Nonconformity & Corrective Action

ISO 14001:2026 | Clause 10.2

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1.2 Application & Scope

Any corrective action taken to eliminate the cause of nonconformity is appropriate to the magnitude of the problem whilst also being in proportion to the risks presented by the nonconformity. The root-causes of process nonconformities, including those arising from complaints, are investigated, and actions are implemented to prevent their recurrence. This procedure applies to:

1. **Processes that produce negative results and repeated defective outputs**. Any process which does not produce an acceptable product or services should be reported by any employee through the initiation of the *Corrective Action Report* form;
2. **Services provided by external sources**. If a service provided from an external source does not comply with the requirements of the purchase order and/or contract, then the *Supplier Corrective Action Request* form is completed and submitted;
3. **Internal issues and internal audits**. During routine internal audits and inspections, processes, procedures, and work instructions may be identified as nonconforming. These are initially documented in the internal audit reports.

1.3 Roles, Responsibilities & Authorities

Regardless of the scope, roles and responsibilities are agreed by Top management and incorporated into existing job descriptions, and included in yearly objectives. All roles and designated person(s), team(s), or group(s) are clearly communicated across our organization in order to encourage or improve collaboration and cooperation for cross-functional process activities.

1.3.1 Roles & Responsibilities

The roles and responsibilities associated with the nonconformity and corrective action management process are defined in the context of the management function and are not intended to correspond with organizational job titles. A role refers to a set of connected behaviors or actions that are performed by a person, team, or group in a specific context.

1.3.1.1 Employees

All Employees are required to report any nonconformance that may have caused customer dissatisfaction, process or service nonconformance, or failure to meet targets. Specific responsibilities include:

1. Follow this procedure upon detecting nonconformities or when a customer/client has requested a review of a work package or service delivery;
2. Assist in the implementation of corrective action plans when required.

1.3.1.2 Process Owners

A Senior Manager who provides management control and guidance for the process. Accountable for process design, operation, and improvement.

Coordinates with Supervisors in other departments to ensure common practices where appropriate. Has the responsibility and accountability to ensure the progression of the process. Specific responsibilities include:

1. Responsible for implementing a specific work process and has the authority and ability to make necessary changes/improvements to the work process identified;
2. Assist in the development and implementation of corrective action plans;
3. Ensures that the performance of a process is realizing its objectives;
4. Review documented root-cause and corrective action plans;
5. Responsible for conducting root-cause analysis and determining the correction, corrective action, and implementation of such.

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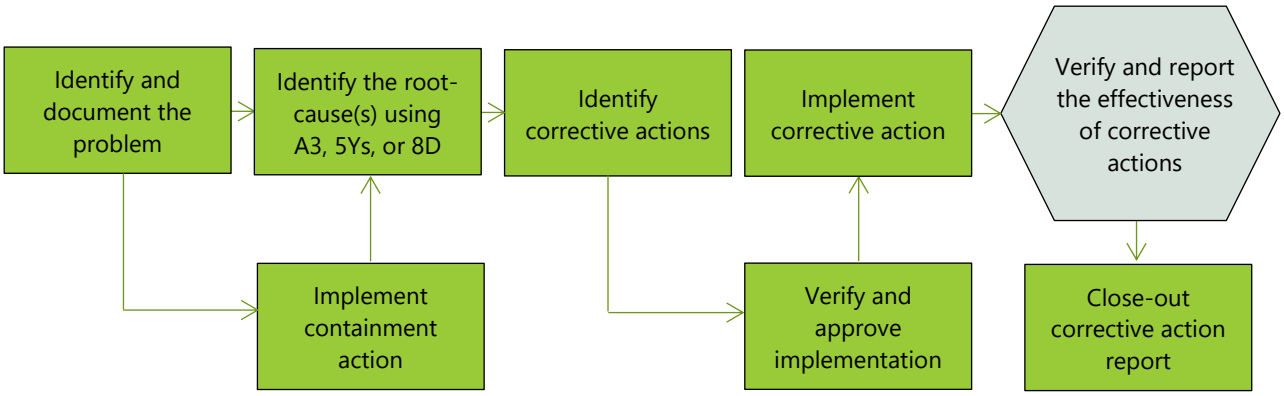
nature or which are significant deviations from procedures or policies are reported to Top management for action and resolution.

Our organization's nonconformity and corrective action process combines organizational management techniques with individual tools to create a robust closed-loop process in order to:



Based upon the information captured from the *Corrective Action Report*, the *Corrective Action Tracker* prompts the user to use 1 of 3 increasingly detailed problem-solving methods (e.g. A3, 5-whys, or 8D), depending on severity or complexity of the nonconformity. This ensures the appropriate tools and techniques are applied for problem-solving and the formulation of corrective action.

1.4.2 Define the Problem

Senior Management will be actively involved in any major corrective actions, ensuring that all actions agreed by any multi-functional teams are carried out entirely. Major corrective actions and improvements are placed onto the continual improvement programme and reported on at Top management review meetings.

Corrective Action Report form is issued for repetitive, ongoing problems during our production processes and issues having a major impact on stakeholders, and environmental management system noncompliances. Other nonconformities outside these criteria are controlled through the remedial action system. All corrective action reports raised are categorized:

High - A problem that results in major/significant impact or is a repetitive problem. Requires a root-cause analysis, corrective and preventative action(s)
Medium - A problem that results in moderate impact. Requires containment and root-cause analysis, and corrective actions when appropriate
Low - A low-level problem typically closed to 5-whys or 8D, requires cause analysis, containment and trending
OFI - Improvement opportunity that does not need correction but rather, can be enhanced, improved, or made more efficient

The EMS Manager will review any issues raised and update the nonconformity report to identify root-cause and the level of action required. Repeated nonconformities of the same nature or significant deviations from procedures or policies are reported to Top management for action and resolution. The EMS Manager is responsible for:

a) Identifying the root-cause(s) of the nonconformity;
b) Identifying appropriate corrective actions (including modifying or creating new work practices);

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c) Planning and implementing corrective actions;
d) Verifying the closeout and effectiveness of corrective actions;
e) The EMS Manager verifies the implementation of corrective actions;
f) Where noncompliances are identified outside the audit process, the EMS Manager or designee documents this using the *Corrective Action Report* form as appropriate.

Where applicable, any corrective action taken and controls implemented to eliminate the cause of nonconformity is applied to other similar processes and is controlled by the EMS Manager in liaison with affected process owners. Significant actions are entered into the *Corrective Action Tracker*.

For the analysis of nonconformity, appropriate statistical and non-statistical techniques can be applied. The organization will select the appropriate methodology based on the problem's complexity. Examples of statistical techniques are:

1. Statistical Process Control (SPC) charts;
2. Pareto analysis, and data trending;
3. Linear and non-linear regression analysis;
4. Experimental design (DOE – Design of Experiments) and analysis of variance;
5. Graphical methods (histograms, scatter plots, etc.).

Non-statistical techniques include:

1. Management reviews and the results from meetings;
2. 5W2H: Who, what, where, when, why, how, and how many for both occurrence and non-detection;
3. Product review committees (internal/external);
4. Failure Mode and Effect Analysis (FMEA);
5. Fault Tree Analysis (FTA).

The EMS Manager will detect and determine the extent of the problem (place, time, quantity, number of affected components, versions, projects, vehicles, Customer sites, etc.) in order to check whether the problem is relevant to safety and if relevant stakeholders need to be informed.

1.4.3 Contain the Problem

The intent of this important step is to protect the involved stakeholder. Our organization will trigger immediate containment actions to safeguard the stakeholder and prevent the problem from affecting other stakeholders in order to limit potential liability.

A containment action may include stopping production of a known source of a problem and not shipping any parts or assemblies until the root-cause is identified.

The EMS Manager will notify personnel in the area from which the nonconformance originated that the nonconformance has occurred, including written instructions and visual aids as appropriate. Risk analysis may be used to help to determine the appropriate actions that need to be taken.

1.4.4 Determine Problem-solving Method

Upon the receipt of a *Corrective Action Report* and in order to classify its priority, our organization uses the following matrix to evaluate and select the appropriate response to the risk presented by the problem.

Depending on the level of risk, the suggested response to the nonconformance will include one of the following options: e.g., improvement activity, A3 action plan, 5-Whys Analysis, or 8D Analysis (FMEA and/or Fish-bone analysis), which may be used in combination with other preferred root-cause analysis tools.

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