

Supplier Assessment Report

Supplier Basic Information

Audit Date Apr. 18, 2024

Report No.: TUVCS1592024040101

Auditor Gang Wang

1. General Information

Auditee Name	Jiangsu JISE Intelligent Storage Equipment Co., Ltd.		
Factory Address	No.28, New Material and Equipment Industrial Park, Qindong Town, Dongtai, Yancheng City, Jiangsu Province, China		
Contact Person	Mr. Gang Qin	Title	Quality Control Manager
Tel Num.	0086-18551655166	Email Address	qq@jise-china.com
Uniform Social Credit Code	91320981MA1XB63X4Q	Business Period	Oct. 17, 2018 to Long-Term
Registered Capital	RMB 20,000,000	Legal Representative	Mr. Aiming Wang
Registered Type	Private Enterprise	Intentional Products	Racking

2. Technical Process

Raw Materials → Rolling Forming/Stamping Bending/Laser Cutting → Welding → Powder Coating → Packaging and Storage

3. Production Capacity

Main Products	Initiate Production Year	Production Lead Time (days)	Annual Output (Specify the unit of measurement)	Maximum Daily Output (Specify the unit of measurement)	Bottleneck Process	Hourly Output of Bottleneck Process	First Pass Yield
Racking	2020	20-30	20,000 Tons	100 Tons	Powder Coating	4,000 Square Meters	98%

4. Subcontractor Information

Subcontracted Process	Name of Subcontractor	Address of Subcontractor	Contact person/information
Chamfering	Xinluo'er Machinery Parts (Taizhou) Co., Ltd.	Group 5, Caojia Village, Luotang Street, Jiangyan District, Taizhou City, Jiangsu Province, China	Mr. Yong Wang 18905268302

5. Other Main Cooperative Customers or Brands

Beijing Jizhijia Technology Co., Ltd. (25%)
Beijing Jingxundi Technology Co., Ltd. (7%)
Guangzhou Lingxiaoming Supply Chain Management Co., Ltd. (7%)
Shenzhen Hairou Innovation Technology Co., Ltd. (25%)
Beijing Kuangshi Robotics Technology Co., Ltd. (15%)
Kuka Robotics (Guangdong) Co., Ltd. (10%)
Jiangmen Haochuan Warehousing Service Co., Ltd. (10%)
and Others (1%).

6. Factory Layout (m²)

Office	Workshop	Warehouse	External Warehouse	Dormitories	Canteen	Sub-total
1750	10109	3500	0	0	40	15399

7. Production Equipment and Testing Instruments

Name of production Equipment	Equipment Type/Specification/Capacity	Quantity	Name of testing equipment/instrument	Testing Application	Quantity
Rolling Production Line	/	9	Film Thickness Gauge	/	3
Welding Machine	/	3	Leeb Hardness Tester	/	1
Spray Coating Production Line	/	1	/	/	/

8. Employees Information

Function	Management	Administration	Quality Control	Engineering Technology	Formal Worker	Dispatched workers/temporary workers	Sub-total
Male	2	3	1	3	40	0	49
Female	2	7	3	0	9	0	21
Sub-total	4	10	4	3	49	0	70

9. Management System Certification

Management Systems Category	Certificate Authority	Certificate No.	Issue Date	Expiry Date
ISO9001	Beijing United Intelligence Certification Co, Ltd.	UQ210693R0	2021-07-13	2024-07-12

ISO14001	Beijing United Intelligence Certification Co, Ltd.	UE220032R0	2022-02-14	2025-02-13
ISO45001	Beijing United Intelligence Certification Co, Ltd.	US220144R0	2022-08-16	2025-08-15

Product Certification

Product Certification Type	Certificate Authority	Certified Product	Issue Date	Expiry Date
CE	UDEM	Racking	2020-12-14	2025-12-13

10. Financial Information in Recent 3 Years

Year	Turnover (USD)	Gross Profit	Gross Profit Rate (Gross Profit/Business Volume)	Total Liabilities	Debt Ratio (Total Liabilities/ Total Assets)	Cash and Cash Equivalents	Information Source/Auditor
2022	7035209	1388271	19.73%	6665884	74.61%	1068105	Audit Report of Suzhou Deheng Certified Public Accountants (General Partnership)
2021	5603309	1525987	27.23%	5996950	72.63%	379071	Audit Report of Jiangsu Zhongxin Renhua Certified Public Accountants Co., Ltd.
2020	4149221	1074298	25.89%	3936399	73.59%	116952	Audit Report of Suzhou Xinyu Certified Public Accountants (General Partnership)

Financial Situation Evaluation

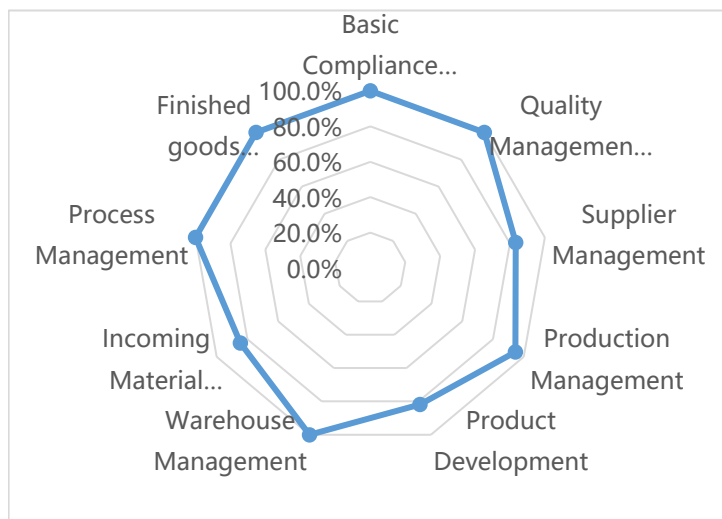
The factory provides third-party audited financial reports for 2020, 2021, and 2022, and has achieved profitability for three consecutive years. According to online searches and management interviews, the factory has not had any equity changes, external judicial guarantees, property auctions, or debt defaults in the past three years.

TÜV Rheinland Declaration:

This report is strictly confidential. The audit report reflects our findings at the time and place of auditing only. This audit report does not relieve the auditee of any of their contractual liabilities or legal liabilities. Despite of our duty of care during the audit process, as to any apparent and/or hidden management defects not identified or to be occurred after the audit, TÜV Rheinland as the auditor and the issuing party for the audit report shall be relieved of any liabilities accordingly. Without the prior written permission of TÜV Rheinland, no institution shall be used for other purposes.

Audit Assessment

No.	Audit Module	Grade	Rating	Critical defects	Major defects	Minor defects
1	Basic Compliance Information	A	100.0%	0	0	0
2	Quality Management System	A	100.0%	0	0	0
3	Supplier Management	C	83.3%	0	1	0
4	Production Management	C	94.4%	0	1	0
5	Product Development	C	81.8%	0	1	0
6	Warehouse Management	A	100.0%	0	0	0
7	Incoming Material Management	C	84.6%	0	1	0
8	Process Management	A	100.0%	0	0	0
9	Finished goods inspection	A	100.0%	0	0	0
Total Score/Defect number			93.8%	0	4	0



Grading Standard

A ≥ 90%, & No critical defects, & No major defects

B ≥ 80%, & No critical defects

C ≥ 70%, & No critical defects

D ≥ 60%, & No critical defects

E < 60%, or **Any critical defects**

Comprehensive Grade

B

General Description

The factory was established on October 17, 2018, and located in No.28, New Material and Equipment Industrial Park, Qindong Town, Dongtai City. The production address is consistent with the registered address. The factory mainly produces racking, there are 70 full-time employees without any dispatched workers currently. There is one 3-storey production building in the factory used as office, production workshops and warehouses.

The factory employees work in one shift from 8:00 to 16:30 from Monday to Saturday with half an hour for lunch break from 11:30 to 12:00, and overtime work from 17:00 to 20:00 on weekdays, without obvious off-peak seasons.

The main customers of the factory are Beijing Jizhijia Technology Co., Ltd. (25%), Beijing Jingxundi Technology Co., Ltd. (7%), Guangzhou Lingxiaoming Supply Chain Management Co., Ltd. (7%), Shenzhen Hairou Innovation Technology Co., Ltd. (25%), Beijing Kuangshi Robotics Technology Co., Ltd. (15%), Kuka Robotics (Guangdong) Co., Ltd. (10%), and Jiangmen Haochuan Warehousing Service Co., Ltd. (10%).

Good Practice

The factory has obtained 1 invention patent and 39 utility model patents.

Audit Checklist

Rating standard:

2 points: Fully compliance

1 point: Partial compliance;

0 point: Non conformance

NA: Not applicable;

The checkpoint rating 1 or 0 need to be listed in the Audit Finding Summary.

1. Basic Compliance Information

No.	Requirements	Grade	Rating	Comment
1.1	Does the factory hold a valid business license? Are the intentional products within the business scope?	Critical	2	The factory provides a valid business license with a unified social credit code of 91320981MA1XB63X4Q, the valid period is from Oct. 17, 2018 to long term. The intentional products racking is covered in the business scope.
1.2	Whether the production site is self owned; or signed a lease agreement with the property owner, with a lease term of more than 12 months?	Minor	2	The factory provided real estate certificate of production building for review with the land area of 20629.00 square meters and the building area of 15398.71 square meters.
1.3	Whether necessary production license is available ? Such as production license, compulsory product certification, hygiene license, printing business license, etc.	Critical	NA	No production license is required for the factory operation.
1.4	Whether there is safety administrative license? Such as safety production license, dangerous chemicals business license.	Critical	NA	No safety administrative license is required for the factory operation.

1.5	Has the factory conducted environmental impact assessment and obtained acceptance, and obtained pollution discharge permit or registration of fixed pollution sources ?	Major	2	The factory provides environmental impact assessment approval and completion acceptance report, and obtains fixed pollution source pollution discharge registration.
1.6	Are environmental protection facilities operating normally and monitored regularly? Does the hazardous waste disposal meet the environmental requirements?	Major	2	Based on the factory tour, the environmental protection facilities of the factory were operating normally during the audit. The factory provided the environmental factors testing report for review, and the test results were all within the legal limits. The factory signed hazardous waste disposal contract with a qualified organization and kept the hazardous waste transfer receipt of latest one year.
1.7	Whether all factory buildings have obtained fire protection acceptance or filing?	Major	2	The factory provided the Fire Safety Acceptance Report for Construction Projects Completion of the production building for review.
1.8	Are there any major fire safety hazards based on onsite observation?	Major	2	No major fire safety hazards were found during the audit.
1.9	Whether there is any major negative information in the past year? Such as quality accident, environmental pollution, major safety accident, labor rights, dishonesty, etc.	Critical	2	No significant negative information of the factory was found in the past year.

2. Quality Management System

No.	Requirements	Grade	Rating	Comment
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2.1	Does the factory establish a quality management system and obtain the certification? Are adequate management guidelines available, including procedures, standards and instructions? Or are there other quality control procedures fully and effectively implemented?	Major	2	The factory has established quality management system and obtained ISO9001 certification. The factory provides quality manuals, procedural documents, inspection standards, and work instructions, quality plans, and fully and effectively implements them.
2.2	Does the factory clearly define, communicate and understand the responsibilities and authorities for all positions involved in quality management? Including customer commitment and manufacturing of safe and high-quality products?	Minor	2	The factory provides job requirements, clarifying the responsibilities and authorities of each position, including customer commitments and ensuring product quality.
2.3	Has the factory established an employee training plan, and the relevant training materials, records and assessment records are kept completely?	Minor	2	The factory provides training plans for 2023 and 2024 for review, and retains training and assessment records. The sampling standard training records conducted on April 16th was sampled for review during the audit.
2.4	Is there evidence that different files are subject to access restrictions and controls as they should be? Are the files in use the latest version?	Minor	2	The factory has established a file and record management procedure, and each department could access to files and records according to their authority. Based on onsite observation, the files sampled checked onsite are the latest version.
2.5	Does the factory have an independent quality control team whose decisions are not affected by the production department? The quality representative is fully authorized to control the quality of the product and has the authority to require the production line to stop when necessary.	Major	2	The organizational chart provided by the factory includes an independent quality control department. The factory issues an appointment letter for the management representative, who has the right to shut down the production line if necessary.

2.6	Are there sufficient quality personnel involved in quality control of each part of the production operation? Cover the necessary stops and every shift?	Minor	2	There are 4 employees in the quality control department, one quality manager, one IQC, one IPQC and one OQC, all inspection positions are covered.
2.7	Are quality personnel properly trained? Do they understand quality standards and requirements? and have a good command of sampling and inspection methods? Does the quality record show that the product has been properly inspected?	Major	2	Based on the inspection records review and interview with spray coating inspectors, the inspector understand the sampling plan well and the records meet the inspection requirements.
2.8	Is there evidence that quality inspection results are used to initiate meaningful corrective and preventive action?	Minor	2	The factory provides corrective action control procedures and records of quality issue correction and prevention.
2.9	Does the factory have a customer communication management program, including reviewing customer needs, measuring customer satisfaction, including customer information such as intellectual property, trademark information, etc.?	Minor	2	The factory has established a customer communication management procedure, provided customer needs assessment records, customer satisfaction survey records, and customer complaint records for review.
2.10	Does the factory have a customer complaint handling system in place? Root cause analysis for valid complaints or returns and appropriate follow-up action? Is there evidence of effective corrective and preventive action?	Major	2	The factory has established a customer complaint management procedure, provided customer complaint handling records for review, which adopted 8D reports for corrective and preventive measures.
2.11	Does the factory keep statistics on customer complaints or return rates?	Minor	2	According to the management interview, the factory has not received any product return requirements and has provided customer complaints list for review.
2.12	Is there a system to handle product recalls? Are recall drills conducted regularly and records kept?	Minor	NA	Not applicable.

2.13	Is there evidence that the organization monitors the effectiveness of the operation of the quality management system through regular internal audits? Have the internal audit nonconformities been improved within the specified time?	Minor	2	The factory provided internal audit records which conducted on Dec. 22 to 23, 2023, and the non-conformities in the internal audit have been closed within the specified time.
2.14	Does the enterprise manager conduct management system review regularly? Does the factory track the achievement of quality objectives?	Minor	2	The factory provided management review report which conducted on Dec. 30, 2023, and a statistical table on the achievement of quality objectives.
2.15	Does the factory have procedures to identify and deal with risks in the production process? Including equipment calibration, contamination of any type of product, mechanical equipment condition, safety protection equipment, etc. And control the identified risks to an acceptable level? Is the risk assessment process regularly reviewed or reviewed prior to key process changes?	Minor	2	The factory provides hazard identification, risk assessment and control procedures, as well as safety risk identification and assessment reports. Preventive measures are formulated and reviewed.

3.Supplier Management				
No.	Requirements	Grade	Rating	Comment
3.1	Does the company specify procedures and criteria for the selection, evaluation, reevaluation and monitoring of all suppliers and subcontractors?	Major	2	The factory provides procurement control procedures, supplier selection evaluation and re evaluation criteria, including selection, evaluation, and monitoring standards for suppliers /subcontractors.
3.2	Does it ensure that normal suppliers/subcontractors are included in the list of qualified suppliers/subcontractors? Are critical materials or subcontracting processes independent of a single supplier/subcontractor?	Major	2	The factory provided approved supplier list including all qualified suppliers and subcontractors, and all introducing evaluation records for new suppliers, they ensure that all important materials and subcontractors have alternative suppliers.

3.3	Is there an appropriate review scheme for different suppliers/subcontractors? For example, a diversified assessment project, with specific data support? Is the subcontractor's process and capacity evaluated? Is there a control and approval process for bottleneck suppliers?	Major	0	The factory has subcontracted machining and spray coating processes, but the factory did not evaluate the production and workmanship capacity of subcontractors, only the spray coating equipment temperature is recorded.
3.4	Are appropriate procurement information and legal requirements clearly communicated to suppliers/subcontractors, including quality, delivery time, division of responsibilities, etc.?	Major	2	The factory and suppliers/subcontractors sign procurement contracts and quality agreements, including quality, delivery time, and responsibility allocation.
3.5	Is the supplier required to provide the necessary test report for the key characteristics/important parameters of the purchased materials or parts, such as hazardous substances testing, performance testing, etc.?	Major	2	The factory required suppliers to provide OQC reports and third-party testing reports regularly.
3.6	Are key performance indicators and monitoring standards for supplier management clearly defined, and require suppliers to take corrective and preventive actions if necessary, or even cancel their qualified supplier qualification?	Major	2	The factory has provided supplier performance evaluation records, and based on the evaluation results, the supplier is required to correct and prevent errors. The non-conforming analysis report of machining dimension errors on April 13, 2024 was review during the audit.

4. Production Management

No.	Requirements	Grade	Rating	Comment
4.1	Is the factory layout acceptable? Is it arranged in a logical flow from material to finished product to avoid contamination of all types of products while ensuring personnel safety and production efficiency?	Minor	2	The layout of the factory area is reasonable, presenting a U-shaped layout according to the flow of materials to finished products, which can avoid product pollution, ensure personnel safety and production efficiency.

4.2	Are appropriate precautions in place to eliminate the risk of contamination and damage to the product during transportation, distribution and storage? If loading and unloading are performed in covered areas?	Minor	2	The factory provides regulations for product handling, storage, and packaging. Materials and products are stored in standard factory buildings, and there is a platform awning in the loading and unloading area to avoid product contamination and damage.
4.3	Is the plant maintained clean, tidy, with ample space, clear zoning and no obstruction?	Minor	2	The factory is clean and orderly placed. The workshop has partition identification, without blocking.
4.4	Is the site well lit and ventilated for production and inspection?	Minor	2	The lighting and ventilation in the factory area are good, which meet the needs of production and inspection.
4.5	Is there a system to identify and control foreign body contamination from material to finished product?	Minor	NA	Not applicable.
4.6	Is there a full-time equipment maintenance/repair staff/team?	Minor	2	The factory has established an equipment department with two employees responsible for the maintenance of the equipment.
4.7	Is there a preventive maintenance plan for production equipment, and the actual implementation is recorded?	Major	2	The factory is able to perform maintenance according to the plan and kept the records for review.
4.8	Are there continuous records showing that all tooling fixtures have been adequately tested/calibrated/checked and evaluated for safety?	Major	1	The factory provided a copy of tooling and fixtures evaluation record for review, but there is no continuous record to ensure that the tooling and fixtures undergo comprehensive safety testing.

4.9	Are there continuous records showing that all instruments, equipment, testing tools, etc. have been effectively calibrated and evaluated?	Major	2	The factory provides equipment management system, monitoring and measurement device management system, equipment list and measurement equipment calibration plan. The equipment is in good condition and the testing equipment is within the validity period of calibration.
4.10	Is there a clearly defined traceability system for batch identification, raw materials, process production and finished products?	Major	2	The factory provides a prescribed sequence for product identification, and raw materials, semi-finished products, and finished products are controlled by identification cards, which basically meet traceability requirements.
4.11	Are quality inspection records and test data kept adequately and can be effectively traced to each batch? Is there evidence that quality inspection results are used for continuous quality improvement?	Major	2	The quality inspection records provided by the factory include dates and order numbers, which can be traced back to each batch. The factory regularly holds quality meetings to analyze and improve quality issues.
4.12	Are employees in hazardous areas wearing appropriate protective clothing, shoes, helmets, etc.?	Minor	2	The factory provides appropriate protective equipment for employees based on risk factors in the production area, including work clothes, safety shoes, safety helmets, masks, and earplugs.
4.13	Is smoking and eating prohibited in the factory?	Major	2	There are fixed smoking points in the factory area, no employees were found smoking or eating in the production area during the audit.

5. Product Development

No.	Requirements	Grade	Rating	Comment
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5.1	Does the factory have its own research and development team? Has won any awards related to product design? Has obtained patents or participated in the development of national, industry or group standards?	Minor	2	The factory technical department with 3 technical personnel has obtained 1 invention patent and 39 utility model patents.
5.2	Does the product design output include manufacturing and inspection specifications, including critical control points, control standards, key process parameters, etc., to provide sufficient support for manufacturing?	Major	2	The factory product design output includes a bill of materials, drawings, quality control plan with key control points, control standards, and key process parameters, which could support the manufacturing sufficiently.
5.3	Are product R&D results effectively reviewed? For example, does it include the approval opinions of various departments? or does it take the results of the third-party test report as reference?	Minor	2	The factory provides R&D review records for the product RS shelves and has obtained approval opinions from multiple departments such as R&D, production, quality control, and procurement. The factory also provides third-party testing reports as a reference for the review.
5.4	Are all product standards and technical specifications maintained before volume proofing and testing? And fully communicate customer standards and requirements with all departments.	Minor	2	The factory conducts product trial production before mass production and retains sample test reports. The factory samples are approved by customers before mass production.
5.5	Is there a mechanism in place to ensure the secure storage and disposal of confidential data, including documents, drawings, samples, etc.?	Major	2	The factory establishes management procedures to ensure the secure storage and disposal of confidential data.

5.6	Is there a mechanism to manage changes and implementation of product specifications, or designs, or drawings, or other requirements?	Major	2	The factory provides a design change control program, provides design change approval records, and has approval from customers and multiple departments.
5.7	Is the company equipped with adequate testing facilities to support product development, incoming material, process and finished product inspection and testing? Including product safety, life test, parameter test, environment test, aging test, etc.?	Major	0	The factory does not have equipment and capabilities for product safety testing, life testing, parameter testing, environmental testing, and aging testing.

6. Warehouse Management

No.	Requirements	Grade	Rating	Comment
6.1	Are all materials, semi-finished products and finished products properly and safely stored? Are different materials or products separated to avoid mixing? Is it clearly marked for traceability?	Major	2	The raw materials in the factory are stored according to different categories and sizes, effectively isolated to avoid confusion, and the raw materials are labeled for traceability.
6.2	Is there an inventory turnover mechanism? Is FIFO(First-in First-out) implemented effectively? Are stock counts conducted regularly? Are material safety stock limits set?	Minor	2	The factory provides a warehouse management system, and materials and finished products are effectively executed in a first in, first out manner. The factory has set safety stock levels for materials, which are controlled through the ERP system. The factory provides inventory records for December 2023.
6.3	Is there any control on the expiry date of the material? Are overdue and sluggish materials effectively identified and controlled?	Critical	2	The factory uses month labels to manage the expiration date of materials, such as spray powder. Expired and obsolete materials are labeled and stored in designated areas, and corresponding lists are provided.

6.4	Are the storage conditions of materials, semi-finished products and finished products controlled, such as off the ground, wall, roof, temperature and humidity, anti-static, dust, pollution, damage, etc.?	Major	2	Factory materials, semi-finished products, and finished products are stored off the ground, off the walls, off the roof, and keep dust-proof, anti pollution, and anti damage, with good storage conditions.
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7. Incoming Material Management				
No.	Requirements	Grade	Rating	Comment
7.1	Are appropriate incoming material inspection regulations established? Do you ensure all materials are checked? Are sufficient sample numbers defined to support inspection activities? Is it available onsite?	Major	2	The raw material inspection standard is included in the factory product inspection standard, which are easy for access onsite.
7.2	Are there appropriate areas and facilities for incoming material inspection?	Minor	2	The factory incoming material inspection was conducted at the raw material loading and unloading area, and the on-site environment basically meets the inspection requirements.
7.3	Materials to be inspected, qualified materials and unqualified materials are stored in designated areas to avoid confusion?	Major	2	The factory raw material warehouse is divided into pending inspection area, qualified material area, and unqualified material area.
7.4	Are all incoming materials/critical parts properly tested internally as required? Or send it to a qualified third-party testing institution for testing? Or check the test report provided by the supplier?	Major	2	The main materials in the factory include steel strips, pipes, and plastic powder. The key parameters of main materials are confirmed by verifying the quality certificates or inspection reports provided by the suppliers.

7.5	Do the inspection items, technical parameters, sampling methods and results in the incoming material inspection records conform to the inspection specifications? Is it complete, clear and traceable?	Major	0	The factory provided a sampling plan for raw materials, but the inspection items and standards in the incoming inspection records were inconsistent. For example, the steel strip inspection records only measured the width, without appearance, thickness inspection, and no verification on chemical composition based on the inspection report provided by supplier.
7.6	Is the inspection status of qualified and nonconforming materials clearly marked? Are specifications, batches, dates available for product traceability and FIFO management?	Major	2	All materials are labeled with quality status and stacked in the corresponding qualified or unqualified area. The label information of the materials can meet the requirements of traceability and first in, first out management.
7.7	Are there procedures for handling nonconforming incoming materials, such as return, selection, concession acceptance/special selection, etc.? And keep clear, complete and traceable records?	Major	2	The factory provides a non-conforming product control program, which specifies the handling of non-conforming products during incoming inspection, including rejection, sorting, and concession acceptance. The factory provides approval records for concession acceptance.

8 Process Management

No.	Requirements	Grade	Rating	Comment
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8.1	Is there a production planning management procedure to reasonably evaluate the production capacity of each process? Is on-time delivery assessed as a quality objective and production plan reviewed and adjusted regularly?	Minor	2	The factory provides a production plan management system, and conducted capacity evaluation for each process. The factory provides on-time delivery records for the project, and assess on-time delivery as a quality objective.
8.2	If there is an outsourcing process, is there a subcontracting plan for the subcontractor to manage the delivery time? Does the subcontractor's on-time delivery rate be measured and the subcontracting plan reviewed and adjusted regularly?	Minor	2	The factory outsources machining and powder coating processes. The subcontracting plan and timely delivery rates were provided for review.
8.3	If there are outsourcing processes, does the factory have a mechanism to ensure that the subcontracted activities are carried out to the same quality standards?	Major	2	The factory provides product drawings to subcontractors to ensure that they adhere to the same quality standards.
8.4	Are there procedures in place to prevent cross-contamination of the product in the processing area by raw materials, before and after process products, auxiliary tools, chemicals, waste, cleaning activities or pests, employee personal effects, etc.?	Minor	NA	Not applicable.
8.5	Are there clear written standards, operating instructions, specifications, drawings, etc. available to operators and inspectors? Is it available onsite? Do all staff understand and follow the job requirements?	Major	2	The factory production workshop has posted operation specifications and inspection specifications on the signboard. According to employee interviews, employees are clear about the job requirements and comply with them.

8.6	Are the operating parameters of key equipment consistent with the specification requirements? Is the device status marked?	Major	2	The operating parameters and specification requirements of the key equipment in the factory are consistent, and all the equipment were identified with operation status.
8.7	Are there procedures for managing reference samples for production? Are there approved samples available for production operations staff or inspectors?	Major	2	The factory provided a paint film color standard sample card for production and inspection personnel for reference.
8.8	The semi-finished products on site have sufficient identification and traceability, including the process, production date, model, quantity, inspection status, circulation direction, etc. Are different batches of products at each production stage separated to avoid confusion?	Major	2	The label information of semi-finished products was sufficient for trace.
8.9	Does the factory use national/international standards or other approved standards to perform process inspection? Does the sampling plan apply to each stage of production?	Major	2	Based on the inspection standard and records review, it was found that the inspection requirement is sampling according to GB/T2828.1-2012, and the inspection records showed the inspection were conducted based on the standards.
8.10	Is a first check procedure established? Is there a designated person performing the first check on the required node and keeping records? Are there samples and marks for the first part on site?	Major	2	The inspectors conducted first article inspection and keep records, and the approved first article product is labeled and kept as a sample.

8.11	Is there any inspection or other means to ensure that the online product meets the quality requirements? Is there a designated person performing inspection according to the specified frequency and sampling method? Are there complete and clear records of inspection contents? Are inspection failures properly followed up, and do quality inspectors have the authority to suspend production if necessary?	Major	2	The inspector conducts inspections according to the frequency and methods required by the inspection standards, and keeps records. Unqualified products are processed according to the requirements, and there are follow-up processing records. The inspector has the authority to request a suspension of production when necessary.
8.12	Are defective products on the production line clearly identified, isolated and documented to avoid misuse?	Major	2	There is a nonconforming product area in the factory's powder coating process, according to management interviews, the online defects in spray molding are repaired and handled by workers mostly.
8.13	Are defective products handled in a timely manner? Include rework, repair, downgrade or scrap? Are reworked and reinspected defective products fully confirmed before they can be put back into use?	Major	2	The factory handled the defective products according the procedure and provided handling records for review, the re inspection was conducted for the reworked product.
8.14	Is there a mechanism to prevent different batches or defective products from mixing into the final packaging box?	Major	2	The factory provides regulations for products identification, handling, storage, and packaging. The product identification card is signed by the inspector, and the production date and order number are used for traceability. Label fixtures are used at packaging area for pasting different product labels to avoid mixing different batches or defective products into the final packaging outer box.

8.15	Does the factory carry out statistics on the defect rate? And improve the quality according to the corresponding results. Such as regular quality meetings, staff training, etc.?	Minor	2	The factory provides records of defect rates and holds regular quality meetings to develop solutions.
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9. Finished goods inspection				
No.	Requirements	Grade	Rating	Comment
9.1	Is the finished product inspected before shipment? Is there a designated person to actually perform the final inspection?	Major	2	The factory has one inspector responsible for finished product and outgoing inspection.
9.2	Does the final inspection use the sampling scheme specified by the customer or approved by the company? Are you sure that the final inspection covers all the items that need to be tested? Including inspection, internal testing and third party testing?	Major	2	The factory has established a product appearance grade standard as the final inspection execution standard with an internal sampling plan. The inspection report includes size, appearance, paint film, hundred grid, and packaging testing. The factory conducts regular strength and stiffness testing and provides testing reports.
9.3	Are defective products identified and isolated for final inspection?	Major	2	The defective products found during the final inspection are isolated and label with quality status, stacked in independent storage areas.

Onsite Photos

Audit Date: Apr. 18, 2024

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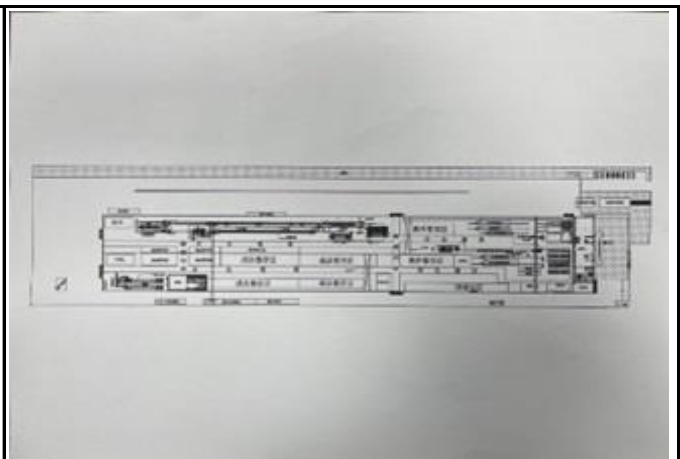
Factory Gate & Name



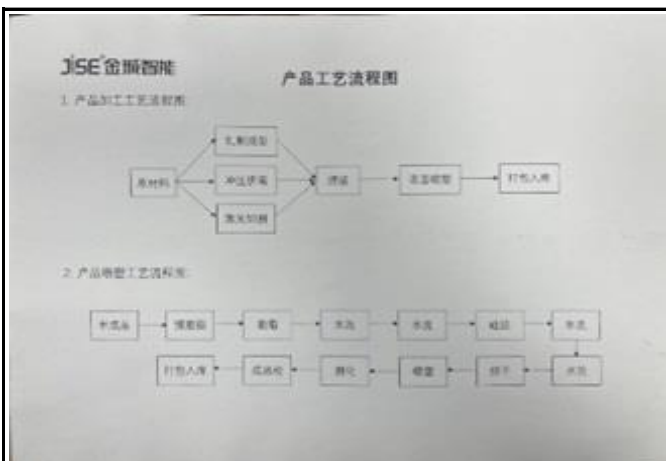
Factory Overview



Organization Chart



Factory layout



Process Flow



Building Overview



Production workshop



Production workshop



Production process -- Stamping



Production process -- Rolling Forming



Production process -- Welding



Production process -- Powder Coating



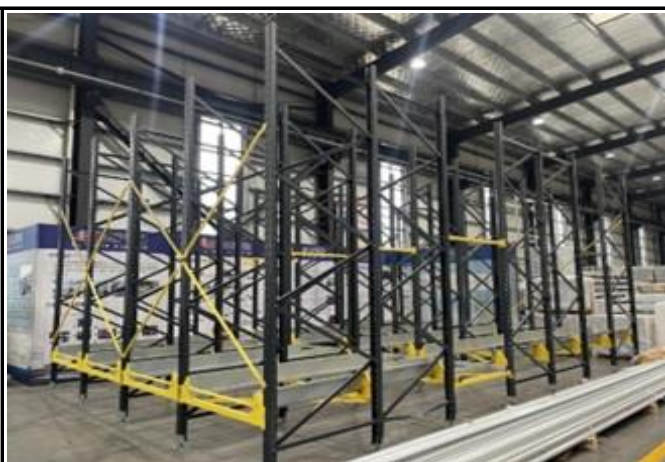
Production process -- Packaging



Warehouse



Testing Equipment



Product Samples



Business License



ISO9001 Certification



ISO14001 Certification



ISO45001 Certification



CE Certification



Fixed Pollution Source Pollution Discharge Registration

Audit Findings Summary

Audit Date: Apr. 18, 2024

Report No.: TUVCS1592024040101

Checkpoint	Finding Description
3.3	The factory has subcontracted machining and spray coating processes, but the factory did not evaluate the production and workmanship capacity of subcontractors, only the spray coating equipment temperature is recorded.
4.8	The factory provided a copy of tooling and fixtures evaluation record for review, but there is no continuous record to ensure that the tooling and fixtures undergo comprehensive safety testing.
5.7	The factory does not have equipment and capabilities for product safety testing, life testing, parameter testing, environmental testing, and aging testing.
7.5	The factory provided a sampling plan for raw materials, but the inspection items and standards in the incoming inspection records were inconsistent. For example, the steel strip inspection records only measured the width, without appearance, thickness inspection, and no verification on chemical composition based on the inspection report provided by supplier.

Auditee Representative: Mr. Gang Qin

Auditor(s) Signature: Gang Wang

Date: Apr. 18, 2024

Date: Apr. 18, 2024