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Third party report No.:	A4945964	Audit Conducted via:	ON-SITE	FCCA Report No.:	WGSFCCA20-CN202109-36174438-ITS
SUBJECT:	FCCA RESULT	Factory Type:	Existing Factory	AUDIT TYPE:	PERIODIC AUDIT
Audit Date:	September 7, 2021	Score:	78.0%	FINAL AUDIT RESULT:	PASS

We would like to thank you for your cooperation during our Factory Capability & Capacity Audit held last **September 7, 2021** (date) at (Factory Name/ Factory ID) under **SUZHOU DUOLAIYUN HOUSEWARE CO.,LTD** / **36174438** with FCCA score **78.0%**. The factory have Non-Compliances (NC) observed during the audit and/or Conditions that were deemed to affect Production and Quality processes. Please work closely with your factory to remedy these NCs to prevent future rejection.

The following conditions apply:

- The completed Corrective Action Plan (CAP) by factory management must be accomplished and sent to third party office, **no more than 90 days** from the audit date.
- Follow-up audit (Announced or Un-announced), on the discretion of Walmart's Quality & Technical teams may be conducted after factory's submission of completed/closed Corrective Action Plan (CAP) and validated by 3PS.
- It is also expected that the Supplier on record will closely assist and monitor assigned factory in performing action plans and completion dates indicated.
- **Please note that factory management must strictly implement Corrective Action Plan (CAP) based on target completion dates stipulated on the "Quality Summary" form accomplished by factory. Failure of factory to rectify observed Non-Compliances that widely contributes to factory's poor performance and unacceptable quality may result to cancellation of order/s and will later be reviewed with Sourcing Team if future orders would still be placed.**

Thank you for your usual assistance and support to WALMART's Factory Capability and Capacity Audit (FCCA) Program.

Sincerely,

[Redacted Signature]

3PS Factory Auditor/Supervisor

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Score Summary

Category	Total Possible Points	Total Actual Points	Total N/A	Total Adjusted Points	Total Percentage
1.0 Factory Facility & Environment	195	142	0	195	72.8%
2.0 Quality Management System	102	67	9	93	72.0%
3.0 Incoming Material Quality Control	195	139	21	174	79.9%
4.0 Process and Production Control	264	182	30	234	77.8%
5.0 In-House Lab Testing	78	79	0	78	100.0%
6.0 Final Inspection	84	69	0	84	82.1%
7.0 People Resources and Training	75	50	0	75	66.7%
Total Points	993	728	60	933	78.0%
Final Audit Score	78.0%				

Assessment Criteria:

Score	Rating Guide	Result	Remark	CAP
80 - 100%	A - Good	PASS	Without critical point rating Zero (0)	CAP must be completed MAX 90 days after the audit date
60 - 79%	B - Acceptable	PASS	Without critical point rating Zero (0)	CAP must be completed MAX 90 days after the audit date
<50%	C - Unacceptable	FAIL	Without critical point rating Zero (0)	CAP must be completed MAX 90 days after the audit date

IMPORTANT

- * All factories must achieve an FCCA score of at least 60%, with all critical control points being met
- * CAP to be generated for any score falls in either 1 or 0 and critical/ safety area.
- * **Factory which scores zero on CRITICAL questions will be rated "C-Unacceptable"** until corrections are completed and validated by 3rd party auditors and reviewed & approved by WGS MQE/OA team if FAIL CONCESSION can be processed (if FCCA is >60%).
- * Factory must correct all NCs indicated in the CAP within a specific time period or if the completed CAP is not received within 90 days of the audit date, the factory will become inactive and not eligible to receive a Walmart purchase order until the CAP is received, validated & approved.

EXECUTIVE SUMMARY

BASIC INFORMATION

The facility named as "SUZHOU DUOLAIYUN HOUSEWARE CO.,LTD" was established in 2014. It was located at No.13 ZhenBei Road, FengHuang Town Zhang Jia Gang City Suzhou China. It took two hours from Shanghai Hongqiao airport to the facility by car. Main products of the facility were bath mat. The main raw materials used in the facility were 100% polyester. 85% products made in the facility were exported to overseas market.

Notes:

The discrepancies were found between the PAQ and actual situation.

"Key Factory Personnel", "Product Category Produced" "Current Major Customers (including Wal-Mart if existing factory)" were incorrect or incomplete in the PAQ. Complete information please see the "Basic information" section in report.

CAPABILITY

The facility had 7 years experience in the manufacturing bath mat. 73 skilled staffs were hired. Based on the facility's presentation and the information collected from the on-site observation, the monthly production capacity was 1,000,000 sets for bath mat. Based on the facility's presentation and the information collected from the on-site observation, we considered that the facility had necessary man power and experience to produce bath mat for Wal-mart.

Notes:

The discrepancies were found between the PAQ and actual situation.

"Product Range: Products and Quantity Produced in Past 2 years"; "All Main Materials used in past 2 years"; "In-House Testing Capability"; "Factory Major Process Used" etc. were incorrect or incomplete in the PAQ. Complete information please see the "Capability" section in report.

CAPACITY

The facility had one production building for backing, cutting, sewing, inspection, packing workshop and warehouse. The total production and storage area occupied by the facility was about 5800 square meters. Based on the facility's presentation and the information collected from the on-site observation, we considered that the facility had necessary equipments to produce bath mat for Wal-mart.

Notes:

The discrepancies were found between the PAQ and actual situation.

"Annual Volume(LY)"; "Estimated Annual Volume(TY)" etc. were incorrect or incomplete in the PAQ. Complete information please see the "Capacity" section in report.

QUALITY MANAGEMENT SYSTEM

The facility set up the documented quality management system and independent QC department to conduct the necessary quality controlling. And the document quality management system was established based on ISO9001:2015 but not been certified, the quality manual and quality procedure had been documented, and most of quality control procedure had been firmly implemented in the facility. Based on our onsite tour through on-site documents and interviewing checking, the current quality management system for bath mat were acceptable.

CONCLUSION/RECOMMENDATION:

It was concluded that the current operation status of its quality management system could meet the Wal-mart requirements. Based on the facility's presentation and the information collected from the on-site observation, the monthly production capacity was about 1,000,000 pcs for bath mat. The facility had necessary facilities and equipment to produce bath mat for Wal-mart. However, the manufacturer should make improvement in those areas that listed in the supplier CAPA.

Note: No previous CAP provided.

"0" score critical check points are:

Nil

"1" score critical check points are:

Nil

See Corrective Action Plan (CAP)