10.1 (2.1.2.9) GENERAL

The organization determines and selects opportunities for improvement and implements any necessary actions to meet customer requirements and enhance customer satisfaction by:

- Improving products and services to meet requirements as well as to address future needs and expectations.
- Correcting, preventing or reducing undesired effects.
- Establishing processes to improve the performance and effectiveness of the QMS/ SQF.

10.2 NONCONFORMITY AND CORRECTIVE ACTIONS

10.2.1 (2.1.4.3/ 2.1.4.4/ 2.5.3.1/ 2.5.3.2)

When a nonconformity occurs, including any complaint, the organization reacts, evaluates, implements, reviews effectiveness, updates risk and opportunities determined and/or make changes to the QMS when applicable; by one or more of the following ways:

- By taking action to control and correct detected nonconformity.
- By authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer.
- By taking action to preclude its original intended use or application.
- By taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started.

1. Nonconforming material/ product may be identified with red paint, a reject tag, or clearly labeled as waste or scrap. Other nonconforming material is identified with a "reject" tag or sticker F.10.2.1.1 REJECTED MATERIAL.
2. When the supplier is the originator of the nonconformity then a F.10.2.1.2 DEFECTIVE MATERIAL REPORT (DMR) is contacted, and disposition is determined for non-conforming raw material.
3. If finished material or material in process does not pass inspection, Quality personnel are consulted and the nonconformance is corrected if possible. Actions are taken to eliminate the cause of the nonconformity. If the nonconformance cannot be corrected, Quality determines disposition of product.
4. ~~All internal quality issues shall be monitored and analyzed through pareto tool at least twice a year and implement corrective actions for main problems~~.
5. Product identified as waste is discarded.
6. When product is at the customer, key information is requested to address corrective actions in the most effective manner (Pictures of defects, case labels, skid labels, rejected quantity, and physical samples if possible) then a Return Material Authorization F.10.2.1.3 RMA (RETURN MATERIAL AUTHORIZATION) will be sent to the customer to return or scrap non-conformant product; following with F.10.2.1.4 CUSTOMER QUALITY ALERT and a Corrective action shall be implemented based on the seriousness of the incident or if requested by the customer or the authority F.10.2.1.5/2.5.5 CORRECTIVE AND PREVENTIVE ACTION.
7. *Following the implementation of corrective actions in response to identified non-conformities, a review is conducted to assess the effectiveness of the actions taken. The*

evaluation considered whether the root causes of the issues were accurately identified, and if the corrective actions have successfully mitigated the risks based on no further occurrences of non-conformity notified by the specific customer in the following 3 months of the initial notification.

8. Records are maintained when the Quality Department authorizes product use, release or acceptance under concession by the original customer, or any El Paso Paper Box, Inc. customer.
9. Non-conformances trends (waste) or results are discussed at Management Review Meetings as appropriate.
10. Any employee that identifies material that does not fulfill El Paso Paper Box requirements will notify Quality personnel to identify the material as nonconforming material.
11. All nonconforming material shall be located at the quarantine area.
12. The disposition for the nonconforming material might be: scrap, rework, use as is or return to vendor.
13. The disposition shall be given by the appropriate personnel (operators, supervisors, quality personnel, VP or President).
14. All reworked or sorted material shall be re inspected / re audited in the normal process.
15. The Quality Manager is the main responsible for notifying customers if a nonconforming material is shipped.
16. EPPB must receive approval to make / ship product that does not comply with previously approved requirements; A F.10.2.1.7 DEVIATION REPORT shall be kept.

10.2.2 (2.1.4.1/ 2.1.4.2)

The organization retains documented information as evidence of the nonconformities and any subsequent actions taken from resolution of complaints from customers and authorities and reviews trends. QUALITY OBJECTIVE CHARTS, YEARLY QUALITY METRICS AND REFERENCE METRICS.

10.3 CONTINUAL IMPROVEMENT

The organization continually improves the suitability, adequacy and effectiveness of the QMS/ SQF, and considers the results and outputs from the management review to determine if there are opportunities for continual improvement.

10.S (2.4.4.4/ 2.7.1.1/ 2.7.1.2/ 2.7.1.3/ 2.7.1.4) FOOD DEFENSE PLAN

The methods, responsibility and criteria for preventing food adulteration caused by a deliberate act of sabotage or terrorist-like incident shall be documented, implemented and maintained.

A food defense plan shall include:

- The name of the senior site management person responsible for food defense;
- The methods implemented to ensure only authorized personnel have access to production equipment and vehicles, manufacturing and storage areas through designated access points;
- The methods implemented to protect sensitive processing points from intentional adulteration;

- The measures taken to ensure the secure receipt and storage of raw materials, packaging, equipment and hazardous chemicals;
- The measures implemented to ensure raw materials, ingredients, packaging materials, work-in progress, process inputs and finished products are held under secure storage and transportation conditions; and
- The methods implemented to record and control access to the premises by employees, contractors, and visitors.

The food defense plan shall be reviewed and challenged at least annually.

Records of reviews of the food defense plan shall be maintained.

REFERENCE OF DOCUMENTED INFORMATION

- F.10.2.1 REJECTED MATERIAL
- F.10.2.1.2 DEFECTIVE MATERIAL REPORT (DMR)
- F.10.2.1.3 RMA (RETURN MATERIAL AUTHORIZATION
- F.10.2.1.4 CUSTOMER QUALITY ALERT
- F.10.2.1.5/ 2.5.5 CORRECTIVE AND PREVENTIVE ACTION
- F.10.2.1.7 DEVIATION REPORT