SUPPLY CHAIN SECURITY CHECKLIST

Supplier Name	K-PLEX LLC	**Date of Audit**	June 29, 2018
Facility Name	Dongguan Malena Cosmetics Co., LTD	**Audit Type**	Initial
Facility Address	4F BUILDING, QIANGFA INDUSTRIAL ZONE, GUANJINGTOU, FENGGANG DONGGUAN GUANGDONG, China	**Auditor Name**	UL-K. Liu/ K. Shen/ L. Zhang
		Item Description	Makeup brash
Name / Title of Facility Representative	Ms. Bai Zhifang/Factory Director	**Costco Item Number (Optional)**	643339

Total Number of Non-Compliances

1

Audit Score (Percentage of Yes Answers)

94%

Destination Countries

☐ United States	☐ Canada	☑ Mexico
☐ Japan	☐ Korea	☐ Taiwan
☐ United Kingdom	☐ Spain	☐ France
☑ Australia	☐ Iceland	

Have Costco products been shipped out? If yes, when?	No
1. Facility has a written security procedures plan.	**YES**
2. Facility conducts routine security awareness training and education for all employees.	**YES**
3. Auditors observed that the facility is enclosed with a fence or wall.	**YES**
4. Facility has security guards at entry points during normal working hours.	**YES**
5. Facility has access controls to prevent unauthorized entry during non-business hours.	**YES**
6. Visitors are checked for entry permission and escorted while on facility premises.	**YES**
7. Visitors are required to provide proof of identity and record logs are kept.	**NO**
8. Facility reports that drivers of containers are identified and checked prior to entry authorization.	**YES**
9. Facility reports that container paperwork and seals are checked prior to exit from facility.	**YES**
10. Facility maintains standard employment documentation for all personnel as required per the local labor laws.	**YES**
11. Facility conducts pre-employment screening on prospective employees, as well as periodic background checks once employed.	**YES**
12. Auditors observed that all employees are required to wear identification badges.	**YES**
13. Facility reports that all containers are loaded on facility site and auditors observed a secure loading area.	**YES**
14. Facility maintains secure loading and cargo areas to prevent unauthorized access and facility has procedures to report any unauthorized entry.	**YES**
15. Facility conducts empty container inspections and utilizes a checklist form.	**YES**
15a. Specify the type of checklist utilized: (Costco's or others)	*Factory's own*
16. Facility properly stores empty and full containers on site to prevent unauthorized access.	**YES**
17. Facility has security procedures in place to ensure that all confidential business computer data is protected against unauthorized access, loss, theft, or tampering.	**YES**

Comments

7, Auditors were not required to provide proof of identity on the assessment day.

FACILITY SECURITY AUDIT SUMMARY REPORT
and
CORRECTIVE ACTION PLAN (CAP)

Supplier Name	K-PLEX LLC	**Audit Type**	Initial
Facility Name	Dongguan Malena Cosmetics Co., LTD	**Item Description**	Makeup brash
Facility Address	4F BUILDING, QIANGFA INDUSTRIAL ZONE, GUANJINGTOU, FENGGANG DONGGUAN GUANGDONG, China	**Costco Item Number** *(Optional)*	643339

Destination Countries

☐ United States	☐ Canada	☑ Mexico
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☑ Australia	☐ Iceland	

Instructions for Facility

- Please review the below Recommended Corrective Action(s) and Remediation Timeframes
- For questions, please contact Costco Wholesale's Customs Compliance team at supplychainsecurity@costco.com

Total Number of Non-Compliances	**Audit Score** (Percentage of Yes Answers)
1	94%

FOR AUDITOR INPUT				FOR FACILITY INPUT
Supply Chain Security Checklist Non-Compliance Points Observed	**Auditor Comments and/or Descriptions**	**Recommended Corrective Action(s)**	**Remediation Timeframe**	**Facility Comments (if applicable)**
7. Visitors are not required to provide proof of identity or the facility does not keep visitor record logs.	7, Auditors were not required to provide proof of identity on the assessment day.	Establish requirement for visitors to provide proof of identity and keep visitor record logs.	7 Calendar Days	

Supplier Name	K-PLEX LLC				
Facility Name	Dongguan Malena Cosmetics Co., LTD	**Total Number of Non-Compliances**	1	**Audit Score**	94%

FACILITY ACKNOWLEDGEMENT

A signature on this Audit Summary Report signifies your agreement and understanding of the above findings and the Corrective Action Plan (CAP).

On file	On file
Facility Signature	**Auditor Signature**
Ms. Bai Zhifang/Factory Director	UL-K. Liu/ K. Shen/ L. Zhang
Facility Representative Name / Title	**Auditor Name**
Friday, June 29, 2018	Friday, June 29, 2018
Date	**Date**