Product Safety & Quality Assurance Process Manual

Vendor Training

Objectives:

1. Understand Target Sourcing Services (TSS) Operations and Compliance team and their roles.
2. Understand Target's Product Safety & Quality Assurance (PSQA) process and requirements and how this impacts the vendor.
3. Understand vendor responsibilities to meet Target's factory requirements and expectations of producing quality product.

Contents:

NOTE: Partners Online (POL) contains comprehensive instruction for vendor requirements and procedures. You must always reference POL for the most updated information for all Target processes.

1. TSS Operations and Compliance

TSS Operations and Compliance Mission Statement

Consistently delivering on our "Expect More. Pay Less." brand promise by assuring that our vendor partners operate efficient, safe and ethical factory environments, capable of producing safe, reliable, quality products.

Ethical Product Safety & Quality Assurance Behavior

Summary

Any vendor or factory producing product for Target is strictly prohibited from circumventing Target's Product Safety and Quality Assurance process through unethical conduct.

Overview

Product Safety and Quality Assurance (PSQA) processes are requirements for doing business with Target. These processes are critical to ensuring our guests are receiving safe and compliant products.

Target expects vendors and any of their representatives (i.e. factories, agents, 3rd party representatives, etc.) to understand and conduct all operations in accordance with our production polices, standards, and ethical requirements. ANY attempt to circumvent Target's requirements through bribery, modification, substitution, forgery, alteration or withholding information will severely jeopardize any vendor's or factory's business relationship with Target.

Although the custom of building relationships is sometimes viewed as acceptable cultural business practice in some countries, Target does not allow ANY exchange of favors, money or gifts with our team members. Bribes, gifts, or reciprocated favors of any kind to Target team members or to those acting on behalf of Target is prohibited. Please respect Target business ethics and refrain from these activities.

Failure to meet Target's ethical expectations regarding Product Safety and Quality Assurance or any other requirement as stated on Target's Partners Online (POL) website will result in financial penalties, lowering your Social Compliance Vendor Performance Rating, and/or termination of your business relationship with Target. Examples of unethical behavior include, but are not limited to:

- Any attempt to deceive or mislead Target Team Members or those acting on behalf of Target during any Target process
- Bribing or intimating a bribe to Target Team Members or those acting on behalf of Target to influence the outcomes of factory evaluations or product inspections
- Unauthorized subcontracting to another factory or facility
- Altering 3rd party product testing reports, Target documents or any email communications
- Alteration, tampering, or removal of any seals affixed to product to be tested
- Substituting products or cartons during Target's inspection process
- Forging the signatures, initials or approvals of a Target Team Member or those acting on behalf of Target
- Modifying materials or product construction after product testing approval
- Submitting samples to 3rd parties that do not accurately represent actual production
- Any attempt to alter product test results or influence, bribe or force 3rd party laboratories to certify non-compliant product by exerting undue influence

TSS Operations and Compliance Team

TSS Operations and Compliance is a worldwide staff, with a wide variety of educational backgrounds, manufacturing experience and product expertise. PSQA and Social Compliance Field Teams are located throughout the world at local offices and are the direct contact for vendors and factories. Assuring quality means active engagement of the TSS Operations and Compliance Field and Headquarters (HQ) teams.

- Product Safety & Quality Assurance HQ
  - Maintain Target product integrity
  - Develop product testing protocols and PSQA requirements
  - Review and approve product testing results and follow up on quality and safety issues
  - Provide technical support

- Product Safety & Quality Assurance Field Teams
  - Conduct Factory Evaluations, Production Readiness meetings and Product Inspections
  - Provide product and technical expertise to factory

- Social Compliance (HQ and Field Teams)
  - Protect Target brand and ensure ethically produced products in accordance with Target's Standards of Vendor Engagement, Vendor Conduct Guide, local laws
  - Social Compliance is NOT Product Safety & Quality Assurance
    - Social Compliance = factory conditions & practices
    - Product Safety & Quality Assurance = product & process

- Product Investigations, Recall and Product Regulatory Compliance References (HQ only)
  - Review & act on safety issues from a variety of sources including guest complaints
  - Report potential safety issues to appropriate Government Agencies
  - Protect US and Canada guests/consumers from potentially hazardous products by ensuring products meet regulatory and Target standards for safety
  - Ensure products meet US and Canada environmental standards
  - Ensure products do not violate US and Canada intellectual property laws
  - Manage Product Recall process

- Operations and Systems (HQ and Field Teams)
  - Create and manage Target quality policy, best methods, process development, systems requirements

2. Target Business Overview & Definitions

Product Divisions

Target merchandise is organized within the following Divisions:

- Apparel & Accessories (A&A) = Apparel, accessories, handbags, jewelry, shoes, etc.
- Hardlines = Products that are not apparel, accessories or domestics. Toys, luggage, sporting goods, electronics and entertainment, home décor, stationery, etc.
- Health & Beauty = Skin, cosmetics, hair care, pharmacy, personal care, etc.
- Home = Bedding, bath, window, The One Spot, & other domestics
- Target HPB/HB brand consists of all products characterized by the HPB/HB packaging and is usually merchandised near an identified comparable national brand. HPB/HB products can include Hardlines or Health & Beauty items

NOTE: This training does not apply to any food products. For food product requirements contact Food Safety & Quality Assurance (FSQA) team: FSQA.approval@target.com.

US and Canada Product Division	US Target Department Numbers
Apparel & Accessories	11,13,14,15,16,18,20,21,22,23,24,25,26,27,29,30,31,32,33,34,36,38,40 41,42,43,44,46,47,61,75,76,77,79,93,96,98,202,205,206,209,214,215,217 222,238,251,259,269,281
Hardlines	3, 7, 8, 12, 30, 49, 55, 56, 57, 58, 59,69,80,82, 83, 86, 87, 88, 91, 204, 207, 213, 253, 288, 295, 878
Health & Beauty	37, 52, 63, 94, 208, 245
Home	2, 9, 51, 53, 54, 60, 62, 64, 65,66, 67, 68, 70,72,74, 81, 84, 85, 92, 97, 200, 240, 234, 241, 242, 249

Product Brand Definitions

PSQA process requirements will vary based on product brand. The information listed below is not legal or trademark definitions, but is used to determine PSQA requirements. If branding is unclear, contact your PM/Buyer to understand if your product is Target branded.

"Target Brand" Product Definition – one or more criteria must apply

- Target owns trademark
- Brand exclusive to Target
- Target driven product design
- Target driven product standards or technical development
- No distinguishing brand name used in retail packaging
- Vendor label without National/Regional recognition

Examples: Room Essentials, Merona, Boots & Barkley,Threshold, up&up

- Target Brand
  - Vendor Manages Quality
  - Factory Executes Quality
  - Target Validates Quality - Target Brand PSQA Requirements

PSQA Process	"Target Brand" Product
Factory Evaluation	Required
Production Readiness	Required
Product Testing	Required
Product Inspection	Required

Vendors producing Target Brand product are expected to:

- Implement good processes in their factories
- Ensure their products meet all applicable safety, regulatory and performance requirements through product testing
- Manage and train every level of their supply chain, including agents and factories (domestic and foreign) using the PSQA Requirements outlined in this document and processes posted to POL (including Factory Education)
- Vendors will have escalation plans in place with their agents or factories to address failures in inspections (Inline or PSQA) or 3rd party testing results

"Non-Target Brand" (National Brand, Vendor Brand) Product Definition - No "Target Brand" criteria apply

- Distinguishing brand name used in marketing and packaging
- Distribution is broad in US and/or Canada
- Includes regional food brands
- National branded product that also carries a license
- Licensed brands

Examples: Sony, Stanley, Levi's

- Non-Target Brand (National Brand, Vendor Brand)
  - Vendor Manages Quality
  - Vendor/Factory Executes Quality
  - Vendor Validates Quality

Vendors producing National and Vendor Brands are expected to:

- Manage full quality execution of products through formal quality systems
- Implement good processes in their factories
- Ensure their products meet all applicable safety, regulatory and performance requirements through product testing.
- Manage and train every level of their supply chain, including agents and factories (domestic and foreign)
- Have escalation plans in place with their agents or factories to address failures in testing or inspections
- When producing Non-Target Brand product where Target is the Importer of Record, refer to the "User Guide for the PSQA Non-Target Brand Document System" posted on POL for process step by step. Contact CPSIA@Target.com for any questions regarding this process.

2a. Vendor Qualification Assessment (VQA)

Target is taking a proactive approach to safety and regulatory compliance. As the Consumer Product Safety Commission (CPSC) imposes new obligations on importers, Target is collecting information from vendors for all products in stores and online. The Vendor will receive an assessment via email from Target to complete. The assessment is not available on POL, but the questions are based off of CPSC legislation.

This assessment must be completed in order to conduct business with Target and must be completed by the vendor's Quality Assurance personnel. It is not to be completed by a Sales Representative or an Agent on behalf of the vendor. It is split up into the following areas of focus: general vendor information as well as training, documented processes and record retention policies surrounding US safety and regulatory requirements.

The assessment will be provided to the existing vendor base starting in March 2013. No action will be required until receipt of the assessment via email. After receipt of the VQA, training on POL and the email will provide adequate instructions for next steps. It is expected the contacts in VMM are current so the assessment can be provided to the appropriate vendor quality contact. In addition to existing Vendors, new Vendors will be required to take the VQA during the Candidate Vendor process.

3. PSQA Process Requirements - Overview

Target is dedicated to the pursuit of safe, high quality products.

Target Brand PSQA Requirements

- Factory Evaluation
- Production Readiness
- Product Testing
- Product Inspection

Target validates quality through TSS Operations & Compliance PSQA team (HQ & Field)

PSQA Requirements Sequence of Events

The following is a high level overview of the sequence of the PSQA Requirements. Vendor should plan to meet the PSQA sequence & timing. See your Product Design & Development (PDD) calendar for specific timing for your product type.

Estimated Weeks from Production Start Date	PSQA Key Events (Target expects vendor to understand their product's timeline and execute processes before the milestones listed below)
8	Factory Evaluations (Complete prior to business award)
2 – 3	Business Award Handoff (BAH) – (Conduct no later than 21 calendar days after business award)
2	Pre-Production Testing (PPT) Complete (includes passing test reports and/or approved overrides) **– Excluding Apparel and Softhome**
1	Target Production Readiness Meeting (TPR) – TPR must happen no later than 3 calendar days prior to production start date. (PSQA recommends holding the meeting 3-10 days before production start date.)
During Production	During Production Inspection (DUPRO)
During Production	PPT Complete **– Apparel and Softhome Only**
During Production	Final Random Inspection (FRI)
During Production	Top Of Production (TOP) Testing (if required)
Ongoing	Ongoing Random Testing (ORT) (if required)

3a. PSQA Process Requirements - Factory Evaluation

For additional information on Factory Evaluation go to the Factory Evaluation topic on POL: Home > Library >Source Product > Business Partner Qualification > **Factory Evaluation**

There are two Factory Evaluation formats used by Target:

- Target Factory Evaluation (FE) – conducted for Non-FDA regulated products
- Good Manufacturing Practices (GMP) Factory Audit – conducted for FDA regulated or Health Canada equivalent products (Cosmetics, OTC Drugs, Medical Devices, Dietary Supplements or Natural Health Products)

If you produce Non-FDA regulated products proceed to the Target FE Overview/Process. If you produce FDA regulated or Health Canada equivalent products (Cosmetics, OTC Drugs, Medical Devices, Dietary Supplements or Natural Health Products) proceed to the Target GMP Factory Audit Overview/Process.

In addition, Target is a charter member of the Customs-Trade Partnership Against Terrorism (C-TPAT) Program. By participating in this program we ensure the integrity and security of our global supply chain. In an effort to have better visibility into your company's security practices and compliance with C-TPAT standards, Target will be performing a security review of your facilities that produce direct import merchandise to measure your current security processes.

For more information about the C-TPAT requirement please visit Partners Online (Home>Library>Produce Product>Business Partner Compliance>C-TPAT Facility Security Program) or contact internationalsupplychain.security@target.com

Target Factory Evaluation Overview

- An FE assesses the factory's ability to meet Target's requirements
- Factories producing Target Brand products are evaluated annually

  - If a factory is located in the United States or Canada
    - Previous audit score < 90; evaluated in 12 months
    - Previous audit score 90 or greater with no autofails; evaluated in 18 months
  - Target may conduct additional evaluations when necessary
- An FE is conducted by PSQA field team members
- If a factory is used by multiple vendors, only one PSQA FE is required per year
- Each factory must keep and store the record of their PSQA FE

Note: At Target's discretion, an FE may be done by a Target Approved 3rd Party

Target Factory Evaluation Purpose

- Validate quality and manufacturing processes according to Target's standards
- Drive continuous improvement through CAPs, with follow-up by PSQA and the vendor
- Document factory capabilities and capacities. This includes:
  - Quality Capabilities –What are the Quality Assurance processes? How are these documented to ensure/prove use and sustainability?
  - Product Capabilities – What are the product types and materials used?
  - Production Capabilities – What type of equipment is used to produce the product?
  - Capacity – What is the equipment available and output of equipment?

Target Factory Evaluation Components

- Factory information such as business area and Vendor and Factory contact information
- Document preparation
- Factory manufacturing capabilities including machines available and capacity/output
- Vendor Factory Evaluation (VFE)
  - Diagram of the plant layout
  - The manufacturing process flow
  - List of manufacturing controls
  - VFE Factory Onboarding Checklist (completion is mandatory for all Vendors)
  - Mildew / Mold Prevention Checklist (applicable only to factories located outside the United States and Canada)
- Mandatory sections include:
  - Document Control
  - Quality Management
  - Supplier Management
  - Production Control
  - Production Test Plan (PTP)
  - Control of Non-Conforming Materials
  - Corrective Action / Remedial Action
  - Training
  - Equipment & Equipment Maintenance
  - Site Conditions
  - Social Compliance
- Production Sector sections can include as applicable to the product type:
  - Furniture
  - Toys and Childrens Product
  - Electrical
  - Fabric Inspection
  - Materials
  - Patterns and Markers
  - Spreading and Cutting
  - Laboratory

  - Color Evaluation
  - Sewing-Production
  - Pressing
  - Metal Detection
  - Footwear
- Workmanship audit for Initial Factory Evaluation only

Target Factory Evaluation Vendor Responsibilities

- Ensure the factory understands and meets all of Target's requirements
- Completes and submits the VFE Onboarding Checklist to the local PSQA office.
- Gather all the necessary documents using the VFE - Preparation and Documents tab
- Complete an honest, careful, and accurate VFE and drive continuous improvement through ongoing use of the VFE
- Ensure key factory personnel participate in the FE process to ensure all areas of the factory are evaluated thoroughly. They will also assist in answering production questions and developing and executing the corrective action plan and corrects all issues with factory, where required
- Prior to requesting the FE from the Target local office, the vendor completes all factory registration requirements within VMM and ensures this information is kept up to date at all times
- Partner with factories to develop effective FE CAPs by Target deadline
- If the VFE vs. PSQA FE results have over a 20% score variance difference, Vendor will incur a significant chargeback, per HQ PSQA's policy
- Communicates with Target's Sourcing team if factory fails their PSQA FE
- Partner with factories to develop systems to support strong quality management practices on an ongoing basis
- Apparel and softgood items will need to comply with Target's Needle/Metal Contamination Policy, available on POL

Target Factory Evaluation Process

Before choosing a factory for Target Production: Vendor must ensure the factory meets all Target's requirements.

- If factory **has** produced Target owned-brand product in the past year, review previous PSQA FE, FE CAP, and Mildew / Mold Prevention CAP (for factories located outside the United States and Canada). The Vendor must request the PSQA FE results and Corrective Action Plans (CAPs) from the factory. PSQA HQ does not supply this information
  - VFE is a requirement for annual FE's. Vendor must ensure a current VFE is available at the time of the PSQA Annual FE.
  - Vendor may also utilize the VFE to monitor or sustain factory's ongoing performance at any time
- If factory **has not** produced Target owned-brand product in the past year and the factory **does not** have a current FE CAP (dated within the past twelve months) on file,
  - Complete the Vendor Factory Evaluation (VFE) at the factory downloaded from POL
    - With acceptable results of a score of 70 and above with no autofails, send to TSS local office with the diagram of the plant layout, process flow and list of manufacturing controls.
  - VFE must be completed for all Factories new to Target and for those that do not have a current FE CAP
  - Vendor must partner with the Factory in the completion of the VFE and ensure all details are accurate
  - Vendor may utilize the VFE to monitor or sustain factory's ongoing performance at any time.
- New Vendors receive the VFE from a Target Sourcing Services (TSS) Product Manager (PM) or Market Representative (MR) along with the Candidate Vendor Reference Guide
- Score Results.

SCORE	GRADE

80-100	**Green - Satisfactory**
70-79	**Yellow - Proceed with Caution**
60-69	**Yellow - Factory at Risk**
59 or below	**Red - PSQA Unacceptable**

- GREEN Score –Vendor schedules FE with the local TSS office
- YELLOW Score – Vendor should carefully consider decision to move forward
  - A score of 70 – 79 "Proceed with Caution" the FE will qualify for a PSQA FE request. Vendor schedules FE with the local TSS office.
  - A score of 60 – 69 "Factory at Risk"
    - **Initial** FE will not be considered for a PSQA FE and should not be submitted for a PSQA FE
    - **Annual** FE will qualify for a PSQA FE request. Vendor schedules FE with the local TSS office
- RED Score – Production may not be placed at the factory
  - Vendor works directly with the factory to improve
  - Vendor should use the VFE to identify issues
  - Factory will be made Non-Compliant in VMM, which will not allow Target production for one year. After one year, the factory can be reevaluated.

If you have Auto Fails, vendor must correct all Auto Fail issue before scheduling a PSQA FE visit.

Steps 1 thru 6 must be completed at least 8-10 weeks prior to production start date:

1. Vendor prepares all documentation for the FE
   - Use the VFE - Preparation and Documents tab

2. PSQA team conducts the PSQA FE

Annual and Initial Only : PSQA will have applicable factory representative and PSQA MT sign the Target No Bribery Policy before starting the FE and ensure that the document is attached in FAS-T.

3. PSQA team conducts the closing meeting and shares FE Recap with vendor/factory
   - Attendees should include as applicable: Vendor, Department(s) supervisor, Maintenance, Production and Planning control, Warehouse, PSQA, Factory GM, Compliance, Industrial Engineer and Training
   - Vendor, Factory and PSQA MT sign and date the FE Recap
   - PSQA team shares recap via email in PDF with vendor/factory

4. Target HQ Factory Evaluation database produces Corrective Action Plan (CAP)
   - A Corrective Action Plan (CAP) template and factory score will be emailed to the Factory and Vendor within 7 calendar days from date of the FE completion date
   - The CAP includes: Assignment ID, Reason for evaluation, Score and Grade, Factory ID, address details and a Corrective Action Plan
   - Vendor
     - Acknowledges CAP to Factory and shares with any relevant agents
     - Reviews and drives ownership of CAP by factory
   - Factory
     - Completes the FE CAP template and Mildew Mold Prevention CAP and sends it to the PSQA MT within 14 calendar days from receipt of FE CAP
     - Works on action plans with Vendor(s) and manages resolutions to issues
     - Consolidates all details and feedback.

  - When documenting the CAP requirements: describe root cause, resolution and detailed improvements that must be made
  - Document the factory representative responsible for each improvement and the required due date
- When items are corrected, it should be a sustainable correction that can be measured and monitored to ensure the same issues do not surface in the future

Example: FE Corrective Action Plan

Highest Priority			
Document Control	**Root Cause and Resolution**	**Person Responsible**	**Implementation Date**
Is there a written procedure that defines how quality records are stored, protected and disposed of as well as a defined retention period?	Factory will put in place written procedure which defines how factory is storing and protecting their quality records to avoid damages, misuse and un-authorised access and define what is their retention period for quality record. This procedure will be incorporated in "Document and Data control" procedure.	Mr. Johan (Compliance Officere)	12/30/2011
Quality Management	**Root Cause and Resolution**	**Person Responsible**	**Implementation Date**
Are Daily or Weekly quality goals are not developed and actual performance results posted on the factory floor?	Factory will develop quality goals	Mr. Rosab (Q.A. Manager)	1/11/2011
Production Control	**Root Cause and Resolution**	**Person Responsible**	**Implementation Date**
Does a documented process and records exist for the factory to compare first production units to client approval sample and specifications?	Once bulk production is started for a new program/PID, factory will perform an inspection of first production units off the line, thoroughly review the sewing operations and measurements and record findings on inspection report.	Mr. Rosab (Q.A. Manager)	1/11/2011

5. PSQA team receives FE CAP and Mildew Mold Prevention CAP response from Factory
   - PSQA validates that the CAP details will improve the issue and confirms timing
     - If responses are not acceptable and/or may not fix the issues, PSQA team sends feedback to the Factory with details and factory must update and resend
     - If all responses are acceptable, PSQA determines if CAP review follow –up is needed

6. PSQA team determines if CAP review follow-up activity is needed
   - If a CAP Review follow-up is required:
     - PSQA schedules the CAP review activity
     - Upon completion of a CAP review, the PSQA FE form is updated and resent to Target HQ for a revised FE Score and Grade. A new FE CAP will be generated with revised details upon submission
   - Once the FE is in an acceptable status, the next evaluation will be on an annual basis
     - PSQA may conduct more frequent evaluations, when determined to be necessary

Vendor/Factory drives continuous improvement on the PSQA FE

<u>Target PSQA FE Score Requirements:</u>

GREEN – Score: 80-100 “Satisfactory”

- Production may be placed at the factory – work directly with factory to ensure sustainability
- If no Auto Fails - Next FE will be Annual
- If Auto Fails - PSQA will schedule and conduct a CAP Review 1 within 60 days from previous FE date.
  - Once Auto Fails Fixed the next FE will be Annual
  - Auto Fails NOT Fixed:
    - Production CANNOT be placed at the factory
    - Begin exit plan
    - Factory will be made “PSQA Unacceptable”

YELLOW – Score: 70-79 "Proceed with Caution"

- Production may be placed at the factory – work directly with factory to ensure sustainability
- If no Auto Fails - Next FE will be Annual
- If Auto Fails - PSQA will schedule and conduct a CAP Review 1 within 60 days from previous FE date.
    - Once Auto Fails Fixed the next FE will be Annual
    - Auto Fails NOT Fixed:
        - Production CANNOT be placed at the factory
        - Begin exit plan
        - Factory will be made "PSQA Unacceptable"

YELLOW – Score: 60-69 "Factory at Risk"

- Vendor should carefully consider decision to move forward – work directly with factory to improve
- If no Auto Fails - PSQA will conduct a CAP Review 1 within 60 days from previous FE date
    - Score above 70 - Next FE will be Annual
    - Score below 70 - PSQA will schedule CAP Review 2 within 120 days from previous FE date
- If Auto Fails - PSQA will conduct a CAP Review 1 within 60 days from previous FE date
    - Auto Fails NOT Fixed:
        - Production CANNOT be placed at the factory
        - Begin exit plan
        - Factory will be made "PSQA Unacceptable"
    - Auto Fails fixed
        - Score above 70 - Next FE will be Annual
        - Score below 70 - PSQA will schedule CAP Review 2 within 120 days from previous FE date
            - CAP issues Fixed - Score above 70 - next FE will be Annual
        - CAP issues NOT Fixed - Score below 70
            - Production CANNOT be placed at the factory
            - Begin exit plan
            - Factory will be made "PSQA Unacceptable"

RED – Score: 59 or below "PSQA Unacceptable"

- Production CANNOT not be placed at the factory for one year
- Factory will be made "PSQA Unacceptable"
- If there is current production, Begin exit plan

Note: FE score must be provided on VTA to the Target sourcing team before final costing. It is imperative that all factories producing Target owned-brand products meet requirements or business will not be awarded.

Note: Although the Mildew Mold Prevention CAP is not scored at this time and will not impact the final FE score, a CAP response is required by the factory within 14-days of receiving the FE CAP.

Target GMP Factory Audit Overview

A GMP factory audit assesses the capacities, capabilities, quality systems and programs in a factory producing FDA regulated or Health Canada equivalent products (Cosmetics, OTC Drugs, Medical Devices, Dietary Supplements or Natural Health Products)

- The standards for the GMP factory audits are based on current Good Manufacturing Practices (GMPs).

All factories producing Target owned-brand FDA regulated or Health Canada equivalent products must submit industry standard GMP audits to PSQA for approval at the following frequency:

  - Initial Audit: After Business Award but prior to first production
  - Periodic Audit: 12 months after the GMP audit date (e.g. if an audit was performed in May 2013, the next audit must be submitted to Target by May 2014)

- A GMP factory audit must be conducted by a third party service provider and submitted to Target PSQA for review.
- If a factory is used by multiple vendors, only one GMP factory audit is required
- Each factory must keep and store the record of their GMP factory audit. In addition, the factory should retain a copy of an email from PSQA indicating the submitted GMP audit was accepted.

Target GMP Factory Audit Purpose

- Validate manufacturing processes according to GMP standards
- Submit industry standard GMP audits to Target PSQA for review.
- Drive continuous improvement through CAPs, with follow-up by 3rd Party Service Providers and the vendor as necessary.

Target GMP Factory Audit Vendor Responsibilities

- Prior to first production, complete all factory registration requirements within VMM and ensure that this information is kept up to date at all times
- Ensure the factory understands and meets all applicable GMP factory audit standards
- Assist the factory in developing and executing corrective action, when appropriate
- Partner with factories to develop systems to support strong quality management practices on an ongoing basis
- Ensure the factory has a current GMP factory audit that is less than 12 months old. Vendor could incur a chargeback for having an expired GMP factory audit, based on PSQA's policy

GMP Factory Audit Process

Before choosing a factory for Target Production: Vendor must ensure the factory meets all GMP standards

1. Target requires that all facilities manufacturing FDA regulated/Health Canada equivalent product (Cosmetics, OTC Drugs, Medical Devices, Dietary Supplements or Natural Health Products) for Target submit a GMP factory audit to PSQA for approval.
2. Current GMP audits must be submitted by the vendor with the following frequency:
   - Initial Audit: After Business Award but prior to first production
   - Periodic Audit: 12 months after the GMP audit date (e.g. if an audit was performed in May 2013, the next audit must be submitted to Target by May 2014)
3. All GMP factory audits must be conducted by a 3rd Party Service Provider (audits will be **vendor** paid)
4. Target HQ reviews industry standard GMP audit report and determines if the report is acceptable. In some cases, additional CAP follow-up activity may be requested.
5.
   - If CAP follow-up is needed, the vendor must submit documentation to Target for review. In some instances, Target may request that a re-audit be submitted.

If CAP follow-up is not needed, the next GMP audit report should be submitted to Target HQ within 12 months.

NOTE: Target will accept the following Industry Standard GMP Factory Audit:

Retail Certification Program (RCP)

- At the discretion of the vendor/factory, vendors may opt to participate in UL-R's accredited GMP Certification Program known as RCP. This option is only open to factories producing FDA regulated

products (Cosmetics, OTC Drugs, Medical Devices, Dietary Supplements or Natural Health Products) to Target; Factories producing Non-FDA regulated products must participate in the Target FE process

- Target will assume no financial responsibility should the vendor/factory decide to participate in RCP. RCP will be vendor paid, but can be used to meet other Retailer requirements
- Target vendors who choose to pursue this certification must adhere to all reporting and requirements of RCP as specified by UL-R
- Target vendor/factories opting to utilize the RCP system must agree to the release of audit records without undue delay prior to the commencement of the audit
- Factories discontinuing the RCP program are required to notify Target PSQA and arrange for an alternate third party GMP audit to be reviewed by Target.

3b. PSQA Process Requirements - Production Planning

For additional information on Production Planning go to the Production Planning topic on POL: Home > Library >Develop Product > Sample Validation > **Production Planning**

Production Readiness (PR) Overview

Production Readiness meetings provide proactive support for vendors and factories and resolve questions and issues before production begins. The Production Readiness Tool is used to facilitate discussion and track responses and documentation in one file for all meetings. These meetings help ensure the vendor and factory are successful in delivering high-quality products on-time.

Production Readiness facilitates and documents Target's:

- Expectations for the Vendor/Factory managing the program awarded
- Requirements for Quality and Standards for products prior to production
- Proactive approach to prevention and resolution of issues before production begins
-

In Scope:

- Target brand vendors with factories producing outside the United States and Canada.
  - Includes Integri supported Footwear factories in China.
- Only new programs require full Production Readiness meetings. Carry-forward programs do not need meetings.
  - Short meetings may be conducted to review approval samples for new color or minor style changes.

Out of Scope:

- Factories producing in the United States and Canada.
  - If some production occurs globally and then final assembly and inspection occurs in the United States or Canada, this product is also out of scope.
- 3rd party supported factories.
  - PSQA activities supported by 3rd parties in Europe, Turkey, Egypt, Philippines, and Israel.
  - Footwear factories outside of China.
- Select Household Paper Baby/Health and Beauty (HPB HB) products made outside of the US and Canada.
  - Over the Counter (OTC) Drugs and Pharmacy, Dietary supplements and Natural Health Product (NHP)
- Target.com.
  - If products are also being sold in the stores, Production Readiness meetings are in scope.

PR Facilitation and Meeting:

- The PR Tool is used by Vendor to deliver successful program execution through clear expectations, documentation and ownership
- The TSS MR and PSQA team validate pre-production activities in two meetings, Business Award Handoff (BAH) and Target Production Readiness (TPR)

All Vendors/Factories

- When participating in costing and negotiations, vendor should be clear on protocols and/or product performance standards and factory evaluation criteria
- Manage and track their Production/Quality Plan to manage product execution from development to pre-production to full production
- Manage timing and actions through the product lifecycle. This includes receipt of raw materials, documenting internal testing plans and inspection processes

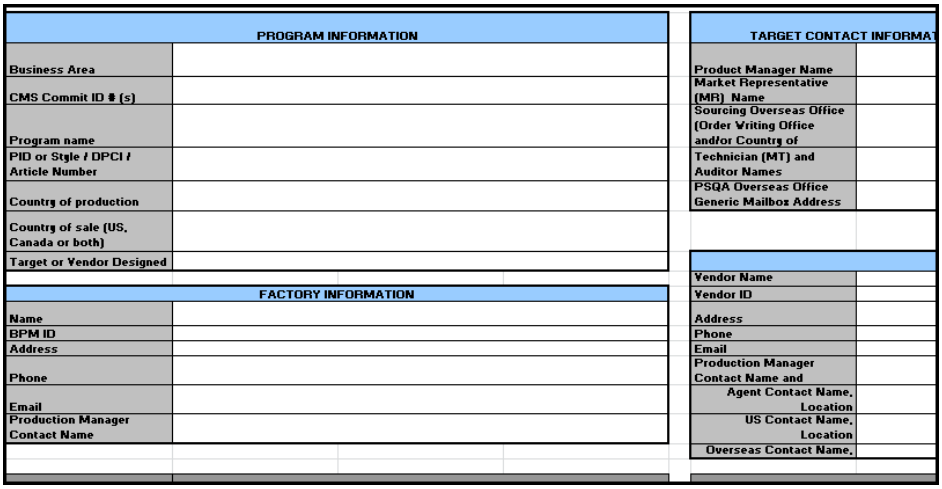
Once a vendor has been awarded Target business:

- All Vendors must enter production planning information in the Quality Data Manager (QDM) system (see the QDM Resource Guide in POL)

Roles and Responsibilities

- Vendor/ Factory Representative
  - Schedules TPR meetings.
  - Attends all required Production Readiness meetings.
  - Reviews program placement and requirements with the factory.
  - Documents and resolves any issues prior to production.
  - Confirms completion of prototype sample (red seal) approval. Discusses timing and action of outstanding approvals.
  - Downloads and completes PR Tool from commit notification letter or POL and sends updated form to MR within 48 hours of the BAH Meeting and to PSQA generic mailbox within 2 days of the TPR meeting.
  - Monitors timing and action of outstanding approvals to ensure Production Validation Packet (PVP) completion before production start-date
  - Validates the factory understands all production and final order fulfillment details and expectations before production begins.
- MR
  - Partners with vendor, factory and MT to schedule BAH meeting.
  - Assesses vendors' BAH responses in PR Tool.
  - Answers vendor questions – process, capacity, delivery, design, etc.
  - Attends BAH meeting in the Sourcing office aligned to the vendor.
  - If any issues arise, works with vendor to resolve.
  - Owns issue escalation and resolution throughout BAH process.
- PSQA (MT and Auditor)
  - Receives meeting request form in PSQA generic mailboxes and partners with vendor to schedule TPR meetings.
  - Assesses vendors' TPR responses and review PVP progress.
  - Answers vendor questions – process, technical, factory related, etc.
  - Assigns owners to outstanding TPR issues.
  - Approves and applies White confirmation tag to prototype (red seal) sample, specification and any change documentation.
  - Approves and applies pre-production (yellow seal) approval to sample.
  - If any issues arise, works with the vendor to resolve.
  - Owns issue escalation and resolution throughout TPR process.

Example: Production Readiness (PR) Tool Document



PROGRAM INFORMATION	
Business Area	
CMS Commit ID # (s)	
Program name	
PID or Style # DPCI # Article Number	
Country of production	
Country of sale (US, Canada or both)	
Target or Vendor Designed	

FACTORY INFORMATION	
Name	
BPM ID	
Address	
Phone	
Email	
Production Manager Contact Name	

TARGET CONTACT INFORMAT	
Product Manager Name	
Market Representative (MR) Name	
Sourcing Overseas Office (Order Writing Office and/or Country of	
Technician (MT) and Auditor Names	
PSQA Overseas Office Generic Mailbox Address	

Vendor Name	
Vendor ID	
Address	
Phone	
Email	
Production Manager Contact Name and	
Agent Contact Name, Location	
US Contact Name, Location	
Overseas Contact Name,	

- The PR Tool contains several worksheets:
  - Process – details out the purpose, scope, roles and responsibilities, and steps of the Production Readiness process
  - Request form and instructions– form and instructions for requesting meetings
  - Meeting Preparation – list of documents needed to conduct an effective BAH and TPR meeting
  - PR Tool –used to guide and document all discussion topics, document any issues and action needed, and references documents needed in the PVP
  - PVP – Production Validation Packet

Business Award Handoff (BAH)

Note: It is vendor's responsibility to hold the BAH Meeting with participation from Agent & Factory

The objective of the BAH Meeting is to provide an overview and clarity on program placement

- The meeting is conducted no later than 21 calendar days after business award. This meeting usually takes place in the Sourcing Office that is aligned to the vendor.
- Confirm clear communication from vendor to factory/production team.
- Validate understanding of all product/production requirements. Confirm anticipated program volume matches Vendor Timing & Action (VTA) and factory capacity.
- Review factory capability by identifying vendor/facility manufacturing processes. Discuss what is managed in house and what is not and have vendor call out risks and their plan for mitigation.
- Document, escalate and resolve any issues prior to production.

Target Production Readiness Meeting (TPR)

Note: It is the vendor's responsibility to hold the TPR Meeting with participation from Agent & Factory

The objective of the TPR Meeting is to ensure that the Vendor/Factory correctly understand all production, final order fulfillment details, any open issues have been resolved and that the factory producing the product is ready for production.

- The meeting must be held no later than three calendar days before production starts. PSQA recommends the meeting occurs 3–10 days before production starts
- This meeting must take place at the factory of production
- Confirm outstanding issues from the BAH have been resolved.
- Bulk production cannot start before the TPR meeting is held
- Check PVP status (yellow seal sample, packaging approval, Production Test Plan, manufacturing process flow, etc.)
- Detailed understanding of production plan.
- Document, resolve and resolve any issues prior to production.

Note: Factory should include a cross-section of management or supervisory personnel. Example includes supervisor in charge of the machine or section of production for the product being discussed.

- Vendors/Factories should perform their own internal Production Readiness meetings before TSS validation meetings. This will help you:
  - Have a clear understanding of Target's expectations, needed documentation and requirements
  - Help define questions or concerns that must be raised during the meetings
  - Identify potential issue(s) and prepare solutions or corrective action plans in advance
  - Vendor/Factory obtains the PR Tool document in POL

Production Validation Packet (PVP)

- All vendors are responsible to have a PVP for maintaining a formal record of production activities by factory including all related documentation and samples in a PVP
- It is the factory's responsibility to formally document results of production data in addition to Target's requirements and they must be furnished to PSQA for review upon request
- The PVP checklist is located within the PPR document and on POL

Vendor to ensure factories maintain PVP Files

- Green elements: Product related only and must be retained for a period of TWO (2) Years after last shipment date to the United States and/or Canada.
- Yellow elements: Regulatory related items and must be retained at the factory for FIVE (5) Years after last shipment date.

Examples of PVP Items to be completed prior to production start:

- PR Tool document
- Red Seal sample
- Technical Spec and construction
- Final Item Set-up Form
- Total Program Quantity and Deliverables (Commit as applicable & Purchase Order)
- Color Standards
- Production Test Plan (PTP)
- Yellow Seal Sample

Examples of PVP Items to be completed prior to the FRI:

- Floor Ready Requirements
- Retail Packaging Design Sample
- Carton Marks and Labels
- Factory Performed Inline Inspections
- PSQA Inspection Reports
- Completed Packing List

Quality Data Manager (QDM) / eVIRF Tool
As a Vendor for Target you are required to use QDM / eVIRF Tool.

For full QDM Resource Guide see POL.

3c. PSQA Process Requirements - Product Testing

***If your product is Target.com web exclusive requirements are located on POL.**
For additional information on Product Testing on POL: Home > Library > Produce Product > Product Compliance > Production Testing

Target requires product testing in order to prevent costly product problems for both Target and the factory.

All Product Testing is performed to verify Target's expectations regarding:

- Product Safety & Regulatory Requirements
- Product labeling & packaging requirements
- Product end-use(s) and performance according to the test protocol(s)

A - Product Testing Requirements

- Product Testing is required for all:
  - Target Brand Product (See Target Business Overview and Definitions section within this document)
  - All licensed brand footwear items exclusive to Target
- Vendor/factory owns the testing process and is responsible for ensuring all testing is current per guidelines in Table B.
- Vendors pay for all testing

- All vendors must ensure quality before beginning production and are expected to use their own testing process to validate quality of raw materials, hardware and components and finished product both before beginning production and throughout production
- Product Testing is required **per product per factory**
  - Factory name and ID is required on the Test Request Forms
  - NOTE: HPB/HB commodity goods may be exempt from this requirement. For Vendors that are exempt producing the same product in multiple factories, PSQA HQ must ensure Vendors rotate ORT12 product testing and inspection between all facilities.
  -
- Product testing is required for ALL sellable Target DPCIs and article numbers
  - A DPCI or article number is a sellable unit that has a unique SKU. Example – a green small t-shirt
  - An Assortment DPCI or assortment article number is not a sellable unit. Assortment items are made up of multiple sellable DPCIs and/or article numbers that need to be tested individually. The Assortment DPCI and/or assortment article number does not need to be tested
  - An Assorted DPCI or assorted article number is a sellable unit, made up of different products grouped under one SKU. Each product in the Assorted DPCI and/or assorted article number needs to be tested. Example: a cup, pencil and pad a paper all have the same Assorted DPCI and/or assorted article number but all 3 items have to be tested
- If the DPCI and/or article number of an item remains the same, but changes have occurred to the design, formula, mold, raw materials, or manufacturing process, the vendor must discuss these changes with PSQA, and additional testing may be required. It is the vendors' responsibility to notify PSQA of any changes to the product.
  - **o** For material or other changes that affect a CPSC rule, ban, standard, or regulation, then the Vendor Recertification Notice process should be followed.
  - **o** For changes that do not affect a CPSC rule, ban, standard, or regulation, the Report Communication Form should be followed.
- For product quality and safety issues, Target requires testing using approved 3rd party laboratories at various key points in the production process to validate quality expectations.
- If safety issues are found during testing, further testing will be required and may result in a product recall. If performance issues are found, further testing will be required and may result in a market withdrawal
- If the vendor needs to raise a concern about the laboratory service, they should first contact the appropriate lab directly. If the vendor is not receiving a timely resolution to the issue, or needs to bring an issue to Target's attention, please fill out a Target Laboratory Comments Form located on POL. Email the form to the appropriate PSQA email box.
- **o** All testing will be placed on hold by the 3rd party testing lab for:
  - Insufficient number of samples to conduct testing
  - Incomplete/Inaccurate Test Request Form/Grouping
  - Account payment issues with the 3rd party lab
  - Missing packaging or mock-up packaging
  - Product arrives at the 3rd party lab damaged, broken black seals and/or in a bag with a hole large enough to pass the product in and out of the sealed plastic bag.
- **o** A certification document will be issued for each testing stage with acceptable results and supersedes all previously issued product testing certificates.
- **o** The test report must be dispositioned for retest with CAPs approved, when applicable, by PSQA HQ before retesting is to be submitted to the 3rd party lab.
- **o** If the product fails testing, shipments must be held until further direction is provided by PSQA HQ
- **o** If transit testing is required, it must be conducted in all applicable stages.
  - Transit testing samples from TOP and ORT cartons cannot be used for Product Testing as black seals will not be used in the Transit Testing case pack.
- **o** Samples must be sent to an approved 3rd party testing facility within the country of production or closest lab if no lab is located in the country of production.

  - HPB/HB products that are FDA Regulated / Health Canada equivalent must be tested in the USA.
  - HPB/HB products with a "Compare To" statement must be tested in the USA.
- All TOP/ORT (product and transit) testing must be completed by the same 3rd party testing lab location as PPT (product and transit), and all retests must be completed by the same 3rd party testing lab location
- At the discretion of PSQA, samples may be selected for testing at any point in the product lifecycle. The vendor is responsible for all testing costs.
- Black seals must always be attached by PSQA or approved 3rd party auditor directly to the item or to a sealed container holding all the items.
- Vendor/Factory is required to submit black seal sample to 3rd party test lab within one week after the samples are pulled.
- All products that are undergoing ORT testing may ship while waiting for ORT results unless otherwise noted in communication from PSQA HQ.
- Non-sellable displays that are functional require product testing and product inspections. Non-sellable displays that are non-functional only require product inspections.

All product testing samples pulled by PSQA will have a tamper evident black seal attached. The black seal cannot be tampered with or counterfeited in any way. See Target's ethical statement at the beginning of this manual.

Note: It is the Vendor's/Factory's responsibility to manufacture their items to comply with all applicable laws and in conformance with the purchase order terms and conditions on POL.

B- Multi-Stage Testing (MST)
Target's Multi-Stage Testing Process was created so that products are tested throughout the entire life of the product run. The intent is to identify potential issues earlier in production and continually monitor quality throughout shipments.

Pre-Production Testing allows Target to validate that the product to be produced will meet requirements. Top of Production and Ongoing Random Testing allow Target to validate product consistency throughout production across multiple shipments. Vendor Recertification Testing allows Target to validate continued CPSIA compliance after a material change.

Testing is required at key timing intervals based on area and product categorization. Reference Table in Table B for testing requirements by business area. The requirements for Target.com exclusive products reflect the minimum testing expectations. Vendors should partner with the PSQA HQ representative to understand the full Target.com expectations of the business area.

DEFINITIONS:

- **Pre-Production Testing (PPT)** – testing performed prior to beginning production or shipment of first PO.
- **Top of Production Testing (TOP)** – testing performed on production product pulled and sealed by PSQA field auditors or approved 3rd party inspection service on the first production run.
- **Ongoing Random Testing (ORT)** – testing performed on subsequent production samples pulled and sealed by PSQA field team or approved 3rd party inspection service.
    - ORT_3 - occurs 3 calendar months after the most recent acceptable testing, see list of applicable product in Table A
    - ORT_6 - occurs 6 calendar months after the most recent acceptable testing, see list of applicable products in Table A
    - ORT_{12} - occurs 12 calendar months after the most recent acceptable testing, applicable to all products not following an ORT_3 or ORT_6 testing schedule
- **Vendor Recertification Testing (VRT)** – testing performed subsequent to a VRN Notice that Target determines requires additional third-party testing prior to reissuance of TGCC due to material change.
- **Vendor Recertification Notice (VRN) –** Formal notification to Target that the product has been recertified by the vendor due to material or other changes occurring any time after TOP that impacts a CPSC rule, ban, standard or regulation.
- **Material Change –** Any change in the product's design, manufacturing, process, or sourcing of components parts/raw materials, that a manufacturer using due care knows, or should know, would affect the product's ability to comply with applicable CPSC rules, bans, standards, or regulations.
- **Target.com Exclusive** – Product sold on Target.com only. Product sold online as a color extension of in-store product is not considered Target.com exclusive.
- See table in Table B for testing requirements by area and product categorization. The requirements for Target.com are minimum requirements. It is the expectation that Target.com product follow the MST requirements of the representative Target store department.

1. Pre-Production Testing (PPT) Process

A. Vendor may request or use an approved Group Testing Form as determined by the product requirements. One grouping form will be used for all test stages through the life of the product.

B. Vendor requests applicable testing protocol(s) for their product from the lab. It is highly recommended the vendor obtain a copy of the protocol before negotiations or testing to ensure understanding of minimum product requirements.

NOTE: During product development, if a Vendor determines that a given performance criteria in the protocol cannot be met due to the unique nature of the product, a Product Testing Exception Notice, found on POL, can be filled out and submitted to PSQA. Vendors may be asked to provide supporting documentation detailing why the protocol criteria cannot be met, and the standard or quality level that can be achieved. If approved, the third-party lab would then test the Item against the criteria in the Product Testing Exception Notice, rather than the criteria written in the protocol. The Exception Notice needs to be approved prior to Commit.

C. If the TRF is not automatically received on program confirmation (apparel), it can be obtained from the 3rd party testing lab.

D. Vendor sends all documents and samples to the test lab at the same time. Unless noted below or by a grouping form, all sellable Target DPCI's and/or articles numbers must be submitted for testing

- Samples for Soft Home textile and Apparel departments must represent all color ways in the core size.
- Samples for footwear must represent the core size.
- Submitted samples for all products shall be representative of production quality, function and Target approvals.
    - Samples must be made in the factory of production.
    - Samples must be produced using production materials including all sub-components.

  - Samples may be produced in a sample room using the same production class equipment that will be used in production (or) produced using production equipment for a sample run.
  - Samples must be produced to all proper specifications.
  - All labeling information must be submitted with pre-production product. Mock up labeling and packaging is acceptable for PPT.
- Final product approval is required prior to submission for testing

E. Test lab will conduct testing per appropriate protocol(s) based on product end use described by the vendor.
- Anything with a "compare to" claim must go through "compare to" testing. When submitting for comparison testing overseas, vendors must provide national brand samples to the lab.

F. All failed test reports are dispositioned by PSQA.

G. The product testing certificate must be issued **before** production starts for Hardgoods, Accessories and hard product in Soft Home.

H. The product testing certificate is not required before production starts on Apparel, textiles based Softhome, and Footwear products.

I. Vendor/Factory must include the test reports and product testing certificates in the Production Validation Packet (PVP).

NOTE: Children's loose fit sleepwear requires additional regulatory testing under 16 cfr 1615/1616 that is conducted in conjunction with MST testing. For step by step process of this testing, please refer to POL.

NOTE: Please check instructions for Pilot Lot Quality Verifications in the Product Inspection section of this document for the following departments and product categories which are required to go through Pilot Lot Verification:

- Department 009 (Patio Furniture & Gazebos)
- Department 249 (Indoor Furniture)
- Furniture products in Departments 002, 030, 064
- All Ready to Assemble (RTA) Products (in any department)
- Products with mounting hardware provided such as wall shelves (in any department)

NOTE: For specific paper products noted below, the Pre-Production Testing (PPT) requirement for both adult and children's products can be waived through the use of an approved grouping form.. The specific products below in D253 (HPB/HB Paper and Plastic) are not applicable to this process.

  - Paper bag
  - Loose Leaf Paper
  - Gift Wrapping Tissue
  - Gift Wrap
  - Crepe Paper/Streamers
  - Napkins
  - Cups
  - Bowls
  - Paper Plates

All PPT waivers must be approved by Target's PSQA Headquarters Team prior to commit notification. Vendors must keep a copy of the Target approved grouping form in the PVP.

2. Black Sealed Sample Testing Process - This includes TOP, ORT_3, ORT_6, ORT_{12}, VRT & PPT when deemed applicable

A. PPT retest samples for Apparel must always be black sealed and pulled from shipment-ready cartons. HG PPT retests may continue to be submitted by the vendor without black seals unless black seals are requested by PSQA HQ.

B. Vendor notifies PSQA that samples are required to be pulled for a black sealed testing stage per the inspection process.

C. Samples are randomly pulled by PSQA or approved 3rd party (NOT vendor) per the inspection process. This requirement may be waived at the discretion of PSQA. Vendor will be notified if this situation arises.

D. Sample pull quantity expectations:
- Vendor is responsible for determining how many samples need to be pulled by contacting the 3rd party lab.
- For D234 (The One Spot), auditors must pull 15 samples per style per DPCI and/ or article number for all items.

E. PSQA Auditor or approved 3rd party attaches a black seal to product and records black seal number per the PSQA black seal process.

F. Vendor must complete the TRF with all applicable information including the black seal number(s).

G. Vendor sends all documents and samples to the test lab at the same time. Unless noted below or by a grouping form, all saleable Target DPCI's and/ or article numbers must be submitted for testing.
- Soft Home textile product must be sealed using the following guideline:
  - Solids – Three colors (light, medium and dark)
  - Multi-Color Fabrications or Color Blocked Items – Three fabrications representing the most extreme variation of color blocking or fabrication.
  - Yarn dyes – Three patterns having largest number of individual colors
  - Prints – Three prints covering the largest area.
  - PSQA will pull different sets of three colors at each subsequent random testing to cover as much of the color palette as possible for the program.
- Apparel departments must represent all color ways in the core size per PID.
- Samples for footwear must represent the core size.

3. Vendor Recertification Testing

A. VRT is only required when a material or other change occurs that impacts a CPSC rule, ban, standard or regulation after the TOP or ORT testing is completed. For reference, the CPSC rules, bans, standards, and regulations that apply to a specific product are located on the TGCC. Reference Material Change definition in Definitions section,

B. The vendor will need to recertify their product with the change at a CPSC certified testing lab. The sample that the vendor sends to test Lab for recertification shall be materially identical to bulk production, which includes using the same raw material, production equipment, and processes.

C. The vendor must acquire a GCC based on satisfactory recertification test results. There are two options for the vendor to obtain the GCC:
- The vendor may work with the CPSC test lab to issue a GCC on their behalf
- The vendor may create their own GCC using the GCC example found on Partners Online.

D. Once the vendor has the GCC for the material change, the Vendor may continue with production using the new material.

E. Vendor may not ship any product with the material change until the item has been recertified by Target and a new TGCC issued

F. The vendor will fill out the VRN form to notify Target of the change. Vendor must include the GCC, the local test report, and the most recent TOP or ORT Target test report when submitting the VRN form.

G. PSQA HQ will review the submitted documents and will provide next steps to Vendor via VRN form. A VRN can only be approved by PSQA HQ. At the discretion of PSQA HQ, the product may require a full test for Target recertification or a partial test on the affected component. PSQA HQ sends the completed VRN form with Target recertification requirements back to the Vendor. PSQA HQ uploads the completed VRN form to approved Target 3rd Party Lab testing website () as an attachment to most recent TOP or ORT report where a TGCC was issued.

- If the most recent report is at a Target 3rd Party Lab without an online testing database, then PSQA HQ shall save a copy of the VRN to a local Target folder.

I. If the VRN is approved, the Vendor must request Target black seal samples for VRT. Black seal samples must be pulled from a production run with new material.

J. Vendor must submit the signed VRN form with Target testing requirements, along with the Test Request Form (TRF) and black sealed product samples when submitting samples to the lab. Vendor must always submit the full product for VRT testing.

K. If partial testing at VRT is required by PSQA HQ, the lab will issue a TGCC for the component and only list the applicable CPSC rules, bans, standards, or regulations tested. Vendor must use this TGCC along with the previously issued TGCC to ship. Partial VRT will not reset ORT timing—ORT will follow the frequency based on the previous TOP or ORT report.

L. If full VRT is required the lab will issue a TGCC and a VGCC. The new TGCC is to be sent with shipment in place of the previously-issued TGCC. Full VRT will reset ORT timing.

M. Vendor may request FRIs and ship as soon as they have the Target Product Testing Certificates from their satisfactory VRT. The documents generated (signed VRN form, VRT test report and Target Product Testing Certificates) must be kept by the vendor in the Production Validation Packet (PVP).

List A

Non-children's High Risk

- Items and situations below are considered High Risk regardless of the department the item is sold in unless noted otherwise.

  - Green Goods Wreaths and Garlands (lit and unlit) - Christmas tree material ONLY, does not include dried florals, ornament wreaths, etc.
  - Safety Helmets
  - All Skates
  - All Plug in Electrical Items
  - Gas Grills
  - Patio Heaters
  - Propane Fueled Products
  - Pools
  - Christmas Trees (lit & unlit) over 1 ft. tall
  - All Pet Products
  - Candles (intended to be burned only)
  - Candleholders
  - Open Flame items (lighters, fire pots etc.)
  - Risk management for brand protection as determined by PSQA

Table B

	Applicable US Department Numbers	Applicable Canada Product Categories	PPT (Prior to production)	PPT (Prior to shipment)	TOP (hold shipment)	TOP (do not hold shipment)	ORT3	ORT 6	ORT 12
HARDGOODS									
Toys and children's product	All	• Boys Toys/Girls Toys/Preschool & Family Toys and all other applicable categories	X		X		X		
Non-children's high risk product	see Appendix A	see Appendix A	X		X			X	

All other hardgoods	002, 009, 051, 053, 054, 055 non food, 065, 069, 070, 072, 074, 080, 081, 082, 084, 085, 088, 091, 092, 097, 200, 213, 234, 240, 249, 288, 295, 878	• Storage & Org • Lawn & Patio (D009 and D084 product) • Trim & Seasonal • Cards/Stationary/Wrap • Décor/LTO/Candles • Candy (non food) • Fitness & Luggage • Kitchenware • Lighting, Frames &Wall • School & Office • HW & Auto (hardware only) • Team Sports & Camping The One Spot • Furniture • Kitchen Appliances • Mobile & Office • HW & Auto (Auto Acc. only) • Flatware, Drinkware & Cutlery • Grocery- Nonfood (D.213, 288, 878) • Reuseable bags (D.295)	X		X				X
Adult HPB/HB	All	All	X			X			X
SOFTHOME									
Children's Softhome	Children's textile based products	All textile based products		X	X		X		
All other	All textile based products	All textile based products		X		X		X	
Children's Softhome	Hard based products	Hard based products	X		X		X		
Non-children's high risk products	All hard based products	All hard based products	X		X			X	
All other products	All hard based products	All hard based products	X		X				X
FOOTWEAR									
FOOTWEAR									
Children's footwear	077, 093	Children's sizes in: • Men's/Converse & Seasonal Footwear • Women's/Athletic & Kid Footwear		X	X		X		

Adult footwear	077, 096, 098	Adult sizes in: • Men's/Converse & Seasonal Footwear • Women's/Athletic & Kid Footwear		X		X	~~X~~	X	
	Applicable US Department Numbers	**Applicable Canada Product Categories**	**PPT (Prior to production)**	**PPT (Prior to shipment)**	**TOP (hold shipment)**	**TOP (do not hold shipment)**	**ORT3**	**ORT 6**	**ORT 12**
APPAREL									
Children's apparel	031, 032, 033, 036, 038, 039, 046, 075, 076, 205, 206, 217, 222	• NIT Apparel • Big Boy/Big Girl Apparel		X	X		X		
adult apparel	all other apparel departments	• Adult Men's Apparel • Adults Women's Apparel • Intimates		X		X	X		
Adult apparel and Intimate apparel Target.com exclusive	• Adult Men's Apparel • Adults Women's Apparel • Intimate Apparel	• Adult Men's Apparel • Adults Women's Apparel • Intimates			X		X		
Adult apparel and Intimate apparel small quantity **(total order of 5,000 units or less)**	• Adult Men's • Adult Women's • Intimate Apparel	• Adult Men's • Adult Women's • Intimate Apparel			X				X
ACCESSORIES									
Newborn, Infant, toddler	NIT Accessory items merchandised in any dept.		X		X		X		
Kids Accessories & Children's jewelry	202, 215 Class 02 & 04*	• Kids Accessories • Jewelry, Sunglasses & Watches (jewelry without 15 and up labeling)	X		X		X		
Adult jewelry, Accessories, Socks/Hosiery, Sunglasses	• All other classes in 215** • 024, 025, 040, 044, 061, 090**	• Jewelry, Sunglasses & Watches (jewelry with 15 and up labeling) • Handbags and Acc • Adult Men's Apparel (Men's Accessories) • Women's Hosiery • Adult Men's Apparel (Underwear/Thermals) • Jewelry, Sunglasses	X			X		X	
Adult Watches	026	Adult watches			X			X	
TARGET.com Exclusive									

All products (with the exception of Target.com exclusive adult apparel and Intimate Apparel)	Follow the in store similar product requirements

* FRI frequency for D215 class 02 & 04 is every set order and every three months
** FRI frequency of all other classes in D215, D090 and D026 is every set order and every six months
x = Acceptable Testing

C - Product Testing Protocols and Standards

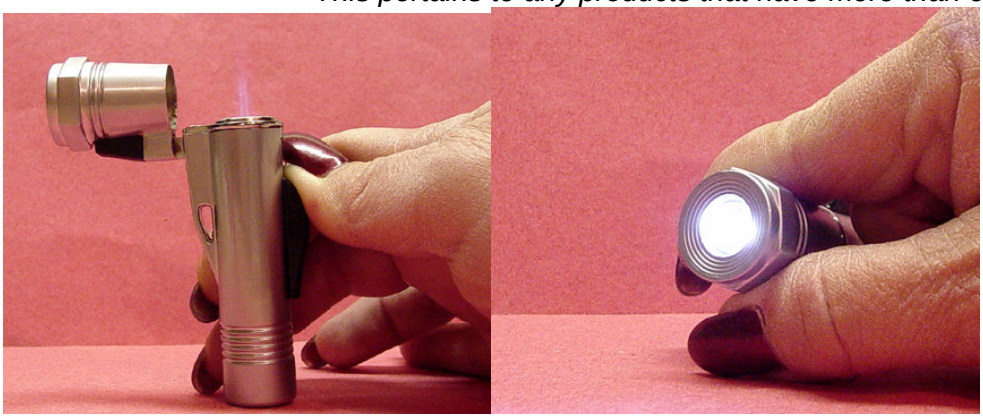
Testing Protocol

- A protocol is a series of test methods used by 3rd Party laboratories to evaluate a product. They are used to ensure testing is completed using Target approved test methods and to Target's standards.
- All vendors are expected to contact an approved 3rd party laboratory, describe the product, request copies of any applicable protocols and ensure their understanding of Target's expected performance before business is awarded.
- Monitor the POL Home Page "Important Updates" and "News" sections for significant protocol updates. Target's laboratory partners have approximately 2000 individual protocols of two key types:
  - Product Protocol – Represents the testing methods and applicable standards for the core attributes of an item. Examples – Wallets, Belts, Gloves, Chairs, Scarves, Televisions, Microwaves, etc.
  - Supplemental Protocol – Represents the testing methods and applicable standards that may apply across a broad category of product types. Examples – Children's Non-Toy Product Requirements, State Regulation California Proposition 65 Requirements, etc.

Protocols consist of the following distinct elements:

- **Supplemental Protocols** – example: State Regulation California Proposition 65
- **Labeling** – Review of product specific Federal and State labeling requirements. Confirms that product complies with all label claims including instructions. Target labeling requirements are reviewed
- **Analytical** – Test analysis for lead, cadmium, and other hazardous materials
- **Physical Characteristics** – Confirmation that any physical claims are accurate (capacity, weight, length, width, height, material type, etc.)
- **Construction Qualities** – Review of workmanship (safety concerns, defects, missing parts)
- **Performance End-Use Testing** – Products will be tested to determine if they meet Target standards and perform as intended:
  - Materials
  - Construction
  - Function
  - Purpose
  - Application
- **Transit Testing** – Physical, Analytical, or Performance testing of the retail and casepack packaging.
- **Estimated Sample Quantity** – Identifies the suggested number of units required for testing. More may be needed depending on the product type, size, etc.
- **Estimated Days to Complete** – Identifies the average number of business days to complete testing

Example: Hardgoods Product End-Use Performance
Flashlight with a lighter attached. End-Use Performance Testing Required using Protocol 4045 Flashlight AND Protocol 4084 Utility Lighter
This pertains to any products that have more than one end use



Apparel Only - Garment Standards

- A garment standard is the document Target uses to communicate the expected performance of a garment category to our vendor partners. All vendors are encouraged to download applicable standards during product development and ensure their understanding of Target's expected performance before business is awarded. Garment standards can be downloaded from POL from both the Softlines Product Development and the Softlines Product Safety & Quality Assurance areas
- There are 8 separate Garment Standards
    - Knit Tops and Bottoms
    - Woven Tops and Bottoms
    - Swimwear
    - Sweaters
    - Foundations and Intimates
    - Leather and Suede
    - Outerwear
    - Performance Claims Supplement

Apparel Only - Garment Standards consist of the following distinct elements:

- **Supplemental Protocols / Standards** – Supplemental protocols and Standards reference requirements that may or may not apply to a specific product; example: State Regulation California Proposition 65 and Target's children's product requirements
- **Labeling and Packaging** – All products must comply with Federal, State, and Canadian labeling requirements. All products must meet Target's standards or industry standards for any claims. All labeling and packaging must meet Target standards. Where Target has additional requirements to Federal, State, and Canadian requirements, they are specifically noted
- **Product Safety** – Target's requirements for product safety. Note: For all Children's products, the vendor must reference the Children's product safety supplemental standard. These standards may not be all inclusive. The vendor is solely responsible for compliance with any CPSC rules, Health Canada rules, bans, or regulations in addition to any other federal, state, or Canadian regulations applicable in any of the 50 states or provinces
- **Performance After Care** – Target's requirements for a garment's performance after simulating home use per the manufacturer's provided care instructions
- **Performance Properties** – Target's requirements for elements such as fabric strength, seam performance, and /or other properties related to the end-use of the garment
- **Colorfastness Properties** – Target's requirements for elements such as wet and dry crocking, light fastness, and colorfastness to burnt gas fumes

- **Zippers, Buttons, Snaps and other Findings, and Linings** – Target's requirements for additional garment components

Target garment standards provide expected performance for the greatest majority of garments sold to Target. However, it is understood that as fashion changes, or unique constructions arise, these requirements may not apply to 100% of garments. Vendors must review each product standard before business award and discuss any expected issues with Target's Product Design and Development Team. **Once a commit is issued or another agreement has been reached in place of a commit, if exceptions are not discussed and documented, the vendor is accountable for meeting all standards without exception.** If there are any questions regarding which standards apply to your products, please email PSQA HQ (please refer to the resource & reference section of this manual for contacts.)

Email Fabric.Standards@Target.com with any questions regarding exceptions.

D - Product Testing is performed to validate that products meet:

- Product Safety and Regulatory Requirements
- Product Labeling, Warnings, Claims and Transit Testing
- Product Performance Requirements

Product Safety & Regulatory Requirements

The Vendor is responsible to ensure their product complies with all US, State, and Canadian regulations. Products that do not comply with these requirements are banned from sale in the United States and Canada. They cannot enter the country and may be seized by US or Canadian Customs until compliant. Products that violate any US, State, or Canadian regulations will be subject to withdrawal from Target stores & supply chain, product recall, US and Canadian government agency disposition, chargebacks, fees and fines.

Note: A satisfactory Lab test result is not a certification that a Vendor's product meets all legal requirements.

Consumer Product Safety Improvement Act of 2008 (CPSIA)

The Consumer Product Safety Improvement Act of 2008 is a United States legislation signed into law on August 14, 2008. The following is a summary of portions of the Consumer Product Safety Act of 2008 (CPSC) relevant to general products and children's products. The legislative bill imposes new testing and documentation requirements, sets new acceptable levels of several substances and adopts ASTM F-963 as a mandatory federal standard. It also affects any product that is subject to anything the CPSC regulates by requiring certificates of conformance which state that the product was tested to conform to the regulations its subject to. The Act also increases fines and specifies jail time for some violations. Effective dates vary and apply to goods sold into U.S. commerce after dates referenced in legislation or regulations implementing the applicable law.

Please refer to the Consumer Product Safety Commission's (CPSC) specific CPSIA website (http://www.cpsc.gov/about/cpsia/cpsia.html) for details and compliance dates. Vendors should also utilize their internal safety, regulatory, legal and QA consultants.

Target Brand Vendors: Target has, in many cases, imposed tougher standards, earlier compliance dates and impact to a wider scope of products for Target Brand products than the published requirements. Therefore, it is imperative that vendors check POL frequently and pull protocols before negotiations to ensure full understanding of target's requirements and processes.

E - Product Labeling, Warnings and Mock-up Packaging

All Target products are tested for Labeling, Packaging and Warning requirements per Target's Packaging/Labeling Protocol (9067) and/or Product Specific Protocols.

- Contact Target's approved third party laboratories to obtain the protocol (9067 or product specific) with the labeling, packaging, and warning requirements. *Note: Product tracking label requirements for children's and adult products can be found on POL*

Product Labeling

- Vendors are ultimately responsible for ensuring all factories are in compliance with all applicable labeling requirements for their products.
- The labeling protocol is Target's interpretation of U.S. and Canadian packaging and labeling requirements as well as Target-specific labeling requirements
- Target also requires the vendor/factory to verify label their label claims, which includes marketing Copy.

Product Warnings

- Proper warnings and instructions on safe use should always be included when necessary
- Target testing only validates warnings
- Location and size of warning are critical per requirements

Example: Product Warning

Mock-Up Packaging (for PPT testing only)

- If vendor is using packaging designed by Target and it is not complete at time of testing, mock-up packaging will be accepted
- Vendor MUST send Mock-Up Labeling & Packaging if final is not ready
- DO NOT wait for Target packaging files (disk) before testing …it will be too late!!!
- DO NOT wait for the "White Box" (structure) OR "PDP" (graphics) from Target or printer
- DO NOT send samples for testing without labeling & packaging…your product will be placed on hold and testing will not move forward. Lab will contact Vendor/Factory to submit final or mock-up packaging.
- Target accepts Mock-Up Labeling & Packaging
- Create your own mock-up
- Can NOT be handwritten
- Must have minimum 9067 requirements if applicable
- Product Name / Description
- Distribution Statement / Declaration of Responsibility
- Country of Origin
- Net Quantity /Count
- Must have all claims & warnings posted
- Need this information in order to test product properly & to avoid issues during Top of Production testing
- Must include retail box or any tags.
- If product is "Fragile", must include casepack for Transit Testing

F - Transit Packaging Test Requirements

Physical, analytical, or performance testing of the retail and casepack packaging is referred to as Transit Testing. Transit testing is divided into two phases, vibration test and drop test. By testing the carton quality and packaging method, Target is able to reduce breakages of the product.

- Transit testing is performed to ISTA1A or ISTA3A methods, depending on product type and department.
- Transit testing is required for all applicable stages of Multi-Stage testing unless exempted per Target criteria or by a Target grouping form. Transit testing is required any time the packaging structure changes. Graphic changes on either the product or package do not require new transit tests
- Samples that are submitted for transit testing cannot be used for Target's Multi-Stage Testing process.
- Transit testing is not required for Pallet In Pallet Out (PIPO), packaging and some other types of bulk packaging. Submit a completed Grouping Form to get an exemption for PIPO or any other bulk packaging
- Target Corporation requires a sample size of one full casepack of product to be submitted to a Target approved third party test lab for transit package testing (vibration and drop testing). If your product is not shipped in casepacks, then one retail packaged product must be subjected to transit testing.
- The product samples being tested are to be representative of production samples
- It is preferred to use final packaging whenever possible. However the actual packaging materials to be tested may be prototypes if identified as such. The prototypes must be of the same material and style and note all required information used in final production.
- It is required to submit product and transit test samples to the same Target Approved Third Party lab. Not all Target Approved Third Party Lab locations are capable of performing transit testing. Contact the lab prior to submitting samples to assure they are capable of performing the necessary tests and request a copy of the transit testing protocol.
- Vendors are required to pay for the shipment and transit testing of their product

Criteria for Determining if Transit Testing is Applicable

All items submitted on a Hardgoods or HPB/HB Test Request Form require transit testing, if they meet a least one of the criteria listed in Materials/Construction, Function, or Specific Type of Item.

Material/Construction

- Ceramic
- Glass
- Wax
- Rigid/Hard Plastic
- Natural Materials – materials found in nature which includes but is not limited to flowers, botanicals, leaves, tree bark, wicker, and bamboo
- Wood – includes but is not limited to solid wood, composite wood and MDF
- Metal
- Filled with liquid and/or gel – includes but is not limited to wet paint, liquid glue/cement, lotion, and correction fluid

Function

- Furniture
- Lamps/Lighting
- Electronics
- Electrical Appliances
- Mechanical
- Optical
- Fuel Operated

Specific Type of Item

- Holiday Trees and Christmas Trees made of any material, including tinsel
- Wreaths made out of any material, including tinsel
- Piñatas

- Any item that is claimed as "Shatter-Proof," "Shatter Resistant", or similar
- File boxes and storage containers made out rigid paperboard/cardboard
  - Excludes packaging or packaging intended to stay with the product throughout its useful life. (Example: boxed greeting cards)

Items listed under Exemptions supersede criteria listed in Material/Construction, Function, and Specific Type of Item, and do not require transit testing.

Exemptions –Transit Test Not Required:

- HPB/HB products in rigid/hard plastic pill bottles
- HPB/HB products that are metal
- HPB/HB products that are filled with liquid and/or gel – includes but is not limited to lotion, shampoo, laundry detergent, bleach
- Potpourri
- Tinsel Garland
- Wire Christmas Ornament Hangers that may or may not have a plastic coating
- Plush toy – not including plush that has a "Function" listed in the "Function" section.
- Spiral bound books and notebooks
- Sunglasses/Eyeglasses

Examples of Transit Test Application Determination:

- Folding Chair: Required because it is a piece of furniture
- Automotive Floor Mat: Not required because it is flexible and made of synthetic rubber and not on the material list
- Personal DVD player: Required because it is an electronic device
- Tea Light Candle: Required because it is made of wax and not on the material list
- Pair of Work Glove: Not required because it is a textile and not on the material list
- Bicycle: Required because it is a mechanical device
- Binoculars: Required because it has an optical function and has lenses
- Gas Grill: Required because it is made of metal and is fuel operated
- Roll wrapping paper: Not required because it is made of paper and not on the material list
- Ceramic Dinnerware: Required because they are made of ceramic, which is on the material list

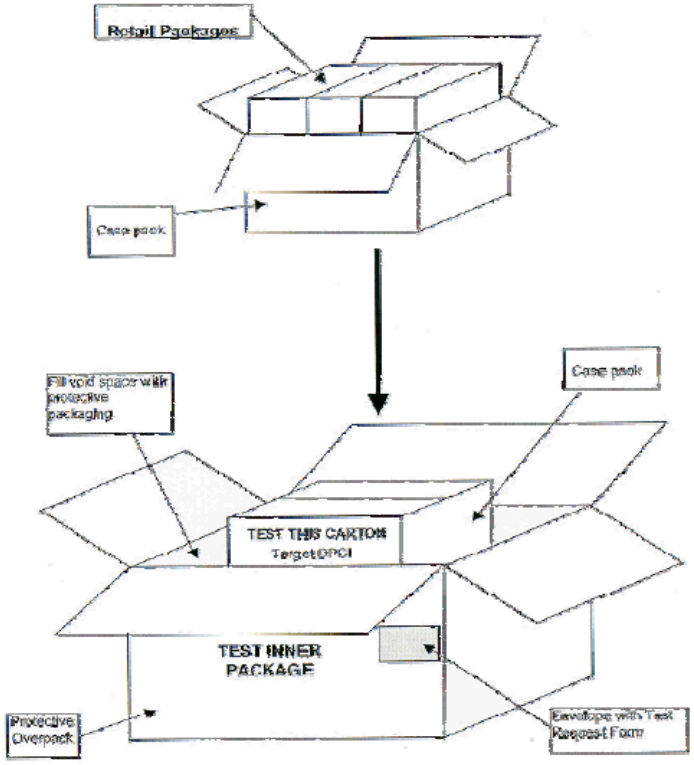
Notes:

- *If there is any question whether an item should be transit tested or not, the vendor is to fill out a Grouping Request form and submit it to appropriate PSQA email box (*please refer to the resource & reference section of this manual for contacts) *and get a final disposition*
- *Transit Testing can be required at the request of Target at any time regardless of criteria*

Submitting product to a Target approved lab for transit testing:

1. Submit one casepack of product to a Target approved third party test lab location. The casepack of product should be placed in a larger box with protective packaging so that it does not incur damage during shipment to the testing laboratory. The protective overpack should be clearly marked with the statement "Test Inner Package" and a completed Test Request Form should be placed in an envelope that is securely affixed to the outside of the overpack.
2. Mark the outside of the package that is to be tested with the statement "Transit Test This Carton". Also mark the carton with the DPCI and/or article number and Product Description.

Product Preparations for Shipment to Testing Laboratory



G - Group Product Testing Approval

- Product grouping is allowed with approval. Grouping forms will be active for the life of the product, unless specified and communicated by HQ PSQA
- Products that are similar with slight differences (Example: Sm., Med., Lg. Vase) can be grouped together for testing if they meet the following criteria:
  - Produced at the same factory
  - Same materials and components used
  - Same construction
  - Same manufacturing processes
- Requests can only be approved by HQ PSQA and must be submitted and approved **PRIOR** to submitting samples for testing
- Grouping reduces the number of samples tested while still ensuring the safety and quality of products being supplied to Target.
- Vendor downloads Grouping Request Form from POL inserting all requested information
  - Vendor must provide DPCI and/or article number, Description, and Photos
- All grouped items must pass testing before a certification document will be issued. Products grouped and not tested will be noted on the certification document
- Hardgoods:
  - Vendor will include the signed Grouping Request with the Test Request Form and product samples to be tested when submitting to the lab. It is very important that vendor submits the grouping request, product performance samples, and transit testing samples all at the same time
  - The samples submitted to lab, must match the photos that were submitted on the grouping request to PSQA. If they do not, testing will be placed on hold until resolved
- Softlines (Apparel):

- Grouping automatically triggered only at PPT stage by the Test Request Form (TRF), no group request is required. No transit testing required

- Softlines (Non-Apparel):
  - Grouping request required with photos or images, transit testing may be required for non-textile products
- Soft Home:
  - Grouping request required with photos or images, no transit testing required

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Example –Grouping Approval

H- Test Request Form (TRF)

- TRFs are used to communicate key data from the vendor to the 3rd party laboratory helping ensure products are tested to the proper standards and that that all products are tracked in Target's systems properly
- It is imperative that TRFs are filled out accurately and completely. In some cases the vendor may receive a chargeback for failure to test all products if TRFs are not completed accurately
- Ensure all DPCIs and/or article numbers are listed accurately by style and color and ensure that you have an approved grouping form if more than one style is listed
- **ANY SAMPLES TESTED FOR TARGET MUST SUBMITTED USING A TARGET TRF. "LOCAL" TEST REQUEST FORMS MAY NOT BE USED FOR TARGET TESTING**

<u>Apparel Only Requirements</u>

- US Apparel awarded through CMS Test Request Form
  - Products will already be grouped on the Test Request Form by Style/PID and Color/Size
  - Example: A Style in 5 colors and 5 sizes will automatically be grouped. Only the core size in each colorway needs to be submitted for testing to represent all 25 items
  - TRFs are automatically sent to all VMM contacts designated as PSQA/Testing/Inspection
  - Certain key data are pre-filled on the form and also simultaneously sent electronically to the 3rd party laboratories.
  - **The vendor may not alter the pre-filled data in any way.** If any changes need to be made (example: DPCIs/article numbers added or removed, Styles added or removed, colors added or removed, etc) please contact PSQA HQ *(*please refer to the resource & reference section of this manual for contacts) for help
  - Additional grouping can take place across styles. Example – Husky and core sizes that are assigned different styles will not be automatically grouped. In these cases the vendor must contact PSQA HQ *(*please refer to the resource & reference section of this manual for contacts) to request additional grouping

- Non-CMS Test Request Form
  - If your business is not awarded through CMS, you must obtain a copy of a blank TRF by emailing PSQA HQ *(*please refer to the resource & reference section of this manual for contacts)
- Canadian products may be tested to "Canada Only" test lines, if and only if, the U.S. equivalent product has completed Satisfactory or Overridden testing. If submitting samples using this process, the following boxes must be marked:
  - Special Request, under order type
  - Canada Product Only, in Country of Sale
  - Appropriate test stage for the Canadian product for that submission (only PPT or TOP can be checked)
  - List the most recent Satisfactory or Overridden U.S. equivalent product(s) test report number in the Previous Test Report Column.
    - For Canada PPT, U.S. reports can be PPT, TOP, or ORT reports.
    - For Canada TOP, U.S. reports must be TOP or ORT reports.
  - If this is a Canada TOP submission, list the PPT report number for the Articles being submitted for TOP
  - If the U.S. equivalent product was submitted on an Apparel TRF, then the same TRF can be used; however, the Article numbers must be added, and other Canada fields on TRF must be completed (such as Article Universal Product Code [UPC]), along with all of the above information to the existing TRF. Vendors may use a new TRF as long as the Department Class and Item Number (DPCI) match the original location of the TRF.

Test Report Delay, Hold or Fail:

- Target has requested that the lab place testing on hold for the following reasons:
  - Insufficient number of product samples
  - Incorrect or incomplete test request form
  - Unapproved or incomplete group test form (if applicable)
  - Damaged product due to shipping breakage
  - Missing Vendor Recertification Notice form (if applicable)
- Target has requested the lab fail testing for the following missing items:
  - Retail, packaging and labeling
  - Casepacks for transit testing (in applicable)

I – Product Testing Disposition (Push) Process

Overrides:
Testing failures indicate a failure to meet Target's requirements for an acceptable product. An override is a determination from PSQA HQ confirming that although the testing failed, the product can potentially ship. Target has a product testing disposition (Push) process where failures may not be re-tested without prior approval from Target PSQA HQ. All communication between Target PSQA HQ and the vendor will take place using the approved 3rd party laboratories' web-based systems based on the product. . The 3rd party laboratories will work directly with the vendors to provide instructions and/or training on these systems.

Apparel, Accessories and Softhome: Fully implemented using the product testing disposition (Push) process steps outlined below:

Hardgoods: Fully implemented using the product testing disposition (Push) process. **Please note:** Override requests will no longer be accepted through the general email addresses.

Product Testing Disposition (Push) Process:
1. An Unsatisfactory test report is issued by the lab.

2. The Unsatisfactory test report is then immediately visible to the appropriate Target HQ PSQA Engineer/Analyst within the 3rd party laboratories' system.
3. Target will contact the vendor to begin communication regarding any failure. In general, a response should be sent to the vendor within 48 hours. **The vendor should not contact Target** and request an override either through e-mail or using the laboratory's system.
4. The PSQA Engineer/Analyst will review each report and indicate their disposition in the system. Each case will be different but potential outcomes include:
   a. Override the failure
   b. Override the failure and issue a chargeback
   c. Require the vendor to correct the product
      - Require Corrective Action Plan - CAP forms are located on POL
      - Require re-testing
   d. Require additional testing to determine severity and scope of the failure
   e. Cancel the shipment/order/program/item
5. The vendor receives an automated email response from the system and may either choose to reply or follow directions as provided by Target's disposition.

Additional Requirements:

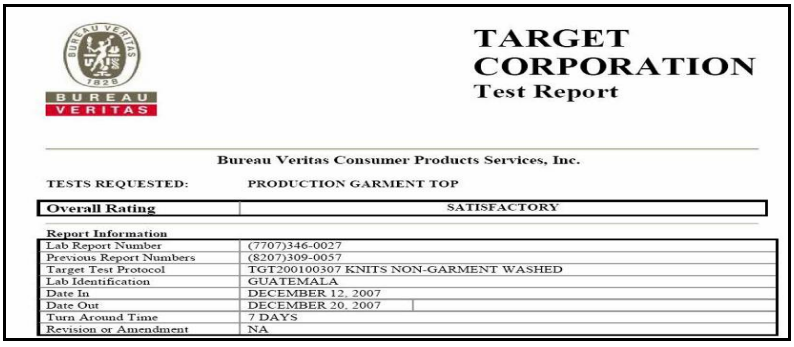
- Depending on the nature of the failure, the vendor may be required to re-test additional parameters (previously satisfactory) to ensure samples meet all requirements.
- Any approved re-testing must be conducted at the lab where initial testing was performed
- Overrides are not approved for safety or US and Canadian government regulations
- Overrides are not approved for severe failures
- Overrides are granted on an exception basis
- Overrides do not set precedent for product expectations for future orders or production.
- Overrides do not modify a vendor's obligations under POL
- Overrides are granted on an exception basis and should not replace satisfactory test reports
- Overrides can be granted by PSQA HQ only
- If granted, Vendor will receive the product testing certificates from the lab; report will remain as "Unsatisfactory" with override
- If NOT granted, PSQA HQ will provide details

The vendor is fully responsible for and accepts all liability for any issues that arise due to this consideration. Overrides do not set precedent for future production. The override does not modify your obligations to Target under POL.

J – Product Test Report

- After the product has been tested, the Vendor/Factory will receive a Test Report with results from the lab
- Target also has access to all Test Reports

Example: Test Report



BUREAU VERITAS

TARGET CORPORATION
Test Report

Bureau Veritas Consumer Products Services, Inc.

TESTS REQUESTED: PRODUCTION GARMENT TOP

Overall Rating	SATISFACTORY

Report Information

Lab Report Number	(7707)346-0027
Previous Report Numbers	(8207)309-0057
Target Test Protocol	TGT200100307 KNITS NON-GARMENT WASHED
Lab Identification	GUATEMALA
Date In	DECEMBER 12, 2007
Date Out	DECEMBER 20, 2007
Turn Around Time	7 DAYS
Revision or Amendment	NA

K – Notice of Exclusion (NOE)

- NOEs are used to communicate exclusions to PSQA processes.
- Exclusions include , casepack changes, or extensions for expiring test reports
- The NOE form is filled out by the vendor and submitted to the generic PSQA mailbox with any supporting documentation attached
- If approved, a signed PDF is returned to the vendor
- The signed NOE must be in the PVP for the inspector to review

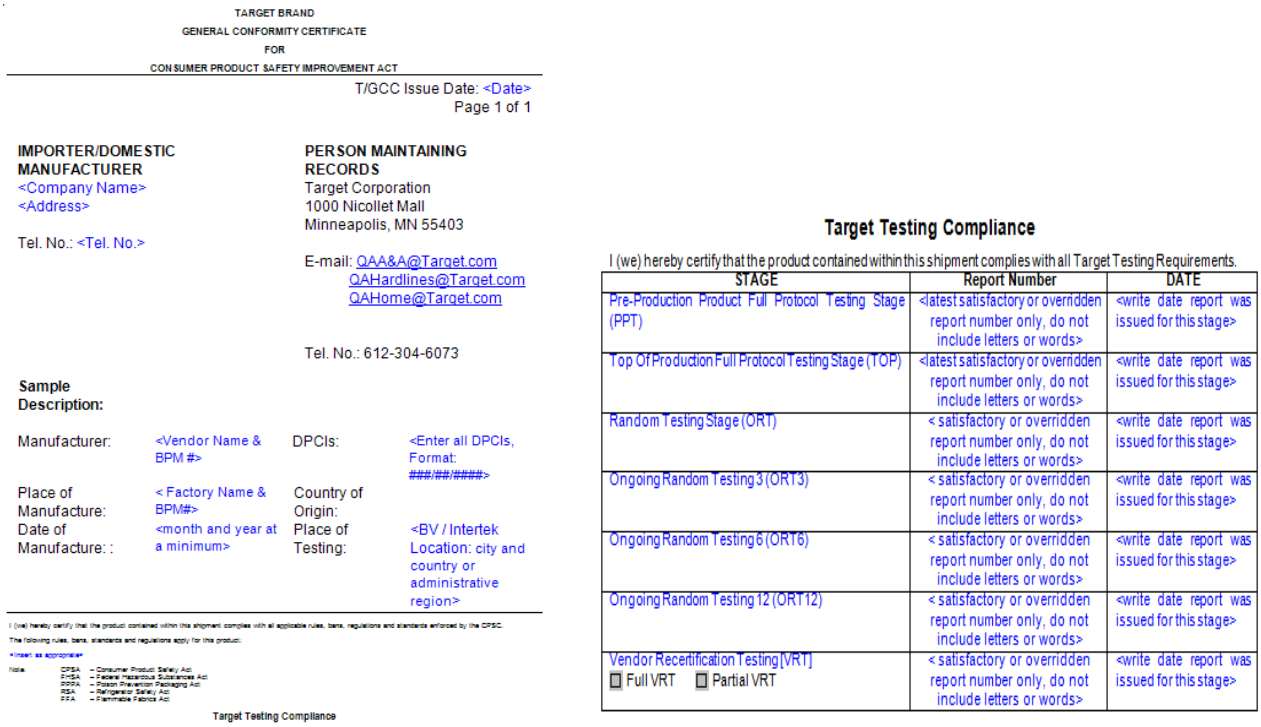
L – Report Communication Form (RCF)

- RCFs can be used for:
  - Amending a current test report for inaccurate item, Vendor, or Factory information.
  - Changes to a product, test report or testing stage that are not impacted by a CPSC rule, ban, standard or regulation. This includes channel of sale updates, dually located products, testing stage waivers, and children's sleepwear tracking.
- The RCF is filled out by the vendor and submitted to the generic PSQA mailbox with any supporting documentation attached.
- If approved, a signed PDF is returned to the vendor.
- The signed RCF must be in the PVP for the inspector to review.

M – Product Testing Certificates

- Official documents that state product passed or was overridden for all required product tests
- Issued by Target approved Testing lab.
- Valid from the most recent issue date until the next test stage per the testing frequency requirements of that product type.
- T/GCC is Target's General Conformity Certificate and is issued for US product at TOP, ORT and VRT test stages.
- TTC is Target Testing Certificate and is issued for US product at the PPT test stage and Canadian product at all testing stages.
- Product Testing Certificates are issued for **ALL TARGET BRAND** products

Example: Target's General Conformity Certificate (TGCC)



TARGET BRAND
GENERAL CONFORMITY CERTIFICATE
FOR
CONSUMER PRODUCT SAFETY IMPROVEMENT ACT

T/GCC Issue Date: <Date>
Page 1 of 1

IMPORTER/DOMESTIC MANUFACTURER
<Company Name>
<Address>

Tel. No.: <Tel. No.>

PERSON MAINTAINING RECORDS
Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403

E-mail: QAA&A@Target.com
QAHardlines@Target.com
QAHome@Target.com

Tel. No.: 612-304-6073

Sample Description:

Manufacturer:	<Vendor Name & BPM #>	DPCIs:	<Enter all DPCIs, Format: ###/##/#####>
Place of Manufacture:	< Factory Name & BPM#>	Country of Origin:	
Date of Manufacture: :	<month and year at a minimum>	Place of Testing:	<BV / Intertek Location: city and country or administrative region>

I (we) hereby certify that the product contained within this shipment complies with all applicable rules, bans, regulations and standards enforced by the CPSC.
The following rules, bans, standards and regulations apply for this product.
Insert as appropriate

Note: CPSA – Consumer Product Safety Act
FHSA – Federal Hazardous Substances Act
PPPA – Poison Prevention Packaging Act
RSA – Refrigerator Safety Act
FFA – Flammable Fabrics Act

Target Testing Compliance

Target Testing Compliance

I (we) hereby certify that the product contained within this shipment complies with all Target Testing Requirements.

STAGE	Report Number	DATE
Pre-Production Product Full Protocol Testing Stage (PPT)	<latest satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Top Of Production Full Protocol Testing Stage (TOP)	<latest satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Random Testing Stage (ORT)	< satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Ongoing Random Testing 3 (ORT3)	< satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Ongoing Random Testing 6 (ORT6)	< satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Ongoing Random Testing 12 (ORT12)	< satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>
Vendor Recertification Testing [VRT] ☐ Full VRT ☐ Partial VRT	< satisfactory or overridden report number only, do not include letters or words>	<write date report was issued for this stage>

3d. PSQA Process Requirements - Product Inspection

For additional information on Product Inspection go to the Product Inspection topic on POL: Home > Library >Produce Product > Product Compliance > **Product Inspection**

Inspection Objectives:

- Emphasis on assuring consistency of product quality throughout production process
- PSQA partnership with factory to help them meet PSQA requirements
- Inspect finished products for defects
- Assure shipment on time

Inspections Types:

- During Production = DUPRO
- Final Random Inspection = FRI

(See Addendum #1 and #2 for inspection examples)

Inspections Intervals:

- Inspections occur after start of production & throughout the production process
- Inspection request frequency is determined and managed by the local PSQA inspection office
    - Contact your local inspection office or reference the QDM resource guide for more details

Inspection Criteria:

- Approval Samples
- Retail & Casepack packaging
- Product Specification
    - Target Specification
    - Vendor Specification
    - Prototype Approval(red seal) Details by e-Photo Quote (ePQ) Report (H&H products only)
- Target Sampling Plan
- Acceptable Quality Level (AQL)
- Defect Classification List (DCL)

Sampling Plans for Packaging – Hardgoods/Softhome/Softlines:

- Target expects factories to use the Target Sampling Plans as a minimum requirement.
- The auditor during the workmanship audits should pull the exact number of samples to inspect based upon the sampling plan used
- The Sampling Plan determines the number of units that should be inspected based on the quantity of goods available.
- The Target Sampling Plan applies to Hardgoods, Softhome and Softlines (AQL 2.5/2.5) products and is used for all inspections

Note: Ready To Assemble (RTA) products have a separate procedure and Sampling plan due to the characteristics of the product.

- All samples are evaluated for critical, major and minor defects.
- Each defective sample can have multiple defects, critical, major and minor
- Each major and minor defect is measured as one point.
- There is a zero tolerance for critical defects (safety and regulatory).
- A single critical defect will FAIL the inspection.
- Each defective unit can be counted for critical, major and minor but only once for each type
- All defects found are recorded on the Product Inspection Form.
- A workmanship audit FAILS if major or minor defective items are over the acceptable number or if any critical defects are found.

- Acceptable Quality Level (AQL):
  - Majors: AQL = 2.5, Points = 1
  - Minors: AQL = 2.5, Points = 1
  - Critical = Safety or Regulatory
- Pull size determined by lot size

United States

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
< = 501 - 1200	32	2	2.5	2	2.5
> 1200	50	3	2.5	3	2.5

Canada

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
< = 51 - 150	13	1	2.5	1	2.5
> 150	20	1	2.5	1	2.5

Sampling Plans for Workmanship – Hardgoods/Softhome/Softlines:

- Acceptable Quality Level (AQL):
  - Majors: AQL = 2.5, Points = 1
  - Minors: AQL = 2.5, Points = 1
  - Critical = Safety or Regulatory
- Pull size determined by lot size

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
<=3,200	50	3	2.5	3	2.5
3,201 – 10,000	80	4	2.5	4	2.5
> 10,000	125	6	2.5	6	2.5

Sampling Plans for Measurement - Softlines/Softhome Only:

- Acceptable Quality Level (AQL)):
  - Majors and Minors combined AQL = 6.5
  - Major Points = 1
  - All defects are considered Major

Samples are inspected against Targets product specifications.

Measurement Sample Pull Sizes and AQL Calculations

Sample Pull Size	Accept on AQL 6.5 *Pass on*
8 (target.com only)	1
13 (target.com only)	2
20	3
32	5
50	7
65	8
80	10

- Sample pull size is calculated on size/color (DPCI/article number level) available during the Inspection
- The total minimum pull is 20 pieces, a minimum of one (1) piece per DPCI/article number. When pulling the extra units to reach the appropriate pull size the auditor should use a weighted average and pull samples across all sizes.
  - If there are 1 to 20 items, the pull size will be 20
  - If there are 21 to 32 items, the pull size will be 32
  - If there are 33 to 50 items, the pull size will be 50
  - If there are 51 to 65 items, the pull size will be 65
  - If there are more than 65 items, the pull size will be 80
  - Maximum pull size is 80 pieces
- **Target.com Only** – Due to smaller order sizes, Target.com only orders have two additional pull sizes, 8 and 13 pieces.
  - The total minimum pull is 8 pieces
  - If there are 9 to 13 items, the pull size will be 13
  - If there are 14 to 20 items, the pull size will be 20

Defect Classification List (DCL):

- Inspections are performed using the Target Defect Classification List (DCL) in conjunction with product specification and the approved product
- DCLs exist for every type of material
- Point value system defined by 3 levels of defects
  - Minor defects are a departure from Target construction specifications and quality standards that affects appearance, performance, durability or functionality and reduces its saleability at full price. This defect may result in a guest return or unappealing product presentation
  - Major defects are a serious defect that affects appearance, performance, durability or functionality to such a degree that a guest would not buy the product if they saw the defect. The defect would result in guest dissatisfaction
  - Critical defects are unacceptable defects that could risk the safety and/or health of our guest and are in violation of regulatory procedures. A single critical defect will FAIL an inspection

Example: Inspection Hardgoods - DUPRO

Product: Luggage
Lot Size: 500 pieces
Sample Size: 50
Defects found (DCL):

One Unit Soil Stains (Major)	1.0 point
One Unit Significant Snags (Major)	1.0 point
One Unit Out of Spec Components (Major)	1.0 point
One Unit Color Shade Incorrect (Major)	1.0 point
Total Major Defective Points	**4.0 points**
One Unit Misweave (Minor)	1.0 point
Total Minor Defective Points	**1.0 point**

Sampling Plan:
Accept on 3 Majors
Reject on 4
Result: FAIL

PSQA Inspection Process:

1. Vendor is ready for the inspection
   - Vendor/Factory notifies PSQA Field 14 days prior to inspection ready date
   - Vendor/Factory completes electronic Vendor Inspection Request Form (eVIRF) in the Quality Data Manager (QDM) system

2. PSQA arrives at the factory to review and validate:
   - Factory's internal QC reports & results
   - Target required documentation & approvals
   - Red/Yellow samples
   - Shipment samples
   - Validate PVP requirements

3. Conduct carton Inspection:
   - PSQA Auditor randomly marks cartons:
     - Vendor/Factory pulls marked cartons (Min. pull = 17)
   - PSQA Auditor reviews:
     - Packing list and PVP requirements
     - Damages and labels/markings
     - Casepack colors, sizes & quantity
     - Country of Origin matches product labels
     - Correct packing method
4. Conduct product inspection:
   - PSQA Auditor randomly selects items
   - Colors are visually reviewed against standards
   - Red/ Yellow samples are compared to production
   - Defects are marked and recorded
   - Checks specification requirements
   - Ensures packaging matches requirements for all countries of sale on an inspection
   - Ensures product is functional
   - Measurement Inspection conducted for SH/SL products

5. Inspection results and actions for Failed DUPRO:
   - Factory to perform 100% inspection
   - Factory to Remove all Defective Units
   - Factory to investigate issue and implement corrective action
   - Factory to perform another DUPRO when additional 5% product is complete

6. PSQA Auditor pulls test/production samples:
   - Black Seal/MST samples:
     - Pulled and sealed by the PSQA Auditor for TOP or ORT
     - Vendor/Factory sends to designated lab for testing
   - Green Seal samples:
     - Pulled and sealed by the PSQA Auditor per HQ request
     - Vendor/Factory sends to requestor
   - Shipment samples:
     - Pulled from the set order or 1st delivery

- Represent 1 piece per color covering all sizes
- Owned and kept at the Vendor/Factory for 2 years

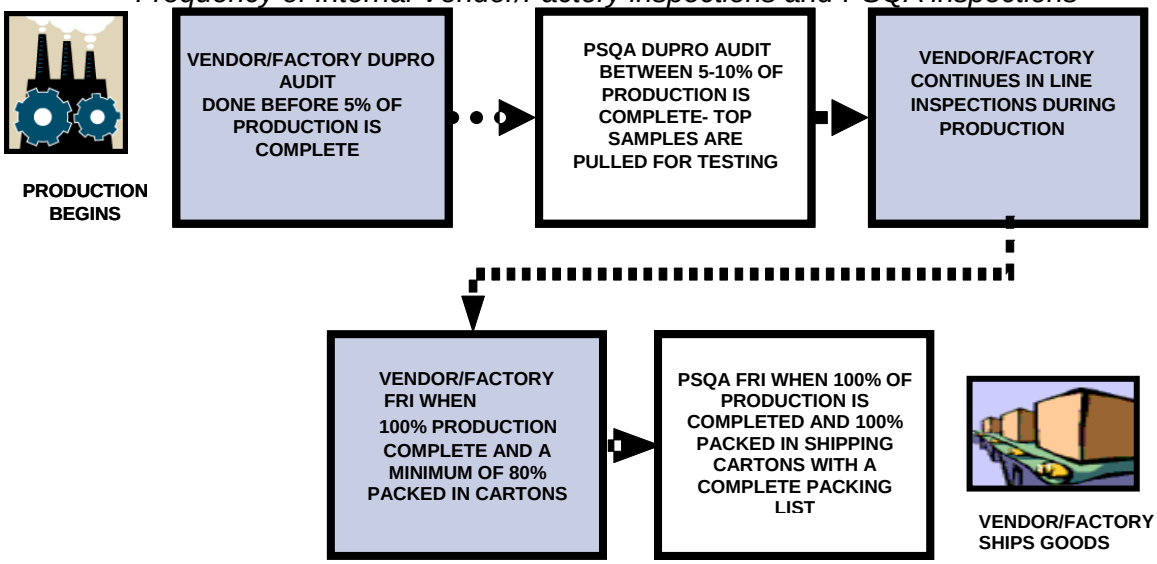
7. Pilot Lot Quality Verification (PLV) **–** – A production run of 32 units that verifies the factory is capable of manufacturing a specific item and that Target's quality standards will be met during bulk production and applies only to new items and not repeat orders. Applies to:
    - Department 009 (Patio Furniture & Gazebos)
    - Department 249 (Indoor Furniture)
    - Furniture products in Departments 002, 030, 064
    - All Ready to Assemble (RTA) Products (in any department)
    - Products with mounting hardware provided such as wall shelves (in any department)

- The vendor/factory contacts local PSQA field team at least 14 days prior to the pilot lot being completed to schedule the PLV inspection
- PSQA field team conducts inspection and verifies that Vendor/Factory:
    - Has the Target approved red seal samples
    - Has VGS and approved color references
    - Is capable of applying all applicable product specifications and quality standards to the products manufactured for Target
    - Has passing PPT testing results
- Results of the pilot inspection are documented on the Product Inspection Form and bulk production is either Authorized or Rejected.

PSQA Process for Factory Education – Product Inspection

To ensure your merchandise is meeting Target's expectations across the entire production lifecycle of the program, Target requires the factory to perform factory internal During Production Inspections (DUPRO) and Final Random Inspections (FRI). These internal inspections do not replace your internal quality control in any phases of production, but will support you in achieving Target, US federal, and Canadian requirements.

Frequency of Internal Vendor/Factory inspections and PSQA *inspections*



Factory DUPRO (**Dur**ing **Pro**duction) **Inspections**

- Factories will conduct their internal DUPRO inspections before 5% of production is complete . Goods do not need to be floor ready in shipping cartons
- If internal factory DUPRO inspection fails, a corrective action in production line is to be taken immediately. Once defective units have been either repaired or removed from production, the factory must perform an additional DUPRO inspection before an additional 5% of production is completed.
- Only submit the electronic Vendor Inspection Request Form (eVIRF) in the Quality Data Manager (QDM) system for PSQA DUPRO inspections if internal factory inspections have a satisfactory result
- Build PVP

Factory FRI (**F**inal **R**andom **I**nspection) **Inspections**

- Factories will conduct their internal FRI when purchase order(s) are 100% produced and 80% packed in cartons
- If internal factory FRI inspection failed, all cartons must be re opened and 100% re-inspected. Corrective Action must be implemented immediately in the case of future orders. Once defective units have been either repaired or removed from the order, the factory must perform a RE-FRI inspection
- Only submit the electronic VIRF (eVIRF) to QDM for FRI inspection if internal factory inspection has a satisfactory result and 100% of merchandise is complete and will be 100% packed by the scheduled inspection date with complete Packing List
- PVP is to be complete

Inspection Process

1. Auditor Determines Sample Pull Quantities
   Using the Sampling Plan the Auditor determines the quantity of units and cartons to pull for the inspection.
2. Auditor Conducts Carton Inspection (if applicable)
   This inspection is performed during FRI to verify the product is packed as requested (size/color/assortment). The factory ensures all cartons are accessible and carton markings are readable. Cartons do not need to be numbered to verify quantity.
3. Auditor Select Sample for Packaging, Measurement and Workmanship Inspection
   The Auditors selects the units for the Packaging, Measurement (if applicable) and Workmanship Inspection.
4. Auditor conducts Packaging Inspection
   This inspection is performed to verify packaging meets Target's specifications for each country of sale on an inspection. All samples pulled are verified against the elements and documentation of the PVP and for defects.
5. Auditor conducts Measurement Inspection (if applicable)
   This inspection (Softhome and Softlines products) is performed to verify that the product is compliant to Targets specification, checking all points of measure against Target approved specifications.
6. Auditor Conducts Workmanship Inspection
   This inspection is performed to verify the quality of the product is meeting Target's expectations. All samples pulled are verified against the elements and documentation of the PVP (Red and Yellow samples Color standards, Shade bands, Materials/Fabric, Specification sheet, approved labels, 3rd party Testing Reports, etc.) and for defects.
   - Ready To Assemble (RTA) - Target has implemented a separate procedure for RTA Furniture due to the characteristics of the product, with a separate Sampling Plan, Defect Classification List and Product Inspection Form. The inspection is divided into three phases:
     - Carton inspection – performed to verify that the product is packed as requested, carton markings are correct and to perform the drop test
     - Assembly and Functional inspection – performed to verify that all components and hardware can be assembled and to test the functionality of the assembled product
     - Measurement inspection – performed to verify that the product is compliant to Targets specification, checking all points of measure against Target approved specifications
     - Moisture Content – performed to verify that the product is compliant to Targets Moisture Content standards
     - Workmanship inspection – performed to verify the quality of each component of the product

Complete PVP Packet

- The Production Validation Packet (PVP) is a formal documentation of production activities maintained by Vendor/Factory. It is the factory's responsibility to formally document results of production data in addition to Target's requirements and they must be made available to PSQA for review upon request
- The PVP contains all needed information to verify if you are achieving all Target requirements
- To help Vendors/Factories understand and complete the PVP, Target has created an PVP Checklist which drives you step by step on completing the requirement.
- It is crucial to have PVP available and on hand during all factory and PSQA inspections

Production Validation Packet (PVP) requirements can be found on POL.

Booking a PSQA Inspection

- Vendor/Factory needs to plan in advance for booking a PSQA inspection
- Vendor/Factory is requested to use the electronic Vendor Inspection Request Form (eVIRF) in the Quality Data Manager (QDM) system for booking an inspection
- All required fields must be submitted in the eVIRF Appointments should be made at least 14 days prior to Inspection date
- Inspections take place during business hours. NO Inspection will be conducted on weekends or national holidays
- Any cancelled or re-scheduled inspections should be requested at least 3 working days prior by written notice
- The Factory must have performed their internal DUPRO and/or FRI with a satisfactory result and records made available for PSQA auditor to review

Note:

- *For more details on the Quality Data Manager (QDM) system and timing requirements see the QDM Resource Guide overview tab on POL.*
- *Manual Vendor Inspection Request Form can be found on POL*
- *Charges will be assessed for:*
  - *Being unprepared for a* PSQA*, Target or 3rd Party inspection*
  - *Failure to provide access to any* PSQA*, Target or 3rd party representative exhibiting proper identification*
  - *PVP phases not complete according to type of inspection*
  - *Shipping products to Target without a passed* PSQA *FRI inspection*

(See Addendum #1 and #2 for inspection examples)

4. Frequency Risk Model(FRM)

For additional information on Frequency Risk Model go to the Product Inspection topic on POL: Home > Library >Working with Target > Learning Plans > Merchnadise Vendor Learning Plans > Training > Quality Assurance/Compliance

FRM Objective

- Drive increased collaboration and productivity by moving to a risk based quality model and reducing PSQA activities, promoting flexibility, empowerment and accountability.

FRM Criteria

To be eligible for reduced PSQA activities, a factory must meet and sustain Target's performance criteria in the following areas:

- Current Social Compliance Audit status
- Annual Factory Evaluation score
- Product Testing Pass Rate
- First During Production (DUPRO) Inspection Pass Rate
- Final Random Inspection (FRI) Pass Rate
- Occurences of Product Recalls or Withdrawals
- Occurences of Reqorked or Cancelled product

FRM Factory Ratings

Frequency Level	Replenishment Inspections	Factory Evaluations
High	• No reduction	• Every 12 months
Medium	• 50% reduction	• Every 18 months
Low	• 75% reduction	• Every 18 months

4a. FRM-Product-based Waived Inspection(PWI)

PWI Objective

- PWI is an additional initiative under FRM and its purpose isto gain operational efficiencies and reduce expenses by waiving all replenishment inspections on highly automated products regardless of FRM frequency level.

PWI Criteria

- PWI products must meet specific criteria in their manufacturing processes and this determination will be made by the Target PSQA team during the Target Production Readiness Meeting.
- Examples of highly automated PWI products includes but are not limited to the following:
  - Paper clips,
  - Toothpicks,
  - Plastic shower curtains
  - Tissue Paper
  - Socks
- **Please note that Vendor remains accountable to ensure proper oversight is in place to monitor and sustain product quality**

- **5. Chargebacks** To ensure we are delivering quality product to our stores, Vendor/factory could incur fees or chargebacks issued for non-compliance with Target's quality requirements
- Examples of non-compliance chargebacks include but are not limited to the following:
  - Failure to complete proper testing
  - Shipping with a failed test report
  - Being unprepared for a PSQA visit
  - Shipping prior to inspection
- When Canada is the only intended country of sale for the product effected a reduced chargeback amount will be issued
- If both US and Canada product is impacted, a split chargeback will be issued for both countries of sale, meaning the full chargeback amount will be issued but split between the US and Canadian vendor IDs.

TSS OPERATIONS & COMPLIANCE PSQA Chargebacks

Chargeback Type	Chargeback Definition	Country of Sale: US or US/Canada Amount in USD$	Country of Sale: Canada only Amount in USD$
Product Testing Failure	Failure to comply with Target testing requirements Occurrence = per PO/Test Report	$20,000 per occurrence	$4,000 per occurrence
Unprepared for a PSQA activity	Failure to be prepared for a scheduled PSQA event so activity cannot be conducted, canceling the event without 24-hours notice prior to PSQA travel	$10,000	$2,000

Chargeback Type	Chargeback Definition	Country of Sale: US or US/Canada Amount in USD$	Country of Sale: Canada only Amount in USD$

Inaccurate production information	Vendor failed to provide accurate address and/or production information for a factory Occurrence = per inspection/assignment ID	$10,000 per occurrence	$2,000 per occurrence
Denied access to factory	Factory denied access to Target team member or approved 3rd party representative	$10,000	$2,000
Shipped without PSQA Approval	Shipping without PSQA or Target approved 3rd party final QA inspection approval Occurrence = per PO	$10,000 per PO for the first occurrence $30,000 per PO for the 2nd occurrence	$2,000 per PO for the first occurrence $6,000 per PO for the 2nd occurrence
Failed Factory Evaluation	Existing factory: 1st Failed Annual Factory Evaluation or GMP & any subsequent follow-up Failed Factory Evaluations (CAP Reviews)	Red score - $10,000 Per Auto Fail - $5,000 <sum these amounts for total chargeback - for each vendor>	Red score - $2,000 Per Auto Fail - $1,000 <sum these amounts for total chargeback – for each vendor>
Started production prior to Factory Evaluation	Vendor starts production in a factory prior to an FE being conducted (new factory) or factory has an expired GMP audit	$5,000	$1,000
Vendor Factory Evaluation vs. Factory Evaluation variance	Vendor Factory Evaluation score has a 20% or more variance based on the previous FE score completed by PSQA Field Evaluator % variance = VFE – FE x 100 FE	$5,000	$1,000
Annual FE Decrease	PSQA FE or GMP score is reduced by 15% or greater variance based on the previous PSQA FE or GMP score. Calculation: [(Last year's FE – New FE) / last year FE] = % decrease	$5,000	$1,000
Production in a PSQA Unacceptable Factory	Production of Target Brand product in a factory that has been designated "PSQA Unacceptable" by Target will result in a vendor chargeback	$20,000	$4,000
Chronic Re-Inspection	Chronic re-inspection (any subsequent DUPRO/FRI after the 2nd failed DUPRO/FRI) Occurrence = per inspection/assignment ID	$10,000 per occurrence	$2,000 per occurrence
Non-Target Brand Importer of Record – Shipping without a TGCC	The vendor ships product without getting the appropriate TGCC or does not supply the TGCC in the shipping documents	$5,000 for the first occurrence $10,000 for the second occurrence $20,000 for any subsequent occurrence	N/A

Non-Target Brand Importer of Record - Providing inaccurate information	The vendor provides Target with inaccurate information resulting in an issuance of a TGCC	$5,000 for the first occurrence $10,000 for the second occurrence $20,000 for any subsequent occurrence	N/A

Detailed information can be found on POL.

6. Resources and References

US POL: https://www.partnersonline.com
Contact Ask.POL@Target.com with questions

Canada POL: https://www.canadapartnersonline.ca
Canada Vendor Registration Portal: https://register.canadapartnersonline.ca
Contact Ask.CanPOL@Target.com with questions

Product Safety & Quality Assurance POL Content Locations
Home > Library > Working with Target > Team Partners > **Product Safety & Quality Assurance**
Home > Library > Source Product > Business Partner Qualification > **Factory Evaluation**
Home > Library > Develop Product > Sample Validation > **Production Planning**
Home > Library > Produce Product > Product Compliance > **Production Testing**
Home > Library > Produce Product > Product Compliance > **Product Inspection**

TSS Field – Office Listing/Contacts
POL > Home > Library > Working with Target > Team Partners > Product Safety & Quality Assurance > Contacts

PSQA Headquarters Hardlines:
QAHardlines@target.com
QAHome@target.com
QAHealthBeauty@target.com

PSQA Headquarters Apparel, Accessories and Footwear:
QAA&A@target.com

PSQA Headquarters Soft Home:
QASofthome@target.com

QDM Requirements, Procedures and Functionalities:
QDMHG@target.com (Hardgoods)
QDMA&A/SH@target.com (A&A and Soft Home)

Addendum #1:

Hardgoods: Example for a Factory FRI Inspection
Auditor Determines Sample Pull Quantities

- Vendor "Tuscany Ceramic" is ready for their internal Final Random Inspection and has a Purchase Order of 10,000 Dinner Plates (80% packed in shipping cartons with complete packing list)

  Note: for internal FRI inspections the minimum requirement is 100% produced and 80% packed in shipping cartons. For DUPRO the available quantity is based on finished goods. Goods do not need to be floor ready in shipping cartons.
- The auditor needs to determine the quantity of the sample pull size using the Target Sampling Plan Hardgoods grid against the available quantity.

Target PO Quantity

Dinner Plates	Green	Blue	Yellow	Total
Available Quantity	1000	5000	4000	10.000

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
<=3,200	50	3	2.5	3	2.5
3,201 – 10,000	80	4	2.5	4	2.5
>10,000	125	6	2.5	6	2.5

- For this Inspection the 80 plates must be pulled from the purchase order/cartons and inspected.

Pull Size	Major (Pass On)	Minor (Pass On)
80	4	4

  - No more than 4 Major defects will be accepted (AQL 2.5)
  - No more than 4 Minor defects will be accepted (AQL 2.5)

- The 80 plates must be pulled in proportion to color quantities of the Available PO Quantity
- The auditor will calculate the percentage of plates ordered per color against the available PO Quantity.

Target PO Quantity

Dinner Plates	Green	Blue	Yellow	Total
Available Quantity	1000	5000	4000	10.000
% of Total Available Quantity	10%	50%	40%	100%
# of pieces to pull	8	40	32	80

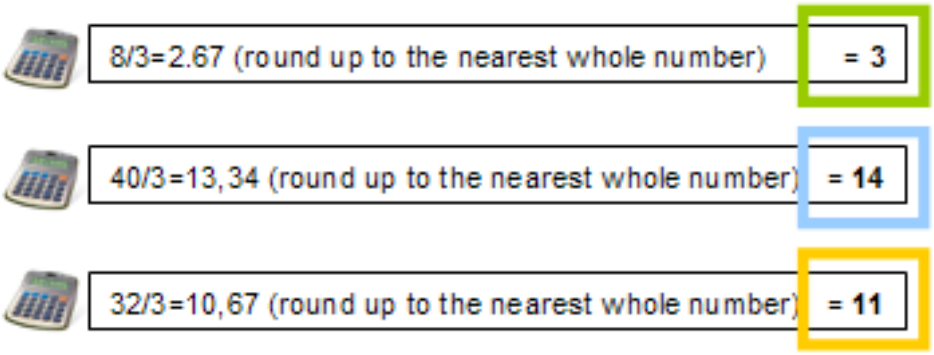
-  Calculating the Percentage of plates ordered by Color
  - Color Green represents 10% of the total quantity available so the auditor will pull 10% of the total Sample pull qty (10% of 80= 8 plates) in this color.
  - Color Blue represents 50% of the total quantity available so the auditor will pull 50% of the total Sample pull qty (50% of 80= 40 plates) in this color.
  - Color Yellow represents 40% of the total available quantity so the auditor will pull 40% of the total sample pull qty (40% of 80=32 plates) in this color.

Total Sample pull **8 (Green) + 40 (Blue) + 32 (Yellow) = 80 pieces**

- The quantity of plates that need to be inspected and the quantity per color, the auditor must calculate the number of cartons to pull the units from.

- No more than 3 units per carton can be pulled. Auditor must divide the each DPCI pull per 3 to obtain the number of cartons needed.

Dinner Plates	Green	Blue	Yellow	Total
Available Quantity	1000	5000	4000	10.000
% of Total Available Quantity	10%	50%	40%	100%
# of pieces to pull	8	40	32	80
Number of cartons to pull	3	14	11	28



Pull 3 cartons (Green) + 14 cartons (Blue) + 11 cartons (Yellow) = 28 cartons

Note: If each carton contains 1 unit, then pull one carton per DPCI quantity. If each carton contains 2 units, then divide quantity per 2 of the sample pull.

Note: Carton Audit is required during FRI inspections and can be only performed at DUPRO if the merchandise is available in cartons.

- The auditor now knows that to perform the inspection 28 cartons must be pulled in order to get the 80 plates (8 plates in Green, 40 plates in Blue and 32 plates in Yellow).
- Auditor obtains the HG Product Inspection Form and completes it with initial information and sample quantity as indicated in the Resource Document.

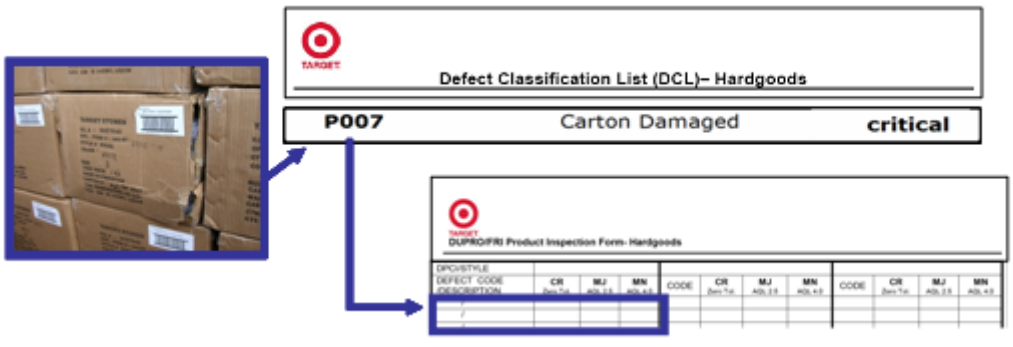
*1. VENDOR NAME	
*2. BPM FACTORY ID	
*3. FACTORY NAME & ADDRESS	
*4. CLIENT	☐ Target ☐ Target.com
*5. DATE OF INSPECTION (mm/dd/yyyy)	/ /
*6. COUNTRY OF ORIGIN	
*7. INSPECTOR NAME	
*8. INSPECTOR IX ID	
*9. INSPECTION OFFICE	

Auditor Conducts Carton Audit (if applicable)

- Auditor pull cartons and verifies, during FRI only, that the total number of cartons available is the same as indicated in the Packing list.

- Every carton should have an equal opportunity to be pulled during the carton audit. When selecting cartons, it's important not to ignore those cartons difficult to reach.
- In the case pictured here, you can see the auditor is placing a sticker on the cartons to be pulled. He is selecting cartons on the bottom and middle, and not just selecting the cartons on the top and on the outside (which are easier to be pulled)

- Using the quantity of cartons pulled in the previous step (28 cartons) select one carton at DPCI level.
- Of these 3 cartons inspect shipping cartons using the information on the PO or packing list as well as the shipping and packing information that is part of the PVP (as applicable). Using this information check or confirm the following:
  - Check for damaged cartons
  - Check carton labels and markings
  - Check carton measurements
  - Check carton weight for two-man lift cartons (place on scale at factory)
  - Check case labeling
  - Confirm colors, sizes, and quantity of assortment in cartons are correct
  - Confirm country of origin matches product labels
  - Confirm packing method is according to Floor Ready Requirements or Targets requirements
- For any defects found during the carton audit must be classified using the DCL and entered in the Product Inspection Form



Carton inspection results

- **PASS** – If no errors found, continue with inspection
- **FAIL** – If one error is found, the carton audit fails.
- When the carton audit fails, the inspection continues but the vendor/factory must re-inspect 100% of cartons, correct all issues and conduct a 2nd carton audit and perform the carton audit as before.

- Complete the carton audit inspection results in the Product Inspection Form

CARTON AUDIT	
*1. SHIPPING CARTON MARKS CORRECT (FRONT/ SIDE/INNER)	
*2. IS THE PACKING METHOD AND/OR ASSORTMENT CORRECT?	
*3. SHIPMENT	
*4. CARTON AUDIT RESULT	

Auditor Select Sample for Measurement and Workmanship Audit

- Once carton audit is completed the auditor must select the samples (80) for the Workmanship Audit from all cartons previously selected (3 units per carton).

Best Practices

- For **DUPRO inspection,** if merchandise is not in cartons, the auditor should pull samples in a manner to reach a good representation of the entire lot
- Spread all units divided per color on a table. This way you will be able to verify the consistency of color.

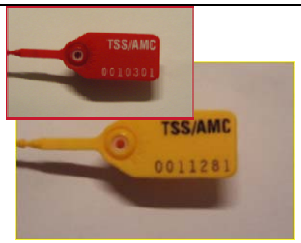
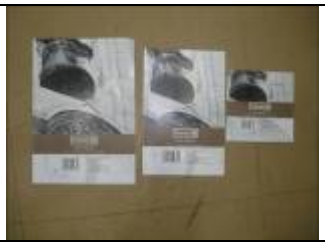
Auditor conducts Measurement Audit (if applicable)

Currently there is no standardized measurement audit process for Hardgoods defined, but a measurement audit should be conducted for any Hardgoods product that has measurements and tolerances indicated on the Vendor or Target Product Specification or Retail Packaging.

Auditor Conduct Workmanship Audit

- The workmanship audit reviews all samples (plates) pulled (80) against: spec for construction, color standards, elements of the PVP, functionality and safety requirements. The method of workmanship should be consistent for each product and, if applicable, should cover the entire product both inside and out (if applicable). The auditor must verify:

Check inside and outside of item for: • Any construction technique affecting the performance of the product • Crooked and/or incorrect shape • Soil, oil, dirt marks • Scratches, cracks, chipped parts	
Check all working components and functionality of the product: • Leakage • Stability • Warping • Moving Parts • Open and Close • Intended Function	

• Moisture content Check • If applicable weight of product against specifications • Volume • Dimensions • Unit of Measurement • Quantity of Units	
Check all labels-hang tags for: • Correct position • Missing or incorrect RN# information, Size, Country of Origin against test reports/PVP • Care instructions and warning information against test reports/PVP • Distribution Statements	
Check/verify Samples against: • Components of the PVP • Approved (Red Seal) sample • Approval sample (Yellow Seal) • Target specifications and requirements (Minimum Standards)	
Check colors: • Against approved color standards (if applicable) for consistency in the sample pull lot. • Verify finish quality against approved swatches and approved sealed samples	
Check approved trim suppliers and packing method. • Artwork • Hang Tags • Price Labels	

- If applicable divide defects per category and keep them in a separate area of the inspection room. Use stickers to identify defects found on an item.

- All areas of a unit must be evaluated. Don't stop at the first defect found on a unit. Complete the workmanship audit based on the product category on the unit and record, if applicable, multiple defects on the same unit.
  Note: This is very important to understand the overall quality level of the product, helps to identify trends and give a clear picture of the correction action need.

- You must never stop the workmanship audit even if the number of defects exceeds the acceptable level.

- Once all units are inspected (80), complete the Workmanship Audit section of the form, entering all defects found and the result of the Workmanship Audit.

***Workmanship Inspection**

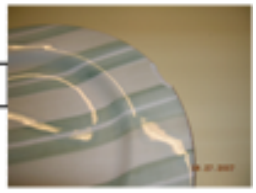
DPCI/STYLE											
DEFECT CODE /DESCRIPTION	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5	CODE	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5	CODE	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5
/											
/											
/											
/											
/											
/											
/											
/											
TOTAL#DEF UNITS				TOTAL				TOTAL			
SAMPLE PULL				S.P				S.P.			
ACC/REJ RATING	0			A/R	0			A/R	0		
RESULT				R				R			

Note: All defects found on a component/unit must be noted on the product inspection form, but only <u>one</u> score point per defect category, Major and Minor, per unit is calculated.

- Use the Target Sampling Plan to verify if the Workmanship Audit is accepted or rejected.
  - The Workmanship Audit is rated <u>acceptable</u> if the score of the Major and Minor defective units is less than or equal to the accept level
  - The Workmanship Audit is <u>failed</u> if a critical defect is found or the score of Major or Minor defective units is greater than the accept level.

Example during the Workmanship audit the following Defects were found:
Three units chipped - 3 Major defects

Chipped	**major**



Four units with variation in color - 3 Major defects

Variations in color/shade	**major**

Total Major defects found during the workmanship audit **6**

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
<=3,200	50	3	2.5	3	2.5
3,201 – 10,000	80	4	2.5	4	2.5
>10,000	125	6	2.5	6	2.5

Workmanship Audit fails

- Complete the rest of the required information in the Product Inspection Form.
- Enter the Inspection Result (Carton Audit + Measurement Audit, if applicable and Workmanship Audit)

Note: Inspection is rated acceptable only if Carton, Measurement and Workmanship Audits pass, with satisfactory testing results.

- Sign and date the Product Inspection Form and insert in the PVP. PSQA will request to verify your internal inspection report before proceeding with their inspection.

Results Reviewed With

TCPS QA Representative		Date	
Name		Signature	
Vendor/Factory Representative		Date	
Name		Signature	

Corrective Action Comments

If Inspection Passes

- Submit the Electronic Vendor Inspection Request Form (eVIRF) to your local PSQA office and prepare for the PSQA inspection.
- If the inspection passed take note of the defects found and implement a corrective action plan for the future orders. Defective units found during our internal inspection should be segregated and replaced with acceptable quality.
- **Best Practice** If the overall inspection passes, the auditors should recognize a defect trend in the performed inspection that could affect the results of the PSQA inspection and/or overall quality of the merchandise. Any defect code or point of measure found during the inspection that is repetitive, should be considered suspect and may present a risk to the overall quality. In these cases it is highly recommended to perform a detailed investigation.

If inspection Fails

- The Factory auditor must review with Factory QA Management all defective units found during the inspection, implement a corrective action Plan and insert in the comment section of the inspection form the corrective action taken.
- Factory should determine and understand:
  - Why the inspection failed
  - The root causes
  - If the problems are correctable
  - What is the overall impact on the order in terms of Quantity and On-time delivery
  - What can be done to ensure the problem/defects do not re-occur in a future production
- All cartons must be reopened and 100% re-inspected. Corrective Action must be implemented immediately in production line in the case of DUPRO and for future orders. Once defective units have been either repaired or removed from the order, the auditor must perform a 2nd inspection before scheduling a PSQA inspection, obtaining a satisfactory result.
- All defective units should be removed, making sure they are isolated and records should be available for PSQA review.
- If after having gone through all possible options and solutions, the factory is not able to correct the defect/issue, the production must be stopped. Immediately contact your local TSS office and provide full detailed information (size, color, quantities & impact on delivery dates) on the defect/issue that could not be corrected.

Addendum #2:

Apparel: Example for a Factory internal FRI Inspection

Auditor Determines Sample Pull Quantities

- Factory "Smart Garment" is ready for their internal Final Inspection; they have a Purchase Order of 10,000 Men's Jackets (100% packed in shipping cartons with complete packing list)
  Note: for FRI inspections the minimum requirement is100% produced and 80% packed in shipping cartons. (For DUPRO the available quantity is based on finished goods. Goods do not need to be floor ready in shipping cartons.)
- The auditor needs to determine the quantity of the sample pull size using the Target Sampling Plan grid Apparel against the available quantity.

Target PO Quantity

Size	S	M	L	XL	Total
Military Green Quantity	1000	2000	2000	1000	6000
Navy Quantity	1000	1000	1000	1000	4000
PO Quantity	2000	3000	3000	2000	10,000

Lot Size	Pull Size	Major (Pass On)	AQL (Major)	Minor (Pass On)	AQL (Minor)
<=3,200	50	3	2.5	3	2.5
3,201 – 10,000	80	4	2.5	4	2.5
> 10,000	125	6	2.5	6	2.5

- For this Inspection 80 pieces must be pulled from the purchase order/cartons and inspected.

Pull Size	Major (Pass On)	Minor (Pass On)
80	4	4

  - No more than 4 Major defects will be accepted
  - No more than 4 Minor defects will be accepted

- The 80 pieces must be pulled in proportion to Size and Color Quantities from the Available PO Quantity
- The auditor will calculate the percentage of each size and color against the total Available PO Quantity (10,000 pieces)

NAVY

Size	S	M	L	XL	Total
Navy Available PO Quantity	1000	1000	1000	1000	4000
% of Total Available PO Quantity	10%	10%	10%	10%	40%
Navy # of pieces to pull	8	8	8	8	32

-  Calculating the Percentage by Size and Color, Navy against PO qty by size
  - Sizes S, M, L & XL represent 10% in each size of the total quantity available so the auditor will pull 10% of the Sample pull (10% of 80= 8 pieces for each size).
  - **Total Navy pulled is 32 pieces**

Military Green

Size	S	M	L	XL	Total
Military Green Available PO Quantity	1000	2000	2000	1000	6000
% of Total Available PO Quantity	10%	20%	20%	10%	40%
Military Green # of pieces to pull	8	16	16	8	48

- Calculating the Percentage by Size and Color – Military Green against PO qty
  - Sizes S & XL represent 10% in each size of the total quantity available so the auditor will pull 10% of the Sample pull (10% of 80= 8 pieces for sizes S & XL)
  - Sizes M & L represent 20% in each size of the total quantity available so the auditor will pull 20% of the Sample pull (20% of 80= 16 piece for sizes M & L)
  - **Total Military Green pulled is 48 pieces**

Total Sample Pull **32 (Navy) + 48 (Military Green) = 80 pieces**

- After the quantity of pieces that need to be inspected per color/size, the auditor must calculate the number of cartons to pull the units from.
- No more than 3 units per carton can be pulled. Auditor must divide each DPCI (size/color) pull qty by 3 to obtain the number of cartons needed.

Size	S	M	L	XL
Navy # of pieces to pull	8	8	8	8
Number of Cartons to pull	3	3	3	3

8/3=2.67 (round up to the nearest whole number) = 3

Size	S	M	L	XL
Military Green # of pieces to pull	8	16	16	8
Number of cartons to pull	3	6	6	3

8/3=2.67 (round up to the nearest whole number) = 3

16/3=5,34 (round up to the nearest whole number) = 6

Pull 30 cartons (3 cartons each for sizes S, M, L & XL in Navy, 3 cartons each for sizes S & XL and 6 cartons each for sizes M & L in Military Green)

Note: If each carton contains 1 unit, then pull one carton per DPCI quantity. If each carton contains 2 units, then divide quantity per 2 of the sample pull.

Note: Carton Audit is required during FRI inspections and can be only performed at DUPRO if the merchandise is available in cartons.

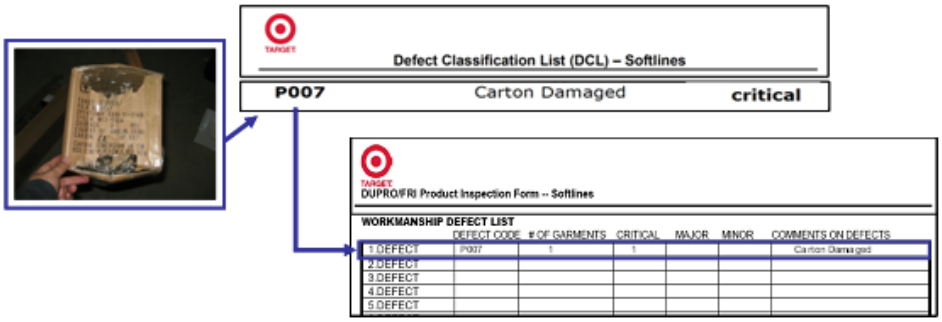
- The auditor now knows that to perform the inspection 30 cartons must be pulled and 80 units (8 per size in Navy and S & XL in Military Green and 16 per size M & L) will be inspected from those cartons.
- Auditor obtains the SL Product Inspection Form and completes it with initial information and sample quantity as indicated in the Resource Document.

*1. VENDOR NAME	
*2. BPM FACTORY ID	
*3. FACTORY NAME & ADDRESS	
*4. CLIENT	☐ Target ☐ Target.com
*5. DATE OF INSPECTION (mm/dd/yyyy)	/ /
*6. COUNTRY OF ORIGIN	
*7. INSPECTOR NAME	
*8. INSPECTOR IX ID	
*9. INSPECTION OFFICE	

Auditor Conducts Carton Audit (if applicable)

- Auditor pull cartons and verifies, during FRI only, that the total number of cartons available is the same as indicated in the Packing list.

- Every carton should have an equal opportunity to be pulled during the carton audit. When selecting Cartons, it's important not to ignore those cartons difficult to reach.
- In the case pictured here, you can see the auditor is placing a sticker on the cartons to be pulled. He is selecting cartons on the bottom and middle, and not just selecting the cartons on the top and on the outside (which are easier to be pulled)
- Using the quantity of cartons pulled in the previous step (30) select one carton at DPCI (size/color) level.
- Of these 8 cartons inspect shipping cartons using the information on the PO or packing list as well as the shipping and packing information that is part of the PVP (as applicable). Using this information check or confirm the following:
  - Check for damaged cartons
  - Check carton labels and markings
  - Check carton measurements
  - Check carton weight for two-man lift cartons (place on scale at factory)
  - Check case labeling
  - Confirm colors, sizes, and quantity of assortment in cartons are correct
  - Confirm country of origin matches product labels
  - Confirm packing method is according to Floor Ready Requirements or clients packing method
- For any defects found during the carton audit must be classified using the SL DCL and entered in the inspection form



Carton inspection results

- **PASS** – If no errors found, continue with inspection
- **FAIL** – If one error is found, the carton audit fails.
- When the carton audit fails, the inspection continues but the vendor/factory must re-inspect 100% of cartons for the DPCI that failed and correct all issues and re conduct a carton 2nd audit on that specific DPCI pulling 10 cartons.
- Complete the carton audit inspection results in the Product Inspection Form using the Resource document

Carton Audit

*1. SHIPPING CARTON MARKS CORRECT (FRONT/ SIDE/INNER)	
*2. IS THE PACKING METHOD AND/OR ASSORTMENT CORRECT?	
*3. SHIPMENT	
*4. DROP TEST– MASTER CARTON (at factory) **HG only**	
*5. CARTON AUDIT RESULT	

<u>Auditor Select Sample for Measurement and Workmanship Audit</u>

- Once carton audit is completed the auditor must select the samples (80) for the Measurement and Workmanship Audit from all cartons previously selected (3 units per carton).

Best Practices

- For **DUPRO inspection,** if merchandise is not in cartons, the auditor should pull samples in a manner to reach a good representation of the entire lot
- Spread all units divided per size and color on a table. If units are on a hanger place on a rack. This way you will be able to verify the consistency of color

<u>Auditor conducts Measurement Audit (if applicable)</u>

- The measurement audit reviews samples against the spec to ensure Points Of Measure (POM) are within tolerance.
- The auditor uses the following Sample Plan for the measurement audit to calculate the quantity of units to pull to measure.

Measurement Sample Pull Sizes and AQL Calculations

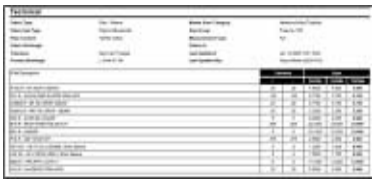
Sample Pull Size	Accept on AQL 6.5 *Pass on*
8 (target.com only)	1
13 (target.com only)	2
20	3
32	5
50	7
65	8
80	10

- The total minimum pull is 20 pieces, a minimum of one (1) piece per DPCI. When pulling the extra units to reach the appropriate pull size the auditor should use a weighted average and pull samples across all sizes and colors (DPCI).
    - If there are 1 to 20 DPCIs, the pull size will be 20.
    - If there are 21 to 32 DPCIs, the pull size will be 32.
    - If there are 33 to 50 DPCIs, the pull size will be 50.
    - If there are 51 to 65 DPCIs, the pull size will be 65.
    - If there are more than 65 DPCIs, the pull size will be 80.
    - Maximum pull size is 80 pieces

Target.com Only - Due to smaller order sizes, Target.com only orders have 2 additional pull sizes 8 and 13.

- The total minimum pull is 8 pieces.
- If there are 9 to 13 DPCIs, the pull size will be 13.
- If there are 14 to 20 DPCIs, the pull size will be 20.

- Auditor based on the purchase order quantity, size/color, pulls a minimum of one piece per color per size (8pcs) from the units pulled from the cartons.
- To reach the minimum sample pull of 20 the auditor will need to select extra pieces. When pulling the extra units to reach the appropriate pull size the auditor should use a weighted average and pull samples across all sizes and colors (DPCI).
- Using the appropriate method of measure, the auditor evaluates all key points of measure (POM) against the specification sheet and records the audit on the measurement worksheet.



- For Targets Apparel Method of Measure review www.partnersonline.com
- For DUPRO and FRI – Auditor must evaluate all Key Points Of Measure (KPOM) indicated in the specification sheet/sketches.
    - If a POM is out of Tolerance this is considered a Minor defect
    - If a POM is out of Tolerance and jumps into the next size range this is considered a Major defect and counts as 1 point.
- One unit cannot have more than a 1 point score for major, but all POM must be recorded on the measurement worksheet

- After all pieces have been measured and recorded in the measurement worksheet, the auditor must calculate if the measurement audit passes or fails. Use the instructions on the measurement worksheet to make this determination.

Best Practice - At the same time of the measurement audit, the auditor should complete the workmanship audit portion of the inspection for the pieces that are being reviewed.

- Complete the measurement section of the Product Inspection Form with all needed information and add the result of the measurement audit

MEASUREMENT AUDIT

*1. MEASUREMENT AQL	☐ 6.5 (Wovens)		
*2. MEASUREMENT RESULT	☐ PASS	☐ FAIL	☐ NA
*3. TOTAL AVAILABLE DPCIs/ITEMS			
*4. # INSPECTED			
*5. TOTAL NO OF MAJOR DEFECTIVE UNITS			
*6. TOTAL NO OF MINOR DEFECTIVE UNITS			

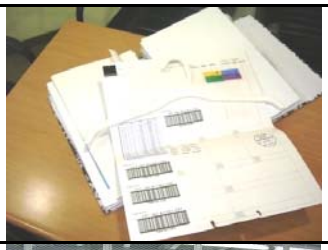
Note: Even if the Measurement audit fails, you must to proceed and complete the Workmanship audit

Auditor Conducts Workmanship Audit

- The workmanship audit reviews all samples pulled (80) against: spec for construction, color standards, elements of the PVP, assembly, functionality and safety requirements. The method of workmanship should be consistent for each product and, if applicable, should cover the entire product both inside and out.

The auditor must verify:

Check inside and outside of item for: • Any construction technique affecting the performance of the product • Broken and/or skipped stitches • Crooked and/or incorrect stitch type • SPI (stitch per inch) requirements • Drill or dart holes • Needle holes and/or needle chew • Soil, oil, dirt marks	
Check all working components: • Zippers work properly to ensure they are in proper working condition: • Buttons fit into button holes • Snaps open and close correctly *Note: If the product is on a hanger, it should be removed from the hanger during inspection.*	
Check all labels-hang tags for: • Correct position • Missing or incorrect RN# information, Size, Country of Origin, Fiber Content, (against test reports) • Care instructions (against test reports) • DCPI/Factory ID # label.	

Check/verify against: • Components of the PVP • Approved (Red Seal) sample • Pre-Production (Yellow Seal) sample • Target specifications and requirements (Minimum Standards)	
Check security of all attachments: • All accessories must be exercised/tested to ensure secure attachment *Note: Target has a zero tolerance policy towards safety issues (even if acceptable testing results are available)*	
Check colors: • Against approved color standards (if applicable), first dye lots approvals for consistency in the sample pull lot and (if applicable) approved shade band. • Verify hand feel-fabric quality against approved swatches and approved sealed samples	
• Check approved trim suppliers and packing method (floor ready requirements) • Hang Tags • Price Labels	
• If product is required to be needle detected during production (Children's products) all units of the sample pull must pass thru the needle detector. *Note: Target has a zero tolerance policy towards safety issues. With one unit found contaminated the inspection fails*	

Best Practice - If applicable divide defects per category and keep them in a separate area of the inspection room. Use stickers to identify defects found on an item.

- All areas of a unit must be evaluated. Don't stop at the first defect found on a unit. Complete all steps of the workmanship audit on the unit and record, if applicable, multiple defects on the same unit. This is very important to understand the overall quality level of the product, helps to identify trends and gives a clear picture of the correction action need.
- You must never stop the inspection/audit even if the number of points/defects exceeds the acceptable level.

- Once inspected all units (80), complete the Workmanship section of the Product Inspection Form, entering all defects found and the result of the Workmanship Audit.

***Workmanship Inspection**

DPCI/STYLE											
DEFECT CODE /DESCRIPTION	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5	CODE	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5	CODE	CR Zero Tol.	MJ AQL 2.5	MN AQL 2.5
/											
/											
/											
/											
/											
/											
/											
/											
TOTAL#DEF UNITS				TOTAL				TOTAL			
SAMPLE PULL				S.P				S.P.			
ACC/REJ RATING	0			A/R	0			A/R	0		
RESULT				R				R			

Note: All defects found on a garment/unit must be noted on the product inspection form, but only <u>one</u> score point per defect category, Major & Minor, per unit is calculated.
***Example 1**: one unit is found with two minor defects. Auditor will record both defects but will score the unit 1.pt in the major*
***Example 2:** one unit is found with one major defect and one minor defect. Auditor will score 1.0 in each defect category*

- Use the Target Sampling Plan to verify if the Workmanship Audit is accepted or rejected
  - The Workmanship Audit is rated <u>acceptable</u> if the score of defective units adds up to a number less than or equal to the accept level
  - The Workmanship Audit is <u>failed</u> if the score of defective units is greater than the accept level.

Example during the Workmanship audit the following Defects were found:
Three garments with Non uniform shaped pockets - 3 Major defects

Non-uniform shaped or biased pockets more than 1/4" side to side or top to bottom, noticeable at arms length	**major**

Three garments with broken stitches – 3 Major defects

Defective Stitching, insecure backstitch includes topstitching; broken/skipped stitches & railway stitches; defective handstitching	**major**

One garment with puckering – 1 Major defect

Excessively puckered or twisted hem	**major**

Total Major defects found during the Workmanship Audit **7**

Lot Size	Pull Size	Major (Pass On)	Minor (Pass On)	AQL (Major)
<=3,200	50	3	4	2.5
3,201 – 10,000	80	4	6	2.5
> 10,000	125	6	9	2.5

Workmanship Audit fails

- Complete the rest of the required information in the Product Inspection Form.
- Enter the Inspection Result (Carton Audit + Measurement Audit & Workmanship Audit)

Note: Inspection is rated acceptable only if Carton, Measurement and Workmanship Audits pass, with satisfactory testing results.

- Sign and date the Product Inspection Form and insert in the PVP. PSQA will request to verify your internal inspection report before proceeding with their inspection.

Results Reviewed With

TCPS QA Representative		Date	
Name		Signature	
Vendor/Factory Representative		Date	
Name		Signature	

Corrective Action Comments

If Inspection Passes

- Submit the Electronic Vendor Inspection Request Form (eVIRF) to your local PSQA office and prepare for the PSQA inspection.
- Even if the inspection passed take note of the defects found and implement a corrective action plan for the future orders. Defective units found during the inspection should be segregated and replaced with acceptable quality.
- **Best Practice** If the overall inspection passes, the auditors should recognize a defect trend in the performed inspection that could affect the results of the PSQA inspection and/or overall quality of the merchandise. Any defect code or point of measure found during the inspection that is repetitive, should be considered suspect and may present a risk to the overall quality. In these cases it is highly recommended to perform a detailed investigation.

If inspection Fails

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- Factory should determine and understand:
  - Why the inspection failed
  - The root causes
  - If the problems are correctable
  - What is the overall impact on the order in terms of Quantity and On-time delivery
  - What can be done to ensure the problem/defects do not re-occur in a future production
- All cartons must be re-opened and 100% re-inspected. Corrective Action must be implemented immediately in production line in the case of Dupro and for future orders. Once defective units have been

either repaired or removed from the order, the auditor must perform a 2nd inspection before scheduling a PSQA inspection, obtaining a satisfactory result.

- All defective items should be quarantined, making sure they are isolated and records should be available for PSQA review.
- If after having gone through all possible options and solutions, the factory is not able to correct the defect/issue, the production must be stopped. Immediately contact you're your Local TSS office and provide full detailed information (size, color, quantities & impact on delivery dates) on the defect/issue that could not be corrected.