objectives.	Minor	80%

Top 10 Challenges For Paper Products Industry

Rating	Challenges	Facility Performance
Moderate	The company establish a product risk assessment but it does not completely cover the necessary elements.	NC
Moderate	The company does not conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	NC
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.	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	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

Top 10 Challenges For China

Rating	Challenges	Facility Performance
Moderate	The company does not conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	NC
Moderate	The company establish a product risk assessment but it does not completely cover the necessary elements.	NC
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.	NC
Moderate	Management review does not include risk management.	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	Finished products (including re-work) do not have a full traceability from raw materials source to the customer, or vice versa.	NC
Moderate	Processes are not monitored as per defined operating parameters nor controlled within the control limits.	C

C Compliance

NC Non Compliance

XI. Opportunities for Improvement

Performance Rating



82%

Section: Management commitment and continual improvement

SubSection: Management commitment and continual improvement

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	13.00	The company's management only defines the quality objectives but no product safety objectives. <i>Inadequate objective definition. The product safety objective was not defined.</i>	80%
Moderate	N/A	15.08	<ul style="list-style-type: none"> Management review does not include risk management. 	48%
Moderate	N/A	15.09	<ul style="list-style-type: none"> Management review does not include statutory and regulatory requirements. 	65%

8%

Section: Risk Management

SubSection: Legislative and Safety Requirements

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	21.00	A few isolated cases are found that the company is not fully aware of relevant legislation, mandatory standards and industry/customer codes of practice applicable to the product in the countries of intended sale. <i>Insufficient product legislative and safety standards. The product safety standards such as EN 71 and ASTM F963 was not available.</i>	90%

SubSection: Risk Assessment

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	24.00	The company does not establish a product risk assessment for each product or a group of similar products.	25%
Moderate	N/A	28.00	The company does not conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	24%

SubSection: Verification of Risk Assessment

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Major	N/A	37.00	The company did not implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality.	45%

53%

Section: Quality Management System

SubSection: Specifications

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	57.03	<ul style="list-style-type: none"> Technical dossier or package does not include risk assessment. 	71%

SubSection: Responsibility and Authority

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	62.00	The company does not have appropriate arrangements in place to cover for the absence of key staff.	86%

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

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	70.00	<p>The 'List of Approved Suppliers & Sub-contractors' is not up-to-date to cover the components, materials and service impacting safety, legality and quality.</p> <p><i>Incomplete supplier list. The approved supplier list was not complete, which the supplier "Quang Fang Yuan" and "Jing Quan" were not listed.</i></p>	85%
Minor	N/A	72.00	<p>The company does not establish supplier & sub-contractor selection and approval process.</p> <p><i>Inadequate supplier control. The supplier selection and approval record for "Quang Fang Yuan" and "Jing Quan" was not available.</i></p>	90%
Minor	N/A	73.00	<p>The company does not conduct ongoing performance assessment for a few suppliers & sub-contractors.</p> <p><i>Inadequate supplier control. Checked the supplier assessment record, it was noted that the supplier ongoing performance assessment was taken yearly, which did not follow the factory defined requirement of the supplier ongoing performance assessment should be taken quarterly.</i></p>	70%
Minor	N/A	75.00	The company does not determine how exceptions are handled, where the use of products or services of unapproved suppliers are acceptable under emergency or unusual circumstances.	62%

SubSection: Identification & Traceability

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	85.00	<p>A few isolated cases are found that raw materials, packaging, processing aids, intermediate/semi-processed products, part-used materials, finished products, re-work and non-conforming materials are not clearly identified of lots/batches during all stages of receipt, production, storage and dispatch.</p> <p><i>Inadequate materials identification. During on-site tour, in the materials storage area of 1st floor, it was noted that two pallets of incoming steel boards were not identified with quality status label.</i></p>	44%
Moderate	N/A	90.00	<p>Finished products (including re-work) do not have a full traceability from raw materials source to the customer, or vice versa.</p> <p><i>Inadequate product traceability. The materials (printing ink and glue) were sampled for checking product traceability, the result of checking was not satisfactory that the materials could not be traced forward to customer name and lot number.</i></p>	61%
Minor	N/A	91.00	The effectiveness of the traceability system regularly are not tested, at least annually.	42%

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>Inadequate product traceability. The materials (printing ink and glue) were sampled for checking product traceability, the result of checking was not satisfactory that the materials could not be traced forward to customer name and lot number.</i>	69%
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SubSection: Incident, Product Withdrawal and Product Recall

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	94.00	The company does not have a written agreements/consensus in place with relevant parties in the supply chain regarding the product withdrawal/recall.	62%
Minor	N/A	96.00	The product withdrawal and recall procedure is not tested, at least annually.	61%

SubSection: Business Continuity Planning

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	100.00	The company does not have a business continuity plan in the event of major incidents/threats such as disruption to key services (e.g. water, power, staff availability, key equipment failures and customer/field returns), flood, fire, natural disaster, malicious contamination or sabotage.	63%

81%

Section: Site and Facilities Management

SubSection: Cleaning and Hygiene Practices

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	150.00	Cleaning practices are not completed effectively so as to minimise risk of contamination. <i>Inadequate cleaning practice. During on-site tour, it was noted that the working conditions was not tidy and clean in all production areas.</i>	89%
Moderate	N/A	158.03	<ul style="list-style-type: none"> Control of jewellery wearing is not taken where there are product contamination risks. <i>Inadequate control to product contamination risk. During on-site tour, in the assembly and packing workshop, it was noted that three workers wearing jewellery during operation.</i> 	79%
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>Inadequate control to product contamination risk. During on-site tour, in all production areas, it was noted that the workers hair was not contained.</i> 	40%

SubSection: Pest Control

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	180.00	Windows, pipe openings and/or drains in areas affecting production and storage are not fitted with screens and traps to prevent pest entry. <i>Inadequate pest control. During on-site tour, in the assembly and packing workshop of 2nd floor, it was noted that the opening windows were not screened to prevent pest entry.</i>	81%
Minor	N/A	182.00	A few isolated cases are found that fly-killing devices and/or pheromone traps are not correctly sited or not functioning. <i>Inadequate pest control. During on-site tour, in the production areas of 1st and 2nd floors, it was noted that no fly-killing device was equipped.</i>	75%

85%

Section: Product Control

SubSection: Chemical Control

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	195.00	The company does not have a 'List of Approved Chemicals with Corresponding Brands / Manufacturers'.	76%
Minor	N/A	207.00	A few isolated cases are found that the company does not label the chemical substances/components clearly and distinguish the status (pass / fail / pending) in the warehouse. <i>Inadequate chemicals identification. During on-site tour, in the printing ink warehouse, three tins of printing ink were sampled for checking identification, the result of checking was not satisfactory that one of them was not identified with lot number and production date.</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>Incomplete usage record of chemicals substance. Sampling checked the printing ink and glue release record, it was noted that the printing ink and glue lot number and product lot number were not marked for traceability purpose.</i>	72%

78%

Section: Product Testing

SubSection: Product Testing

Current (05-May-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>Inadequate product testing. The glossiness testing was required by factory, however, no suitable equipment was available for this testing.</i>	58%
Moderate	N/A	248.01	<ul style="list-style-type: none"> Testing procedure/programme does not include the stages (e.g., pre-production, production) where testing is to be performed. 	84%

69%

Section: Process Control

SubSection: Foreign Body Detection and Control

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Major	N/A	492.00	Sharp tools (e.g., trimmers) are not permanently attached to benches. <i>Inadequate sharp tools control. During on-site tour, in the packing area, it was noted that one piece of scissors was not attached to workbench.</i>	74%
Moderate	N/A	495.00	Sharp tools are not controlled by a listing & registration procedure. <i>Inadequate sharp tools control. During on-site tour, in the packing area, it was noted that one piece of scissors was not numbered and registered.</i>	76%
Minor	N/A	506.00	There is no 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.	50%
Minor	N/A	514.00	A few isolated cases are found that light-bulbs and strip lights including those on electric fly-killer units are not protected when they constitute a risk to the products. <i>Inadequate foreign body control. The strip lights were not protected against breakage in assembly and packing workshop.</i>	47%

SubSection: Calibration and Control of Measuring and Monitoring Devices

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
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>Inadequate calibration record. During document review, for calibration report of moisture meter, it was noted that no original document was available, and the factory only provided the related copy document for review.</i>	88%

SubSection: Equipment & Tooling Maintenance

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	710.04	<ul style="list-style-type: none"> The maintenance system does not include the spare parts listings and replacements. 	79%
Minor	N/A	710.05	<ul style="list-style-type: none"> The maintenance system does not include the contingency plans for failure of essential equipment. 	86%

58%

Section: Personnel Training and Competency

SubSection: Personnel Training and Competency

Current (05-May-2014)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	722.00	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.	56%

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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