JER-8000-MGT-PRO-0006 Risk Management Procedure

(AS/NZS, ISO 45001:2018, Clause 6.1)

1 INTRODUCTION

Risk management is a proactive process that helps workers respond to change and facilitate continuous improvement within KGL Resources. It should be planned, systematic and cover all hazards and associated risks.

2 PURPOSE OF DOCUMENT

The purpose of this procedure is to provide a framework to manage risks in the workplace, by identifying hazards & risks, assessing risks and implementing mitigations or controls.

3 RELEVANT LEGAL & OTHER REQUIREMENTS

- Work Health and Safety Act 2011 (NT)
- Work Health and Safety Regulation 2011 (NT)
- Code of Practice: How to Manage work health and safety risks 2020 (NT)
- ISO/IEC 31000 Risk Management – Principles & Guidelines (Found on ISO or Standards Australia Website – AS/NZS 31000)

4 DEFINITIONS

Construction Work	Has the same meaning under the WHS Regulation, namely any work carried out in connection with the construction, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning or dismantling of a structure.
Critical Risk	A hazard or situation that has the potential to result in a fatality, severe permanent injury, or catastrophic operational failure
Hazard	A situation or thing that has the potential to harm a person or property damage.
High Risk Construction Work	Has the same meaning under the WHS Regulation, namely construction work involving: a. a risk of a person falling more than 2 metres; b. demolition of an element of a structure that is load-bearing or otherwise related to the physical integrity of the structure; c. Work carried out on a telecommunications tower d. or is likely to involve, the disturbance of asbestos; e. structural alterations or repairs that require temporary support to prevent collapse;

	f. work that is carried out in or near a confined space g. work that is carried out in or near: (i) a shaft or trench with an excavated depth greater than 1.5 metres, or (ii) a tunnel; h. the use of explosives; i. work that is carried out on or near pressurised gas distribution mains or piping; j. work that is carried out on or near chemical, fuel or refrigerant lines; k. work that is carried out on or near energised electrical installations or services; l. work that is carried out in an area that may have a contaminated or flammable atmosphere; m. tilt-up or precast concrete; n. work that is carried out on, in or adjacent to a road, railway, shipping lane or other traffic corridor that is in use by traffic other than pedestrians; o. work that is carried out in an area at a workplace in which there is any movement of powered mobile plant; p. work that is carried out in an area in which there are artificial extremes of temperature; q. work that is carried out in or near water or other liquid that involves a risk of drowning; or r. diving work.
Risk	The possibility that harm (death, injury or illness) or damage might occur when exposed to a hazard.
Risk control	Risk control means taking action to eliminate health and safety risks so far as is reasonably practicable and if that is not possible, minimising the risks so far as is reasonably practicable.
Safe Work Method Statement (**SWMS**)	A SWMS is a pre-start risk assessment that is undertaken prior to commencing any high-risk construction work, or as otherwise required by a supervisor or manager. A template SWMS is set out in JER-8000-MGT-FM-0017.
Take 5	A pre-start risk assessment that is undertaken by all workers prior to commencing work.
Work task	A work task refers to a clearly defined piece of work, sometimes of short or limited duration, assigned to or expected of a person. For the purpose of this procedure, a work task excludes lifestyle tasks, such as going to the toilet.

Workers	Workers include employees, contractors, subcontractors, volunteers and consultants who conduct work for KGL Resources.

5 RESPONSIBILITIES

Senior Leadership Team	1. Ensures adequate resources are available to managers, supervisors and workers to eliminate or minimise risks so far as is reasonably practicable. 2. Reviews and acts on reported organisational risk management performance. 3. Establishes a corporate risk register and ensures appropriate risk controls are implemented.
Safety Manager	1. Establishes, maintains and monitors hazard identification, risk management, and training systems within the KGL Resources Safety Management System. 2. Assesses and reports on risk management performance to the Senior Leadership Team. 3. Ensures that this procedure is fit for purpose and meets all legislative requirements. 4. Ensures that this procedure is implemented and is regularly reviewed and monitored for ongoing effectiveness. 5. Supports workers, managers and supervisors in the implementation and operation of this procedure. 6. Recommends change or improvement to this procedure as required. 7. Provides expert advice on hazard and risk management to managers and supervisors.
Managers and Supervisors	Managers and supervisors are responsible for ensuring this procedure is implemented in their area and this may include ensuring that: a) all workers are aware of and understand this procedure; b) any risks arising from work are addressed proactively via the Take 5 process or SWMS as required; c) workers are provided with appropriate training in relation to this procedure; and d) workers comply with this procedure, including implementing the required risk control(s).

Workers	Workers are responsible for: a) ensuring they are familiar with the requirements of this procedure; b) complying with this procedure at all times; and c) recommending any change or improvement to this procedure as required.

6 EXECUTIVE SUMMARY

KGL Resources face inherent risks of doing business, these risks can be internal or external, more often a combination of both. As part of good corporate governance, KGL Resources is required to manage risks at all levels across their business. KGL Resources considers the potential for risks to affect the achievement of its strategic objectives and how risks can influence strategic decision making. From an operational perspective, KGL Resources considers risks that have the potential to impact its operational performance and efficiency level, and from a project perspective, risks need to be managed to ensure that they do not affect the project outcomes and business case. Hence, all decision making within KGL Resources involves consideration of risk which are assessed in a consistent and repeatable manner. The risk management approach is an integrated part of the KGL Resources governance to ensure that the risk management framework is effective.

The ISO31000 Risk Management standard *"… recommends that organisations develop, implement and continuously improve a framework whose purpose is to integrate the process for managing risk into the organisation's overall governance strategy and planning, management, reporting processes, policies, value and culture*".

Appropriate risk management must be set within the context of the organisation's business context, inherent risks, the organisation's risk appetite, an established risk policy and well-defined responsibilities and authority (i.e. risk management framework). Effective risk management is consistent, repeatable, underpinned by well-defined processes and procedures and continually improved (i.e. risk assessment processes and procedures).

7 RISK MANAGEMENT FRAMEWORK

7.1 Responsibility, Authority & Stakeholders

The Chief Executive Officer has ultimate responsibility for effective risk management across the organisation. The Chief Executive Officer endorses and demonstrates commitment to their risk management and monitors performance indicators for internal and stakeholders as well as legal and regulatory compliance. The Project Director has ultimate responsibility for effective risk management across the Jervois Copper Project.

7.2 Integration

Risk management operates at all levels within KGL Resources in an integrated manner to be effective. Risk management is considered at a strategic, operational and project level – and takes into account both internal and external factors (i.e. horizontally and vertically). Risk management processes and procedures are an integrated part of the KGL Resources business. Good corporate governance is achieved through effective risk management down and across the organisation.

7.3 Risk Evaluation Criteria

KGL Resources has defined the criteria to be used to evaluate the significance of risks, leading to consistent results and subject to continuous review and improvement. A number of factors influences the criteria for evaluating risks (e.g. likelihood, consequence, nature of the impact, reputational damage, revenue impacting, external factors etc.).

7.4 Risk Acceptance

KGL Resources decides to accept risks based on due considerations such as the cost to mitigate is grossly disproportionate to the risk, the likelihood is low and the consequences are acceptable, the reward is worth the risk (balancing risk versus reward) or cost of doing entering new markets.

7.5 Internal And External Factors

KGL Resources has carefully considered the interest of both internal and external factors in the risk management approach. Such factors include customers, suppliers, competitors, stakeholders, shareholders, their products and services, their employees, legislation, and regulation. KGL Resources has considered risks to and risk arising from various internal and external factors.

7.6 Continuous Improvement

Continuous improvement must be an integral part of the risk management approach. The Chief Executive Officer & Project Director will typically set high-level targets and goals which will be owned by the operational functions / departments that will capture and report on metrics that contribute to the high-level targets and goals. To identify and implement improvements, KGL Resources monitors and measures its achievement of performance targets.

7.7 Reporting & Communication

KGL Resources reports and communicates internally and externally on its risk management to demonstrate effective governance, to provide confidence that it is managing risks in accordance with its policy and for legal and regulatory compliance.

8 RISK MANAGEMENT PROCESS

KGL Resources performs a review of risks and undertakes risk assessments on a regular basis and when there is a significant change at strategic, operational or project level.

8.1 Risk Identification

During risk identification, KGL Resources considers all eventualities that could have an impact on the achievement of a stated objective or plan. At a strategic level, KGL Resources considers the events that would impact the achievement of its strategic intent (for example; political uncertainty, competitors, labour market skills shortage, delays in product launch, becoming the target of a hostile acquisition, cyber security threats etc.) associated with the loss of confidentiality, integrity and availability for information within the scope of the management system. At an operational level, KGL Resources considers the events that would impact its achievement of facility construction, mining production targets, contractor engagement, new site-wide communication system implementation or change programme. At project level, KGL Resources considers the events that would impact the achievement of planned initiatives.

During the risk identification stage, KGL Resources identifies and documents a comprehensive list of risks; KGL Resources has defined the most appropriate method to achieve this end. KGL Resources has chosen the most appropriate method for identifying

risks, although this may vary depending on whether risks are being identified at a strategic, operational or project level.

The Company identifies risks against their assets and holds risk management workshops with a multi-discipline representation. KGL Resources also identifies the owner of any identified risk as part of this process. The output from the risk identification includes a comprehensive set of risks, with associated impact(s), events (or cause) that could give rise to the risk and the consequence. The impact and consequence are rated (e.g. high, medium, low) or quantified, if possible, to do so at this stage. Risks can also be identified as `critical risk'. The output from the risk identification stage is documented in a risk register, recorded in the Active Risk Manager (ARM) digital platform.

8.2 Risk Analysis

KGL Resources' approach for risk analysis is systematic and repeatable so that the relative significance and importance of risks can be assessed. The output from the risk identification stage forms the input to the risk analysis stage. The purpose of the risk analysis is to develop a qualitative and / or quantitative assessment of the risk so that KGL Resources can judge the relative significance and priority of risks. During the risk analysis stage, the appropriate persons with the relevant subject matter, process knowledge and authority is involved. The risk analysis stage involves gaining a more in-depth understanding of the characteristics of the risk, in particular the impact, consequences, likelihood and relationships between risks (i.e. multiply effect). The output from this stage is a risk assessment, whereby risks are scored based on an analysis of their impact, consequence and likelihood.

8.3 Risk Evaluation

The output from the risk analysis forms the input to the risk evaluation stage. The purpose of the risk evaluation is to consider risks within the context of the risk appetite and risk evaluation criteria which are defined as part of the risk management framework. KGL Resources makes decisions about whether to treat and the priority for treatment of risks. The responsible and or authorised persons is involved in the risk evaluation decision making.

8.4 Risk Treatment

KGL Resources' decision on risk treatment is based on risks versus reward and the business case benefits is also considered. The output from the risk evaluation provides input to the risk treatment considerations. Depending on the type of risk and its significance to the business, the decision makers choose to:

- **Avoid** – KGL Resources may choose not to implement certain activities or processes that would incur the risk (i.e. eliminate the risk by eliminating the potential cause);
- **Mitigate** – to reduce the likelihood or impact of the risks by implementing appropriate mitigating controls;
- **Transfer** – to share the risk with a partner or transfer via insurance coverage, contractual agreement or other means;
- **Accept** – formally acknowledge and sign-off acceptance of the risks.

8.5 Residual Risk

Even after risk treatment, is mitigated or transferred there still exists a degree of risk which is known as the residual risk. Decision makers ensure that they understand the extent of the residual risks remaining after treatment and this should be documented, accepted, monitored and reviewed on a regular basis.

8.6 Monitoring And Review

As an integral part of the risk management process, KGL Resources regularly reviews, monitors, reports and communicates internally and as appropriately externally on the outcomes and effectiveness of the risk management process.

8.7 Continuous Improvement

KGL Resources identifies opportunities for improvement, so that the risk assessment outcomes continue to be appropriate, relevant and effective.

9 RISK MANAGEMENT PROCESS

The key elements of KGL Resources' systematic approach to risk management include:

a) Hazard/risk identification;

b) risk assessment;

c) controlling risks; and

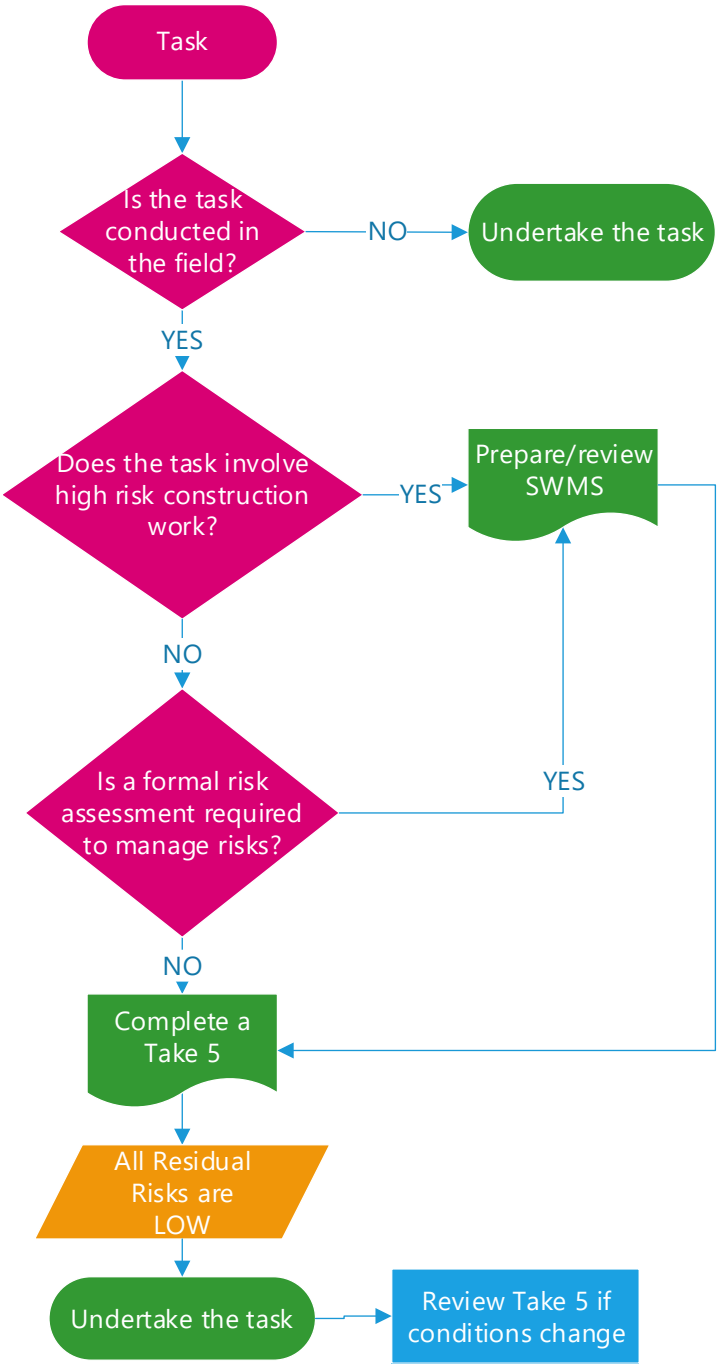
d) monitoring and reviewing control measures to ensure they remain effective.

9.1 Overview Of Risk Assessment Techniques and Triggers

Risk Assessment Technique		Triggers
Level 1 Risk Assessment	Take 5	• Before commencing work (i.e. site inspections, installations etc.) • When the task, conditions, equipment or work environment changes
Level 2 Risk Assessment	SWMS	• Need for SWMS identified in Take 5 • Undertaking High Risk Construction Work • Required by a supervisor or manager
Level 3 Risk Assessment (Recorded in ARM)	Qualitative Risk Assessment	• When identified in Take 5 or SWMS • Major change management

Set out below are the requirements for completing SWMS and Take 5.

Figure 1 WHS Risk Management Flow Chart



Prior to work commencing, the work team must identify the following:

a) Is the work a high-risk construction activity?
b) Is a risk specific permit required?
c) Is work being conducted on a site controlled by a Principal Contractor? If the site is under the control of a Principal Contractor, the Principal Contractor's rules, together with the site rules, must also be followed.
d) Has a Take 5 and other applicable forms and approvals been obtained?

9.2 Hazard Identification

Both Take 5's and SWMS require workers to identify hazards. Hazards within the workplace generally arise from the following:

a) physical work environment;

b) equipment, materials or substances used; and

c) work tasks and how they are performed.

Examples of common hazards in KGL Resources workplaces may include:

Hazard	Potential effect to health and safety
Hazardous Manual tasks	Overexertion or repetitive movement can cause muscular strain.
Ground instability & slope failure	Unstable walls and rockfalls are major threats in open-pit mines, potentially resulting in equipment damage and worker fatalities.
Blasting	Improper blast management can cause premature ignition, fly rock (flying rocks), misfired holes, and hazardous fumes, threatening safety outside designated blast zones.
Live roof edges, loose material, slippery surfaces or slopes	May result in falls, slips and trips of people that can cause fractures, bruises, lacerations, dislocations, concussion, permanent injuries or death.
Electricity	Potential ignition source. Exposure to live electrical wires can cause shock, burns or electrocution (death).
Plant, machinery or equipment	Being hit by moving vehicles or being caught by moving parts of machinery can cause fractures, bruises, lacerations, dislocations, permanent injuries or death.
Chemicals	Chemicals, for example acids, hydrocarbons, heavy metals and dusts, for example asbestos can cause respiratory illnesses, cancers, or other medical conditions.
Extreme temperatures	Heat can cause sunburn or burns, heat stroke or fatigue. Cold can cause hypothermia.
Noise	Exposure to loud noise can cause permanent hearing damage.
Biological	Micro-organisms can cause hepatitis, legionnaires' disease, or allergies.
Psychosocial hazards	Effects of work-related stress, bullying, violence and work-related fatigue.

9.3 Risk Assessment

Safe Work Method Statements (SWMS) and Take 5's requires workers to assess risks. This requires workers to consider:

a) what may happen if a worker is exposed to a risk;

b) the likelihood of the risk occurring;

c) the severity of the risk;

d) whether existing control measures are effective; and

e) what action should be taken to control the risk (and how urgently).

The risk analysis process for level 3 risk assessments will consider the following when assessing the nature of the hazard and the potential for it to cause harm.

- Analyse the Current Risk by identifying existing controls currently in place to reduce the harmful impacts of the hazard. To achieve this:
  - Identify the maximum reasonable consequence with the existing controls effectively in use (controlled consequence);
  - Identify the maximum reasonable likelihood of the maximum reasonable consequence occurring with the existing controls effectively in use (controlled likelihood).
- Analyse the Residual Risk by identifying additional controls required or future planned controls to further address the hazard.
  - Identify the maximum reasonable consequence with the planned controls effectively in place (future controlled consequence).
  - Identify the maximum reasonable likelihood of the maximum reasonable consequence occurring with the planned controls effectively in use (future controlled likelihood).

When assessing risks identified using Level 2 and Level 3 risk assessment techniques, the KGL Resources Risk Matrix will be used. All Level 3 risk assessments, and associated controls, will be recorded in Active Risk Manager (ARM) software.

9.4 Consequence

To estimate the severity of harm or consequence that could result from each hazard or risk you should consider the following questions:

a) how **severe** the harm/consequence could be (*consider if the hazard or risk can cause death, significant reputational damage, serious injuries, illness or only minor injuries requiring first aid*);

b) how hazards or risks may **cause harm or consequence** *(consider maintenance and cleaning, as well as breakdowns of equipment and failures of health and safety controls)*; and

c) what is the **likelihood** of consequence occurring *(consider the likelihood that someone will be harmed).*

CONSEQUENCE LEVELS

		Minor (C1)	Moderate (C2)	Major (C3)	Critical (C4)	Catastrophic (C5)
IMPACT		Impact not visible.	Some impact that is easily remedied.	Noticeable impact on Practice/Firm. Some business objectives not achieved.	Material impact on Practice/Firm. Key business objectives not achieved.	Could shut down Practice/part of Firm. Business objectives not achieved.
SAFETY		First aid treatment or illness not requiring medical treatment	Illness or minor injuries requiring medical treatment	Lost time injury / reversible impact on health	Single Fatality / Multiple major injuries resulting in loss of quality of life /irreversible impact on health	Multiple fatalities
ENVIRONMENT		Near source confined negligible or temporary impact (typically a shift)	Near source confined reversible impact requiring short term recovery (typically weeks)	Near source confined detrimental impact requiring medium term recovery (typically months) Unconfined detrimental impact requiring short term recovery (typically weeks)	Unconfined detrimental impact requiring medium term recovery leaving residual damage (typically months)	Unconfined detrimental impact requiring long term recovery leaving major residual damage (typically years)
STRATEGIC	Reputation	Limited impact to 1 stakeholder group	Loss of confidence by 1 or more stakeholder groups	Loss of confidence by 2 or more stakeholder groups	Loss of confidence by 3 or more stakeholder groups	Loss of confidence in all stakeholder groups
	Market Share	Limited recovery (i.e. <3 months)	Short term recovery (i.e. <6 months)	Mid-term recovery (i.e. 6-12 months)	Long term recovery (i.e. 12-24 months)	Potentially irrecoverable (i.e. 24-36 months)
	Strategy	Limited adjustment necessary	Refinements or adjustments to operating plans and execution	1 or more changes in senior leadership. Financial restructuring Significant changes to strategic plan	2 or more changes in senior leadership. Financial restructuring Significant changes to strategic plan	Potential acquisition or bankruptcy

		Minor (C1)	Moderate (C2)	Major (C3)	Critical (C4)	Catastrophic (C5)
CONSTRUCTION	Schedule	<2 weeks impact contained within float; no change to First Ore/PC.	2–4 weeks slip to First Ore/PC (outside float), recovered with overtime/parallel work fronts and minor scope trade-offs.	1–3 months slip, or critical-path work front down >2 weeks requiring resequencing and additional shifts to recover.	3–6 months slip or sustained critical-path work front shutdown >6 weeks across multiple areas (e.g., SMP + E&I).	≥ 6 months slip to First Ore/PC, or re-baseline required due to critical design/quality failure. Contractor insolvency causing multi-work front stand-down.
	Capital	<2% (<~A$7 M) Managed within package allowances.	2–5% (~A$7–17.5 M) Within total contingency but needs formal change control.	5–10% (~A$17.5–35 M) Above planned triggers Requires deferral or cancellation of other corporate priorities.	10–20% (~A$35–70 M) Major contingency draw + reforecast to lenders.	>20% CAPEX overrun (>~A$70 M). Board re-approval and finance case at risk.
OPERATIONAL	Quality	Minor impact to business or customer. Complaints able to be resolved following existing procedures.	Some impact on business or small number of customers. Minor recalls.	Moderate impact on business or multiple customers. Recall from multiple sites.	Significant impact on business or multiple major customers. Significant number of recalls from multiple sites.	Critical impact on business or customer resulting in potential risk to life, prosecutions or significant breach of contractual obligations.
	Scope	Limited interruptions within 1 business unit	1 Business Unit. Significant interruptions to business operations with 1 or more business units	2 Business Units. Significant interruptions to business operations with 2 or more business units	3 Business Units. Significant interruptions to business operations with 3 or more business units	Enterprise wide. Inability to continue normal business operations across all business units
COMPLIANCE	Legal/Regulatory	Limited liabilities or regulatory impact	Management unaffected. Minimal liabilities. Regulatory attention	Regulatory fines. Legal reserve established. Regulatory investigation	Management challenges. Large legal liability. Regulatory fines	Management Indictments. Large Scale Class Actions. Regulatory Sanctions

		Minor (C1)	Moderate (C2)	Major (C3)	Critical (C4)	Catastrophic (C5)
FINANCIAL	EBIT	<5%	5%-15%	15%-30%	30%-50%	>50%
	Loss of market value	<5%	<10%	<25%	<50%	>50%
	Disclosure	Additional risk disclosure	Control weakness	Significant deficiency	Fiscal Quarter Restatement	Fiscal Year Restatement

9.4.1 Likelihood

When considering likelihood of an event occurring the assessor must consider whether this event will occur.

RATING	POTENTIAL FOR RISK TO OCCUR	PROBABILITY	DESCRIPTION OF FREQUENCY
ALMOST CERTAIN	Likely to occur several times a year	>90%	Known to happen often - may occur monthly or within 15,000 man / hrs
LIKELY	Likely to occur once a year	50%-90%	Anticipated it will occur - may occur quarterly or within 45,000 man / hrs
POSSIBLE	Possibly occur once every few years	10%-50%	Could happen & has occurred elsewhere - could occur annually or within 200,000 man/hrs in same or similar operational circumstances
UNLIKELY	Maybe occur once in 5 years	5%-10%	Not anticipated to happen - but may occur within a 3-year strategic plan or within 500,000 man/hrs in same/similar operational situation
RARE	Might occur once in 10 years	<5%	Conceivable in extreme circumstances - could occur >5 years or within 1,000,000 man/hrs

9.4.2 Risk Matrix

The risk matrix below provides a graphical representation of the KGL Resources risk profile when the ratings of consequence and likelihood.

	C1	C2	C3	C4	C5
L5	12	19	20	24	25
L4	10	11	18	22	23
L3	5	9	15	17	21
L2	3	4	8	14	16
L1	1	2	6	7	13

9.4.3 Risk Tolerance & Review

Once the risk has been rated, the level of risk can be considered and accepted or determined as outside tolerance and requiring further treatment.

Risks		
Level	**Description**	**Review and Acceptance Authority**
Very High 21-25	Very High risks are intolerable and should be prioritised for treatment with regular senior leadership review. Monthly review is required.	The following reviews / approval are required: • PD Review and approval
High 13-20	High risks are undesirable and must be prioritised for treatment with regular senior management review. Monthly review is required.	The following reviews / approval are required: • Senior Leadership Manager Review & Approval
Moderate 6-12	Moderate risks are tolerable if it is not reasonably practicable to reduce the risk further. Review is required every two months and at change of project phase/context.	The following reviews / approval are required: • Risk Owner Reviews • Project Manager approval
Low 1-5	Low risks are acceptable. Review is required quarterly and at change of project phase/context.	Risk Owner has approval rights

9.4.4 Risk Controls

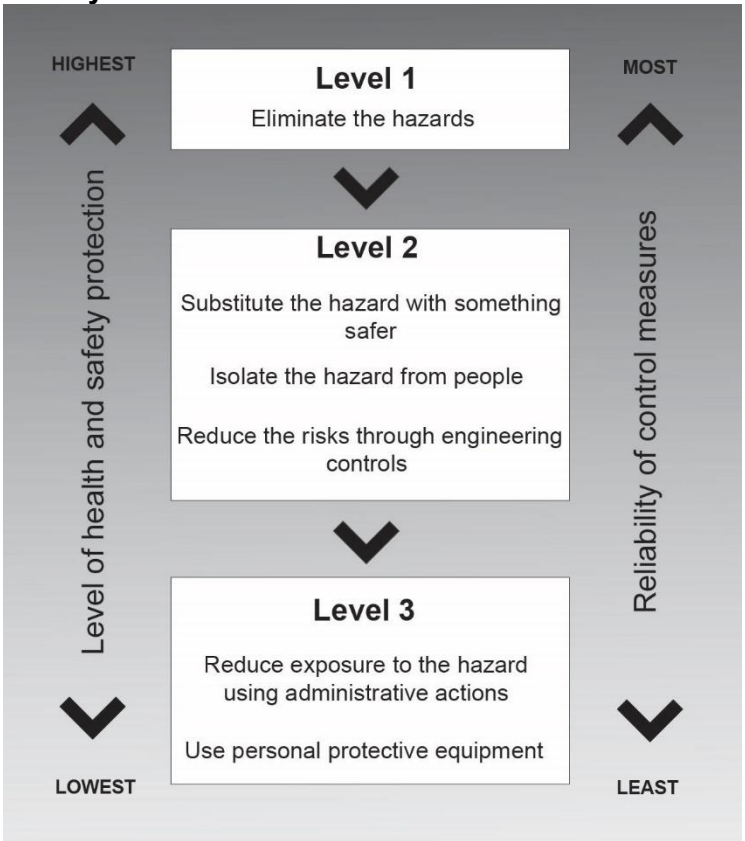
The most crucial step in managing risks involves eliminating them so far as is reasonably practicable, or if that is not possible, minimising the risks so far as is reasonably practicable.

Taking into consideration that there are many ways to control risks, in which case some control measures are more effective than others.

When selecting risk controls, workers must:

- consider various control options;
- choose the control that most effectively eliminates the hazard or minimises the risk in the circumstances;
- consider either using a single control measure or a combination of different controls to provide the highest level of control; and
- consider controlling risks from the highest level of protection and reliability to the lowest as shown in Figure 1. This ranking is known as the **hierarchy of control.**

Figure 1 - The hierarchy of control[1]



9.4.5 Level 1 control measures

The most effective control measure involves eliminating the hazard and associated risk. The best way to do this is by not introducing the hazard into the workplace in the first instance.

9.4.6 Level 2 control measures

If it is not reasonably practicable to eliminate the hazards and associated risks, workers should minimise the risks using one or more of the following approaches:

- Substitute the hazard with something safer;
- Isolate the hazard from people; or
- Use engineering controls.

9.4.7 Level 3 control measures

These control measures rely on human behaviour and supervision, and used on their own, tend to be least effective in minimising risks. These controls include:

- Using administrative controls; or
- Using personal protective equipment (**PPE**).

Administrative controls and PPE should be used to supplement higher level control measures. They may only be used as the sole risk control where:

- there are no other practical control measures available; **AND** their use has been authorised.

9.4.8 Risk Management Record Requirements

The following section details the methods used to record KGL Resources' WHS risk management process. Corporate and project risks are recorded in Active Risk Manager (ARM) software platform.

9.4.9 Safe Work Method Statement

A SWMS must be completed for work if:

- the relevant supervisor determines that the Take 5 are inadequate for the work to be undertaken;
- there is a prescribed requirement set out in an applicable procedure; or
- High Risk Construction Work is being undertaken.

The preparation of a SWMS must be undertaken in consultation with the work team involved in the task.

How to complete a SWMS

Step 1 – Details

Details of work activity: Describe the scope of the work including for example:

- a brief description of the work activity;
- the location; and
- the personnel responsible for monitoring this activity.

Job Steps: Break the activity down into the individual steps that will be undertaken to complete the work including:

- the plant and equipment required;
- KGL Resources procedures/instruction;
- materials used;
- personnel qualifications; and
- specific training for this activity.

Step 2 – Risk Management

Identification of Risks:

For each step, describe the environmental and safety risks that could occur and their risk rating using the **Risk Matrix.**

Risk Matrix: When using the KGL Resources Risk Matrix, identify the risk rating and record this on the SWMS form. The decision as to whether risks have been adequately controlled is to be determined by the following risk rating:

Identification of controls: Identify all controls that will be applied to address the risks.

Identify the most applicable consequence that would result from the risks by using the safety and environment consequence criteria contained in the SWMS and then identify the

likelihood of that consequence. The consequence and likelihood are those that would occur once all identified controls are in place.

Step 3 – Final Signoff

All persons involved in the work to which a SWMS applies must read, understand and sign off on the requirements of the SWMS before commencing work.

A copy of the current SWMS together with any relevant Safety Data Sheets must be present on-site and within close proximity during the work. In certain circumstances, approval may be required from the Principal Contractor's Site Manager. Any SWMS must be kept and made available to any person engaged to carry out work to which the SWMS relates for inspection until the work is completed or for at least 2 years following any notifiable incident.

9.4.10 Take 5

Take 5's are required in the following circumstances:

- the start of any new field task, immediately before commencing work, as a workgroup, and daily as a minimum; or
- if circumstances change during the course of the work, for example, weather deterioration or other work commences nearby.

Take 5s are NOT required for lifestyle tasks, low risk office-based tasks such as changing printer cartridges, and general activities such as driving on formed, public roads.
Workers are to complete the Take 5 on site at the work location, with other workers of the work group and to consider the following:

1. What activities are we about to undertake?
2. Have we identified all the hazards that could affect our work?
3. Have we got all the risks controlled so that our work can be done without causing harm to people or the environment?

If you are satisfied that the risks are all identified and controlled, ensure that everyone in the workgroup has signed onto the Take 5 and proceed with the work.

If the work or job steps change, if you identify new risks or consider that the risk controls are not sufficient, you need to review the Take 5 before proceeding with the work.

9.4.11 Review and Revision of Risk Controls

Risk controls must be reviewed on a regular basis to ensure their effectiveness and to ensure that new risks have not been introduced. A review of risk controls is required:

- when the risk control is not effective in controlling the risk;
- before a change at the workplace that is likely to give rise to a new or different health and safety risk that the risk control may not effectively control;
- if a new hazard or risk is identified;
- if the results of consultation indicate that a review is necessary; and
- if a health and safety representative requests a review.
- Following an incident.

KGL Resources workers may use the same methods as in the initial hazard identification to check controls.

10 Breach of this procedure

Workers must comply with this procedure at all times. KGL Resources takes breaches of this procedure very seriously.

If an employee is found to have breached this procedure they may be subjected to disciplinary action in accordance with KGL Resources' disciplinary processes. Contractors of KGL Resources who are found to have breached this procedure may be the subject of action under their contract with KGL Resources.

11 Related Documentation

Active Risk Manager (ARM)	Risk and Opportunity Assessment Platform
JER-8000-MGT-FRM-0017	Safe Work Method Statement Template
JER-8000-MGT-FRM-0018	Take 5 Booklet

12 Consultation

This procedure has been developed and implemented in consultation and co-operation with KGL Resources' workers.

13 Monitoring, Evaluation and Review

VERIFICATION	
Monitoring	Compliance with this procedure will be monitored through training and regular audits.
Evaluation & Review	The risk rating is moderate, reviewed every 2 years. A review will be undertaken sooner if there are changes to legislation, standards and industry codes, or following a IMS review, changes as defined by WHS Regulators, or to ensure continual improvement.
Version Control	Version 1: May 2026

14 Approval

Konrad Litfin
Project Director