



515 Valley Street Maplewood, NJ 07040 USA

QEO Management System

Revision 14

Issued on 12/30/2021

Conforms to the ISO 9001:2015 & ISO 14001:2015 Standards

Authored by Andrew Jacobs & Mike Valentine

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Revision History

Rev.	Date of Change	Description of Change	Changed By:
1-10	1993-2015	See previous revisions in Quality Manual file cabinet	Andrew Jacobs & Mike Valentine
11	5/1/2017	MAJOR UPDATE: modernized system and updated all compliances to new 9001:2015 & 14001:2015 standards	Andrew Jacobs & Mike Valentine
12	5/21/2019	Minor Change, added OSHA to COTO diagram	Andrew Jacobs & Mike Valentine
13	10/30/2019	Minor Change, clarified Quarantine process	Andrew Jacobs & Mike Valentine
14	12/30/2021	Minor Change to Facilites in scope and Organization Mgmt Roles	Andrew Jacobs & Mike Valentine

Welcome

Hello and welcome to the Ideal Jacobs Quality, Environmental and Occupational Safety & Health Administration (OSHA) Management System. We know it's a long name, so we call it "**QEO**" for short.

Ideal Jacobs Corp was established in 1921, we are a global printing/manufacturing company represented by four generations of ownership and management. We are leaders in developing and delivering innovative and customized solutions for a variety of technological industries. Our commitment to providing the best products and services possible, while adhering to strict quality, environmental and safety guidelines, has ensured our worldwide success and longevity.

About the Ideal Jacobs QEO Manual

Our QEO management system was originated in 1993 and has since evolved over the years to accommodate the company's growth and ever-changing product and service requirements. This current revision is a reflection of our goal to continuously improve our overall systems and workflow, making us all more efficient and effective. In this version we specifically focused on modernizing the system as a whole. This resulted in a revamp of the entire management system, which utilizes current technologies to make the system easier to understand and scalable. In doing so, we aim to pave the way for further growth for our company for the next decade and beyond.

This manual is prepared for the purpose of defining the company's interpretations of the ISO 9001:2015 & 14001:2015 international standard, as well as to demonstrate how the company complies with that standard. We have also taken the liberty of including OSHA standards in this manual.

As we strive to embrace the new 2015 standards we have in turn adopted the Plan-Do-Check-Act (PDCA) cycle as a Quality Process Approach for the company as well as a flow structure for this manual. Additionally we are now utilizing a Risk-Based Thinking Approach when developing, implementing, and improving the effectiveness of our QEO.

In regards, to our Environmental Management System (EMS), Ideal Jacobs has taken into consideration a Life Cycle Perspective where we understand the lifecycle of our products and services to ensure where ever possible that we have responsibility for the whole lifecycle, and not only when the product is actually in our hands. Furthermore we are committed to complying with state environmental and OSHA regulations and waste reduction and prevention. We have established various indicators that will be reviewed by Top Management to ensure that we are continuously trying to improve our system which will make us more efficient, successful and environmentally responsible.

While Top Management is in charge of the creation, implementation and maintenance of the QEO to cover all quality, environmental and emergency preparedness areas, we require that all employees share our company commitment to increasing the QEO performance and effectiveness.

Plan-Do-Check-Act (PDCA)

This process approach enables Ideal Jacobs to enhance the overall performance of the company by efficiently managing and continually improving the company's effectiveness of the QEO processes and how they relate to each other. The implementation of this process approach enables us to:

- Better understand our customer's requirements and expectations to reliably and consistently fulfill them
- Better understand the value of the QEO processes
- Achieve effective processes efficiently
- Continually improve of our processes based on the constant evaluation and refinement

Risk-Based Thinking

This is an essential tool for achieving and maintaining an effective Quality, Environmental and Safety Management System. Ideal Jacobs effectively plans and implements various actions to address risks and opportunities in order to prevent and minimize the occurrence of negative effects of our products, services and QEO, while also maximizing and enhancing the occurrence of positive effects and opportunities.

(see ***Procedures Manual: IJP-02***)

References, Terms and Definitions (Clause 2 & 3)

Ideal Jacobs adopts the following terms and definitions within this QEO. Where no definition is provided, the company typically adopts the definitions provided in ISO 9000: Quality Management – Fundamentals and Vocabulary. In some cases, specific procedures or documentation may provide a different definition to be used in the context of that document; in such cases, the definition in this section will supersede those provided for in this Quality Manual or ISO 9000.

Note: when supporting documentation is referenced in this manual, it is indicated by ***bold italics***.

General Terminology

Ideal Jacobs (or IJ): Ideal Jacobs Corporation

QEO: Ideal Jacobs Quality, Environmental and Occupational Safety & Health Administration (OSHA) Management System

EMS: Management System specific to Environmental aspects and objectives

Document: written information used to describe how an activity is done

Record: Captured evidence of an activity having been done

IJDMS: The Ideal Jacobs Data Management System. The Ideal Jacobs Filemaker Database that manages all operations of IJ.

QMR: The Ideal Jacobs Quarterly Management Review. Represented in document ***IJ-56***

Interested Parties: Anyone who has an impact or could be impacted by the QEO or our product/service quality

Top Management: President, Vice Presidents and Dept. Managers at Ideal Jacobs (see Organizational Chart below).

External Provider: Suppliers and Vendors used for various outsourcing

Plan-Do-Check-Act Terminology

PDCA: Plan-Do-Check-Act cycle (see below)

Plan: Establish objectives and draft plans (includes analyzing the company's current systems and impacts, establish overall objectives, set interim targets for review and developing plans to achieve them)

Do: Implementing and testing the plans

Check: Measure and monitor the results according to the planned objectives

Act: Refining and improving the plans to meet and exceed the planned results

Risk-Based Thinking Terminology

Risk: Negative effect of uncertainty

Opportunity: Positive effect of uncertainty

Uncertainty: A deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood.

Nonconforming Product and Services Terminology

Rework: Efforts to bring nonconforming product into conformance through additional operations that do not alter the original design of the product

Repair: Efforts to bring nonconforming product into conformance through additional operations that alter the original design of the product; this may be through the addition of material not specified in the original design, or through altering pre-existing design features

Purge: The discard of nonconforming product

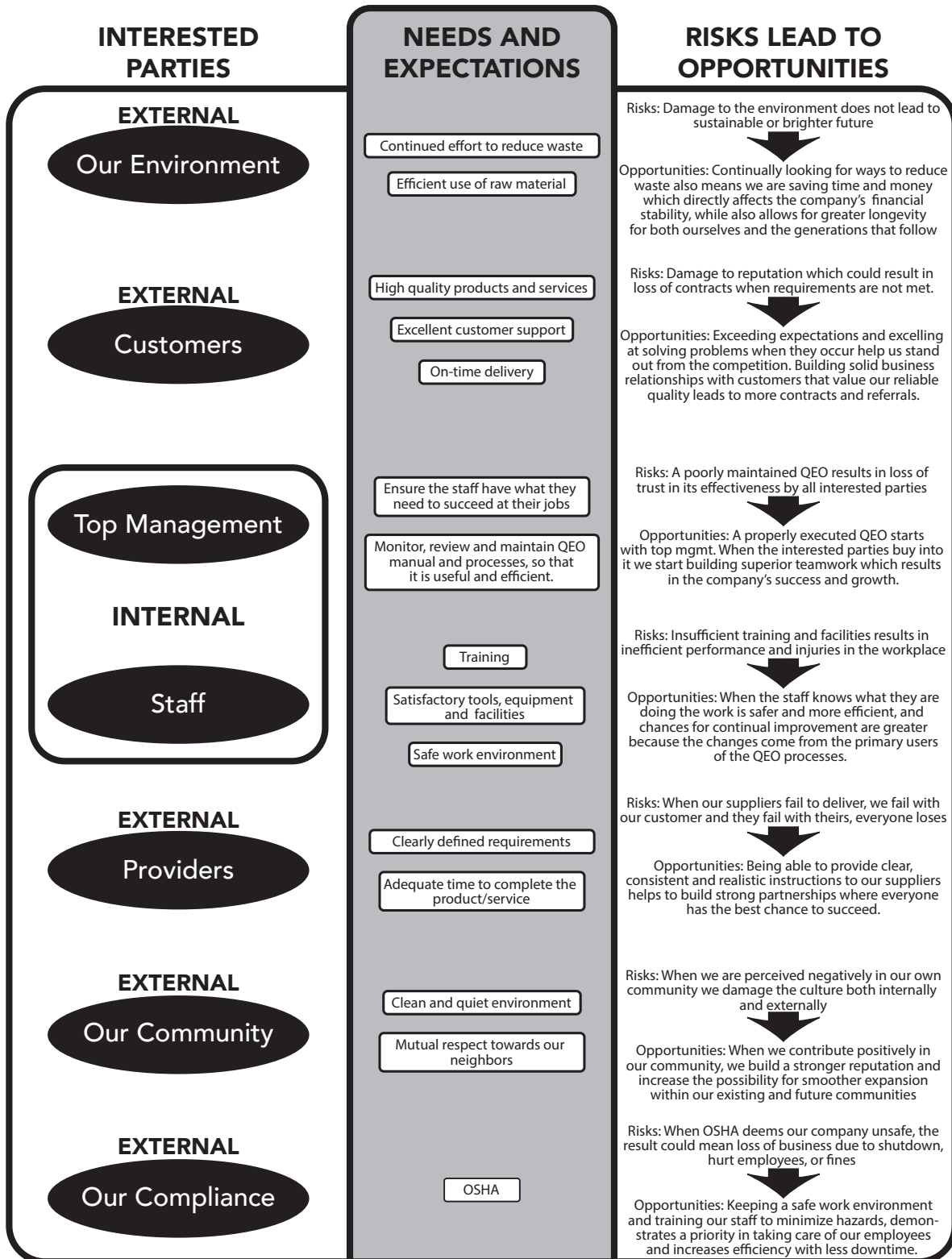
Environmental Terminology

Life Cycle Perspective : A systematic approach to environmental management can provide Top Management with information to build success over the long term and create options for contributing to sustainable development. This is achieved by considering the consecutive and interlinked stages of a product (or service), understanding everything from raw material sourcing to final delivery and utilization of the product or service provided.

“Plan” Section (PDCA)

Context of the Organization (Clause 4.1 and 4.2)

Ideal Jacobs has identified all Interested Parties and reviewed and analyzed the internal and external issues of each that affect our strategic direction and the QEO. This was done following the procedure documented in *IJP-01*. The diagram below is evidence of our findings:



Scope of the QEO (Clause 4.3)

At its core, Ideal Jacobs is a printing/manufacturing company focused on delivering innovative and customized labeling and sub-assembly solutions for a variety of technological industries. Activities include the coordination of printing and material conversion services in accordance with customer specifications either through external providers or internal manufacturing facilities.

Ideal Jacobs utilizes no formal design function or process(es) with its customers. Instead we rely solely on the supplied drawings, files and specifications of our customers to make their products and provide them services. This is evidenced by the amount of drawings, files and support documentation that is received from our customers, and referenced with their purchase orders. In cases where the engineering drawings are supplied to Ideal Jacobs, the design function under Clause 8.3 would be handled by our customers, and we therefore defer to their responsibility of their standard for those functions, and are thereby excluded from implementing those standards within our QEO.

Environmental areas to be covered include land, water, air and natural resources and their interaction. With a Life Cycle Perspective we focus on what materials are used and what impact their production and waste are creating, as well as the impact our product may have in its end use. The overall QEO System, including all relevant documents are open to all IJ personnel and any outside sources. Important environmental related information will be shared with the outside world via our website at idealjacobs.com.

All References to OSHA will be in relation as a whole to their Handbook for Small Business with included forms and will not be referenced by individual pages. Top Management is in charge of the OSHA system by setting policy, assigning responsibility, setting an example and making sure that all employees are adequately trained. They will also ensure that the work site is continually analyzed to identify all hazards and potential hazards. Additionally they are also in control of creating and/or overseeing methods and maintaining them for preventing or controlling existing or potential hazards. In general, Ideal Jacobs Top Management is in charge of making sure all employees understand the system and can deal with work site hazards.

Facilities Within the Scope

The QEO applies to all printing-related processes, activities, and employees of the following location(s) within the company:

Ideal Jacobs Corporation
515 Valley Street
Maplewood, NJ 07040

Leadership and Commitment (Clause 5.1)

Ideal Jacobs' Top Management demonstrates our leadership and commitment in respect to the QEO System by:

- Taking ownership and accountability for the effectiveness of the overall QEO System.
- Ensuring that the QEO policy and objectives are clearly established for the QEO System and are compatible with the context and strategic direction of our organization.
- Overseeing the integration of the QEO System requirements into our business processes
- Promoting the use of the PDCA process approach and risk-based thinking
- Ensuring that the resources and training needed for the QEO System are available
- Communicating the importance of effective quality management and of conforming to the QEO System requirements to the staff and other interested parties
- Monitoring to see that QEO System achieves its intended results and objectives (via IJ-59 QMR)
- Engaging, directing and supporting staff members to contribute to the effectiveness of the QEO System to promote continual improvement (recognized via IJ-13 Good Idea Awards)
- Supporting other management peers by demonstrating their leadership as it applies to their areas of responsibility and commitment to customer focus for both quality and environmental stewardship

QEO Policy (Clause 5.2)

Like any company, our ultimate goal is to create and maintain customers, without them we have no company. Therefore our company focus revolves around customer support and satisfaction. In order to fulfill the needs of our customers we need to supply them with high quality products and services that at a minimum satisfy their requirements, though we always strive to go above and beyond to exceed expectations. We achieve this by continually improving the effectiveness and efficiency of our QEO and workflows, which of course directly benefits our customers, our community and the environment in which we interact with.

With regard to safety and health, it is the policy of Ideal Jacobs to safeguard our employees at all times by educating them in ways that continually keep them safe. We achieve this by teaching them to identify potential hazards so they can be dealt with and prevented before trouble occurs.

With regard to the environment, it is the goal of Ideal Jacobs to continue to decrease the amount of waste that we create by further enhancing the efficiency of our systems and those of our sub-contractors (vendors). This will allow us to produce more product using less raw materials and resources. The more complete use of raw material leads to less by-products and waste to be disposed of as environmental pollutants. The more efficient we are as a company, the more energy we save by consuming less.

When we create and utilize a systematic approach to environmental management, we can provide our top management with valuable information to build our success over the long term and create options for contributing to sustainable development. Here are some ways we achieve this:

- Protecting our environment by preventing or mitigating adverse environmental impacts
- Mitigating the potential adverse effects of environmental conditions on us
- Assisting in the fulfillment of compliance obligations
- Enhancing environmental performance
- Where possible controlling or influencing the way our products are designed, produced, distributed and consumed by using a life cycle perspective that can prevent environmental impacts from being unintentionally shifted elsewhere within the lifecycle.
- Achieving financial and operational benefits that can result from implementing environmentally sound alternatives that strengthen our market position
- Communicating environmental information to relevant interested parties

Our success factors depend on commitment from our entire company from all levels and functions led by top management. Ideal Jacobs will leverage opportunities to prevent or mitigate adverse environmental impacts and enhance beneficial environment impacts. Top Management will address the risks and opportunities by integrating environmental management in our business processes, strategic direction and decision making, aligning them with other business priorities and incorporating environmental governance in our QEO System. Our success here will demonstrate our QEO's effectiveness to all others.

Our Strategic Direction

We believe that the more efficient a company is, the more successful it will become. Time lost from product defects, late deliveries, employee injuries and general inefficiencies sap its life and will only serve to hold our company back from new markets and growth.

Therefore our goals have been and will continue to be:

- Keeping customers satisfied by supplying defect-free products within their delivery requirements as evidenced by the consistent low percentage of customer non-conformance and corrective action requests.
- Ensuring that all current productions stay within approved guidelines as evidenced by the resolving and follow-up of all interior non-conformance and corrective action requests.
- Satisfying our environmental responsibility by monitoring and continually improving our Environmental Management System and helping to improve the overall environment and spread the idea that proactive environmental betterment is good for business.
- Being an OSHA partner with the State of New Jersey in order to reach the highest levels of safety possible, demonstrate our commitment to do this to our employees and our customers. Like our QEO, become a model for others to show that it makes economic sense to maximize the health and safety of our employees.

Organizational Management Roles and Responsibilities (Clause 5.3)

Below is the organizational chart for all Top Management, a more up-to-date chart can be found posted throughout the company for any employee to refer to. This chart also tracks which processes each employee is trained in and which Top Management member is in charge of those processes (see *IJ-109, IJ-110 & IJ-5*).

TITLE	NAME	AREAS OF RESPONSIBILITY
President	Andrew Jacobs	Overall Head of Operations, Systems & Business Planning, New Product Tech., ISO 9001 & 14001 Mentor, Outside Sales, and Marketing
Vice-President(s)	Mike Valentine	2nd in Command - All Operations and Business Work Flows, HR and Financial Processes. In charge of overall QEO.
	Vincent Santoro	Head of all global manufacturing. In charge of overall QEO.
Dept Manager(s)	Jill Winters	Shipping, Receiving, Stocking Inspection, Assistant Purchasing, Assistant Day to Day Operations, Production, Assistant Quality Control, Assistant Sales, Day to Day QEO, Day to Day ISO Upkeep
	Doug Winters	Press & Finishing day to day operations
	Dave Alexander	Die Making and Laser Cutting mgmt
	Richard Green	Customer Relations, technical sales
	Eileen Mroczek	In charge of PO processing, production and shipping scheduling, as well as purchasing
	Mauro Murillo	Screen Press operations
	Igor Lebre	Pre-Press day-to-day operations
Internal Auditors	Andrew Jacobs Mike Valentine Vincent Santoro	ISO 9001 / ISO 14001 / OSHA

QEO Processes (Clause 4.4)

The top management has identified key processes within the company that, when managed and monitored will reduce the potential for nonconforming product and services delivered to our customers. Nonconformities and risks are identified in real time by actions taken within each of the key processes.

The following key processes have been identified:

- **Contract Review & Order Entry** = Customer requests are reviewed and assessed for costs, material availability and internal/external sourcing capabilities (see **Procedures Manual: IJP-08**)
- **Product/Service Realization** = Technical team determines all steps needed for fulfilling a request, the steps are broken down into instructions for realization and supporting art files are generated as needed (see **Procedures Manual: IJP-09**)
- **Purchasing/Contracting** = External Purchase Orders and/or Internal Work Orders are generated per the determined steps (see **Procedures Manual: IJP-10**)
- **Manufacturing/Service Provision** (see **Procedures Manual: IJP-11**)
- **Shipping & Delivery** (see **Procedures Manual: IJP-12**)
- **Receiving & Product Handling** (see **Procedures Manual: IJP-13**)

Each process has been illustrated and detailed in the **Procedures Manual**, with the following defined for each:

- Applicable inputs and outputs
- Process owners and responsibilities
- Resources
- Applicable risks and opportunities
- Criteria and methods employed to ensure the effectiveness of the process
- Measurable Objectives & Targets

How we factor Risks and Opportunities (Clause 6.1)

Ideal Jacobs considers risks and opportunities when taking actions within the QEO, as well as when implementing or improving the QEO. Risks and opportunities are identified throughout many of the activities of the QEO. With this planning we are able to:

- be confident in our ability to achieve our intended results
- increase the likelihood and benefit of positive effect and opportunities for success
- prevent or reduce the chance of negative or undesirable effects
- continually improve in all facets
- determine the aspects and impacts of our products and QEO

QEO Objectives and Planning to Achieve Them (Clause 6.2)

As part of the adoption of the process approach, Ideal Jacobs utilizes its Process Targets and Objectives as the main Objectives for the QEO. These include overall product/service-related quality and environmental targets and objectives; additional product-related targets and objectives may be defined in work instructions or customer requirements.

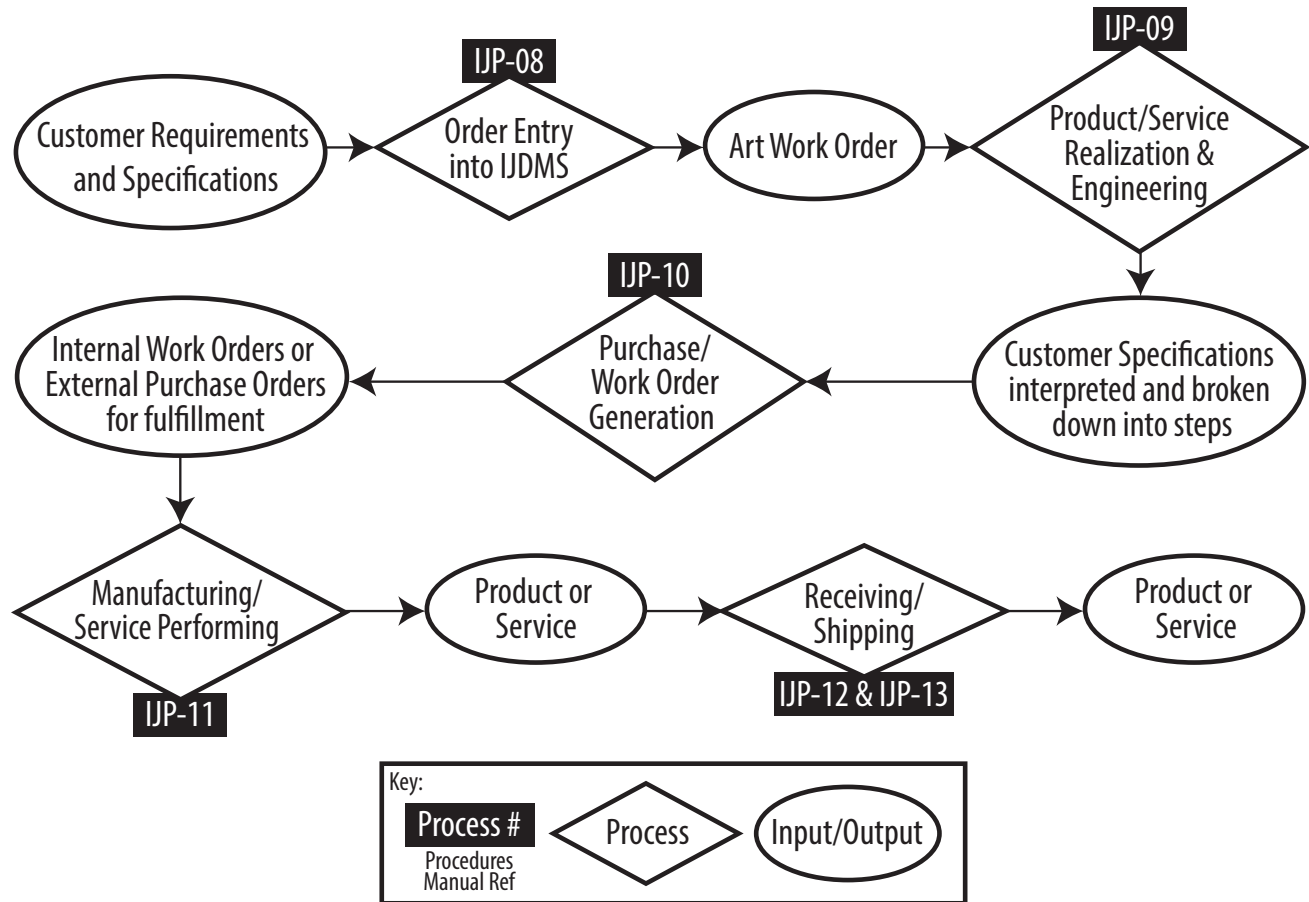
The process targets and objectives have been developed in consideration that they:

- be consistent with how they apply to the quality policy
- be measurable and monitored
- take into account applicable requirements
- be relevant to conformity of products and services and to enhancement of customer satisfaction
- be communicated
- be updated as appropriate

QEO Process targets and objectives are defined in the **Procedures Manual** and monitored via the **QMR** (see form **IJ-59**).

QEO Overall Process Workflow

The sequence of interaction of these processes is illustrated below. Note that it simply represents the typical sequence of processes, and may be altered depending on customer requirements at the job level, as needed.



Each process has at least one objective established for it, which explains the intent of the process. Each objective is then supported by at least one “metric” or key performance indicator which is then measured to determine the process’ ability to meet the quality objective.

Metrics, along with current standings and goals for each objective, are reported as part of the **QMR**.

When a process does not meet a goal, or an unexpected problem is encountered with a process, the corrective and preventive action process is implemented to research and resolve the issue. In addition, opportunities for improvement are sought and implemented, for the identified processes.

Planning of Changes (Clause 6.3)

Changes to the quality management system and its processes are carried out in a planned manner per the procedure QEO Process & Procedure Changes (see **Procedures Manual: IJP-03**)

Procedures Manual

Additional QEO documented procedures have been developed to support the QEO and its processes. These include the following:

- Context of the Organization (see **IJP-01**)
- Risk Management (see **IJP-02**)
- QEO Process & Procedure Changes (see **IJP-03**)
- Control of Documents (see **IJP-04**)
- Control of Records (see **IJP-05**)
- Employee Training & Communication (see **IJP-06**)
- New Product Introduction (see **IJP-07**)
- Contract Review & Order Entry Process (see **IJP-08**)
- Product/Service Realization Process (see **IJP-09**)
- Purchasing and Contracting Process (see **IJP-10**)
- Mfg/Service Provision Process (see **IJP-11**)
- Shipping & Delivery Process (see **IJP-12**)
- Receiving & Product Handling Process (see **IJP-13**)
- Inspection (see **IJP-14**)
- Calibration (see **IJP-15**)
- Management Review (see **IJP-16**)
- Internal Audits (see **IJP-17**)
- Continued Improvement (see **IJP-18**)
- Preventive & Corrective Action (see **IJP-19**)

This list only provides some top-level procedures, and may not reflect the entirety of all QEO documentation. The individual procedures listed above are individually managed and tracked, with their own revision history and grouped to together to compose the Procedures Manual that is then distributed company wide.

Support Resources (Clause 7.1)

Nothing can get done within our company and our QEO unless there is the needed support on all levels from all members of the team. Which is why Ideal Jacobs is fully committed to providing the necessary resources required for the creation, implementation, maintenance and continual improvement of our QEO. It is expected of our employees to inform top management when it is determined that resources are insufficient in a particular area, so that it can get further attention and resolution. The process for determining and communicating resource requirements is also included in our **QMR**.

Our committed resources include:

- *Competent employees*: It is the responsibility of the Top Management to ensure that it provides sufficient staffing and training for the effective operation of the QEO and its key processes.
- *Adequate Infrastructure*: Ideal Jacobs determines, provides and maintains the infrastructure needed to achieve conformity to product requirements including:
 - buildings, workspace and associated facilities;
 - process equipment, hardware and software;
 - supporting services such as transport;
 - information and communication technology.

- *Well maintained and safe work environment:* Ideal Jacobs provides a clean, safe and well-lit working environment. Top Management manages the work environment needed to achieve conformity to product requirements. Specific environmental requirements for products are determined during quality planning and are documented (see **ENV-2 & ENV-4**), work orders (**IJ-22A**), or other job documentation. Human factors are considered to the extent that they directly impact on the quality of the product or service, nonetheless, we use continual assessment of the work environments to ensure that adequate human and physical factors are maintained
- *Monitoring and Measuring Resources:* Where equipment is used for critical measurement activities, such as inspection and testing, these shall be subject to control and either calibration or verification. (see **Procedures Manual: IJP-15 Calibration**)
- *Organizational Knowledge:* Ideal Jacobs considers the specific knowledge necessary for each operation and considers this as an important resource to ensure our people and processes are consistent and achieve conformity of the product and services provided by the company. Specific organizational knowledge is defined, maintained and available to the extent necessary within appropriate procedures.

Competence and Awareness (Clause 7.2 & 7.3)

Staff members performing work affecting product quality are competent on the basis of appropriate education, training, skills and experience. Training can be broken down to the 5 W's. Each team member needs to know,

Who, what, why, when and how in order to do their jobs correctly across our system including quality, environmental and OSHA related areas. QEO training for Ideal Jacobs employees will be done as documented. (see **Procedures Manual: IJP-06 Employee Training & Communication**)

Significant Environmental Aspects have been defined by the President and/or Vice-Presidents. (see form **ENV-4**)

Documented procedures dictate formal certification in specific areas such as inspection, certification and EMS. Provisions are included for certifying employees. Documented procedures include testing for individuals to ensure they understand the QEO.

In general Ideal Jacobs has determined to the extent necessary that persons performing work are:

- aware of the Quality Policy
- aware of relevant quality objectives to the processes they are involved in
- aware of their contribution to the QEO effectiveness, including improved performance
- aware of the implications of noncompliance to our QEO requirements.

Communication (Clause 7.4)

Ideal Jacobs Top Management ensures internal communication takes place regarding the effectiveness of the management system. Internal communication methods include:

- use of corrective and preventive action processes to report nonconformities or suggestions for improvement
- use of the results of analysis of data
- meetings (periodic, scheduled and/or unscheduled) to discuss aspects of the QEO
- use of the results of the internal audit process or the QMR
- internal emails
- Ideal Jacobs's "open door" policy which allows any employee access to Top Management for discussions on improving the QEO and/or its processes
- Ideal Jacobs's communications policy also is applied to external parties. Information is made available to the public regarding our certifications and policies via our company website (<https://www.idealjacobs.com/certifications.html>). We encourage businesses to examine our QEO system and procedures in order to help implement quality, environmental and safety programs in their own facilities.

Documented Info (Clause 7.5)

All documents required for the QEO are reviewed and stored. (see **Procedures Manual: IJP-04**)

The purpose of document control is to ensure that staff have access to the latest, approved information, and to restrict the use of obsolete information. All documented procedures and processes are established, documented, implemented and maintained.

A documented procedure has been established to define the controls needed for the identification, storage, retrieval, protection, retention time, and disposition of QEO records. (see **Procedures Manual: IJP-05**)

These controls are applicable to those records which provide evidence of conformance to requirements; this may be evidence of Product or Service requirements, contractual requirements, procedural requirements, or statutory/regulatory compliance. In addition, records include any records which provide evidence of the effective operation of the QEO.

The QEO documented information includes:

- QEO Manual: provides the scope of the QMS and the applicable ISO 9001:2015 & 14001:2015 Clauses contained and supported by our QEO.
- QEO Key Processes and Procedures Manual: provides detailed requirements for each of our processes with the intent to specify who does what, when, where, how the process or procedure or action/task is performed, and what documentation is used to verify that all required quality related activities have been executed as required. (see **Procedures Manual**)
- QEO Forms: provides objective evidence that required product or service quality and customer requirements were achieved, and that the QEO has been implemented as stated. QEO forms can be in the form of tags, labels, preprinted sheets, and/or other means to identify the status of materials, products, equipment, and other devices used in the company to achieve the specified requirements, this includes digital records in the IJDMS. (see form **IJ-41** Master List)

Creating and Updating

All Ideal Jacobs QEO documented information ensures the following:

- the identification and description (revision date, approval etc.)
- the format and media (electronic, paper hard copy etc.)
- the review and approval for suitability and adequacy

Control of Documented Information

Documented information required to support the effectiveness of our QEO is controlled in the **IJ-41** Master List to ensure:

- it is available and suitable for use, where and when it is needed
- it is adequately protected from loss of confidentiality, improper use, or loss of integrity
- distribution, access, retrieval and use
- storage and preservation
- control of changes;
- retention and disposition

“Do” Section (PDCA)

This section covers things we actually “do.” It goes through the planning, setting up processes to make sure our products fit and satisfy our customers requirements through their entire life cycle, handle changes consistently, how we buy and manage materials, handle emergencies and how we can prove that we did so.

Operational Planning and Control (Clause 8.1)

Ideal Jacobs plans and develops the QEO processes needed for Product and Service Realization. This planning is in-line with the requirements of the other processes of the QEO and also considers the information related to the context of the organization, current resources and capabilities, as well as Product and/or Service requirements.

We do this by:

- determining the requirements for the Product and/or Service
- establishing criteria for the processes and the acceptance of Product and/or Service
- determining the resources needed to achieve conformity to the Product and/or Service requirements
- implementing control of the processes in accordance with the criteria
- documenting information to the extent necessary to have confidence that the processes have been carried out as planned and to demonstrate the conformity of products and services to their requirements
- ensuring that outsourced processes are controlled or influenced. The type and extent of control or influence applied to the QEO processes shall be defined within the QEO System. Copies of our system will be offered on every purchase order we send out with our expectations. Additionally we offer to send our external providers our environmental survey which we will review, send comments and offer suggestions to improve their environmental systems. Where relevant we can also conduct an on-site audit of their premises if they request it.
- being consistent with life cycle perspective, in addition to the above, this includes:
 - determining its environmental requirements for the procurement of Product and Services as appropriate
 - communicating its relevant environmental requirements to external providers
 - considering the need to provide information about potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of products and services
 - maintaining and improving the QEO processes needed for EMS requirements and implement all actions identified

Requirement for the Products and Services (Clause 8.2)

Customer Communication

Ideal Jacobs has implemented effective communication with customers in relation to:

- providing information relating to product and services
- handling inquiries, contracts/orders and order handling, including changes
- obtaining customer feedback relating to products and services, including customer complaints
- handling or controlling customer property
- establishing specific requirements for contingency actions, when relevant

Determining Products and Services Requirements

Ideal Jacobs requires that all customer specific requirements for products and services are clearly defined by the customer including but not limited to:

- applicable statutory and regulatory requirements
- requirements not stated by the customer, but considered necessary by Ideal Jacobs

The customer's requirements shall be confirmed by Ideal Jacobs before acceptance when the customer does not provide the documented statement of their requirements. If a formal review is impractical for each order, the review can cover relevant product information such as catalogs

Review of Products and Services Requirements (i.e. Contract Review)

Once requirements are gathered, Ideal Jacobs reviews the requirements prior to its commitment to supply the product or service. This review ensures that Ideal Jacobs has the capability and capacity to:

- meet all requirements specified by the customer, including requirements for delivery and post-delivery activities
- meet all requirements not stated by the customer, but which Ideal Jacobs knows as being necessary
- meet all requirements specified by the Ideal Jacobs
- meet all statutory and regulatory requirements applicable to the products and services
- meet any contract or order requirements differing from those previously expressed (from a previous transaction)

Ideal Jacobs ensures contracts, purchase orders or other requirements differing from those previously defined, are reviewed and approved by Top Management prior to incorporating into our business systems. We retain applicable documented information of the initial review and on any new/revised customer or applicable external party requirements for the products and services provided.

Changes to Requirements for Products and Services

Ideal Jacobs ensures that relevant requirements and documented information is updated, and that relevant persons are made aware of the changed requirements, when the requirements for products and services are changed.

Control of Externally Provided Processes, Products and Services (i.e. Outsourcing)(Clause 8.4)

Ideal Jacobs assumes responsibility for the quality of all products purchased from external providers, including customer designated sources. All products purchased by IJ are to conform to supplied drawings, purchase orders and pre-approved procedures, which are not to be varied unless approved by Ideal Jacobs first.

The Approved Vendor list, Form **IJ-40** is maintained and updated as information is added to it.

All vendors are treated the same with no special action for any vendor.

All vendor-supplied product is kept in a non-approved area until it can be approved by an Ideal Jacobs Inspector.

Records of all vendor shipping memos and Ideal Jacobs inspection records are maintained to track quality control and traceability in case of trouble.

The type and extent of control applied to the external provider and the purchased products or services are dependent on our ability to consistently deliver conforming products and services to our customers. Ideal Jacobs evaluates and selects suppliers based on their ability to supply products and services in accordance with the organization's requirements. External Providers demonstrating inadequate performance will be required to implement corrective actions. Poor performing External Providers will be replaced.

Purchases are made via the release of purchase orders and/or contracts which clearly describe what is being purchased. Received products or services are then verified against requirements to ensure satisfaction of requirements.

Provision of Products and Services (Clause 8.5)

Control of Production and Service Provision

Ideal Jacobs implements product and service provision under controlled conditions and as required by job specific requirements. Examples of the controls include:

- availability of information that define characteristics and results to be achieved
- availability of competent and effectively trained personnel and adequate equipment
- availability and use of suitable infrastructure and environment
- availability and use of reliable monitoring and measuring devices and resources
- evidence that all manufacturing and inspection operations have been completed as planned
- implementation of release, delivery and post-delivery activities

Manufacturing procedures (including internal work orders and external purchase orders), inspection plans, and other documents deemed necessary, define the acceptance for manufacturing and service operations. The plans provide detailed instruction and guidance for all production and service steps. Records for each production of product produced provide unique traceability and identify the quantity manufactured and released for delivery.

Identification and Traceability

Throughout all production via informal and final certification by External Providers and Ideal Jacobs a product is identified and traceable through every process including delivery and post-delivery. All environmental by-products of manufacturing are monitored via forms ENV-1 forms and reviewed yearly by the Top Management to ensure continued adherence to overall environmental improvement.

Special identification and traceability can be created if required by contract.

Property Belonging to Customers or External Providers

Ideal Jacobs exercises care with customer or supplier property while it is under the organization's control or being used by the organization. Upon receipt, such property is identified, verified, protected and safeguarded. If any such property is lost, damaged or otherwise found to be unsuitable for use, this is reported to the customer or supplier and records maintained.

For customer intellectual property, including customer furnished data used for design, production and/or inspection, this is identified by customer and maintained and preserved to prevent accidental loss, damage or inappropriate use.

(see ***Procedures Manual: IJP-13***)

Preservation

Ideal Jacobs preserves the conformity of products or other process outputs during internal processing and delivery. This includes identification, handling, packaging, storage, and protection.

The shipping department ensures that documents required by the contract/order to accompany the product are present at delivery and are protected against loss and deterioration.

(see ***Procedures Manual: IJP-13***)

Post-Delivery Activities

Ideal Jacobs maintains documented information of all products delivered to our customers. The extent of post-delivery activities includes consideration our customer's requirements and received feedback.

Control of Changes

Ideal Jacobs reviews and controls changes for product or service operations to the extent necessary to ensure continuing conformity of customer or internal requirements. Changes for production may be initiated as a result of:

- needs of interested parties, or customer feedback
- when vulnerability is detected and/or opportunities for improvement are identified

Top Management reviews and monitors changes that affect product and/or services and ensures change documentation and information is distributed and controlled. Records of results of the review of changes, the persons authorizing the change, and any necessary actions arising from the review are maintained in accordance with applicable procedures.

Process/procedure change management is defined in the (see ***Procedures Manual: IJP-03***)

Documents are changed in accordance with the ***Procedures Manual: IJP-04***

Release of Products and Services

Ideal Jacobs monitors and measures the characteristics of the product in receiving inspection, in-process inspection, and final inspection to verify that requirements have been met. This is done before the products and/or services are released or services are delivered.

Documented procedures for product inspection are defined in the ***Procedures Manual: IJP-14***

Documented Records and information of inspection include evidence of conformity with the acceptance criteria and traceability to the person authorizing the release. Records of inspection are maintained (see ***IJ-60*** for example).

Control of Nonconforming Process Outputs, Products and Services

Ideal Jacobs ensures that products or services or other process outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery.

The controls for such non-conformances are defined in the ***Procedures Manual: IJP-19***

When nonconforming product is corrected, it is re-inspected to the original specifications and requirements to ensure it conform to customer stated requirements. When a nonconforming product is detected after delivery, Ideal Jacobs will take action appropriate to the effects or potential effects of the nonconformity. Any product under investigation for non-conformity will be stored in areas clearly marked as "Quarantine Area" and feature a label that clearly identifies the part, production batch and reason/explanation it is suspected of non-conformity.

“Check” Section (PDCA)

Performance Evaluation(Clause 9.1)

Ideal Jacobs has determined which aspects of our QEO must be monitored and measured, as well as the methods to utilize and records to maintain, within the QEO.

Monitoring and measurement of the processes, ensure that the Top Management evaluates the performance and effectiveness of the quality management system itself.

Monitoring, Measurement, Analysis and Evaluation

Ideal Jacobs has determined the objectives of monitoring, measurement, analysis and evaluation. These include: process criteria, product characteristics, environmental and quality performance and the overall effectiveness of the QEO. Results from monitoring and measurement are evaluated. Informational reports are presented on the **QMR** for general review and making decisions on opportunities for improvement.

Customer Satisfaction

Ideal Jacobs monitors the customers' perception of our continual ability to fulfill their requirements. Maintaining customer satisfaction is one of the primary objectives of the QEO. Collecting and analyzing customer feedback and complaints, and customer satisfaction is conducted during the **QMR**. Customer satisfaction data is used by Top Management to identify opportunities for improvement.

Specifically, statistical techniques are used to track negative performance results from Corrective Action and Non-Conformance Reports using (see form **IJ-55**) & Positive Performance and Effectiveness (see form **IJ-59 & IJ-98**), these results are also included as part of the **QMR**.

Analysis and Evaluation

Ideal Jacobs analyzes and evaluates appropriate data and information gathered from monitoring and measuring in order to evaluate:

- conformity of Products and Services
- customer satisfaction
- environmental impact of our Products and/or Services Life Cycle
- the performance and effectiveness of the QEO
- if planning has been implemented effectively
- the effectiveness of actions taken to address risks and opportunities
- the performance of External Providers
- the need for improvements to the QEO

Statistical techniques used may be defined in appropriate documented processes or procedures; in all cases, the methods are based on established standards or are otherwise determined to be statistically valid.

Internal Audit (Clause 9.2)

Internal QEO Audits are conducted by an approved auditor at least once per year. Audits can be scheduled at any time by Top Management when they feel it necessary based on the status and importance of the activities being audited. These Internal Audits are conducted to verify QEO activities and related results comply with planned expectations including customer contractual requirements and other QEO requirements as deemed necessary and applicable. Audits also seek to ensure that the QEO has been effectively implemented and is well maintained.

(see ***Procedures Manual: IJP-17***)

Management Review (Clause 9.3)

Ideal Jacobs' Top Management reviews the QEO, at planned quarterly intervals, to ensure its continuing suitability, adequacy and effectiveness. The review includes assessing opportunities for improvement, and the need for changes to the QEO, including the Quality Policy and quality objectives.

Management review frequency, agenda (inputs), outputs, required members, actions taken and other review requirements are defined and documented in the ***Procedure Manual: IJP-16***.

Records and minutes from **QMR** are maintained (see form **IJ-56**).

Act" Section (PDCA)

This section is simple, not easy. We, as a company, have to keep improving and refining our processes and systems on an ongoing basis

Improvement (Clause 10.1)

Ideal Jacobs uses the QEO to improve its processes, products and services. These improvements aim to address the needs and expectations of customers as well as other interested parties, to the extent possible.

Improvements are quite often attained through continual monitoring and analyzing of the following factors:

- the conformity of products and services
- the degree of customer satisfaction
- the performance and effectiveness of the QEO
- the effectiveness of planning
- the effectiveness of actions taken to address risks and opportunities
- the performance of external providers
- the environmental impact of our Products and/or Services Life Cycle

Nonconformity, Corrective and Preventive Action (Clause 10.2)

Ideal Jacobs takes corrective action to eliminate the cause of nonconformity in order to prevent it from reoccurring. Likewise, the company takes preventive action to eliminate the causes of potential nonconformities in order to prevent their occurrence.

Corrective actions are appropriate to the effects of the nonconformities encountered. When nonconformity occurs, corrective action procedures are initiated, implemented and reviewed during the **QMR**. Examples of actions taken include:

- taking action to control and correct it
- reviewing and analyzing the nonconformity
- determining the causes of the nonconformity
- determining if similar nonconformities exist, or could potentially occur
- implementation of any action needed
- review of the effectiveness of any corrective action taken
- updating risks and opportunities determined during planning, if necessary
- making changes to the QEO, if necessary

Documented procedures for handling nonconformities, including Corrective and Preventative Actions are defined in the **Procedures Manual: IJP-19**.

Records are documented using Form **IJ-2, IJ-26 & IJ-33**

Continual Improvement (Clause 10.3)

Through the process effectiveness reviews, done as part of **QMR**, Ideal Jacobs works to continually improve the performance and effectiveness of the QEO. This includes seeking opportunities for improvement, incorporating preventative actions and creating an incentive for new ideas in our company. Therefore in order to recognize Ideal Jacobs employees who have new innovations and/or modification to the QEO or other areas of the company, we instituted a "Good Idea Award" program which simply rewards those who have ideas for improvement.

(see **Procedures Manual: IJP-18 & IJ-13**)

Appendix A - QEO Key Clauses in Layman's Terms

Clause 4: Context of the Organization

- *ISO Clause 4.1: Understanding the Organization and its Context*
Layman's: Who we are as a company and what we do
- *ISO Clause 4.2: Understanding the Needs and Expectations of Interested Parties*
Layman's: What our customers and other impacted parties expect of us

Clause 5: Leadership

- *ISO Clause 5.1: Leadership and Commitment*
Layman's: How Top Management show they care about the QEO, by being actively involved in the development, deployment and continual improvement of the QEO Management System
- *ISO Clause 5.2: Policy*
Layman's: What we as a company plan to do and strive for
- *ISO Clause 5.3: Organizational Roles, Responsibilities and Authorities*
Layman's: Who does what in the system and how we tell people the things they need to know

Clause 6: Planning

- *ISO Clause 6.1: Actions to Address Risks and Opportunities*
Layman's: How we reduce risk, increase opportunity and improve over time
- *ISO Clause 6.2: Objectives and Planning to Achieve Them*
Layman's: How we set a course for getting to where we want to be as a company in regards to Quality, Environmental Impact and Safety.

Clause 7: Support

- Layman's: How we insure our people have what they need to hit our objectives
- *ISO Clause 7.1: Resources*
Layman's: to make sure the right tools are available to get the job done

Clause 8: Operation

- *ISO Clause 8.1: Operational Planning and Control*
Layman's: How we plan what we do in order to meet the customer requirements