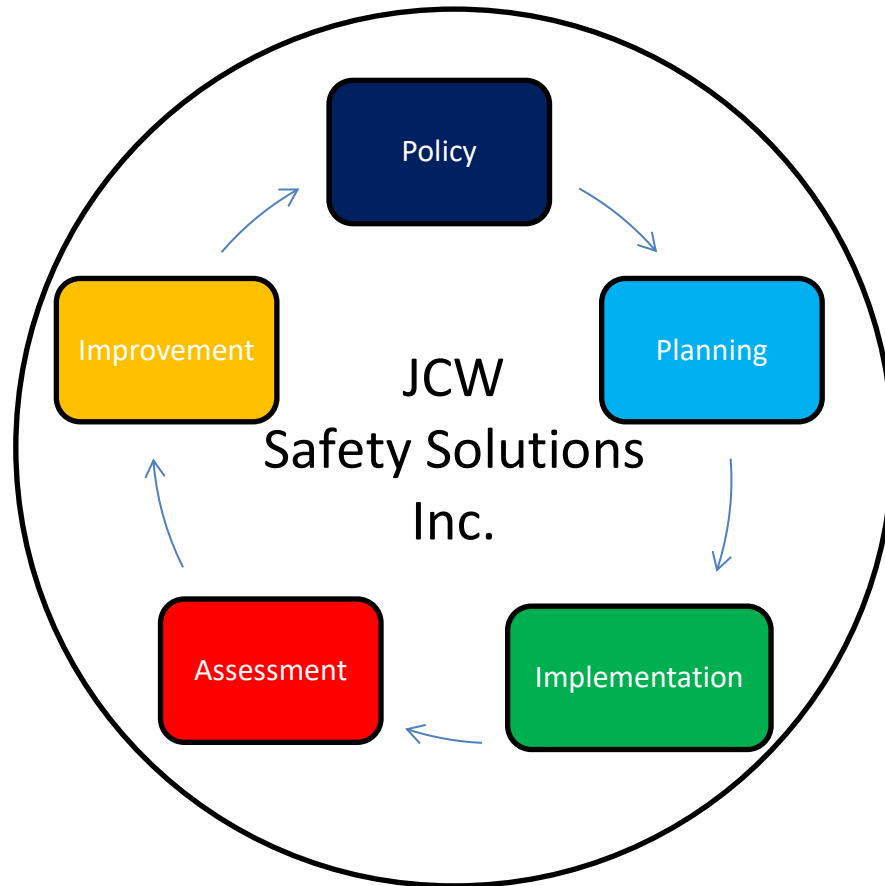


NON-CONFORMANCE AND CORRECTIVE ACTION



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1.0 PURPOSE & SCOPE

To control all non-conforming conditions, equipment, processes, missing safeguards, and procedural requirements by ensuring that all non-conformances are identified and corrected in a formalized and controlled manner. This procedure applies to all **JC^W Safety Solutions Inc.** personnel where they observe situations that do not comply with specified requirements.

This procedure provides the framework for:

- Identifying the non-conformance
- Documenting the non-conformance
- Determining the required corrective action (SMART)
- Allowing a reasonable period to resolve a non-conforming condition by setting “Target Resolution dates”
- Instructing Contractor or (insert name) personnel to take remedial or corrective action by the Target Resolution Date
- Preventing recurrence of non-conforming issues by performing statistical analysis and developing reports on recurring issues
- Following-up and closing-out of non-conforming issues
- Reporting status of non-conforming conditions across appropriate levels of organization (internal), to corresponding Contractor(s), and externally, as deemed appropriate by (insert name) H&S Manager.

This will ensure that the root causes of non-conformance are identified, and corrective action(s) is taken to prevent recurrence.

The Contractor is required to develop and implement arrangements for auditing and inspection of their own H&S Management System and activities and for dealing with non-conformance reports issued by **JC^W Safety Solutions Inc.**

2.0 OBJECTIVES AND GOALS

The objective of this Procedure is to define a systematic approach for **JC^W Safety Solutions Inc.** to identify, document, evaluate, rectify and close-out non-conformances in the areas of H&S that might occur during Project construction, both with its own activities and those of any Contractor.

Contractors may and are encouraged to identify what might potentially be deemed an H&S non-conforming condition, but it is only when they have reported the condition to a **JC^W Safety Solutions Inc.** H&S Department Representatives that the deficiency can be formally classified as a Project non-conforming H&S condition and the process described in this Procedure activated. In that case, the non-conforming condition is recorded in the Project’s Action Tracking Databases and immediately activates the formal resolution procedure.



3.0 RESPONSIBILITIES

Any worker is responsible for contacting **JC^W Safety Solutions Inc.** H&S Department Representatives to report any deficient condition that they may have observed and deemed to be an H&S non-conformance resulting from Project construction activities. The responding H&S Representative shall be responsible for formally determining if conditions warrant the classification of a Project non-conformance and, if so, initiating the documenting and tracking process for its systematic resolution.

3.1 H&S Manager

The H&S Manager shall:

- Oversee the Level 1 action tracking registers to ensure that non-conforming issues are followed up and closed-out
- Work closely with **JC^W Safety Solutions Inc.** supervisors in delivery of any Level 1 (TWS and/or CAR) with agreed upon corrective actions and target resolution dates
- Determine and approve any Allowable Resolution Extension Periods
- Provide trending analysis and summary reports

3.2 H&S Representatives

The H&S Representatives shall:

- Evaluate the level of non-conformance and either request a Level 1 (TWS or CAR) be issued or issue a Level 2 (WIN)
- Work with the Contractor to define agreed SMART corrective actions and target resolution dates
- Oversee the level 2 action tracking registers to ensure that non-conforming issues are followed up and closed out.
- Carry out scheduled inspections to observe specific work activities.
- Suspend work for cause if safeguards are missing, or a sub-standard act or condition represents imminent danger to personnel or the environment
- Ensure any identified non-conformance is entered into the Action Tracking System



4.0 Procedure Definitions

Actionee: Person responsible for ensuring the identified corrective action needed is closed-out by the Target Resolution Date.

Allowable Resolution Extension Period (AREP): The timeframe (in days) by which **JC^W Safety Solutions Inc.** allows Actionee one extension of the original Target Date for resolution of a non-conforming condition before triggering contractual repercussion(s) and/or **JC^W Safety Solutions Inc.** higher-level H&S management response for the issue to be resolved.

Approver: **JC^W Safety Solutions Inc.** H&S Department Representatives with the authority to approve the ‘Non-Conformance Tracking Form’ and ensure that it is valid and can be delivered to the individual within Contractor or **JC^W Safety Solutions Inc.** organization that shall be held responsible for its follow-up and closure.

CAR: Corrective Action Request form on which a significant or audit finding of non-conformance is written, a recommendation for corrective action of a deficiency is made with Actionee agreement, the action taken is recorded, verified, and closed out (see the Non-conformance Report Form, Appendix 1).

Corrective Action: The corrective measures to return a system or process to the specified standard or to achieve regulatory compliance.

Individual Responsible for Closure: Person within organization with the authority and responsibility to authorize the actions, works, and corresponding expenditures that have been required within the ‘Non-conformance Tracking Form’. Also ensures that status reports on the resolution of non-conforming conditions are delivered to **JC^W Safety Solutions Inc.** and individual responsible for tracking closure and that any change from resolution Target Date or AREPs have been justified to **JC^W Safety Solutions Inc.** H&S Management.

Level 1 Action Tracking Register (ATR): The Level 1 ATR is the database management tool developed for the Project to systematically track the resolution status major non-conformances through to close-out, utilized for TWSs and CARs. Deadlines for resolution target date and extension, if any, are automatically flagged by the system via email and/or other means. Preparation must be conducted by **JC^W Safety Solutions Inc.** H&S Manager.

Level 2 Action Tracking Register (ATR): The Level 2 ATR is the database management tool developed for tracking the resolution status of minor non-conformances (WINs) from their entry into the Action Tracking System through to its close-out, utilized for WIN’s. Deadlines for resolution target date and extension, if any, are automatically flagged by the system via email and/or other means. Preparation is performed by **JC^W Safety Solutions Inc.** H&S Field Personnel.

Non-Conformance: The non-fulfillment of a specific Project requirement as identified in the Project Source Documents, Interface Documents (including the Commitment Registers and Standards Documents), Contracts and H&S-MS documents.



Non-Conformance Tracking Form: Form on which a significant non-conformance or audit finding of a non-conformance is entered, agreed recommendations for corrective action of a deficiency are made, the actions taken are recorded, verified, and closed out (see Appendix 1).

Originator: Person with the training and authority to generate and review a non-conformance as defined within this procedure.

Owner: JC^W Safety Solutions Inc.

Permitted Resolution Period (PRP): This is the maximum time allowable for resolution of a deficiency without the deficiency being raised to the next non-conforming category level. The PRP is established upon recording of a non-conforming situation based on a pre-assigned period. The PRP could be extended at the discretion of JC^W Safety Solutions Inc. H&S Manager if it is deemed to be non-urgent. A PRP cannot be extended under any circumstance for non-conforming situation considered to be urgent or imminently threatening to the protection of life, limb, health of humans and wildlife.

Source and Interface Documents: The Source and Interface documents are a suite of documents that, amongst other things, define the Project's legislative requirements and commitments.

Target Resolution Date: Date first agreed upon JC^W Safety Solutions Inc. and Contractor for the resolution of a specific non-conforming condition (see also Allowable Resolution Extension Period).

TWS: Temporary Work Suspension Notice form on which Contractor will be informed of the reasons JC^W Safety Solutions Inc. has seen fit to suspend the work for cause due to immediate or imminent danger to personnel, environment, or equipment (see the Non-conformance Report Form, Appendix 1).

Verifier: Person(s) with the training to review the Non-conformance Form to ensure all corrective action items are adequately identified and implemented.

WIN: Work Improvement Notice form for minor non-conformities. Note: WIN's that can be corrected within 24 hours are not required to be formally tracked within the ATR System (see the Non-conformance Report Form, Appendix 1).

5.0 DOCUMENT KEY WORDS

To enhance the search and retrieval capabilities of the Document Management System, essential keywords/key phrases associated with this document are as follows:

- Notice
- Level
- Action



6.0 DOCUMENT LIFE CYCLE

This document in its most current version and revision shall remain in force for the duration of the **JC^W Safety Solutions Inc.** Project. This document shall be reviewed at minimum every three (3) years to ensure it remains effective.

7.0 IDENTIFICATION OF A NON-CONFORMING CONDITION

The majority of non-conforming conditions will be identified during processes associated with the Assurance Plan. However, any employee may identify a non-conforming situation during their normal working activities. Below is a summary of the assurance process:

7.1 Inspection

The inspections are carried out by **JC^W Safety Solutions Inc.** H&S Representatives both according to a schedule as defined within the H&S Assurance Plan, or as and when deemed necessary. Contractor personnel may be requested to attend the inspection.

The Inspectors may be able to deal with non-conforming issues on site without the requirement for formalized follow up action. Where this is the case, the observation shall be recorded within the inspection checklist or local tracking register, if utilized or within the weekly or daily reports of the identifying individual. Where close-out is not possible within 24 hours one of the tools identified within this procedure shall be implemented.

7.2 Monitoring

The monitoring program is designed to ensure that quantitative legal and project standards are met including but not limited to the following - noise levels, air emissions, turbidity levels, and water quality. The majority of non-conformances identified during the monitoring program will require long term solutions to be taken after the quick fix has been implemented e.g., turning off a generator until a sound barrier has been installed. It is likely that the WIN process shall have to be implemented to ensure close-out.

7.3 Internal Audit

The aim of H&S audits is to provide **JC^W Safety Solutions Inc.** management with assurance that the Contractor's H&S-MS and their implementation of the H&S-MS conforms to all requirements specified in the Contract. All findings shall be presented in a report with all significant findings being documented as CARs. All minor findings shall be documented as WINs within the audit report. Third parties may also conduct internal audits on **JC^W Safety Solutions Inc.** behalf.

7.4 External Audit

External audits shall be conducted as per the H&S Assurance Plan. Any non-conformance identified during external audits shall be recorded on the Level 1 Action Tracking Register.



7.5 Field Observations

Any worker may identify a suspected non-conformance situation during their normal working activities and should report it to their H&S Departments via their line manager or supervisor, either verbally or in writing. In addition, all workers are encouraged to recognize and report opportunities to improve the H&S-MS through any of the means mentioned above. All confirmed non-conformances will then be formally documented and tracked to resolution.

8.0 CLASSIFICATION OF A NON-CONFORMING CONDITION

H&S non-conformances can be identified, ranked, and recorded at two levels:

Level 1 - A major non-conformance situation, typically including:

- Material damage to or a reasonable expectation of impending material damage to an ecologically or socially sensitive resource
- Has the potential for a serious health and safety incident
- Intentional disregard of project standards which may lead to a serious H&S incident
- Has not yet resulted in clearly identified damage or irreversible impact to sensitive important resource but requires expeditious corrective action and site-specific attention to prevent such effects
- Non-compliance with a Commitment, Standard, Legislative, Permit or Contract requirement

Written reports include:

- Corrective Action Requests (CARs)
- Temporary Work Suspension Reports (TWSs).

Level 2 - A minor non-conformance situation, typically including:

- Situation not consistent with requirements but not believed to present an immediate threat to an identified important resource, community or employee health and safety
- Non-conformance with a H&S requirement such as missing safeguards as identified in Contractor Implementation Plans
- Level 2 non-conformance situations may become Level 1 non-conformance if left unattended or are continuously recurring

Written reports include:

- Work Improvement Notice (WIN)
- Field observations / Inspection reports (OBS)



9.0 REPORTING NON-CONFORMANCES

9.1 Work Improvement Notices (WIN)

A WIN is issued when a minor non-conformance is identified. WINs are divided into two types: those that can be dealt with immediately (within 24 hours) on site and those that require a greater period of time to close-out.

All corrective actions identified on the WIN that are closed out immediately (within 24 hours) shall be recorded in the field staffs' daily or weekly reports. All WINs which require more than 24 hours to close-out shall be recorded directly on the Level 2 Action Tracking Register. This will ensure that non-conformances identified are recorded, resolved and closed-out in a consistent manner.

9.2 Corrective Action Request (CAR)

CARs are intended for major H&S system related deficiencies that are normally identified during focused inspections or audits. However, significant non-conformances identified by the field team, including where **JC^W Safety Solutions Inc.** management input may be required or when the definition for Level 1 non-conformance is met, a CAR may be raised. All corrective action requests shall be recorded on the Level 1 Action Tracking Register.

9.3 Temporary Work Suspension for Cause (TWS)

Temporary Work Suspension for Cause is to be enforced when there is a perceived immediate or imminent danger to worker or public Health and Safety, or there is a perceived immediate or imminent danger of a major environmental Incident. These situations must be immediately verbally reported to **JC^W Safety Solutions Inc.** Construction Management Team

9.3.1 Work Suspension for Cause

If it is perceived by a **JC^W Safety Solutions Inc.** H&S Department Representative that a sub-standard act or condition represents imminent danger to personnel or the environment, work shall be suspended for cause immediately. Work may be suspended for cause prior to any notification to either **JC^W Safety Solutions Inc.** or Contractor management.

If an immediate corrective action can be implemented and this is agreed to by Contractor, work can commence once the corrective action is implemented to the satisfaction of **JC^W Safety Solutions Inc.** H&S Department Representative. If the corrective action is not satisfactorily implemented, **JC^W Safety Solutions Inc.** H&S Department Representative assigned to the work site (see definition of Originator) shall be contacted to ensure the non-conformance is entered into the ATR system.

Contractor shall be given the opportunity to implement their own Work Suspension system if available. If Contractor does not implement their system or if an immediate corrective action is not possible a Notice of Temporary Work Suspension for Cause shall be issued by the **JC^W Safety Solutions Inc.** H&S Department and recorded directly on the Level 1 Action Tracking Register.



9.3.2 Notice of Temporary Work Suspension for Cause

Work of all personnel within the affected area shall cease until the sub-standard acts/conditions are resolved.

Contractor's Representative working with the **JC^W Safety Solutions Inc.** H&S Department shall identify the required corrective actions. Part 1 of the Notice of Temporary Work Suspension for Cause shall be completed on site by the **JC^W Safety Solutions Inc.** H&S Department. Copies shall be distributed as detailed on the form.

9.3.3 Release of the Temporary Work Suspension for Cause

On completion, Contractor Site Representative shall notify the **JC^W Safety Solutions Inc.** H&S Department that the corrective actions have been completed. The **JC^W Safety Solutions Inc.** H&S Department or their designee shall verify that all corrective actions are closed out.

Once the corrective actions have been verified, Part 2 of the Temporary Work Suspension for Cause shall be completed, and work may commence. Copies of the completed form shall be distributed as detailed on the form.

In the event of a disagreement between **JC^W Safety Solutions Inc.** and Contractor, the view of **JC^W Safety Solutions Inc.** shall prevail and work shall be suspended for cause. Contractor can record their disagreement on the Notice of Temporary Work Suspension for Cause.

10.0 CLOSE-OUT

Non-Conformance Report Forms will be closed-out on a progressive basis, until construction is completed. The Action Tracking Registers will be regularly monitored by management for implementation and closure of all corrective actions. Copies of these documents will be filed and kept for review by commissioning and operations.

Non-Conformance Report Forms shall be verified and closed-out by the originator or his designee. Correspondence referring to a proposed course of action shall be referenced and attached to the Non-Conformance Report Form as appropriate and stored within the Action Tracking Registers.

The flowchart in Appendix 2 shows the flow and decision-making processes for generating monitoring and closing out of all non-conforming situations

11.0 DEVIATION REQUEST

If Contractor recommends resolving a CAR by requiring a deviation or change from applicable Project Specifications, Source Documents, materials or any **JC^W Safety Solutions Inc.** approved documentation, then Contractor must prepare and submit a Deviation Request to **JC^W Safety Solutions Inc.** for its review and approval determination.

APPENDICES



Appendix # 1 – Non-Conformance Report Form

ACTION TRACKING MASTER NON-CONFORMANCE REPORT FORM

DATE OF ISSUE:	DOCUMENT #:
ISSUED TO:	STATUS:
<input type="checkbox"/> WIN	<input type="checkbox"/> CAR
<input type="checkbox"/> TWS	<input type="checkbox"/> OBS

I. DESCRIPTION OF NON-CONFORMANCE:

ORIGINATOR:	APPROVED BY:		
II. CORRECTIVE ACTION REQUIRED:	TARGET DATE:	COMPLETED DATE:	ACTION BY:

III. RESPONSIBLE FOR:	NAME:	DATE:
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IV. ACTION TAKEN BY:	NAME:	DATE:
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V. VERIFICATION BY:	NAME:	DATE:
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Note: Non-conformances to the obligations contained in the Contract can generate fines from competent authorities to Owner. In those cases, and in accordance with Contract, Owner will be able to repeat the amount to Contractor, and take all the necessary actions as contemplated in the Contract. Not receiving written notification of non-conformance from Owner shall not reduce the responsibility of Contractor to identify and correct any non-conforming situation on the Project Site not mentioned in this communication.

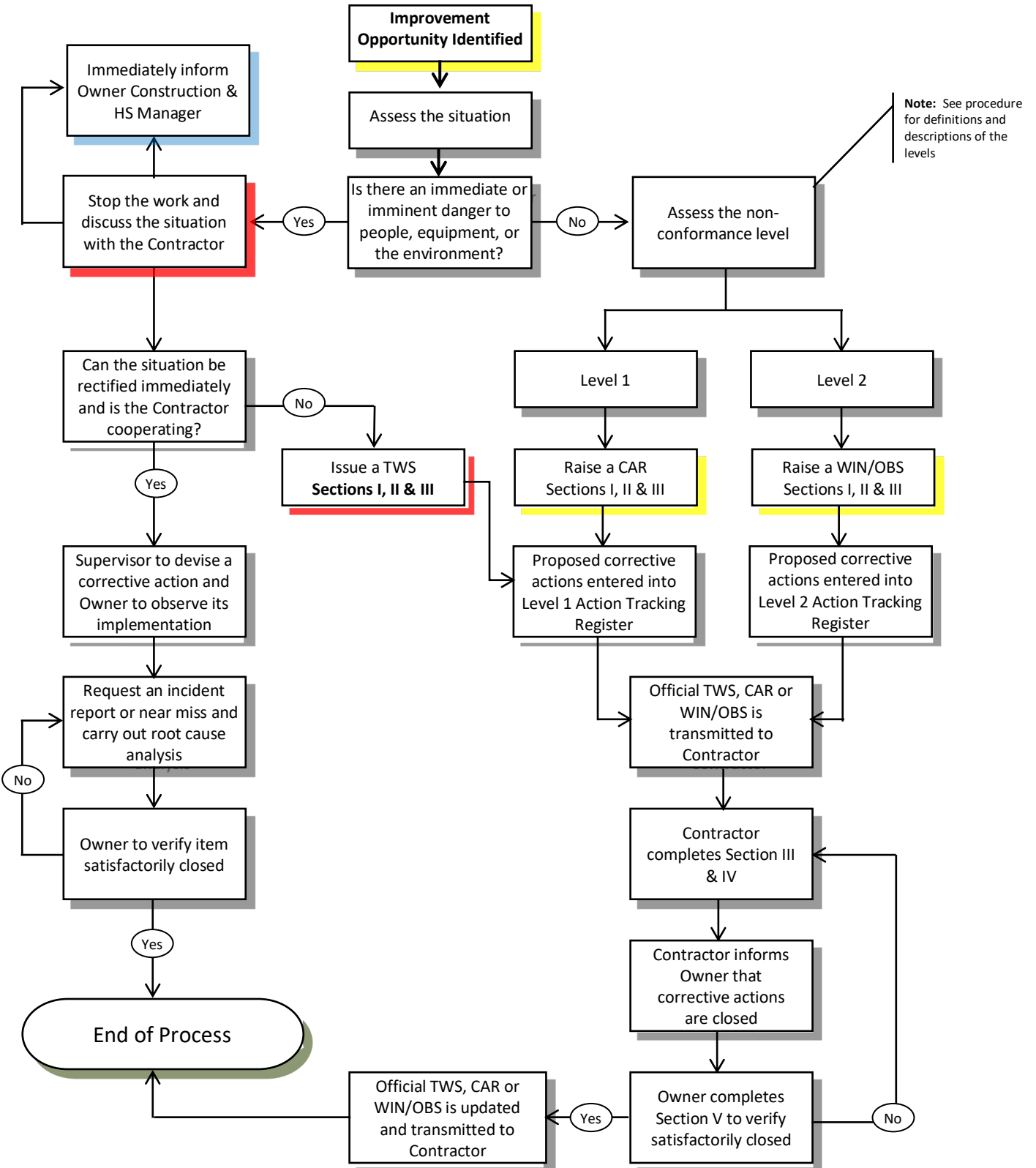


NON-CONFORMANCE AND CORRECTIVE ACTION PROCEDURE

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Appendix # 2 – Procedure Flowchart



Note: See procedure for definitions and descriptions of the levels