



Measured Results - Improved Performance

Supplier Qualification Program Assessment Report

Makumiya Co., Ltd.



Report No: F_IAR_15246_SQP
Audit Date: 25-Dec-2012
Kaohsiung City, Taiwan



Supplier Qualification Program Assessment Report

Report No	F_IAR_15246_SQP
Audit Date	Dec 25, 2012
Assessment Stage	Initial
Company Full Name	Makumiya Co., Ltd.
Audit Location	No. 24, Alley 53, Lane 2, Chung Shan Road, Sec. 2, Hu Nei District
City	Kaohsiung City
Country	Taiwan
Telephone No	886 7 6996960
Fax No	886 7 6996912
Auditor(s) Name	Johnson Lin

Facility Performance Rating

Participating Facilities : 1207

High Performance

Meet Expectations.

Facility demonstrates readiness to assume responsibilities for managing and monitoring compliance activities.

Medium Performance

Further Improvement Needed.

Moderate concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.

Low Performance

Significant Action Required.

Significant concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.

Very Low Performance

Urgent Action Required.

Severe concern in facility's readiness to assume responsibilities for managing and monitoring compliance activities.



Facility Score **82**

Global Score **74**



Facility Profile

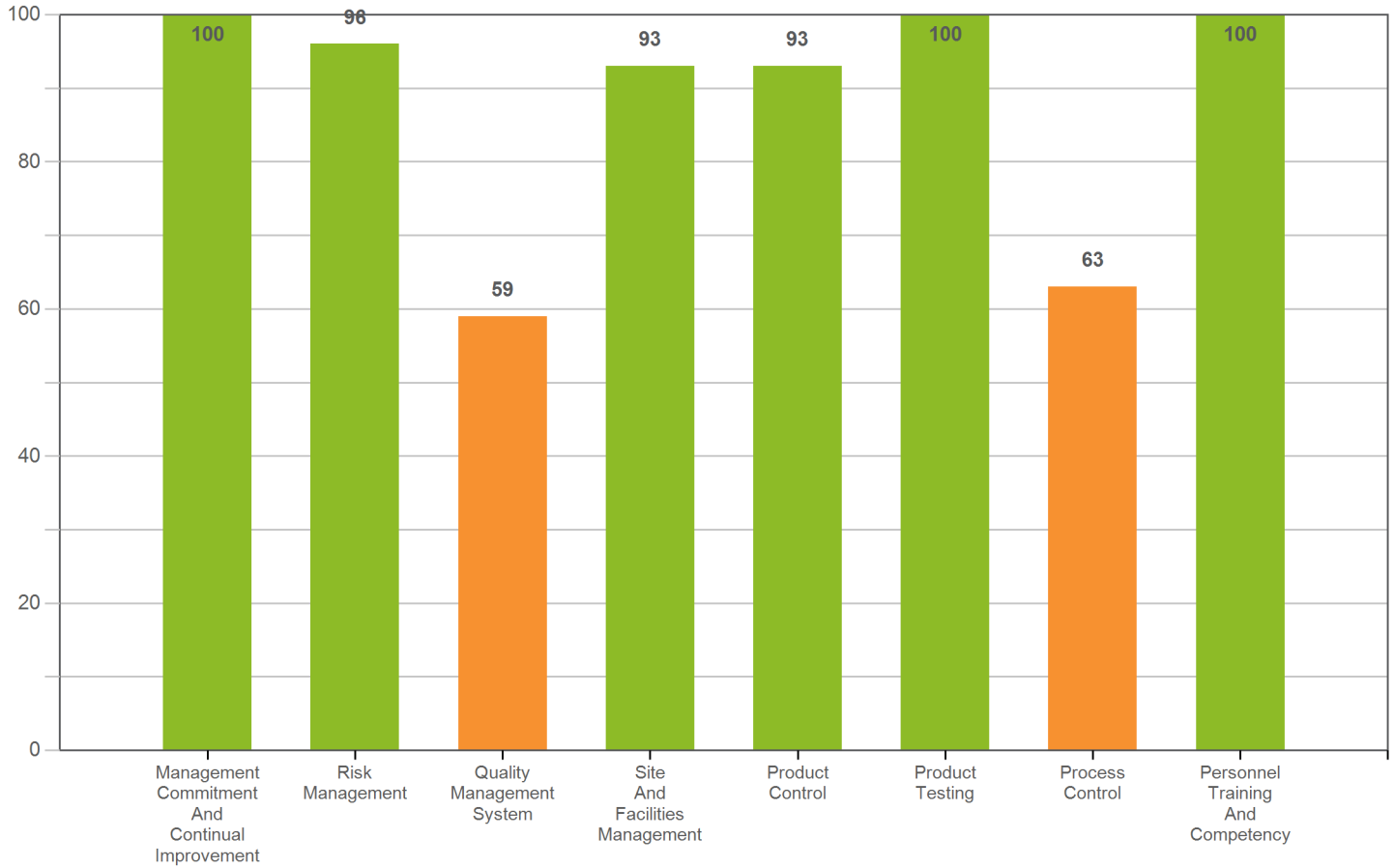
Facility Name	Makumiya Co., Ltd.
Facility Legal Name	Makumiya Co., Ltd.
Contact Name, Title	Mr. Huang Yu-Feng - Manager
Industry	Accessories
Products Manufactured	Blind spot mirror
Production Processes	Cutting, Cleaning, Forming, Coating, Painting, Assembly & Packing
Total Number of Machines	28
Main Machine Types	Air compressor (4), Drill machine (1), Conveyer (5), Cleaning machine (1), Coating machine (1), Blister packing machine (1), Cutting machine (9), Grinding machine (1), Forming machine (1) and Edge forming machine (4)
Year facility began operations	The facility has started its operation since 1998 at the existing location.
Number of buildings the facility operates in	3
Range of total number of employees at the facility	25
Number of shifts and operating hours	The employees work for one week is 6 days in one shift and the normal working hour is from 8:00am to 5:00pm with 1 hour (from 12:00nn-1:00pm) lunch break..
Person responsible for overall product safety and quality issues, Title:	Mr. Huang Yu-Feng - Manager

Facility Overview

The facility is located in No. 24, Alley 53, Lane 2, Chung Shan Road, Sec. 2, Hu Nei District, Kaohsiung City, Taiwan. The total land area occupied by the facility is about 2376 square meters. The facility has started its operation in 1998 at the existing location. The main production processes are Cutting, Cleaning, Forming, Coating, Painting, Assembly & Packing. The main products manufactured by the facility is blind spot mirror. The capacity is about 100,000 pieces per month. The facility's main customers are located in USA and Europe. Based on the finding from the assessment, it is suggested that the facility should improve the product tracing system.



I. Facility Performance Summary



Performance Summary	Overall Compliance(%)	Non Compliance (%)					
		Major		Moderate		Minor	
		# of Questions	%	# of Questions	%	# of Questions	%
Facility Summary	82%	1	3.8%	9	8.4%	15	5.5%





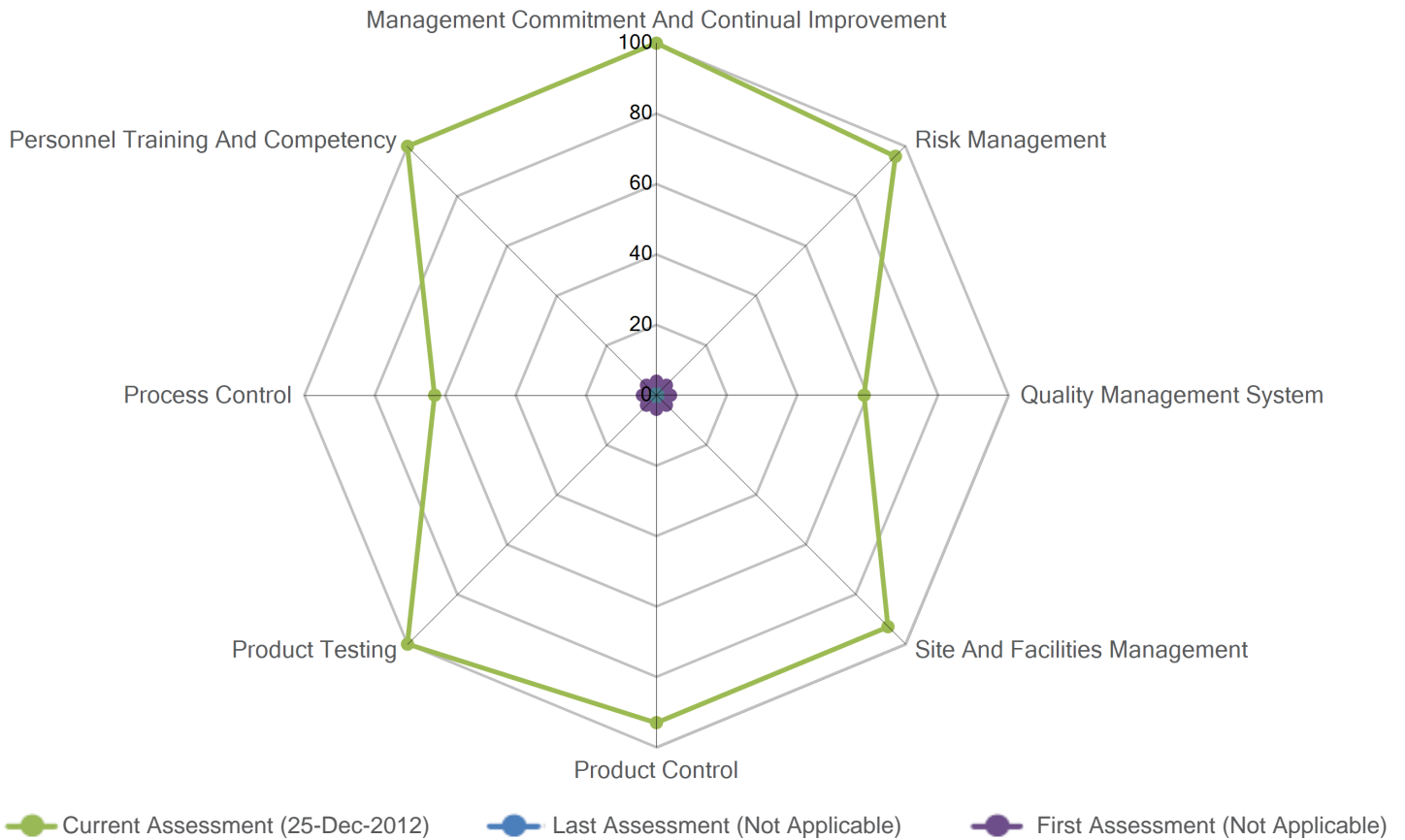
II. Key Section Performance Analysis

Key Section Name	Section Compliance		Non Compliance (%)						# of Total Questions
	# of Questions	%	Major		Moderate		Minor		
			# of Questions	%	# of Questions	%	# of Questions	%	
Management commitment and continual improvement	21		0	0.0%	0	0.0%	0	0.0%	21
Risk Management	29		0	0.0%	1	4.3%	0	0.0%	30
Quality Management System	81		1	25.2%	3	10.7%	3	4.6%	88
Site and Facilities Management	49		0	0.0%	0	0.0%	2	7.1%	51
Product Control	49		0	0.0%	0	0.0%	2	6.7%	51
Product Testing	11		0	0.0%	0	0.0%	0	0.0%	11
Process Control	57		0	0.0%	5	24.8%	8	11.8%	70
Personnel Training and Competency	8		0	0.0%	0	0.0%	0	0.0%	8
Overall Total	305		1	3.8%	9	8.4%	15	5.5%	330





III. Performance Trend Analysis



Section Name	Current	Last	First	Change (Current-Last)	Change (Current-First)
Management Commitment And Continual Improvement	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Risk Management	96	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Quality Management System	59	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Site And Facilities Management	93	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Control	93	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Product Testing	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Process Control	63	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Personnel Training And Competency	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Score	82	Not Applicable	Not Applicable	Not Applicable	Not Applicable

▲ Advancers ■ Constant ▼ Decliner

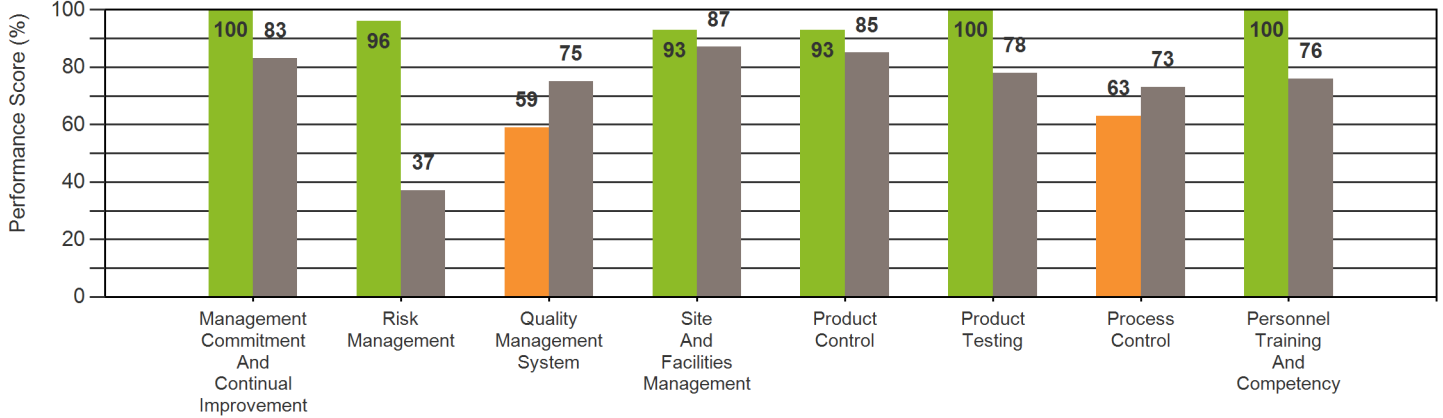


IV. Comparison Benchmark

Global Average :

Total Number of Facilities : 1207

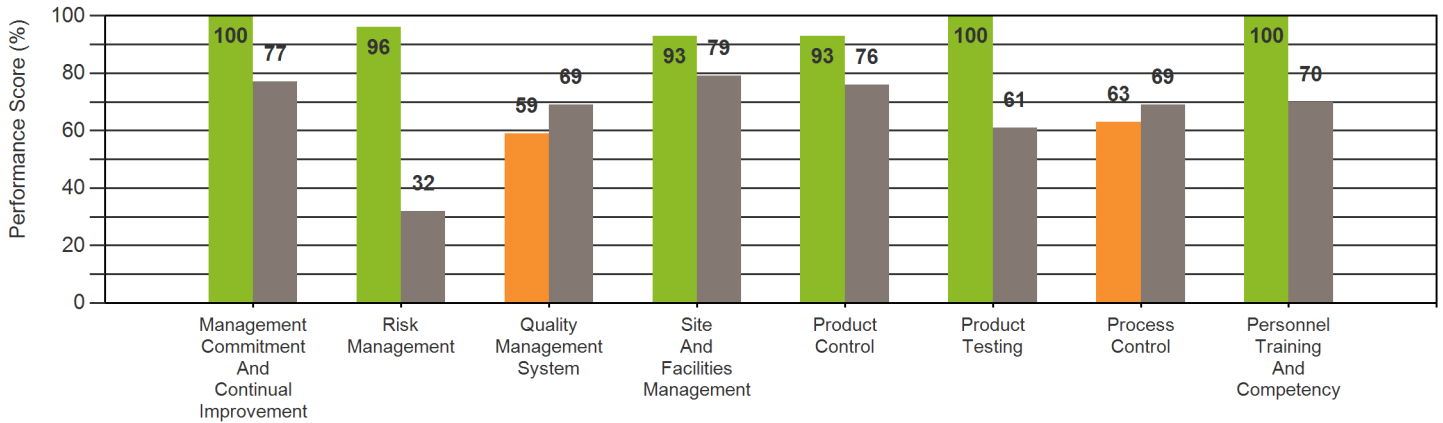
Average Overall Score : 74



Accessories Industry Average :

Total Number of Facilities : 27

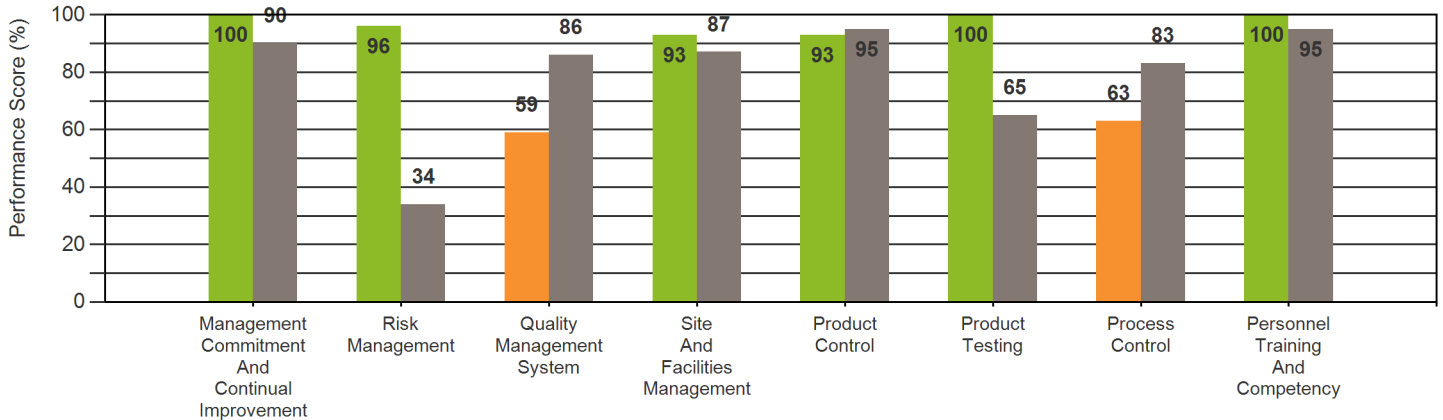
Average Overall Score : 67



Taiwan Average :

Total Number of Facilities : 12

Average Overall Score : 79



Very Low Performance(0 - 50)

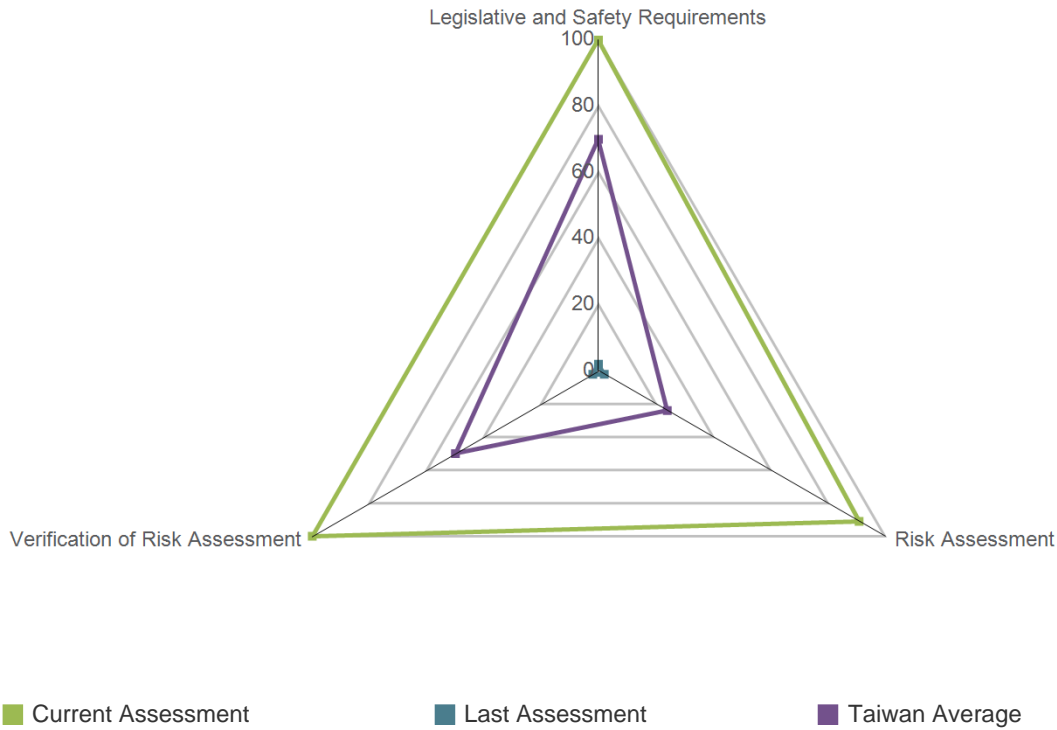
Low Performance(51 - 70)

Medium Performance (71 - 84)

High Performance (85 - 100)



V. Sub Section Comparison Benchmark: Risk Management

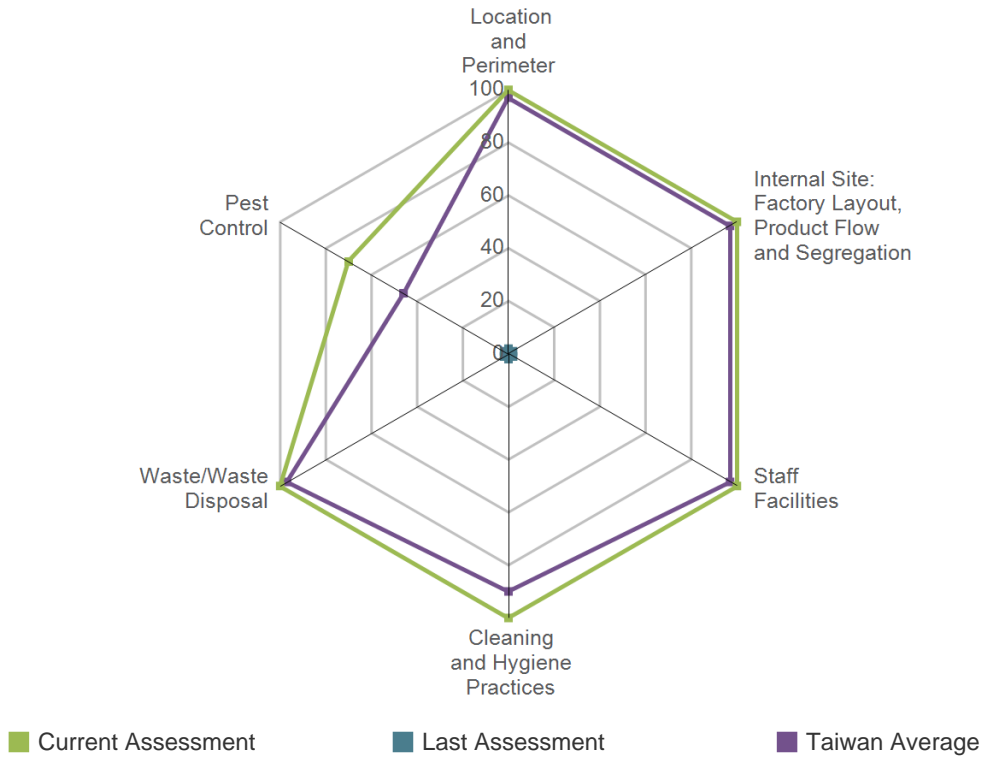


VI. Sub Section Comparison Benchmark: Quality Management System

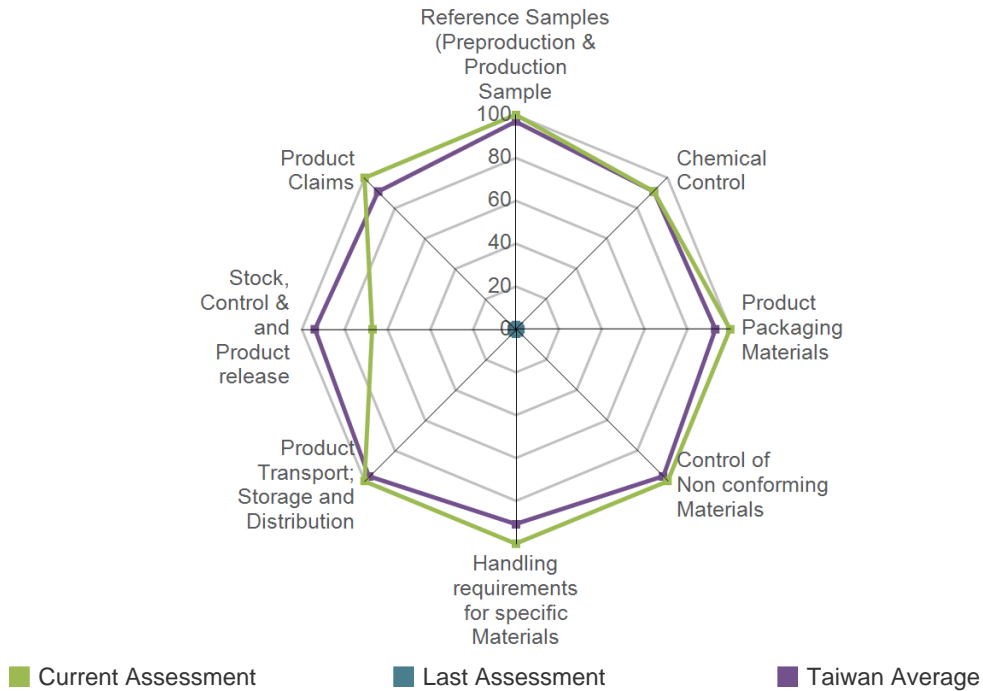




VII. Sub Section Comparison Benchmark: Site and Facilities Management

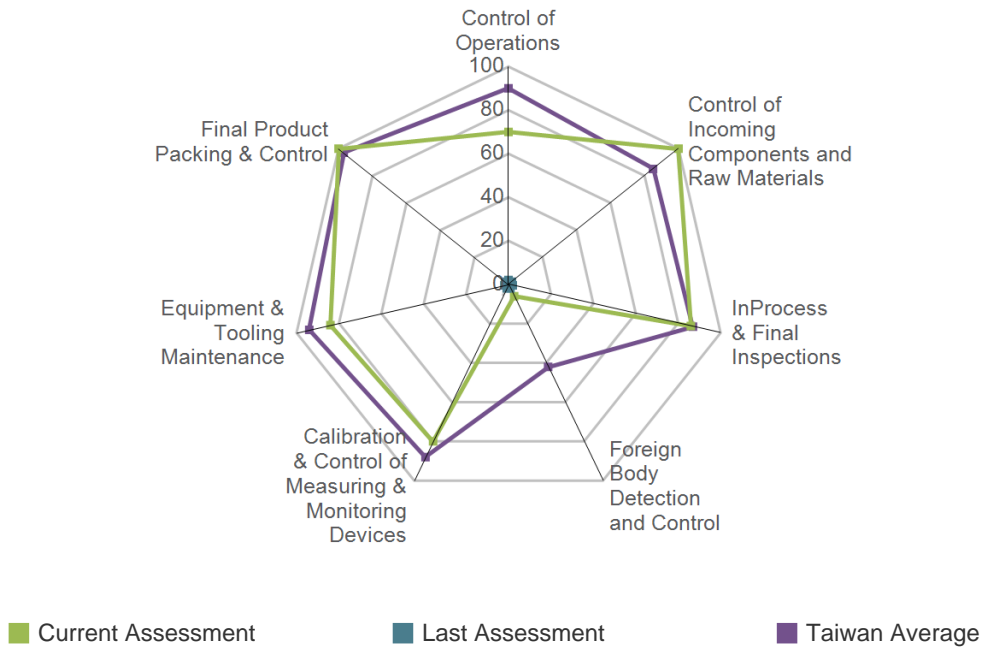


VIII. Sub Section Comparison Benchmark: Product Control





IX. Sub Section Comparison Benchmark: Process Control





X.Key Strengths and Challenges

Facility Strengths	Rating	Global Freq. of Compliance%
The company establishes a product risk assessment for each product or a group of similar products.	Moderate	27%
The company conducts process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	Moderate	28%
There is documented testing procedure/programme established for each product or a group of similar products.	Moderate	58%
The product withdrawal and recall procedure is tested, at least annually.	Minor	52%

Facility Challenges	Rating	Global Freq. of Compliance%
The specification does not include bill of materials.	Moderate	97%
There is no procedure to handle the inspected goods regarding the policy/rule on returning inspected goods to production.	Moderate	89%
The control plan does not identify the operating parameters for production equipment and tooling.	Moderate	84%
Reference sample/production sample are not available for operators' reference at an accessible place or workstation.	Moderate	84%
The process risk assessment does not address policies on microbiological contamination.	Moderate	80%
Procedures are not established for disposal of excess stock or obsolete inventory where such situations routinely occur.	Minor	96%
The company establishes a system of planned maintenance but a few production equipment and tooling are not covered.	Minor	91%
There is no list to identify equipment used to make measurements in accept or reject activity relevant to product safety, quality and legality including those in-line monitoring devices.	Minor	87%
Bait stations are neither robustly constructed, tamper resistant nor in good condition.	Minor	85%
Fly-killing devices and/or pheromone traps are not correctly sited and not functioning.	Minor	78%



Top 10 Challenges For Accessories Industry

Rating	Challenges	Facility Performance
Moderate	Sharp tools are not permanently attached to benches.	NC
Moderate	The company establish a product risk assessment but it does not completely cover the necessary elements.	C
Moderate	Technical dossier or package does not include risk assessment.	C
Moderate	The company does not conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	C
Moderate	There is no documented testing procedure/programme established for each product or a group of similar products.	C
Moderate	The company does not establish a system to clearly identify the lots/batches of materials during all stages of receipt, production, storage and dispatch.	NC
Moderate	Incoming materials and components do not have test reports or certificates of compliance to demonstrate presence of hazardous substances / Substances of Very High Concern (SVHC) are below the threshold value for the country of sale.	C
Major	The company did not implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality.	C
Moderate	The risk assessment is reviewed but the frequency exceeds one year.	C
Major	The company did not have a system to identify and trace raw materials through to finished goods, and vice versa.	NC

Top 10 Challenges For Taiwan

Rating	Challenges	Facility Performance
Moderate	Management review does not include risk management.	C
Moderate	The process risk assessment does not address calibration of equipment.	C
Moderate	The process risk assessment does not address policies on microbiological contamination.	NC
Moderate	The product risk assessment does not address user types.	C
Moderate	The process risk assessment does not address policies on foreign body contamination.	C
Moderate	Management review does not include statutory and regulatory requirements.	C
Moderate	The company establish a product risk assessment but it does not completely cover the necessary elements.	C
Moderate	The company does not conduct process risk assessment of hazards potentially introduced during the production, packaging or storage processes for its products.	C
Moderate	Control of jewellery wearing is not taken where there are product contamination risks.	C
Major	The company did not implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality.	C

C	Compliance	NC	Non Compliance
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XI. Opportunities for Improvement

Performance Rating



96%

Section: Risk Management

SubSection: Risk Assessment

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	29.06	<ul style="list-style-type: none"> The process risk assessment does not address policies on microbiological contamination. 	80%

59%

Section: Quality Management System

SubSection: Specifications

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	53.02	<ul style="list-style-type: none"> The specification does not include bill of materials. <i>BOM is not available.</i> 	97%

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

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	75.00	<p>The company does not determine how exceptions are handled, where the use of products or services of unapproved suppliers are acceptable under emergency or unusual circumstances.</p> <p><i>The facility does not determine how exceptions are handled, where the use of products or services of unapproved suppliers are acceptable under emergency or unusual circumstances.</i></p>	60%

SubSection: Identification & Traceability

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	85.00	<p>The company does not establish a system to clearly identify the lots/batches of materials during all stages of receipt, production, storage and dispatch.</p> <p><i>The products identification system of lots/ batches during all production stages does not set up yet.</i></p>	43%
Moderate	N/A	90.00	<p>Finished products (including re-work) do not have a full traceability from raw materials source to the customer, or vice versa.</p> <p><i>There is no effective tracking system from raw material to the customer or from the customer to the raw material.</i></p>	63%
Minor	N/A	91.00	<p>The effectiveness of the traceability system regularly are not tested, at least annually.</p> <p><i>Effective tracking system is not available.</i></p>	38%
Major	N/A	92.00	<p>The company did not have a system to identify and trace raw materials through to finished goods, and vice versa.</p> <p><i>The identify/ tracking system from raw material to finished goods is not set up yet.</i></p>	72%



SubSection: Incident, Product Withdrawal and Product Recall

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	94.00	The company does not have a written agreements/consensus in place with relevant parties in the supply chain regarding the product withdrawal/recall. <i>The written agreements/ consensus with relevant parties in supply chain regarding the withdrawal/ recall is not available.</i>	58%

93% Section: Site and Facilities Management

SubSection: Pest Control

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	177.00	Bait stations are neither robustly constructed, tamper resistant nor in good condition. <i>Bait station is not available in the facility.</i>	85%
Minor	N/A	182.00	Fly-killing devices and/or pheromone traps are not correctly sited and not functioning. <i>Neither fly-killing devices nor pheromone traps are utilized in the facility.</i>	78%

93% Section: Product Control

SubSection: Chemical Control

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	210.00	The company does not record the usage of chemical substances or components during production to ensure traceability. <i>No usage of chemical substance/ components records are available for trace purpose.</i>	74%

SubSection: Stock Control and Product release

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	240.00	Procedures are not established for disposal of excess stock or obsolete inventory where such situations routinely occur. <i>The disposal procedure of excess stock or obsolete inventory is not set up yet.</i>	96%

63% Section: Process Control

SubSection: Control of Operations

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	283.04	<ul style="list-style-type: none"> The control plan does not identify the operating parameters for production equipment and tooling. <i>For cleaning process, lack of speed and temperature definition.</i> 	84%
Moderate	N/A	288.00	Reference sample/production sample are not available for operators' reference at an accessible place or workstation. <i>The client approved samples are keep in sample room only.</i>	84%



SubSection: In-Process and Final Inspections

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	485.01	<ul style="list-style-type: none"> There is no procedure to handle the inspected goods regarding the policy/rule on returning inspected goods to production. <i>The rule on returning inspected goods to production is not set up yet.</i> 	89%

SubSection: Foreign Body Detection and Control

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	494.00	Sharp tools are not permanently attached to benches. <i>As observed, knives are free placed on benches.</i>	40%
Moderate	N/A	495.00	Sharp tools are not controlled by a listing & registration procedure. <i>The list and registration procedure of sharp tools are not available during the audit.</i>	75%
Minor	N/A	506.00	There is no list to register the location of all glass, ceramic and brittle-plastic material (except when used as part of the product) in raw material handling, preparation, processing, and packing and storage areas.	40%
Minor	N/A	507.00	The company does not check the condition of glass, ceramic and brittle-plastic material at a defined frequency.	62%
Minor	N/A	508.00	Checking, breakages and replacement record of glass, ceramic and brittle-plastic material are not maintained.	56%
Minor	N/A	514.00	The company does not protect the light-bulbs and strip lights including those on electric fly-killer units when they constitute a risk to the products.	44%

SubSection: Calibration and Control of Measuring and Monitoring Devices

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	701.00	The list for identifying equipment used to make measurements in accept or reject activity is not complete or up-to-date. <i>The identified measuring equipment are calibrated to appropriate accuracy and precision. However, it's improper to define the scales are no need to calibrate.</i>	87%
Minor	N/A	703.00	A few isolated cases are found that the identified measuring equipment are not calibrated before use and then at defined frequency. <i>A expired lable was found on a cliper.</i>	70%

SubSection: Equipment & Tooling Maintenance

Current (25-Dec-2012)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	709.00	The company establishes a system of planned maintenance but a few production equipment and tooling are not covered. <i>Tools/ gauges did not covered in maintenance system.</i>	91%



Minor	N/A	710.04	<ul style="list-style-type: none"> The maintenance system does not include the spare parts listings and replacements. <i>Spare parts listing and replacement records are not available during the audit.</i> 	76%
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Recommendation for Improvement Plan Timeline

Finding Rating	Improvement Timeline
Major	Take action within 0 ~ 1 month to make necessary improvements
Moderate	Take action within 0 ~ 3 months to make necessary improvements
Minor	Take action within 0 ~ 6 months to make necessary improvements



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