



Factory Capability & Capacity Audit (FCCA)

HARDLINES - NON ELECTRICAL

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Third party report No:	TRCN22071057	Audit Conducted via:	ON-SITE	FCCA Report No:	WGSFCCA99-CN202207-28099369-TR
SUBJECT:	FCCA RATING	Factory Type:	EXisting Factory	AUDIT TYPE	PERIODIC AUDIT
Audit Date:	July 15, 2022	Score:	73.8%	FINAL AUDIT RESULT:	PASS

We would like to thank you for your cooperation during our Factory Capability & Capacity Audit held last **July 15, 2022** (date) at
 (Factory Name/ Factory ID) under **Ningbo Zhenhai Liuhe Plastics Co.,Ltd.** / **28099369**
 (Supplier Name /Supplier ID) **Ningbo Zhenhai Liuhe Plastics Co.,Ltd.** / **36123236**
 with FCCA score **73.8%** 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,

Snowy Yang

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	186	102	45	141	72.3%
2.0 Quality Management System	159	73	69	90	81.1%
3.0 Incoming Material Quality Control	216	105	72	144	72.9%
4.0 Process and Production Control	264	155	30	234	66.2%
5.0 In-House Lab Testing	372	30	345	27	100.0%
6.0 Final Inspection	84	72	0	84	85.7%
7.0 People Resources and Training	75	50	0	75	66.7%
Total Points	1356	587	561	795	73.8%
Final Audit Score	73.8%				

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
<59%	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/QA 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:
Ningbo Zhenhai Liuhe Plastics Co.,Ltd. was located in No. 258 Jinhua Road, Zhenhai Economic Development Zone, Ningbo, China. The total production area occupied by the factory was about 7,000m2. The total warehouse area occupied by the factory was about 900m2. They had started their operation at the existing location since 2004. The main product manufactured by factory was Data strip, Sign holders, Sign board. The product supplied to Walmart was Data strip, Sign holders, Sign board. The factory's main customers were Walgreens, Walmart, Kaufland and Coles. Now 90% of the products were exported to oversea markets.
Capability:
The factory had 16 years experience in the manufacturing of Data strip, Sign holders, Sign board. During the factory audit, the manufacturing processes of extrusion, cutting and packing process were observed. Based on the findings from the assessment, it was considered that the factory had necessary manpower, facilities, equipment to produce the Data strip, Sign holders, Sign board.
Capacity:
The factory provided necessary manpower, facilities and equipment to produce Data strip, Sign holders, Sign board. Based on the factory's presentation and the information collected from the on-site observation, the factory employed around 72 people and the monthly production capacity was approx. 35x40 containers for Data strip, Sign holders, Sign board.
Quality Management System:
The factory established documented quality manual and control procedures according to ISO 9001:2015, but did not obtain ISO9001:2015 certificate, the QMS was running smoothly. QA/QC team had 12 workers in charge of quality inspection in all production processes.
CONCLUSION/RECOMMENDATION:
There were total 14 extrusion lines and QA/QC team had 12 workers in charge of quality inspection in all production processes. Based on the evaluation rating results and findings mentioned above, it was considered that the manufacturer had adequate manpower, machinery, production capability to produce Data strip, Sign holders, Sign board for Walmart CANADA. During the audit, most control procedures were implemented effectively and the operation was smooth. However, the manufacturer should make improvement in those areas that listed in the supplier CAP.
0" score critical check points are: Nil
1" score critical check points are: Nil

See Corrective Action Plan (CAP)