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NON-CONFORMANCE PROCEDURE

1. SCOPE

The scope of this procedure covers the requirements of both ISO, ISM, ISPS and MLC Codes for the reporting of non-conformance, corrective action and preventive action.

2. CODES

ISM
ISO 9001
ISO 14001

3. RESPONSIBILITY AND AUTHORITY

3.1. Company Employees

All Company employees are responsible for identifying and reporting to their immediate head of department any non-conformance / deviation that they may witness or be involved in.

3.2. Master

The Master is responsible for:

- a. reporting any non-conformance that occurs on board the ship
- b. investigating the circumstances and cause of non-conformance
- c. isolating the non-conforming item to minimise any risk until the defect is corrected
- d. recommending and implementing corrective and preventive actions
- e. setting a completion date and tracking it to completion
- f. discussing the non-conformance raised on board during the HSEQ meeting.

3.3. Department Heads (Ashore)

Are responsible for reporting to the HSEQ department any deviation that occurs within their department and have the authority to close out non-conformance applicable to own department.

3.4. HSEQ Department

The HSEQ department is responsible for;

- a. Reviewing all non-conformance reports, for circulating them for action, and for co-ordinating these reports.
- b. Defining and initiating corrective and preventive actions involving modifications to the SMS as appropriate.
- c. Where appropriate, reviewing existing systems for any necessary improvements.
- d. Reviewing and analysing deviation reports to ensure that the potential causes of the non-conformance have been eliminated and defined preventive action is appropriate and effective.
- e. Following up on corrective and preventive actions to ensure they have been implemented and effective.
- f. Ensuring similar non-conformances do not occur across the fleet.
- g. Keeping Management apprised of the nature of deviation raised and status of corrective and preventive action.
- h. Implementing additional preventive action as deemed necessary

HSEQ department has the authority to close out non-conformance and to grant concession in consultation with Marine Manager.

3.5. Internal Auditor

Is responsible for identifying and reporting to the HSEQ department any deviation that is discovered during an internal audit of the ship or department.

3.6. Ship Manager

Is responsible for identifying and reporting to the HSEQ department any deviation that is discovered during an inspection or visit to a ship. Has the authority to close out non-conformance applicable to the fleet, to grant a concession in consultation with Marine Manager. The DPA and HSEQ Manager must be consulted as well.

The HSEQ Manager, DPA, Ship Manager, Master and Chief Engineer Officer are responsible for deciding upon and ensuring that the appropriate corrective and preventive action is taken, and that such actions are effective.

4. NON-CONFORMANCES

4.1. Purpose

The purpose of this procedure is not only to identify, document and follow up non-conformances, in a systematic and planned way but also to ensure that for all non-conformances raised the following are achieved:

- the cause of Non – Conformances are investigated and analysed.
- appropriate corrective action is taken in order to rectify results of non - conformances and eliminate the cause of the non-conformances.
- appropriate preventive action is taken with the objective to avoid similar occurrences.
- implementation of corrective and preventive action is verified.

4.2. Definition

Non-conformity – means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement.

Major non-conformity – means the identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of the safety management.

Observation – means a statement of fact made during a safety management audit and substantiated by objective evidence.

5. REPORTING PROCEDURES

A non- conformity has occurred whenever:

- The documented HSEQ management system fails to provide the necessary procedures/control to prevent the occurrence of an adverse incident.
- The documented HSEQ management system is not implemented, i.e., actual practice does not conform to the documented system; deviation from the requirements specified in the SMS.
- A situation is identified that represents a potential hazard.
- A deficiency is identified by external organization, i.e., flag state or port state.
- An act that contravenes laws of international agreement, rules and requirements of Flag state, rules and requirements of the ports and countries of call, rules and regulations of the ship's classification society, rules and regulations of the terminal; example a deviation from the regulations specified in the Statutory Codes (e.g., SOLAS; MARPOL; STCW).
- Ship staff found neglecting their duties.
- Office staff neglecting their duties.
- Significant CUSTOMER complaint.
- A deviation from agreed or contracted CUSTOMER service standards.

- A failure or deficiency in any system or process or key shipboard operation which could endanger or has compromised the safety of people, the environment, the ship, or its cargo.
- Any Contract of Employment, of other supporting certificate expire while the crew member is aboard. This will include Certificates of Competency, STWC mandatory courses, and medical Certificates.¹

(Note: If the certificate is extended and the required documents have been supplied to the vessel no Non-Conformance is required. Masters should advise the office at least 14 days before any expiry dates of the above.)²

- A deficiency relating to the essential “must have” requirements of the ship inspection program (e.g., SIRE ship vetting inspection; CDI ship inspection, Right ship, USCG, flag state, Company or PSC inspection);³

Such Identification of Non-conformities could be through:

- Inspection & Surveys by Classification society, Port State, Flag state, Owners etc
- Masters Reports (Masters review/feedback, month end reports, hand over notes, Monthly HSE meeting etc)
- Reports from external parties like Charterers, P & I Clubs etc
- Accident/Incident Reports
- Findings raised during internal/external audits
- Visits to the ship by the Ship Manager or Shore Management
- Review of SHEQ system by Master and company staff
- Analysis of Accident and Near Miss reports
- Management review

All personnel, both ashore and onboard ship are responsible for identifying and reporting non-conformities. Any staff observing a non-conformance shall be responsible for bringing it to the attention of the vessel's senior management.

Major non-conformances will be reported immediately to the Marine Manager who will designate the immediate action to be taken.

For non-conformances involving any breach of regulations, relevant authorities like classification society, flag state etc. shall be informed by company staff and necessary actions will be taken.

The submission of a deviation shall in no way relieve the originator or the Master from completing any statutory reports required by the responsible authorities.

¹ W 06 / 2021

² W 06 / 2021

³ W 06 / 2021

The Master and Chief Engineer are responsible for reporting any non-conformance to company. The description of the nonconformity along with cause analysis and corrective action plan shall be forwarded to the office.

All non-conformances shall be reported to company through [CFM](#)⁴.

The HSQE department should acknowledge and provide necessary feedback to the vessel for each non-conformance raised.

The HSEQ department shall review the cause analysis and corrective / preventive action plan and approve or amend the plan as required. The corrective/preventive action shall be implemented through the most appropriate method, taking into consideration implementation across the entire fleet.

It is important to agree on the expected closure date with the shore management, i.e. the date when the corrective actions would be satisfactorily implemented. The Master is responsible to ensure effective implementation of corrective action (including actions to prevent recurrence).

The HSEQ department shall also monitor and ensure that the agreed corrective action is completed within the proposed time scale.

All non-conformances shall be closed within 3 months. Actions that have not been resolved after three months shall be passed to Marine Manager for resolution and extension obtained where required.

Some non-conformances may need to be corrected before the vessel sails from port, depending on its nature and the requirements of the Flag State/Class.

It is very important to take appropriate corrective action when any non-conformances are found. How so small it may appear; it must be attended to so that the non-conformance may not develop into a cause of miserable sea casualty.

All communication and related documents, photographs, store/spare receipts etc is recommended to be kept along with the non-conformance report as evidence of closing and for future reference.

Status of non-conformances reports whether open or closed shall be maintained in [CFM](#)⁵ and shall be tracked to completion. The HSEQ department shall regularly check the status of open actions and close them at the earliest opportunity.

Where the corrective or preventive action involves the addition or amendment of a procedure, HSEQ department shall incorporate /amend the procedures in SMS manuals.

⁴ W 30 / 2024

⁵ W 30 / 2024

6. ANALYSIS

Non-Conformance analysis forms an integral part of the company HSQE system. Every non-conformance that has been identified shall be analyzed to identify the cause and corrective and preventive actions.

Also, any best practice to prevent recurrence shall be identified by company staff.

The effectiveness of the corrective / preventive action shall be monitored by the Master and verified by the office staff during the next visit to the vessel.

Significant non-conformance reports shall be shared with the fleet for discussion onboard and to avoid repetition of similar incidents.

The Master must also discuss the non-conformance raised onboard during the HSEQ meeting. Quarterly statistics of non-conformance reports will be provided to management.

All non-conformance reports shall be reviewed during annual management review and the results shared with the fleet. The targets and KPIs for the year are set to monitor the effectiveness of the corrective actions.

All non-conformance reports shall be captured for trend analysis. The objective of analysis is to identify trends from incidents. From these trends, aims and objectives will be produced for agreement during the annual Management Review. This will enable the most effective actions to be carried out to reduce losses in the future.

Analyzing non-conformance reports helps incorporating better and more effective controls and best practices into the HSQE management system and helps identify areas that need more focus.

The company shall also undertake proactive measures to identify all potential non-conformance that can affect the SMS.

Proactive measures include the following:

- a. Performance Monitoring of the vessel
- b. Vessel Inspection
- c. Internal audits
- d. Adhering to change management procedures
- e. Safety Campaigns
- f. OJT's

All identified potential non-conformance shall be evaluated for action required to prevent their occurrence. Any such action shall be reviewed through risk assessment process prior to

implementation as deemed necessary.

The proposed preventive action shall be appropriate to the magnitude of the potential non-conformity.

For continual improvement and to prevent recurrence of these non-conformances, the company shall plan for changes to Strategy, Polices, PMS, Changes to Manuals, provide new procedures, issue fleet memos/circulars, provide further training, discuss the issue during sea staff seminars, identify best practice etc. as applicable.