





## **Synergy House Berhad Group of Companies - Quality Policy**

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## **1. INTRODUCTION**

This document represents Synergy House’s Quality Policy Manual. As such, it formally describes the quality program implemented by Synergy House to provide our customer with an assurance that their product requirements and quality expectations will be attained. This manual was written under the direction and leadership of the senior management staff and has the approval of the CEO/President. The systems and processes referenced in this manual are followed by all employees and departments within the company. Employees are encouraged to provide input and ideas on how to make the quality system outlined herein more efficient and effective in an effort to assure customer satisfaction.

### **Objectives for Quality Team**

In addition to reviewing the quality policy statement to ensure its continuing suitability, Synergy House’s top management will define, monitor, and evaluate quality objectives to ensure that we are making progress toward measurable goals. These quality objectives (defined for relevant areas and functions) are:

1. Quality claim below 0.2%.
2. 80% of total items listed in Wayfair (US), the average rating must be 4 stars and above.
3. Wayfair (US) - quality incidence below 5%.
4. Supplier Pre-Shipment Inspection rejection rate below 1.5%
5. Wayfair (US) - new SKU quality incidence (first 6 months after launching) below 3%.

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## **2. SCOPE**

This manual describes the structure and hierarchy of Synergy House’s quality system documentation and defines the linkage between the policies in this manual and the documented processes in place that support each policy. The documented processes, in turn, refer to applicable forms and templates used in support of the process. This provides the necessary linkage between all three levels of quality system documentation – Policies (this Quality Policy Manual), Process Documents, and Forms.


## **3. PROCEDURE**

### **4.1 SSR Sample Inspection**

- The sample is evaluated for safety, construction, quality, dimensions and regulatory compliance via internal lab and risk assessment before sending out to customer and third party lab test.
- There are two outcomes to this assessment:
  - a) Where major amendments or changes are required, a red seal sample will be requested.
  - b) Where no or minimal changes are made, the sample will be approved.
- QA Inspector is responsible to ensure the samples packed are in accordance with the air freight packaging standard if the samples are send through AF.
- A SSR sample inspection report must be completed by QA for every inspection performed.

### **4.2 PSR Sample Inspection**

- The pre-production sample inspection is an inspection of the sample that produced by factory prior to the start of mass production. The objective is to ensure that all product specifications are in accordance with the sample approved by the buyer.

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- The pre-production sample inspection is a useful method for alerting and working with the vendor to rectify problems as early as possible in the production process. Any problems or discrepancies found with the new raw materials, construction, measurement, color, workmanship and/or hardware that are observed during the initial sample inspection must immediately be brought to the attention of the vendor management and their own QA so that immediate action can be taken to rectify the problems or discrepancies.
- A pre-production sample inspection report must be completed by QA for every inspection performed.

#### **4.3 Inline Inspection**

- The in-line inspection includes rechecking the raw material's quality, construction, measurement, color, hardware, labels, tag, bags and workmanship with special attention to finish, paint, polish, moisture content, durability and instructions. Inspect the above criteria against the approved pre-production sample. Packaging, inner boxes and markings should also be inspected if available.
- Any problems or discrepancies found must be brought to the attention of the vendor management and their own QA so that action can be taken to rectify the problems or discrepancies immediately. Every inline inspection is performed at a factory, an inspection report must be completed by QC.
- The frequency of inline inspection will depend upon the type of product (new) being produced, the production and product quality as received, the vendor's past performance, new vendor and the order quantity.

#### **4.4 Pre-Shipment Inspection**

- The final inspection should only be carried out when at least 80% of the shipment lot has been packed, with the balance cleared from the production lines. Depending on the quality history of the production factory, the Qc inspector might demand for the shipment to be 100% packed before conducting the final inspection. For those fully

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assembled items it is permitted to conduct the final inspection before packed or after the shipment is 50% packed.

- The final inspection procedure consists of a series of checks to ensure the accuracy of the color, hardware, materials, labels, measurements, workmanship and packaging.
- The AQL inspection system should be used. Different AQL levels are used for different product categories (refer table below)


SAMPLE SIZE CODE LETTERS							
Lot Size	General Inspection Levels			Special Inspection Levels			
	I	II	III	S1	S2	S3	S4
2 to 8	A	A	B	A	A	A	A
9 to 15	A	B	C	A	A	A	A
16 to 25	B	C	D	A	A	B	B
26 to 50	C	D	E	A	B	B	C
51 to 90	C	E	F	B	B	C	C
91 to 150	D	F	G	B	B	C	D
151 to 280	E	G	H	B	C	D	E
281 to 500	F	H	J	B	C	D	E
501 to 1200	G	J	K	C	C	E	F
1201 to 3200	H	K	L	C	D	E	G
3201 to 10000	J	L	M	C	D	F	G
10001 to 35000	K	M	N	C	D	F	H
35001 to 150000	L	N	P	D	E	G	J
150001 to 500000	M	P	Q	D	E	G	J
500001 and over	N	Q	R	D	E	H	K

ANSI/ASQ Standard Z1.4 - 2008

SINGLE SAMPLING PLANS FOR NORMAL INSPECTION													
Sample Size Code Letter	Sample Size	Acceptable Quality Levels (Normal Inspection)											
		0.065	0.10	0.15	0.25	0.40	0.65	1.0	1.5	2.5	4.0	6.5	
		Ac	Re	Ac	Re	Ac	Re	Ac	Re	Ac	Re	Ac	Re
A	2												
B	3												
C	5												
D	8												
E	13												
F	20												
G	32												
H	50												
J	80												
K	125												
L	200												
M	315												
N	500												
P	800												
Q	1250												
R	2000												


↑ Use first sampling plan above arrow, if sample size equals or exceeds lot or batch size, do 100 percent inspection.  
↓ Use first sampling plan below arrow AC : Acceptance number Re : Rejection number

- It is important that QC inspector determines the sample lot levels required before carrying out the inspection. It is the vendor's responsibility to provide a clean, well lit, and spacious work area to carry out the inspection. It is the QC inspector's responsibility to ensure that the area provided is adequate for the purpose of

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inspection; any inadequacies should be communicated to the vendor/agent's senior management as soon as possible so that issue could be rectified.

- If the final inspection fails, the QC inspector must perform a re-inspection of the failed SPO after the factory has taken steps to correct (rework/replace) the rejected (defective) units.
- QC inspector is responsible to confirm the first 10 pcs rework quality prior to factory proceed to rework the entire lot defective units.
- QC inspector is responsible to conduct random inline inspection during factory taking steps to rework or replace it.
- The final inspection consists of 4 different checks/verifications.
  - A) Packaging
    - Size and construction of the outer carton being used.
    - Carton marking
    - Product components arrangement and packaging materials used are in accordance with the approved transit test standards.
    - Correct panel and parts labelling.
  - B) Quality
    - Inspection shall be carried out by randomly select samples from the entire lot (shipment)
    - The sample selected shall be representative of the entire lot/shipment.
    - Inspection check list
      - 1) Accuracy of the design against the approved sample.
      - 2) Accuracy of construction against the technical specifications.
      - 3) Material quality and colors.
      - 4) Workmanship
      - 5) Color shade
      - 6) Assembly
      - 7) Function
      - 8) Secure joining
      - 9) Measurements
      - 10) Sharp edges / sharp points


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- 11) Finish – Holes / Scratches / Pit marks / Dents
- 12) Dirt / Oil stains
- 13) Moisture Content / Mold / Cracks / Odor (offensive) / Desiccant clay
- 14) Packaging components are correct
- 15) AI instruction
- 16) Accessories and spare fittings
- 17) Product gross weight
- 18) Product label / Warning & safety label / Anti-tipping sticker / Barcode
- 19) Carton quality / BST

C) Assembly Test

- Assemble according to the provided assembly instructions.
- Total unit to assemble
  - 1 set (order qty 0 – 350)
  - 2 sets (order qty 351 – 750)
  - 3 sets (order qty 751 – 1200)
  - 4 sets (order qty more than 1200)
- The assembly instructions are correct, easily understand and clean.
- The hardware pack required for assembly are provided and are correct size and qty as required by the A.I.
- The components fit together properly after assembly.
- Assembled items function as intended (drawers move smoothly, door close without catching, magnetic clasps close and hold doors, tables and chairs are leveled, etc)
- The QC inspector must complete and file a final inspection report, and be prepared to provide this report to buyer upon request.
- If the final inspection passes, the QC inspector issues the authorization to proceed with shipment




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#### **4.5 Carton Transit Test**

Package testing is the process of evaluating the performance, durability and safety of product packaging. It plays a vital role in ensuring products reach consumers in optimal condition. The main types of package testing include:

- **Carton Drop Test**  
The main reason for performing a drop test is to evaluate how well the product design and materials will perform when it is exposed to an amount of external impact force. It is the best way to determine whether a product is suitable for use in environments where this kind of impact might happen.
  
- **Carton Compression Test**  
Carton compression testing is an important step in ensuring product quality and safety. This quality test helps to determine the capabilities of a carton to resist compressive forces before deforming, which is an essential factor when considering how boxes will be stacked or stored in large quantities.
  
- **Carton Vibration Test**  
A vibration test will tell you whether your product and packaging are fit enough, to withstand the torture of poor transportation, handling and warehousing. Usually, the vibration test is to be performed on a single carton. Some people also perform this test on a stack of cartons. Or even an entire pallet.
  
- **Carton Bridge Impact Test**  
A bridged impact is a typical hazard a longer package may experience when shipped with other packages of mixed dimensions. The ability of the packaging to protect the inner part can be verified by simulating this impact under controlled lab conditions. This test method can be ideal when comparing varied materials used in design.


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#### **4.6 PRODUCT RISK ASSESSMENT / PRODUCT TESTING**

Product risk assessment is a process to help you establish quality and safety management, identify product risks, and ensure safety and quality throughout production. Product risk assessments also can help you improve your products and meet any applicable legal requirements. Without them, a product's place in the market may be precarious and you may run the risk of product returns and recalls, damage to brand integrity or, worse, litigation if customers are put in danger.

The most important issues for assessment include:

- Product strength, durability and stability
- Product safety
- Product packaging
- Production risk
- Product quality

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