FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

I. Audit Information

Date of Audit	19-May-2021	**SGS Job No.**	JSASCN21562813
Type of Audit	☑ Initial Audit ☐ Follow up Audit ☐ Annual Audit ☐ Desktop Review		
Name of Client	Nil		
Name of Vendor	Shenzhen Pinsom Times Technology Co., Ltd		

II. Audited Factory Information

A. Basic Information

Factory Name	Shenzhen Pinsom Times Technology Co., Ltd				
Address	3/F, Building 3, Xunyuan Zhichuanggu, Fuhong Industrial Zone, Fengtang Avenue, Tangwei Community, Fuhai Street, Bao'an District, Shenzhen City, Guangdong Province				
Contact Person	Huang Guangshi	Title	General manager		
Tel.	86-13823111840	Fax	0755-27889719	Email	sam@lechaopet.com
Date of Foundation	7-Apr-21	Type of Business Entity	Private		
Business License No.	91440300065495788N	Valid until	Long term		
Name of Corporate Representative	Huang Guangshi				

B. Factory Operations

Products Manufactured	Pet smart product			
Products Capable to Manuf acture:	50000 pieces per month			
Factory Layout (sq. meters)				
	Material Stores	100	Administration Area	700
	Manufacturing Area	600	Dormitory, Kitchen and Canteen	0
	FG Stores	100	**Total**	**1500**
Production Process Flow Diagram	Assembly-aging-packing			
Major Customers	Xipigou, Jinhe etc.			
USA Customers:	Nil			

Subcontractor Factory Name(s) if any

Process	Sub-Contractor Name	Address	Contact Person
N/A			

C. Manpower Details

	Sub-total
Supervisors/Managers	5
Administration Staff	2
Quality Control Staff	3
Engineering Staff	1
Permanent Workers	14
Temporary/Contract Workers	0
Total	**25**

D. Factory Management (Enclose a copy of the factory organization chart)

Position	Name
Factory Manager	Li Shilin
Production Manager	Li Shilin
Quality Manager	Li Xiangjuan
Export Manager	Gong Liufeng
Shipping Manager	Gong Liufeng
Management Representative	Li Xiangjuan
EHS Manager	Li Shilin

E. Management System Implemented (Enclose copy of past and/or current available certificates/reports)

Type of System/ protocol	Validity of Certificate	Issue Date	Issued by
C-TPAT	Nil		
Social audit	Nil		
ISO 9001	Nil		
ISO 14001	Nil		

III. Auditor Team

Auditor Name	Auditing Company	Role in the Team
David Fang	SGS	Leader auditor

IV. Auditee Representatives

Name	Position / Department
Huang Guangshi	General manager
Gong Liufang	Admin supervisor
Li Xiangjuan	Quality supervisor
Li Shilin	Production supervisor

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	**SGS Job No.**	JSASCN21562813

Number of Machines at Factory

ITEM	Machine Function	BRAND	MODEL	CAPACITY (1)	MANUF. YEAR	STATUS	NUMBER OF MACHINES
1	Laser engraving machine	Jinwei	KYRLP-12	200 pieces per hour	1	Good	1
2	Assembly line	No information	No information	200 pieces per hour	1	Good	1
3	Aging line	No information	No information	200 pieces per hour	1	Good	1
4	Packing	No information	No information	200 pieces per hour	1	Good	1
5							
6							
7							
8							
9							
10							

Hardware, Software and Specialized Equipment

Is there any specialized information equipment and software to perform the ACTIVITIES appropriately?	Yes	No
		X

Comments

Nil

Details of Major Processing Activities (e.g. cutting, sewing, printing, assembly)

ITEM	Process Type	Number of Lines	Number of Employees on Line (approx.)	Maximum Hourly Unit Production (approx.)
1	Assembly	1	8	200 pieces per hour
2	Aging	1	1	200 pieces per hour
3	Packing	1	5	200 pieces per hour
4				
5				
6				
7				
8				
9				
10				

Average Output in Previous 12 Months

ITEM	Product 1	Product 2	Product 3	Product 4	Product 5	Product 6
1. Units per Month	Pet smart product					
2. Containers per Month (20' or 40')	18					
3. Annual Volume (USD)	2,600,000					

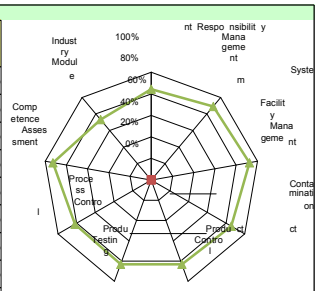
FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

Audit Rating

No	Section		Score Possible	Score Achieved	Critical Failure Found	Rating	Min. Requirement	Possible
A	Management Responsibility		57	48	0	84.2%	60%	100%
B	Management System		168	150	0	89.3%	60%	100%
C	Facility Management		27	25	0	92.6%	60%	100%
D	Contamination		69	59	0	85.5%	60%	100%
E	Product Control		60	50	0	83.3%	60%	100%
F	Product Testing		12	10	0	83.3%	60%	100%
G	Process Control		72	59	0	81.9%	60%	100%
H	Competence Assessment		27	25	0	92.6%	60%	100%
I	Industry Module	E&E	30	22	0	73.3%	60%	100%
Overall Summary			522	448	0	85.8%	60%	100%



Classification Analysis

Category		Subcategory		Possible score	Achieved score
A	Management Responsibility	A1	Management Commitment / Management Review	24	20
		A2	Risk Management	27	25
		A3	Implementation of Risk Assessment	6	3
B	Management System	B1	Documentation & Procedures	12	11
		B2	Facility Organization	6	6
		B3	Customer Focus	36	33
		B4	Customer Specification	9	7
		B5	Supply Chain Partner Selection and Monitoring	21	20
		B6	Traceability	21	19
		B7	Recalls	18	17
		B8	Complaint Management	6	5
		B9	Corrective Action	6	5
		B10	Document Control	21	16
		B11	Internal Monitoring	12	11
C	Facility Management	C1	Layout	12	12
		C2	Production Flow	3	2
		C3	Facility Environment	12	11
D	Contamination	D1	Product Segregation	6	5
		D2	Facilities	36	27
		D3	Pest Contamination	9	9
		D4	Contamination	18	18
E	Product Control	E1	Sampling Control	21	21
		E2	Non-Conforming Material Control	18	10
		E3	Transportation, Storage Control	15	15
		E4	Stock and Product Release Control	6	4
F	Product Testing	F1	Testing	9	7
		F2	Claims	3	3
G	Process Control	G1	Operations	21	16
		G2	Calibration	9	6
		G3	Equipment and Tools	15	13
		G4	Packaging	9	9
		G5	Inspections	18	15
H	Competence Assessment	H1	Training	27	25
I	Industry Module	I	E&E	30	22

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

A. Management Responsibility

	No.	Requirements	Score	Comments
A1	**Management Commitment / Management Review**			
Critical	101	**Is there an established QMS policy appropriate to the purpose of the facility including customer commitment and manufacturing of safe and quality products?**	3	Quality policy and objective was defined in Quality Manual which was effective since 2021. Quality policy was relating to product quality, safety and continuous improvement. Quality objective was measurable and was reviewed monthly. Relevant manpower and resource was available for quality management.
	102	How is the policy communicated throughout the facility?	2	This policy was communicated to staffs by regular training. But per interview with workers, about 20% were not familiar with policy.
	103	Is there evidence of top management commitment to the established QMS purpose and process as stated above?	3	Quality policy and objective was signed by top management prior to communicating it to the internal departments.
	104	Does top management review the QMS periodically?	1	The management review output information was incomplete, did not include the responsible person and the deadline for output items.
	105	Is there any evidence to show management commitment to comply with requirements and continually improve the effectiveness of the QMS?	3	Quality trend was monitored per month by KPI review. If there was not shortage, factory would carry out corrective action to improve quality performance.
	106	Is there any evidence that facility tracks its Key Performance Indicators like turnaround time, efficiency, complaint resolution etc.?	2	Measurable KPI was set to monitor quality trend. And these KPIs were traced per month. For example, On-time delivery rate no less than 95%, Customer satisfaction no less than 80%, acceptable rate for finished products no less than 99%. But KPI record for Year 2020 was not provided for review.
A2	**Risk Management**			

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	201	Is there evidence that the facility has documented procedure to identify and address risk in the processes at the facility?	3	Does the procedure include, but not limited to: ■ Equipment calibration ■ Contamination of any type of products ■ Condition of the machinery and equipment ■ Safety/ protective equipment, etc. ■ Others The factory established risk assessment control procedure PS-QMWI-024, and process risk assessment record was available.
	202	Is there evidence that the risk assessment procedure is reviewed periodically and/or before key processes are changed?	2	Risk assessment procedure was reviewed every year and when key processes were changed.
	203	Does the organization identify and assess risk related to process?	3	Based on process risk assessment record review, the factory identify physical risk, chemical risk and biological risk from each process, and also it inlucded equipment calibration, condition of the machinery and equipment, safety/ protective equipment and so on.
	204	Does a list of potential risk or hazards in the production process available?	3	The factory had a list of potential risk or hazards in the production process.
	205	Has organization identified Control Points to manage the identified risk to acceptable level?	3	Control Points were identified in PFMEA, and the control method and responsible staffs were defined.
	206	Is Accept / Reject limits defined for each Control Point?	3	Accept / Reject limits were defined for each control point in PFMEA.
	207	Has organization taken Corrective Action where a CCP is out of control?	3	The factory took corrective action where a CCP was out of control.
	208	Is the Responsibility of Control Points assigned?	3	Control Points were identified in PFMEA, and the control method and responsible staffs were defined.
	209	Are records of monitoring & reviews available?	2	The factory maintain records for control points monitoring, but they were not so complete.
A3	**Implementation of Risk Assessment**			
	301	Is there any evidence that risk assessment activities are performed periodically?	3	Risk assessment record was reviewed and updated every year or when key processes were changed.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	302	Is there any evidence that risk assessment activities are performed by a designated and competent person?		0	The factory did not provide formal training for staffs conducting risk assessments.
		Total Possible Score =	**57**	**Total Achieved Score =**	**48**

B. MANAGEMENT SYSTEM

	No.	Requirements	Score	Comments
B1		**Documentation & Procedures**		
	401	Is there evidence that the facility has a procedure/ QMS documentation that provides clear guidelines on the process to be used to meet system requirements?	2	The factory established quality control system based on documented quality control procedures, but the factory should define more details about the document management.
Critical	402	**Does the QMS documentation adequately comprise of guidelines including procedure, examples and instructions that are appropriate for all the products being manufactured at the facility?**	3	Quality procedure and quality instruction were appropriate for this factory.
B2		**Facility Organization**		
	501	Are responsibilities and authorities clearly defined, communicated and understood by all the workers involved in processes of the facility including customer commitment and manufacturing of safe and quality products?	3	Organization chart was clearly defined. And personnel responsibility was clearly defined in quality manual, IQC, IPQC and FQC had different responsibility.
	502	Does the facility also appoint back up authority for each responsibility in case of absence or temporary re-assignment of the relevant person?	3	Back up/ secondary personnel list was defined for each department head /manager only.
B3		**Customer Focus**		
Critical	601	**Does the facility document specifications agreed with customers?**	2	Factory documented customer order with detail specification. And customer order was reviewed by each department before mass production, but some of them were not placed on site when producing.
Critical	602	**Is there evidence that the facility has established processes to ensure customer specifications, needs and requirements are communicated to all relevant workers?**	3	Customer requirement per order was communicated to workers on morning meeting per day. And factory also communicated information to workers by instruction and order detail.
Critical	603	**Is there evidence that the facility has a documented procedure with performance indicators to measure customer satisfaction?**	3	Customer satisfaction target in this factory was defined. Customer satisfaction survey was carried out per year. Last year's performance was met target.
Critical	604	**Is there evidence that the facility has a documented procedure to safeguard customer information including their IP?**	3	The factory established customer property management procedure to protect customers' information and IP.

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

B4	**Customer Specification**			
	701	Is there evidence that specific guidelines are provided for all steps of operations? This should include incoming raw materials, in-line production, finishing, package/ labeling.	1	The drawing of the plastic components of the pet waterer LR-01 did not define the measurement tolerances of each key dimension.
	702	Are the specific guidelines appropriate, accurate and aligned with legal and customer requirements?	3	Factory had surveyed and collected external regulations related product quality and safety.
	703	In case of any changes in specifications from the customer, are such changes formally documented and communicated to relevant workers?	3	Formal ECN relating to design or process change was maintained and communicated to necessary personnel by paper record.
B5	**Supply Chain Partner Selection and Monitoring**			
Critical	801	**Does the facility clearly define procedures and criteria for selection, evaluation, re-evaluation and monitoring of all suppliers and subcontractors ?**	3	These requirements were defined in supplier assessment and purchase control procedure PS-QP-016 clearly.
	802	Does the facility have a systematic program to establish supplier control and validation of sub contracted processes and materials?	3	Based on document review, the factory established approved supplier name list and selection record for each approved supplier were maintained for review.
	803	Is the supplier control used effectively based on subsequent product realization or the final product acceptance?	3	The factory conducted the quarter monitoring to the supplier's quality, and conducted the onsite audit, and relevant records were maintained.
	804	Do the procedures clearly define the required KPI's for all suppliers and criteria for monitoring them?	2	KPI such as on-time delivery rate, quality, service etc. of supplier was defined, and it was monitored every quarter. But the records were not complete.
	805	Does the facility clearly communicate appropriate purchasing information (i.e. specification) and legal requirements to suppliers? This can include raw-materials, packaging accessories etc.?	3	Purchasing order with detail information was communicated to supplier.
B6	**Traceability**			
Critical	901	**Does the facility have a clearly defined traceability system for lot identification, raw materials, in-line and post production processing?**	3	The traceability system was established by factory, and the factory provided the traceability system test report for review, and the labels of all materials, semi-products and finished products were clear for product traceability.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	902	Is there evidence that facility ensures traceability for raw materials, in-line and post production processing?	3	The labels of all materials, semi-products and finished products were clear for product traceability, and relevant production records, inspection records in each process were maintained well.
	903	Is there evidence that the facility is able to identify and accurately trace all the final production lots to their raw material lots when sampled randomly?	1	The factory did not conduct traceability system testing from finished products to raw materials.
	904	Is there evidence that the facility is able to identify and accurately trace all the raw materials in final products when sampled randomly?	3	The down-stream tracing could be traced from raw materials to all relevant finished orders by materials / components' specification. The factory conducted the traceability system test on Jan 30, 2021, and test summary, production records and inspection records were maintained well.
	905	Does the facility have a monitoring system to ensure accurate traceability at all stages and processes?	3	The factory established product label and traceability system management procedure PS-QP-019. The labels of all materials, semi-products and finished products were clear for product traceability, and relevant production records, inspection records in each process were maintained well for effective traceability system.
B7	**Recalls**			
	1001	Does the facility have a documented procedure for onsite incidents and emergencies that can have an impact on production processes and/ or the product quality?	3	Business emergency management procedure PS-QMWI-019 was established in this factory.
	1002	Does the facility have a documented procedure for customer communication and notification of products being delivered or already delivered that might be potentially unsafe or illegal?	3	Customer related communication management procedure was established.
Critical	1003	**Does the facility have a documented procedure or program for product recall?**	3	Product recall procedure PS-QMWI-012 was established to guide how to handle product recall in this factory, and the factory conduct product recall drill every year, and last was condcuted on Nov 16, 2020.
	1004	Does the facility have a monitoring system in place to check the implementation of their product recall program?	2	Product recall procedure PS-QMWI-012 was established to guide how to handle product recall in this factory, and the factory conduct product recall drill every year, and last was condcuted on Nov 16, 2020. But the recall drill record was not detailed.

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

B8	**Complaint Management**			
	1101	Does the facility have a documented customer complaint system?	3	Customer complaint control procedure PS-QMWI-007 was established to guide how to handle customer feedback or complaint.
	1102	Is there evidence that the facility performs a root cause analysis on the complaints and take appropriate follow up actions?	2	The factory had a list for client complaint, and for each case root cause analysis and corrective action was performed, but root cause was not deep enough.
B9	**Corrective Action**			
	1201	Does the facility have a documented procedure to investigate any non-conformities in the processes?	3	The factory established non-conformities control procedure.
	1202	Is there evidence that appropriate and timely actions are taken to address non conformities and monitoring for recurrences?	2	Corrective action for serious non-conformance defect was carried out with documented record, but root cause analysis was not deep enough.
B10	**Document Control**			
Critical	1301	**Does the facility have procedures for document control including customer specifications, work procedures guidelines etc.?**	2	Document control procedure PS-QP-014 was defined for procedure, instruction, specification and record control, but some WI was required to be updated.
	1302	Is there evidence that the access to documents are restricted and controlled?	3	Document was signed and chopped prior to issuance to production. Unauthorized documented was not allowed at production area.
	1303	What is the retention time of documents at the facility? Does the facility comply with customer requirement on document retention?	3	The retention requirement was defined in document control procedure, long term / 5 years / 3 years for different documents by category.
	1304	Is there evidence that most updated documents are in use?	1	The factory established complete inspection criterion PS-PZ-W-001 for each material. The inspection criterion provided to IQC was not updated and did not include the inspection requirements for the PCBA materials.
	1305	Does the facility have a procedure for any changes made to the documents? Are they signed by the management and version numbers noted?	3	Document change requirement was defined in document control procedure too. Document change must be approved and signed by relevant top management.
B11	**Internal Monitoring**			

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

Critical	1401	**Is there a documented procedure for monitoring QMS at the facility via internal audits at regular intervals?**		3	Internal audit control procedure PS-QP-007 was established. The defined internal audit was conducted once per year.
	1402	Is there evidence that all the findings during internal audits are closed within required timeline?		2	The internal audit was conducted according to the internal plan and the different departments would be audited, but the checklist was maintained well for review.
		Total Possible Score =	**168**	**Total Achieved Score =**	**150**

C. Facility Management

	No.	Requirements	Score	Comments
C1		**Layout**		
Critical	1501	**Is the structure and design of the facility appropriate to avoid any type of contamination of products?**	3	The structure and design of the facility was appropriate to avoid any type of contamination of products.
	1502	Is the layout of the facility aligned with best possible ergonomics to ensure safety and efficiency of people and products manufactured?	3	Layout of facility was designed according to material flow during manufacturing process.
C2		**Production Flow**		
	1601	Does the layout of the facility including storage, offices, production area, shipping and receiving areas are clean and safe for all the people and processes at the facility?	2	Most of storage, offices, production area, shipping and receiving areas were clean and safe for all the people and processes, except polishing and cutting area.
C3		**Facility Environment**		
	1701	Is the facility appropriately lit for the various processes including cutting, sewing, production, testing, storing, finishing?	2	The factory was appropriately lit for the various processes including assembly, aging and packing.
Critical	1702	**Is the facility appropriately ventilated for the various processes including cutting, sewing, production, testing, storing, finishing?**	3	The overall ventilation condition was good in production and warehouse area.
		Total Possible Score =	**27**	**Total Achieved Score =**	**25**

D. Contamination

	No.	Requirements	Score	Comments
D1		**Product Segregation**		
	1801	Does the facility have documented procedures and guidelines to ensure cross contamination of products is controlled?	3	The factory established documented procedures and guidelines to ensure cross contamination of products is controlled.

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	1802	Is there evidence that the procedures and guidelines to control product cross contamination is being implemented?	2	No obvious contamination was detected at workshop and warehouse. Only minor potential contamination risk relating to product / materials stacking was observed.
D2	**Facilities**			
Critical	1901	**Is the layout of the facility designed to ensure utility areas like cafeteria, restrooms, dormitories etc. do not contribute to product contamination?**	NA	No cafeteria, restrooms, dormitories in the factory.
	1902	Are there clearly defined guidelines that restrict workers from eating, drinking and smoking at the work stations and/or in the production area to avoid risk of contamination?	3	The factory had the procedure to define guidelines that restrict workers from eating, drinking and smoking at the work stations and/or in the production area to avoid risk of contamination.
Critical	1903	**Are the workers provided with appropriate hand cleansing and sanitizing facilities within production area and other key areas to avoid risk of contamination?**	1	The factory equipped with sufficient hand washing facilities in the workshop, but there was no disinfection facility.
	1904	Are the workers provided with appropriate facilities to change into PPE if needed?	3	Cleaning: No PPE uniform / gloves was needed to be changed prior to enter into workshop. No dedicated area was mandatory needed in this factory for worker to change PPE.
	1905	Are there clearly defined guidelines that restrict workers to bring personal belongings like jewelry in the production area to avoid risk of contamination?	3	The factory had defined guidelines that restrict workers to bring personal belongings like jewelry in the production area to avoid risk of contamination.
	1906	Are the production areas cleaned completely to avoid risk of contamination?	3	Based on onsite observation, all production areas, office, warehouses, etc. were clean and safety.
	1907	Are all storage, staging, inspection, production, finishing, packaging and shipping areas free of pests to avoid risk of contamination?	3	The factory installed necessary mosquito killer lamp at the production and warehouse area of factory, and pest killing was conduced every month.
	1908	Are the chemicals being used in production areas identified and controlled to avoid risk of contamination?	1	Based on observation on site, two bottles of cleansers were not marked with safety labels.
	1909	Does the facility have signed contracts with 3rd party cleaners where scope of cleaning and frequency are clearly defined?	NA	The factory did not use 3rd party cleaners.
	1910	Is a record maintained for the cleaning work done for all areas in the facility, equipment and storage?	3	The record maintained for the cleaning work done for all areas in the facility, equipment and storage.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	1911	Does the record maintained for the cleaning work done include the name of the person, materials used for cleaning, frequency, verification etc.?	2	The record maintained for the cleaning work done included the name of the person, materials used for cleaning, frequency, verification etc, but some record in Year 2021 was missed.
	1912	Is there evidence that only trained and experienced personnel carry out cleaning activities?	3	The factory provided the training records for review, only trained and experienced personnel carry out cleaning activities.
D3	**Pest Contamination**			
	2001	Does the facility has documented pest control guidelines to identify and control pest infestation?	3	The factory established the pest control procedure PS-QMWI-026 and installed the mosquito killer lamp and mousetrap onsite, but the position of those facilities were suitable.
	2002	Does the facility have signed contracts with 3rd party pest controllers to ensure appropriately trained staff performs the service?	3	Pest control activity was carried out by internal pest control staff and external 3rd party pest controller, they conducted the pest control monthly
	2003	Does the facility maintain inspection records for pest control?	3	The factory established the pest control procedure, provided the inspection records for review and installed the mosquito killer lamp and mousetrap onsite, and inspection record for the mosquito killer lamp and mousetrap was maintained.
D4	**Contamination**			
Critical	2101	**Is there a system to identify and control the transportation and storage of all materials and products to prevent contamination from environment?**	3	The factory established product protection procedures.
	2102	Is there a system to identify and control any type of foreign body contamination of all materials and products specifically from packaging?	3	Materials would be checked for cleanness at IQC. Most materials and semi-finished products were also maintained in a clean condition during storage.
	2103	Are sharp tools like scissors, clippers etc. tied to the work station while in use for production activity?	3	Based on observation on site, sharp tools were identified and fastened to worktable, and also the factory maintained issuance and return record for sharp tools.
Critical	2104	**Are there documented guidelines for using metal and/or foreign body detection equipment that details specifically the type, use, maintenance, calibration, records keeping requirements etc.?**	NA	No such equipment was required in the factory.
	2105	Does the facility ensure elimination of wood except when needed for production or for pallets?	3	The factory ensured elimination of wood except when needed for production or for pallets.
		Total Possible Score = **69** **Total Achieved Score =**	**59**	

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

E. Product Control

	No.	Requirements	Score	Comments
E1	**Sampling Control**			
Critical	2201	**Is there a documented procedure for managing reference samples for production?**	3	Sample management procedure PS-QMWI-021 was defined in this factory to rule sample management responsibility, approval, handing, etc. But it only required the sample's life time referring to the effective due day on sample.
	2202	Is there evidence that the facility retains customer approved samples and/or sample representative? For how long?	3	Factory defined life time of sample in sample management procedure and only required the sample's life time referring to the effective due day on sample.
Critical	2203	**Are these sample retained securely, inventoried and tracked for a pre-defined period under appropriate environmental conditions? (covered / wrapped / racked / palletized / stacked etc.)**	3	Samples were kept in a dedicated and locked sample room. And detail sample information was indicated on each sample with detail description, specification.
E2	**Non-Conforming Material Control**			
	2301	Is there a documented procedure to control/ avoid use of non-conforming products and materials?	2	Non-conformance materials control procedure PS-QP-022 was established. It specified that all non-conformance materials must be sperated and labelled clearly.
	2302	Are these procedures communicated and appropriately implemented by all the employees associated with samples and sample management?	3	These procedures communicated and appropriately implemented by all the employees associated with samples and sample management.
Critical	2303	**Is there evidence that all non-conforming products are segregated and/or disposed of based on customer and legal guidelines?**	1	At PCBA 100% inspection and function 100% inspection positions in the assembly line, the factory did not equip designated containers for placing rejected products.
	2304	Is there a evidence that the cause and follow up actions of each non-conformity found is well documented at the facility?	2	The factory recorded the rejected products by IQC, IPQC and OQC, but the factory had the records of the re-work of those rejected products and conducted the corrective action.

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

E3	**Transportation, Storage Control**			
Critical	2401	**Does the facility ensure suitable preventive steps are in place to eliminate risk of product contamination and damage during transportation, distribution and storage throughout the supply chain?**	3	The factory ensured suitable preventive steps are in place to eliminate risk of product contamination and damage during transportation, distribution and storage throughout the supply chain.
	2402	Does the facility have provision to load and unload transportation vehicles in covered areas in order to minimize the product contamination and/or damage?	3	The factory had provision to load and unload transportation vehicles in covered areas in order to minimize the product contamination and/or damage.
	2403	Does the facility have procedures to monitor the suitability of transportation (trailers and containers) and check the stability of loading in order to maintain the integrity of the product during transportation to final destination?	3	The factory had procedures to monitor the suitability of transportation (trailers and containers) and check the stability of loading in order to maintain the integrity of the product during transportation to final destination.
E4	**Stock and Product Release Control**			
	2501	Does the facility have documented procedures to ensure that products released for shipping are in line with customer specifications?	3	Product was only allowed to be released after sales/ quality responsibility staffs' approval. Warehouse keeper was taking charge for shipping information checking to guarantee shipping product specification and quantity was correct.
	2502	Does the facility require subcontractors and homeworkers to conform to product dispatch procedures?	NA	There was no subcontractor and homeworkers in factory, it was not applicable.
	2503	Is there a system to ensure correct stock rotation and accurate labelling is in place? (First-in, First-out)	1	In the raw material warehouse, the PCBA LR-01 incoming on Apr 9, 2021 was used, but there was PCBA incoming on Apr 2, 2021 stock in the warehouse, which did not comply with the material first-in first-out principle.
		Total Possible Score = 60 **Total Achieved Score =**	50	
F. Product Testing				
F1	**Testing**			
	2601	Does the facility have documented procedures to perform or outsource testing/ inspections at each stage of processes: pre-processing (raw material), inspection of in-line production, post-processing (final product) to ensure customer requirements are met?	1	The factory did not establish clear PCBA guidelines to inspectors for reference.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	2602	Does the facility have in-house testing capabilities for any required tests?	3	The factory had the test equipment for related test, it was acceptable.
	2602a.	If yes, does the facility ensures that the testing capabilities conform to approved independent lab or an equivalent accreditation standard?	3	Current internal testing in this factory was including drop test, aging test, and test methods conform to approved independent lab or an equivalent accreditation standard.
F2	**Claims**			
	2701	Is there evidence that the facility performs claimed testing to validate product quality etc.?	3	Internal test record was maintained per test. And factory had contracted external 3rd party testing laboratory for product quality and safety test. Formal testing report was maintained for review.
		Total Possible Score = 12 **Total Achieved Score =**	10	
G. Process Control				
G1	**Operations**			
Critical	2801	**Does facility leadership meet to establish a production process map for new and substantially modified products?**	2	Process flow chart was established. And product process control plan was established.
	2802	Are process changes and modifications documented and authorized (ST)	3	Process change and modification was documented in formal ECN which must be approved by quality and technical department.
	2803	In case any deviation is identified in the process, are appropriate corrective actions taken and recorded?	3	The factory established the rejects area in assembly workshop and the records of defective products were kept.
	2804	Does the facility have documented procedures for incoming material to ensure all conforms to provided specifications, documented batch release, compliance to regulation for country where it is intended to be sold?	1	The factory did not maintain records of functional tests on major materials such as PCBA, water pumps, etc.
	2805	Do these procedures apply to sub-contractors, homeworkers or any other work performed offsite?	NA	No sub-contractors, homeworkers or any other work performed offsite was avaialable in the factory.
	2806	Is there evidence that the incoming materials are inspected?	3	The factory conducted inspection for all incoming materials based on AQL II (0, 1.0, 4.0) for Cri/ Maj/ Min, and relevant inspection records were kept for review.
G2	**Calibration**			
	2901	Is there evidence that equipment used to assess incoming material is frequently calibrated? How often?	2	Based on document review, the factory established a list measure tools, and measure tools were calibrated every year.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	2901a.	If yes, are the records for the calibration maintained?	3	The records for the calibration were maintained.
	2902	Does the facility have documented procedures clearly defining steps to take when equipment is not operating within expected tolerances?	1	One constant current and constant voltage source used by IQC was not regularly calibrated.
G3	**Equipment and Tools**			
	3001	Is there evidence that the facility clearly specifies the equipment, parameters and tooling for production?	1	The factory established work instructions for each process, but in the soldering and screwing positions, the work instructions did not define the temperature standard of the soldering iron and the torque standard of the electric screwdriver.
	3002	Does the facility have systematic procedure to perform planned maintenance for all equipment critical to product safety and quality as per standard and legal requirements?	3	The factory established the maintenance plan, the provided the maintenance records for review.
	3003	Is there evidence that all records for maintenance schedules are performed on time and documented?	3	The factory established the machine list and maintenance plan, provided the related maintenance records for review.
	3004	Does the facility ensures that risk of contamination, safety and efficiency of work is addressed during maintenance workshops?	3	The factory established the maintenance plan, the provided the maintenance records for review.
	3005	Are the tools, equipment, machines and any other production means currently clean and in good working condition?	3	Based on onsite observation, it was noted all product machines were clean.
G4	**Packaging**			
	3101	Does the facility have procedures for product packing to ensure customer requirements are met?	3	Packaging instruction with customer packing requirement was provided at packing area for worker reference. And IPQC and FQC would also check packaging conformity before dispatching.
	3102	Is the information on labels and packaging verified by the facility to ensure it meets customer requirements and also complies with regulatory requirements of the country it is intended to be sold?	3	FQC was taking charge of verify packaging information with customer requirement / detail PO. And factory would also contract packaging conformity check to external 3rd testing laboratory for further verification.
	3103	Is the storage space for packed goods enough as per factory capacity?	3	Finished goods warehouse was enough for packed finished goods' storage in this factory.
G5	**Inspections**			
Critical	3201	**Are there adequate areas for in-process inspection / testing?**	3	In-process inspection area was designated at workshop with inspection table and sufficient lighting.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	3202	Does the facility has written procedures for in-process testing/ inspection including sampling system to ensure customers requirement are met?	1	The factory specified to used AQL Level II （0, 1.0, 4.0）for finished product inspection, but FQC was not familiar with sample plan, for example, 230 pieces of pet waterer LR-01 were produced on Apr 6, 2021, and FQC sampled 22 pieces for inspection, instead of 32 pieces required by defined sample plan.
	3203	Are products being inspected as per customer requirements?	3	In-process inspection specification was including product specification, color checking, visual appearance inspection, etc. From achieved in process inspection record review, current in-process inspection was carried out following defined inspection frequency and criteria.
	3203a.	If yes, are customer requirements readily available to the inspectors?	2	Customer requirement was defined in in-process inspection specification which was provided at workshop. It was available for inspectors.
		Total Possible Score = 72 **Total Achieved Score =**	59	
H. Competence Assessment				
H1	**Training**			
	3301	Does the factory have established training procedures for the workers?	3	Human resource control procedure was defined to rule training procedure. The training scope was covered workers, inspectors and technical staffs.
Critical	3302	**Is the competence of workers determined before work allocation to ensure product quality and safety?**	3	Human resource control procedure was defined to rule training procedure. The training scope was covered workers, inspectors and technical staffs. At least once per year according to annual training schedule.
	3303	Are the workers apparently competent to perform the work allocated to them?	1	The factory specified to used AQL Level II （0, 1.0, 4.0）for finished product inspection, but FQC was not familiar with sample plan, for example, 230 pieces of pet waterer LR-01 were produced on Apr 6, 2021, and FQC sampled 22 pieces for inspection, instead of 32 pieces required by defined sample plan.
Critical	3304	**Do workers receive appropriate training for the work allocated to them?**	3	New employee had orientation training including operation, safety and quality before work. And workers had on-job-training at least once per year.

Date of Audit	19-May-2021	SGS Job No.	JSASCN21562813

	3304a.	If yes, how often?	3	At least once per year according to annual training schedule.
Critical	3305	**Are the workers appropriately mentored and monitored by supervisors during work period?**	3	IPQC quality inspector monitored in-process product quality. If there was any un-acceptable defect, quality team would communicate it to production team. Workers' handling and their product's quality was monitored by workshop supervisor too.
	3306	Are the workers trained on risk assessment procedures, their outcome and corresponding actions according to their activities?	3	The workers were trained on risk assessment procedures, their outcome and corresponding actions according to their activities.
	3307	Does the facility evaluate effectiveness of the training provided to the workers?	3	The factory evaluated effectiveness of the training provided to the workers orally or by exam.
	3308	Are the training records maintained and stored securely to ensure worker privacy is protected?	3	The training records were maintained and stored securely to ensure worker privacy was protected.
		Total Possible Score = 27 **Total Achieved Score =**	**25**	

FACTORY CAPACITY & CAPABILITY ASSESSMENT REPORT

Rev 1.0 Nov 01, 2019

Date of Audit	0-Jan-1900	SGS Job No.	0

I. INDUSTRY MODULE (E&E)

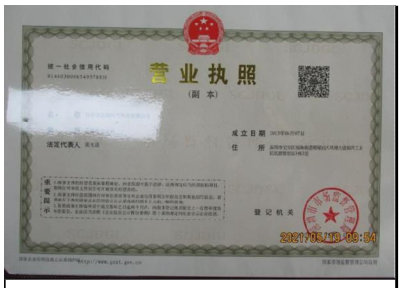
	No.	Requirements	Score	Comments
I1	**Storage**			
	101	Are storage conditions for critical materials (such as IC, ESD chip sets, MSD component & etc.) acceptable?	2	Storage conditions for critical materials such as PCBA was accpetable. Himidity and temperature was controlled in the PCBA storage area.
Critical	102	**Is the period of validity controlled when necessary, such as with battery, solder paste, red expoxy & etc. materials?**	NA	No such materials were used in the factory.
I2	**Process**			
	201	Are earthed floors and ESD bands and gloves worn by staff undertaking sensitive operations (e.g. PCB assembly)?	3	ESD bands was used by all operators who contacted PCBA at assembly line.
	202	Is there adequate control of the software used for the test measurements?	NA	No software for test was used.
	203	Are factors in environmental conditions such as housekeeping and cleanliness controlled and suitable for the operation performed?	3	Environmental conditions such as housekeeping and cleanliness were controlled and suitable for the operation performed.
	204	When the Hi-pot mark is added to the product (if applicable), does the Hi-pot tester undergo daily function checks?	NA	No Hi-pot was needed for the products.
Critical	205	**Does the factory efficiently prevent contamination between RoHS and non- RoHS productions if applicable?**	NA	The factory only manufactured RoHS products.
	206	Are regular analyses performed and recorded of the COB/ AI / SMT / wave soldering / ICT processes of those systems' automatic machine kept?	NA	No such processes in the factory.
	207	Do all the reworked products undergo re-inspection and retesting?	2	All the reworked products undergo re-inspection and retesting, but the records were not maintained well.
Critical	208	**Are regular validations of key parameter settings / key items performed and recorded on the tin bath, dipping soldering, reflow oven soldering, wave soldering, plastic injection, heat-sealing, ultrasonic welding processes, hand-soldering irons, screwdrivers etc.?**	1	The factory established work instructions for each process, but in the soldering and screwing positions, the work instructions did not define the temperature standard of the soldering iron and the torque standard of the electric screwdriver.
I3	**Finishing**			
Critical	301	**Does product test criteria documented by factory meet the related industrial international statdard?**	3	Product test criteria documented by factory meet the related industrial international statdard.
Critical	302	**Is product related safety testing correctly performed in line, e.g. Hi-pot test, leakage current test, earthing resistance test, micro-wave leakage test, refrigerant leakage test & etc.?**	NA	No such test was required in the factory.
	303	Is turn off current / operation current / stand-by current testing and all other functional testing conducted and does it meet the planned criteria?	NA	No such test was required in the factory.
	304	Is the low / high voltage test conducted in the production line?	NA	Not applicable for pet smart product.
	305	Does the product have a self-turn-off function?	NA	Not applicable for pet smart product.
		Total Possible Score = **30** **Total Achieved Score =**	**22**	

Photo

Description:Production building

Description:Factory name

Description:Reference sample

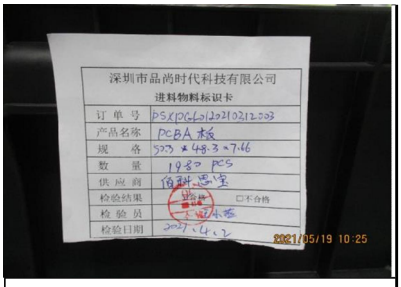


Description:Business license

Description:Sample room

Description:Material warehouse

Description:Humidity and temperature control in warehouse



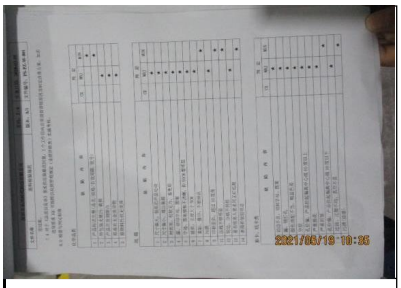
Description:Label for material

Description:Area for rejected materials

Description:Waiting inspection area

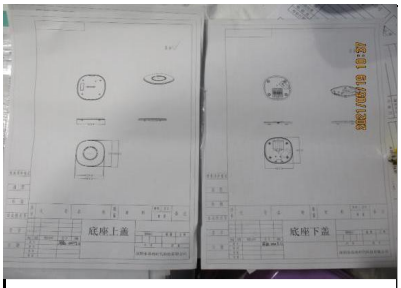
Description:Fly-killing facility in warehouse

Description:IQC area

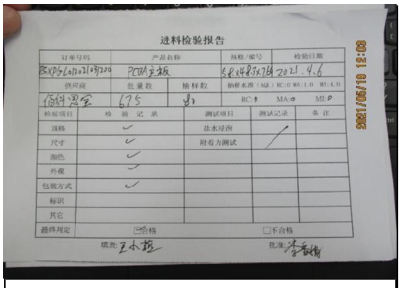


Description: WI for IQC

Description:Measure tools were calibrated.



Description:Specification for IQC

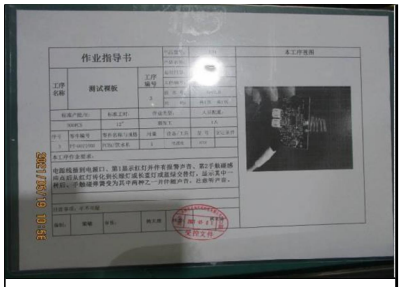


Description:IQC record

Description:Water pump test

Description: PCBA function test

Description:Assembly

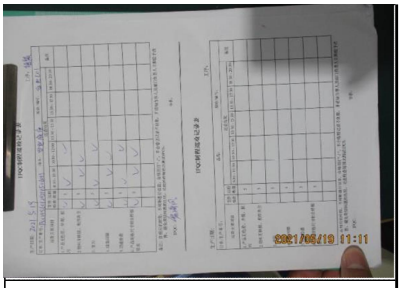


Description:WI for assembly operators

Description:Temperature control for soldering iron

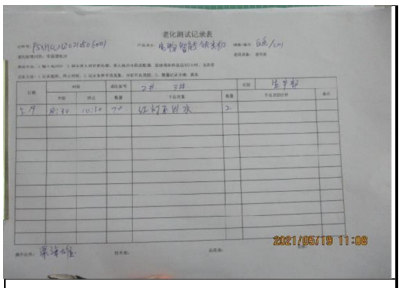
Description:Torque control for electric screwdriver.

Description:ESD was used by operators.



Description:Routine inspection by IPQC

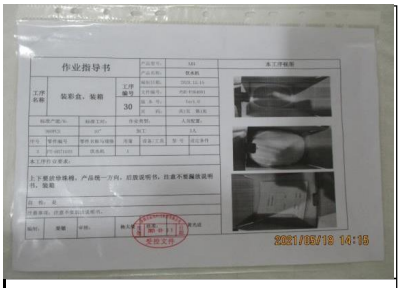
Description:Aging



Description:Aging monitoring record

Description:Packing

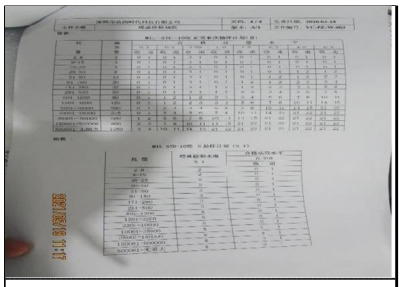
Description:Reference sample



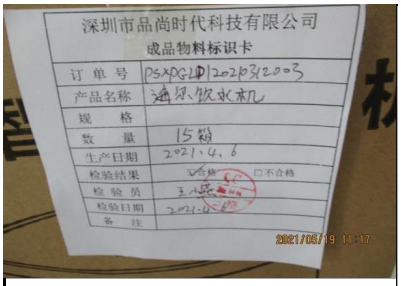
Description:WI for packing operators

Description:Finished product storage area

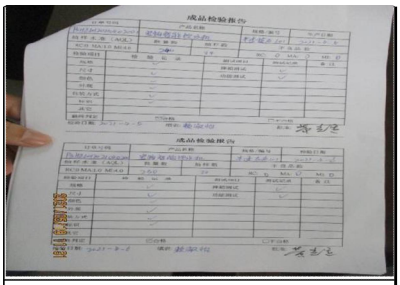
Description:FQC area



Description:AQL table for FQC



Description:Label for acceptable finished products



Description:FQC record

Description: Two bottles of cleansers were not marked with safety labels.

Description:One constant current and constant voltage source used by IQC was not regularly calibrated.