SRI Quality System Registrar
Suite 304 • 300 Northpointe Circle • Seven Fields, PA • 16046
Telephone: 724-934-9000 • Fax: 724-935-6825 • E-mail: mail@sriregistrar.com

Registration Audit Report

ISO 9001:2015

C O N F I D E N T I A L
Report
For

JEMISON METALS
Sumter, South Carolina

Date of Report:	March 3, 2021
Date(s) of Audit:	February 9-10, 2021
Number of total mandays scheduled for this audit:	2.0
Number of total mandays actually conducted:	2.0
Audit Team Members (Lead name first):	Donald Simmons
Nonconformance(s) (CAN numbers) issued this audit:	None
Nonconformance(s) (CAN numbers) closed this audit:	None

TABLE OF CONTENTS

Associate Certification Director: David D. Hansell Date: March 3, 2021

Executive Summary

A Registration Audit was conducted by certified ISO 9000 SRI Lead Assessor Donald Simmons. The primary contact for the auditee was Rick Rowland, VP Quality & Engineering.

The description of the company audited, products, organizations, and scope are identified in the "Auditee Information" (R20.62) section of this report. The purpose of the audit was to verify that the organization is maintaining a documented and effective Quality System to meet the organization's objectives, in conformance with the Quality System requirements. A draft audit report, consisting of the audit team recommendation (R20.36) and related corrective action notifications (R20.35), was provided to the organization by the Lead Auditor prior to the closing meeting.

The Registration Audit followed the SRI Audit Plan as discussed at the opening meeting. The work of the audit team was conducted under the applicable SRI audit policies and procedures. SRI holds current accreditation by ANAB, RvA, and IATF as a certification body.

All applicable clauses of the Quality System were audited in their entirety. Details of the specific clauses are as presented in the auditor notes, which are on file. The Quality System documents were assessed. The results are noted in the Stage 1 Audit report and process summary (where applicable) of this report.

Any nonconformity cited during this audit event is summarized in the Corrective Actions List section of this report. The details are captured on SRI form R20.35 which has been provided to the auditee. The processes assessed and areas affected by noted nonconformances are also identified in the "Assessment Summary Matrix." Timing requirements for responding to Corrective Action Notifications are listed on the second page of the R20.35 form, which is part of the draft audit report.

The recommendation in the draft audit report is any one of the following:

Unconditional: No nonconformances were issued. The registered organization was able to demonstrate the capability to implement and maintain an effective Quality Management System, to meet the organization's objectives and intended results, in conformance with the Quality Management System requirements.

Conditional: One or more minor nonconformances were issued. The registered organization was able to demonstrate the capability to implement and maintain an effective Quality Management System, to meet the organization's objectives and intended results, in conformance with the Quality Management System requirements, except where described in the Corrective Action Notification(s).

Terminated: The audit was stopped before a recommendation could be established.

Registration Withheld or Status Notice (Suspension): One or more major nonconformances were issued. The organization was unable to demonstrate the capability to implement and maintain an effective Quality Management System, to meet the organization's objectives and intended results, in conformance with the Quality Management System requirements. For uncertified organizations, no action to issue the initial certificate will occur unless the major nonconformity(s) are closed within 6 months. If major nonconformity(s) are not closed, per accreditation rules, a Stage 2 audit must be repeated. For certified organizations, SRI will determine if the certificate can be maintained or whether a suspension status or withdrawal of the certificate is warranted. A separate communication will identify the final decision and communicate how the closure of the nonconformity(s) will be handled.

General observations made by the audit team:

- The certificate scope was found to be appropriate.

- CAAT auditing techniques (of any type) were used during this event. The audit plan has been modified to show off-site activity. The audit was conducted using the internet to transfer documents and records via email and telephone/Microsoft Teams contact to interview client employees and request data. The process was effective, and sample time was allotted to complete the audit. The reason for changing the mode of the audit was due to virus containment and avoidance under federal request and by SRI to meet the response to the pandemic. The audit plan was modified and is part of the attachments within this report. The audit was successful and was fully facilitated by the client. Due to the audit level of recertification, the client provided videos of the production process per the auditor direction. The CAAT-based audit was successful.

- The audit objectives have been fulfilled, and any applicable CAAT methods were effective in fulfilling audit objectives.

- There were no deviations from the audit plan.

- There were no issues affecting the audit program.

- There were no unresolved issues at the end of the audit. None

The audit evidence collected during an audit will inevitably be only a sample of the information available, partly due to the fact that the audit is conducted during a limited period of time and with limited resources. Therefore, there is an element of uncertainty inherent in all audits, and all users of the results of the audit should be aware of this uncertainty.

The audit team would like to thank all personnel for their hospitality and cooperation during the audit.

The Registration Review Panel (RRP) process will proceed after review and acceptance of response(s) to Corrective Action Notifications issued, if any, by the Lead Assessor.

Auditor Commentary:

Reviewed the Quality Management System (QMS), customer and standard required documents (documented information and retained documented information) and determined that the system is complete meeting the associated referenced above sources and is effective.

A full cycle of Management Review has been completed by the client.

A full cycle of Internal Audits has been completed by the client.

The corrective action format meets the standard requirements including additional requirements per the 2015 revision. The actions aid in QMS improvement, and context status. Reviewed the following CARs: 19039, and 20285 with actions over internal audits, and customer complaints. Based on the level of detail within the action, good depth of review and conclusions the process is effective.

Customer Complaints are processed via the Corrective Action process. The process is effective. Customer satisfaction is based on internal KPIs, customer report cards, and feedback from sales. Currently, the satisfaction is positive.

Areas Identified as Not Applicable:

8.3 Design and development of products and services

Reviewed the non-applicable section 8.3 Design and development with the justification and found it to be appropriate and acceptable.

Review of Outsourced Processes:

Calibration process was reviewed for traceability and identification of standards used to calibrate equipment. The calibration records clearly provide required information to ensure standards used were appropriate, traceable and methods used to calibrate equipment were best practice. Process is effective. Please see Calibration section of this audit report for more detail.

Identified Regulatory and/or Statutory requirements:

Identified statutory or regulatory requirements (i.e., those recorded on the R20.62) were reviewed and no issues were identified.

Important Observations/Significant Changes:

Top Management Interview:
Talked with Rick Rowland VP and discussed some of the improvements within the organization. Gauge Trax is a software product to manage the calibration of equipment including notification of equipment due for calibration, location of the equipment with linkage to certification, and standards used to perform the calibration. Previous process was manual and led to possible issues. The Sumter site was used to initiate the program with positive results and expanded to the other sites. Reviewed the actions taken to respond to the COVID-19 issues including cleaning cycles, PPE related to face masks, social distancing that meet and exceed federal, and state and local requirements. Actions were taken to maintain the core employees to ensure support of ramping up to pre-COVI-19 status. Provision of resources including training, calibration process improvements and material availability to meet customer requirements and meeting KPI levels.

Context:
The context of the organization continues to be effective and is current as related to corrective action issues, customer complaints, and Management Reviews. The organization utilizes the context as an improvement tool as the standard had intended. Customer complaints are logged and are reviewed by Top Management for needed actions and update of the context as new concerns are realized. Risk management is documented, and actions taken to eliminate or mitigate risk is provided on the context spreadsheet. The status and results of the actions taken are documented with updated status of the threat. Based on the level of response and maintenance of the context the process is effective.

Interview with Top Management:
Talked with Rick Rowland VP and discussed some of the improvements within the organization. Gauge Trax is a software product to manage the calibration of equipment including notification of equipment due for calibration, location of the equipment with linkage to certification and standards used to perform the calibration. Previous process was manual and led to possible issues. All the sites reviewed used the program with positive results. Increasing the ISO certification to include Sumpter site. Reviewed the actions taken to respond to the COVID-19 issues including cleaning cycles, PPE related to face masks, social distancing that meet and exceed federal, state and local requirements. Actions were taken to maintain the core employees to ensure support of ramping up to pre-COVID status. Provision of resources including training, calibration process improvements and material availability to meet customer requirements and meeting KPI levels.

Leadership:
Top Management is fully engaged in the day-to-day operation of the organization. Review of the effectiveness and efficiency of the QMS is discussed at the Management meetings on a weekly basis. Resources are allocated to meet the needed changes to improve communication, ensuring process requirements and methods of meeting challenges are the same system wide. From a system wide view, one of the striking items is the way operations are done is the same no matter which facility that is visited. This accomplishment is a difficult task to master the alignment of processes, methods both input and output from all processes. Support and Key process alike demonstrate this ability to mirror each other in all sites that have been evaluated.

Leadership is fully realized by this adapting of processes at each site. Each site has challenges unique to itself but access to the required methods has provided measurable benefits. Communication of the Quality Policy is the same systemwide and application through interviews of employees shows the policy is communicated, and the application provides understanding of the policy. The company has maintained the quality manual and is the method used to capture the quality policy, interaction of processes, scope, organizational chart and other documents such as procedures, work instructions and forms to be used in the day to day operations. Management reviews covers all the ISO certified sites including internal audits, corrective actions etc. Customer focus and ensuring of the QMS stability, suitability, adequacy, effectiveness and maintaining alignment with the strategic direction of the organization and the QMS reaches its intended results. The establishment of the KPIs with targets and relative measurements to the process. The QMS is fully functional and supported by top management. Support, allocation of resources etc. are demonstrated throughout this audit report.

Organizational knowledge:
Procedures, work instructions, forms, work orders and other support items such as drawings used to ensure customer requirements and acceptance levels are known and provided to the organization. Access to this knowledge is through a robust intranet and workstations located at each work station.

Management Review:
The management review is conducted annually and includes all the sites under the ISO certification and proposed sites. The review was conducted on 01/21/2021 and all findings identified during the internal audit was completed and closed. The review meets the inputs and outputs and all standard requirements. Each site KPIs and current levels are listed with actions taken for KPIs not meeting set levels by management. Based on the standards being met and the reviews accomplished as planned the process is effective.

Internal Audits:
The audits are done according to an audit schedule that ensures the entire system is covered within one year. The system includes the use but not limited to a check list. The check list is able to be modified to improve and respond to the system changes and improvements. Reviewed the following audit dated December 11, 2020. The auditors are trained and independent of the process being audited. The process is effective.

Control of Documents and Records:
The system uses revision control and unique identification of documents. Challenged several documents to ensure the documents are current and unique number/title are accurate. Record control is also well developed and meets the standard requirements. The process is effective.

Training:
Matrix has been established to provide training status, competency level, need assessment and cross training on other processes. Job descriptions are in place and used to develop the matrix. Reviewed employee files and matrix. The process is effective.

Preventive Maintenance:
Reviewed preventive maintenance documentation on process and support equipment. The documents used are check lists with areas for comments and any observed issues for later investigation. The PM activity is placed on a PM schedule to ensure all support and process equipment is serviced. The schedule also documents the frequency for each equipment and includes any equipment that requires increased frequency due to age, history or upgraded parts or programs. Reviewed the PM schedule and the following equipment: Lasers, press brakes and support equipment air compressor, cranes and forklifts. Based on the level of detail, status of the scheduled PM and the comments documented on the checklist the process is effective.

Shifts Assessed:

Two Shifts

6:00am-6:00pm, and 6:00pm-6:00am

Notable Changes:

There were no Notable Changes.

R20.62 Auditee Information

Auditee: **Jemison Metals** **Auditee No:** 6796-07

Address: 2630 US-15
Sumter, SC 29154
Main Phone Number: 205-986-6627
Web Site: http://jemisonmetals.com

Auditee Contacts

Mr. Rick Rowland, SR VP Quality & Engineering, Metallurgical Engineer
Jemison Metals
3800 Colonnade Parkway, Suite 250, Birmingham, AL 35243
Tel: 205-986-6627
Email: rrowland@jemisonmetals.com

Audit Event

Registration: 02/09/2021 - 02/10/2021 Total Mandays: 2.0 *(via CAAT)*
Donald Simmons, Lead Auditor

SRI Customer Care Coordinator: Kelly Surgalski
Coordinator Phone: 724-934-9000 ext. 667
Coordinator Email: ksurgalski@sriregistrar.com

Audit Scope

Standard: ISO 9001:2015 (non-design)
Areas Identified As Not Applicable: 8.3 Design and development of products and services
Scope: Processing and distribution of ferrous and non-ferrous sheet steel products, including plasma & laser cutting, forming, machining, slitting, cut-to length, blanking and shearing operations.
SIC Codes: 5051
IAF: 29
NACE Codes: G51.5
No. of Employees: 24
Products: Steel
Regulatory/Statutory Requirements: REACH, RoHS, DOT, Conflict Minerals, USMCA
Accreditation Mark(s): ANAB
Registration Approach: Sampling
Certificate Expiration: 03/10/2022
No Shifts: 2
Times of Shifts: 6:00am-6:00pm and 6:00pm-6:00am

Audit Plan

The audit plan, audit team members, and qualifications, representatives, working documents, audit plan schedule, process matrix, and auditor assignments have been reviewed with the organizations and are on file with SRI.

Audit Records

Management System Documentation Review: The auditee's controlled system documentation was reviewed by the SRI Lead Assessor. The results are on file at SRI and have been documented in the Stage 1 Audit report, CANs, and/or process summary.

Registration Audit: The registration audit report and any required follow-up corrective action audit reports have been forwarded to the auditee and are on file at SRI.

Form R20.36: Shows the audit team's confirmation of the audit results, was completed, signed by both parties, returned to SRI, and is on file.

Assessment Narrative: The pre-audit and post-audit meeting list of attendees, notes, and agenda are on file.

The SRI Auditor Notes: Auditor notes were captured, returned to SRI, and are on file.

Assessment Summary Matrix: The Assessment Summary Matrix was completed by the lead assessor and indicates the areas in which the selected processes were assessed and the areas requiring corrective action. If there are several distinct audit tracks or business units, each has a matrix completed for it. The matrix is provided.

Process Summary: A summary of important observations -- positive as well as negative -- regarding implementation and effectiveness of the quality system has been documented by the audit team for each applicable process and is provided.

Corrective Actions: If any, are included with this report and summarized in numerical order, showing the referenced clause/process, a description of the nonconformity, and the level of severity indicated as "M" = "Minor" or "H" = "Hold/Major." Form R20.35 provides the detailed nature of the nonconformance. The organization's representative acknowledged and signed all corrective action notifications.

Opportunities for Improvement: If the lead auditor noted Opportunities for Improvement (OFIs), these were provided to the auditee during the post-audit meeting. The OFIs are listed.

Report Distribution

Distribution by SRI is only to the auditee, the auditor assigned for the next scheduled audit event, SRI, and any accreditation body, when requested, where their oversight is required.

Assessment Summary

Processes Assessed	Performance			
	Satisfactory	Org. Action Plan in Place	Not Identified	Unsatisfactory
Control of Monitoring and Measure Resources	X			
Packaging and Shipping	X			
Production and Service	X			
Receiving of Materials	X			
Sales	X			
Support Activities	X			

Process Summary

Process	Comments
Control of Monitoring and Measure Resources	The Calibration process was reviewed for traceability and identification of standards used to calibrate equipment. The calibration records clearly provide required information to ensure standards used were appropriate, traceable, and methods used to calibrate equipment were best practice. Reviewed the following calibration standards: 12" Caliper standard 8118, 6" Caliper standard 8112, Calibration block standard 6006. All are current and traceable to NIST. Reviewed the following equipment used to validate product 12" Caliper C010, micrometer 0-1" M008. The calibration records include the standards used, frequency of calibration, location, unique identification, and status of the equipment. The system has been upgraded using a computer program to track the equipment and link all certifications and provides linking to NIST. Based on the level of control over the process, upgrade, and no issues identified with the process, the process is effective. This process does not require KPI it is a support process.

Process	Comments
Packaging and Shipping	Reviewed the following job work orders 2325, 2253, and 2390. The work order contains the packaging requirements per established packaging instructions specific to the customer requirements. Pictures of the configurations are located within the work area related to the work order call out. The weight restrictions and stack heights are also called out. When the work order is completed, the packaging department places the status of the order into ready to ship status. The Shipping process moves the material into the staging area and identifies the skids with green markers and a Loading Order is established. Trucks are scheduled for pickup and when the order is loaded onto the trucks, the tags are scanned into the computer allowing the document package to be printed, at the minimum, a BOL is printed for release of the product to be shipped. To prevent missed products, wrong product placed on the truck, etc., a peer review is done with the office employees to mitigate risk. The trucks are not released until the review is complete. Other documents such as lab reports etc. are per the customer requirements and entered into the computer at the planning stage. Based on the level of detail on the work order, the peer review between the packaging and the staging of the product to ship the process is effective. <u>Effectiveness Measures</u>: OTD (On Time Delivery) Goal 98% Actual 71% Action taken review and improved warehouse ID, Trend Positive.
Production and Service	Development of the job work order is processed through the Production and Service process. The priority of the jobs are also established and maintained on the scheduling spreadsheet for the most up to date data. Actual drawings are taken from the customer drawing with detailed data such as tolerance documented with actual plus and minus values. The drawings carry the same revision level as the customer drawing to prevent confusion and possible error. Actual revision status of the internal drawing is maintained to ensure the most recent drawing is being used. Previous revisions are placed into a limited access directory to track changes and provision of most up to date drawings. The process is well managed and free of errors with the methods used. This is one example of human error reduction and another is peer review of setups.

Process	Comments
Production and Service *(Continued)*	Traceability is maintained by listing the tag number on the material. The tag system is the internal method that identifies the heat lot number taking the trace to the mill and the purchase order number trace to the customer and sales for any issues that may happen. Reviewed Job Work Orders Laser 4519, 4603, 4622, Press Brake 4199, 4246, 4407, Shear 4234, 4245, and 4255. Each operation is provided a work order with the next process work order or finished goods. This facility supports processing product completed or initiated for sister facilities. Output of the production is returned to the sister facility for completion of the job or shipping to the customer. Flow down requirements are contained on the work order including lessons learned from previous production runs, customer complaints, and other instructions/requirements per the customer purchase order. Accept/reject criteria and dimensional requirements and actual field measurements are documented on the work order and entered into the computer located at the work centers. Risk issues include camber, thickness variation, surface issues, coil selection, and burr height are identified, and actions are taken to reduce or eliminate the risk. The work order travels with the job and includes instructions for each operation. Operations is the release authority to validate that the actual field measurements and the required configuration are within tolerance. The field measurements are documented per the organizations' frequency or per customer required frequency. Before the product can be transferred to the next operation, the operation must be signed off in the computer. The operator has the release authority to allow the product to be shipped to the identified location. Based on the traceability of the product, control of the product configuration, and meeting requirements, the process is effective. <u>Effectiveness Measures</u>: DPPM Ship Goal 3,400 Max, trend was positive, goal exceeded.

Process	Comments
Receiving of Materials	The product is checked against the transfer Bill of Lading and includes any documentation, weight, dimensions and placed into determined warehouse location. Tags are issued and placed on the material to ensure traceability and aids in production in finding the correct material per the job work order. Reviewed received BOL 1073, 1075, and 1084. Based on the KPIs, low customer issues and good tracking of the product the process is effective. <u>Effectiveness Measures</u>: Validation of product to planned processing of the order Goal 100% Actual 100% Steady

Process	Comments
Sales	Reviewed the following purchase orders: 30130544-105, 30130544-405, and 30125180-607. The orders are processes to consider if the organization has the capacity and capability to process the order. Changes to existing parts and new parts are process in the same manner. Repeat orders are reviewed to ensure no changes have been made and if none are, processed through the system as before. The Business Manager is responsible for preparing quotations, gathering information, and coordinating quotes. Internal personnel are used to support the process, i.e., quality, production, etc. Customer complaints are documented on a customer complaint log and are reviewed at the scheduled daily production meetings. Reviewed customer complaint case 20394 and 20408. The issue impacted four other part numbers resulting in changing cutting method from laser to fiber. The customer is provided an acknowledgement that details the product and any exceptions or issues. The acknowledgment acts as the Contract Review. Any changes are evaluated and, depending on the stage of the manufacturing process, changes are accommodated with a revised purchase order identifying the change. For contracted release, it requires the customer to issue a release order to allow the shipment to be process and sent to the customer. Based on the status of the KPI and the level of detail provided on the acknowledgement, the process is effective. <u>Effectiveness Measures</u>: OTD Goal 98%; Actual 98%. Trend Steady, Goal was met. DPPM Ship Goal 3,400 Max; Actual 3,209. Trend Positive, goal was exceeded.

Corrective Actions List

No nonconformities were identified during this audit event activity.

Opportunities for Improvement

No Opportunities for Improvement were identified during this audit event activity.