

SAFETY MANAGEMENT SYSTEM MANUAL

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1 PURPOSE

The GDF SUEZ Hazelwood Safety Management System Manual purpose is to detail the Health and Safety management system and provide an integrated management tool for implementing the company's commitment to continually improving Health & Safety performance.

2 SCOPE

The Health & Safety Management System provides the framework for how all the Health and Safety aspects will be addressed on site, beginning with a philosophy and commitment detailed in the Health and Safety Policy cascading down to procedures and work instructions.

GDF SUEZ Hazelwood corporate culture, supported by the Safety Management System, gives priority to Health and Safety considerations for all its employees and contractors.

The H&S Management System aims to apply best practice hazard management techniques to systematically identify and manage the Health and Safety risk that may be associated with the business of the company. It is made up of policies, plans, procedures, work instructions, reference documents, forms etc

3 CONTROL OF THE SAFETY MANAGEMENT SYSTEM

The GDF SUEZ Hazelwood H&S Manager has the overall responsibility for drafting, reviewing, and issuing the Health and Safety Management System Manual.

Reviews of the manual shall be conducted every three years, unless regulatory changes, the GDF SUEZ Hazelwood Health and Safety Manager or Health and Safety committees deem otherwise.

All current documents are kept on the GDF SUEZ Hazelwood controlled document system Paradigm. The Paradigm controlled document system is available electronically through the Paradigm icon on your desktop; it is also accessible via the GDF SUEZ Hazelwood Intranet.

The most current revision of this document is the electronic copy, which is available to employees through the Paradigm system.

4 DEFINITIONS

GDF SUEZ Hazelwood Executive Leadership Team (ELT): Consists of the GDF SUEZ Hazelwood Chief Executive Officer, Director Corporate Services, Director Generation, Mining Director, Finance Director and the Business Optimisation Manager

Health and Safety Team: Consists of the GDF SUEZ Hazelwood Health and Safety Manager and the Health and Safety Officers

5 GENERAL REQUIREMENTS

This document details the GDF SUEZ Hazelwood Occupational Health and Safety Management System. The system is designed to comply with the requirements of OHSAS 18001 and AS/NZS 4801. The risk management processes used in GDF SUEZ Hazelwood's quality systems (ISO 9000, ISO 14001), are consistent with the principles and comply with AS/NZS ISO 31000

5.1 Commitment

GDF SUEZ Hazelwood has a strong Health & Safety commitment from the Chief Executive Officer level, the ELT, the local Health & Safety Committee, the Health and Safety Manager and production personnel. This is evident by GDF SUEZ Hazelwood's commitment to the development, implementation and maintenance of third party certification of their Safety Management System to OHSAS 18001 and AS/NZS 4801.

5.2 OHS Policy

GDF SUEZ Hazelwood has an occupational health and safety policy authorised by the Chief Executive Officer and signed off on by the six members of the Executive Leadership team (ELT). The Policy clearly states GDF SUEZ Hazelwood's OHS objectives and demonstrates a commitment to establishing a safe working environment and compliance with statutory obligations, along with improving OHS performance.

The Policy is reviewed annually.

Health & Safety Policy [Para-Link] is located in 02 Health & Safety Policies.

5.3 Planning

Planning Identification of Hazards, Risk Assessment and Control

GDF SUEZ Hazelwood has documented procedures to identify the OHS hazards and assess and control the associated risks of activities, products and services over which it has control:

Hazard Identification, Risk Assessment & Control [Para-Link] is located in 03 Health and Safety Procedures.

a) Hazards and Risks

GDF SUEZ Hazelwood has prepared a Hazard and Risk Register, hazards as they are identified are added to the register and risks assessed and ranked.

Hazard and Risk Register [Para-Link] is located in 05 Health and Safety Reference Documents.

The risk ranking procedure is located in 01 Certified Management Systems Procedures/SMS

SMS Risk Ranking[Para-Link] . The procedure for identifying and setting objectives and targets is located in 01 Certified Management Systems Procedures/SMS.

SMS Identification & Setting Objectives & Targets [Para-Link] in 01 Certified Management Systems Procedures/SMS

b) Risk Control

Legislation requires that the control of factors assessed as posing an increased risk is implemented as far as practicable.

A standardised procedure using the hierarchy of control method is used by GDF SUEZ Hazelwood to ensure that appropriate control measures are developed and implemented so that the identified risk is eliminated or mitigated. Once in place these control measures are then evaluated.

SMS Evaluation of Risk Control Measures [Para-Link] is located in 01 Certified Management Systems Procedures/SMS. The development of control measures may require an action plan.

SMS Action Plan Development [Para-Link] is located in 01 Certified Management Systems Procedures/SMS.

c) Legal and Other Requirements

GDF SUEZ Hazelwood's Legal and Other Requirements Procedure.

EMS Legal and Other Requirements [Para-Link] is located in 03 Environment Procedures.

Identification and monitoring of Health and Safety Legislation is achieved via subscription to the Anstat Legislation Updates, which provides monthly updates to GDF SUEZ Hazelwood. All current Health and Safety Legislation is available on the GDF SUEZ Hazelwood computer network.

GDF SUEZ Hazelwood's Legal information is also derived from the on line SAI-Global Australian Standards Database and via the Lawlex automated email notification of legislative changes.

The Australian Standards database is available to all personnel via GDF SUEZ Hazelwood's Computer Network, and the Lawlex notifications are targeted at relevant persons.

These measures enable all changes to the Occupational Health & Safety Act or other legislation to be monitored by GDF SUEZ Hazelwood.

Relevant OHS information and changes in legal or other requirements is also communicated to employees, via Pre start meetings, Toolbox meetings and Health and Safety committee meetings, Health and Safety Notice Boards and E mail.

d) Objectives and Targets

GDF SUEZ Hazelwood has established, implemented and maintained documented OHS objectives & targets, consistent with its OHS policy.

SMS Identification & Setting Objectives & Targets [Para-Link] is located in 01 Certified Management Systems Procedures/SMS.

e) OHS Management Plans

GDF SUEZ Hazelwood manages its plans for achieving its objectives and targets utilising its QA software system Paradigm. The means and time frame by which objectives and targets are to be achieved.

SMS Action Plan Development [Para-Link] is located in 01 Certified Management Systems Procedures/SMS.

QMS Non-Conformance Procedure [Para-Link] is located in 01 Certified Management Systems Procedures/SMS.

Procedures have been established to ensure that current plans are reviewed at regular intervals and when legislation changes or there is significant changes in operating conditions occurring.

SMS Evaluation of Risk Control Measures [Para-Link] is located in located in 01 Certified Management Systems/SMS

6 IMPLEMENTATION

Structure and Responsibility

6.1 Resources

GDF SUEZ Hazelwood provides human, material and equipment resources for all aspects of the company safety management system.

Health & Safety Committee Meetings [Para-Link] is located in 03 Health & Safety Procedures/General

Health and Safety Policy [Para-Link] is located in 02 Health & Safety Policies.

GDF SUEZ Hazelwood's management has appointed a specific management representative who, irrespective of other responsibilities, has defined roles, responsibilities and authority for:

- ensuring that SMS requirements are established, implemented and maintained in accordance with OHSAS 18001 and AS/NZS 4801; and
- reporting on the performance of the SMS to senior management for review and as a basis for improvement of the SMS.

The position description for Health & Safety Manager is located in and is controlled by the Human Resource Division

6.2 Responsibility and Accountability

GDF SUEZ Hazelwood has established a procedure for assigning Roles and Responsibilities to the key personnel.

SMS Roles & Responsibility [Para-Link] is located in 01 Management Systems/Certified Management Systems /SMS,

SMS Action Plan Development [Para-Link] is located in 01 Management Systems/Certified Management Systems/SMS.

The accountabilities for all-individual roles and responsibilities associated with GDF SUEZ Hazelwood's Safety Management System are defined in the GDF SUEZ Hazelwood SMS Accountability Matrix. **SMS Accountability Matrix [Para-Link]** is located in 01 Management Systems/Certified Management Systems/SMS.

At GDF SUEZ Hazelwood, all contractors' occupational health and safety roles and responsibilities are documented in each contract.

To ensure that GDF SUEZ Hazelwood have safe systems of work in place to manage contractor activities, GDF SUEZ Hazelwood have Responsible Officers (RO) who have been specifically trained to manage contractor OH&S.:

SMS Evaluation of Contractors [Para-Link] is located in 01 Certified Management Systems Procedures/SMS.

GDF SUEZ Hazelwood's Organisation Chart defines all departments, management positions (relating to Health & Safety) by job title and reporting relationship.

Personnel Names that correspond to the organisation chart that occupy these positions are maintained in a personnel file of our computerised quality management system.

Job descriptions for the key personnel at GDF SUEZ Hazelwood that participate in GDF SUEZ Hazelwood's safety management system, and have important health & safety functions are located and controlled by the Human Resource Department These job descriptions provide a list of key responsibilities, roles and accountabilities with regard to management of health and safety.

- CEO
- Chief Financial Officer
- Director Mining
- Director Power Generation

- Director People, Culture & Environment
- Director Shared Services
- Director Asset Management
- Director Program & Project Management
- Director Risk & Compliance
- Director Carbon Efficiency & Improvement
- Health & Safety Manager
- Quality Assurance & Compliance Manager

6.3 Training and Competency

GDF SUEZ Hazelwood in consultation with employees identifies all training needs in relation to performing work activities safely and competently. Employees are included in the process using one of the following methods:

- Training committees, comprised of work group and management representatives are in place in both the Mine and Power Station. Their primary role is to act as a conduit between all levels in the business and to determine and assist in setting the training needs, standards and performance at GDF SUEZ Hazelwood.
- Training requirements are also discussed and decided at performance reviews. This procedure is reviewed three yearly, is located at 03 Human Resource Procedures and is titled Performance Management.
- Training may be discussed at 'Work Group Toolbox Meetings' and the meetings themselves provide training in new and revised procedures and policies of GDF SUEZ Hazelwood.

There is a policy and procedures in place, to ensure that competencies are developed and maintained. Personnel are assessed for competency on the basis of skills achieved through education, training or experience, to perform assigned tasks taking into account obligations, hazards and risks associated with the work activities.

GDF SUEZ Hazelwood ensures that all personnel (including contractors and visitors) have undertaken training appropriate to the identified needs.

Work Group Toolbox Meeting [Para-Link] is located in 03 Health & Safety Procedures/General.

All personnel are required to undergo the induction process prior to entering the work site. **Induction Manual [Para-Link]** is located in 07 Health & Safety Manuals.

Service providers and sub-contractors are contractually obliged to ensure that their personnel are suitably inducted, trained and/or qualified.

Consultation, Communication and Reporting

6.3 Consultation

GDF SUEZ Hazelwood has a documented procedure, agreed to by employees, for employee involvement & consultation in the resolution of OHS issues.

There is a standard agenda for health and safety meetings, which includes:

- Review of new policies and procedures
- Hazard reports

- Safety statistics
- Accident reports, etc.

Health & Safety Committee Meetings [Para-Link] is located in 03 Health & Safety. Health and Safety committee meetings are used as a forum for reporting major concerns, which will affect a broad group of people or issues that cannot be resolved at the workgroups toolbox meetings.

Work Group Toolbox Meeting [Para-Link] is located in 03 Health & Safety/General. To ensure that communication of information and consultation on Health and Safety matters occurs regularly documented workgroup Toolbox meetings are held.

Occupational Health & Safety Issue Resolution [Para-Link] is located in 03 Health & Safety Procedures/General.

The GDF SUEZ Hazelwood OHS issue resolution procedure identifies the process to be followed for the resolution of Occupational Health & Safety issues to ensure these issues are resolved promptly and at the lowest level possible within GDF SUEZ Hazelwood

6.4 Communication

GDF SUEZ Hazelwood has procedures to ensure that pertinent OHS information is communicated to and from employees and other interested parties. This is implemented through the use of the organisational magazine "Jumbunna", Health and Safety Notice Boards, Work Group Toolbox Meetings, Electronic Mail, Pay slip attachments, and through distribution of the Health and Safety Committee minutes.

GDF SUEZ Hazelwood also ensure that any information on legislative, process or procedural changes are communicated to employees using the following tools:

- Monthly H&S Report
- Health and Safety Blimps;
- H&S Alerts
- Media Flyers
- H&S Notice Boards;
- H&S Committee meetings, Tool Box Talks/Hazelwood Huddle talks;
- Pre Start Meetings; and
- The GDF SUEZ Hazelwood Business portal –Intranet. For VWA, Australian Standards etc.
- A stand-alone GDF SUEZ Hazelwood H&S intranet site

All GDF SUEZ Hazelwood Health and Safety documentation can be found on the Paradigm document system which can be accessed via the GDF SUEZ Hazelwood intranet on any computer on site.

6.5 Reporting

GDF SUEZ Hazelwood have, established and maintained procedures for the timely reporting of information to ensure that the SMS is monitored and performance improved. These include:

- OHS performance reporting utilising a Complete Human Resources Information System (CHRIS21).
- Investigation Reports for incidents/accidents

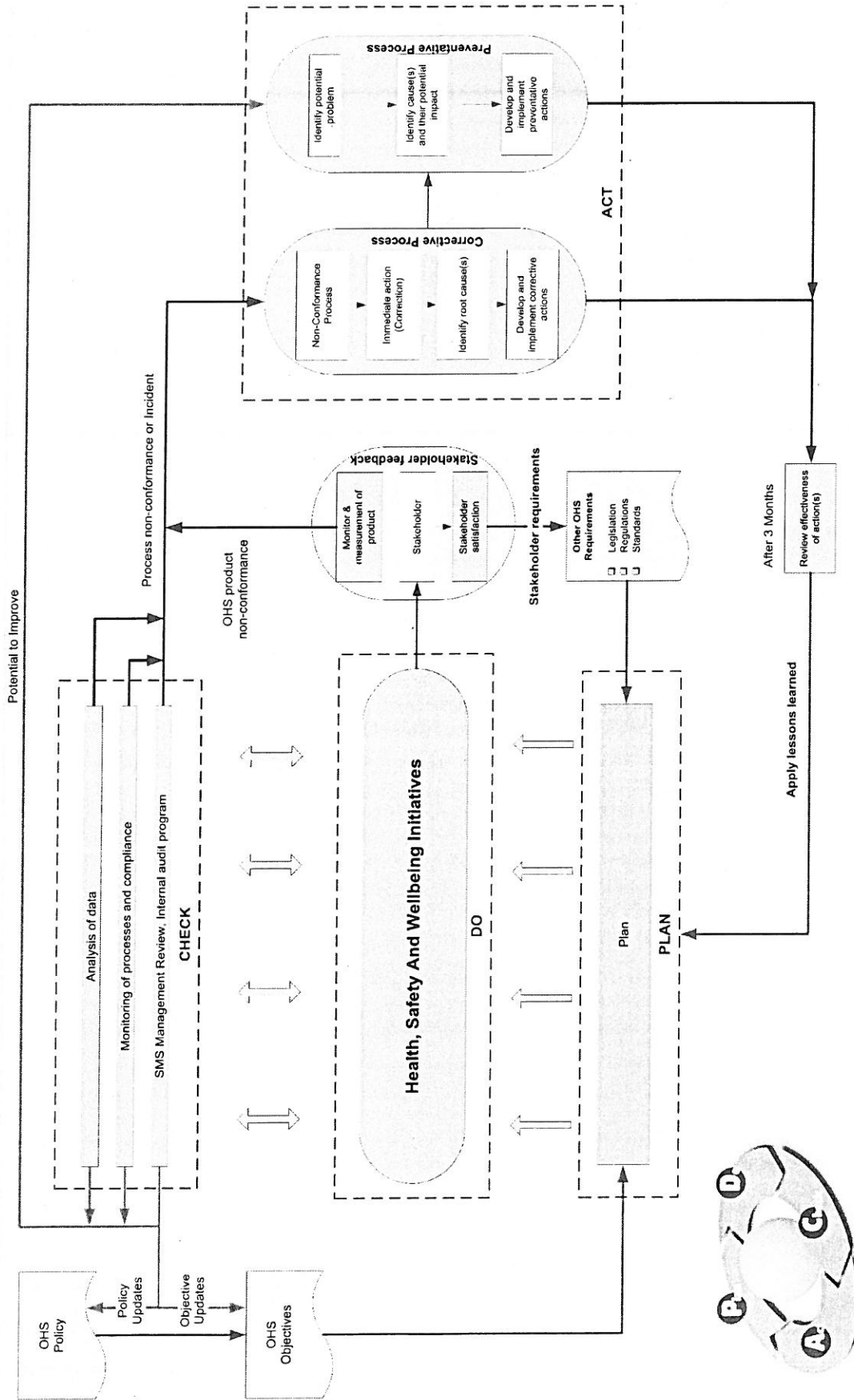
- **Incident Investigation and Reporting [Para-Link]** is located in 03 Health & Safety Procedures/General
- **Incident Management System (IMS)** is accessed through the GDF SUEZ Hazelwood Portal
- Information on how to use the IMS can be found in section 8 of the Hazard Identification, Risk Assessment and Control Procedure located in 03 Health and Safety Procedures/General
- Reporting on Hazard Identification investigations
- Reporting on preventative and corrective action
- **QMS Non-Conformance Procedure [Para-Link]** is located in Certified Management Systems Procedures.
- Maintenance Management System
- Statutory reporting requirements.

6.6 Documentation

All documents and data used by GDF SUEZ Hazelwood to communicate instructions, policies, standards and/or procedures relating to the operation of the Safety Management System, are controlled using the computerised document control system (Paradigm).

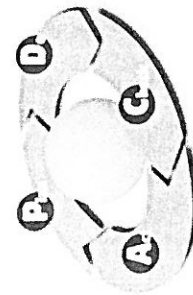
These procedures ensure that all relevant documentation and data are approved by authorised personnel before distribution to Company personnel or departments, that documents and data are identifiable by issue level and or issue date as appropriate, and that all superseded documents and data are appropriately controlled to avoid misunderstanding or confusion.

The diagram on the following page represents the processes of the Safety Management Systems throughout GDF SUEZ Hazelwood that describes the core elements and their interactions

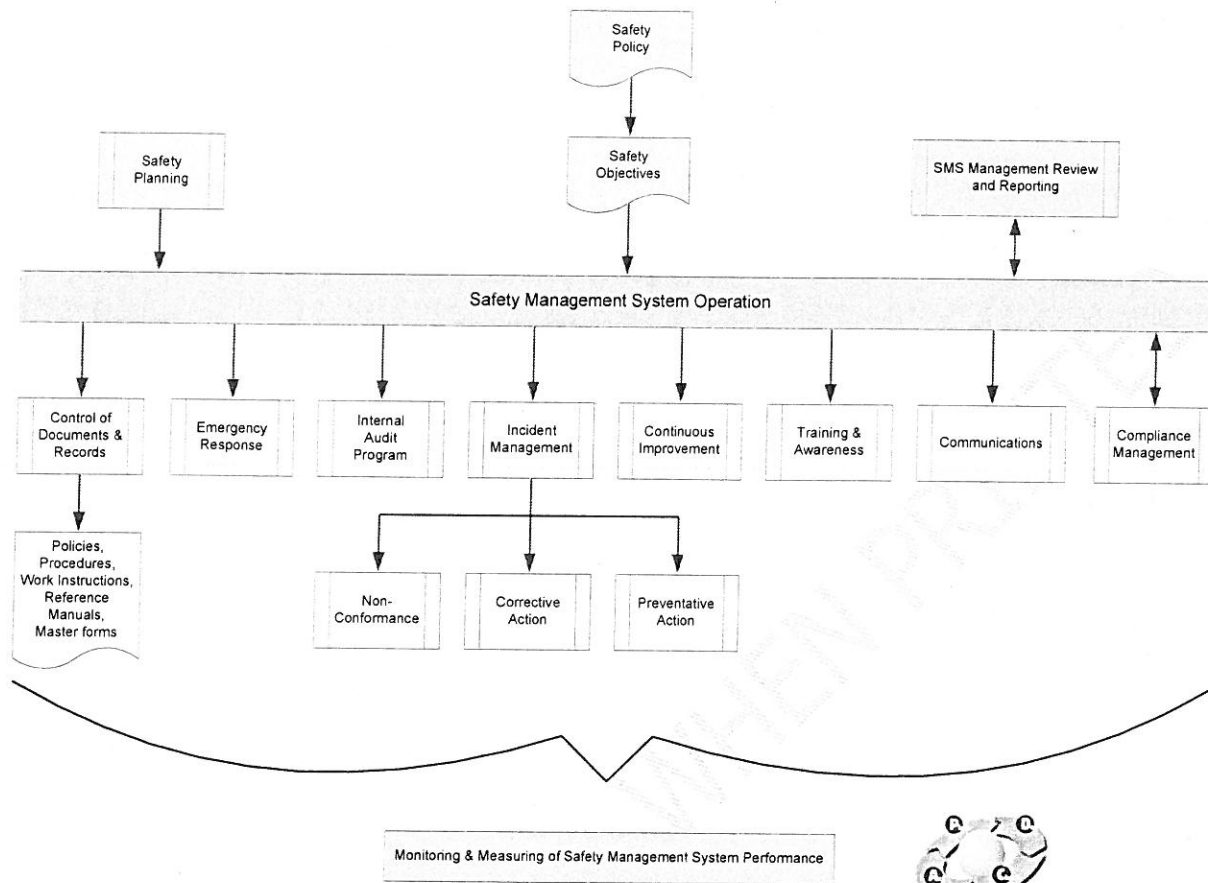


Support Processes: Document & Record Control, Maintenance, Purchasing & Contracts, HR Management, Business Planning, IT Support, Cleaning, Training, Security

Management Processes: Monitor & Measurement, Internal Audit, Supplier Management, Management Review, Preventative & Corrective Processes



7 FUNCTIONS OF THE SAFETY MANAGEMENT SYSTEM



7.1 Document and Data Control

All documents and data used by GDF SUEZ Hazelwood to communicate instructions, policies, standards and/or procedures relating to the operation of the Quality System, are controlled using the computerised document control system Paradigm. These procedures ensure that all relevant documentation and data are approved by authorised personnel before distribution to Company personnel or departments, that documents and data are identifiable by issue level and or issue date as appropriate, and that all superseded documents and data are appropriately controlled to avoid misunderstanding or confusion.

The computer software Quality system is made up of:

- Written policies, procedures, instructions checklists and plans
- Computer based Data collection forms and hardcopy forms for manual data collection
- Workflows (Flow charts)
- Images (Pictures that describe the quality levels) or process techniques

New and revised procedures are authorised before issue by the appropriate Manager and issued under the control of the Quality System. The procedure for document and data Control is reviewed regularly by the Quality Assurance and Compliance Manager.

QMS Document and Data Control [Para-Link] is located in Certified Management Systems Procedures.

8 HAZARD IDENTIFICATION, RISK ASSESSMENT AND CONTROL

8.1 General

GDF SUEZ Hazelwood has documented procedures to ensure that hazards are identified, risks are assessed and controlled.

Hazard Identification

GDF SUEZ Hazelwood identifies hazards in the workplace using a documented procedure. For Major Mining Hazards a specific process is used. Once identified, all hazards are entered into the Hazard and Risk Register.

Hazard and Risk Register [Para-Link] is located in 05 Health and Safety Reference Documents.

8.2 Risk Assessment

The risks associated with each identified hazard are assessed and ranked in the Hazard and Risk Register. **SMS Risk Ranking [Para-Link]** is located in Certified Management Systems Procedures.

8.3 Risk Control

Identified risks at GDF SUEZ Hazelwood are controlled in priority order as set out in the Hazard and Risk Register. The Hazard ID Risk Assessment & Control Procedure is used to determine the necessary controls. The implementation of the controls is carried out by setting targets and objectives followed by the development of an Action Plan to achieve these targets and objectives.

The controls for Major Mining Hazards are defined as part of the review process used in determining the mine site hazards that meet the definition of Major Mining Hazards.

Hazard Identification, Risk Assessment & Control [Para-Link] is located in 03 Health and Safety Procedures/General.

SMS I D & Setting Objectives Targets [Para-Link] is located in Certified Management Systems Procedures/SMS

SMS Action Plan Development [Para-Link] is located in Certified Management Systems Procedures/SMS.

QMS Non-conformance Procedure [Para-Link] is located in Certified Management Systems Procedures.

8.4 Evaluation

The hazard identification, risk assessment and control processes used at Hazelwood are subject to a documented evaluation of effectiveness and are modified as necessary. **SMS Evaluation of Risk Control Measures [Para-Link]** is located in 01 Certified Management Systems Procedures/SMS.

9 EMERGENCY PREPAREDNESS AND RESPONSE

Potential emergency situations have been identified and emergency procedures documented for preventing and mitigating the risks associated with illness and injury.

The major risks are documented in the GDF SUEZ Hazelwood Hazard & Risk Register.

GDF SUEZ Hazelwood reviews and revises, where necessary, its emergency preparedness and response procedures, in particular, after the occurrence of incidents or emergency situations. GDF SUEZ Hazelwood periodically tests such procedures. Key procedures and documents are:

Emergency Response Plan Mine [Para-Link] is located in Emergency Plans.

Emergency Response Plan Station [Para-Link] is located in Emergency Plans.

10 MEASUREMENT AND EVALUATION

Monitoring and Measurement

10.1 General

GDF SUEZ Hazelwood have, established, implemented and maintained procedures for the timely reporting of information to ensure that the key characteristics and activities of its operations that can cause illness and injury are monitored and measured.

Appropriate equipment for monitoring and measurement related to health and safety risks shall be identified, calibrated, maintained and stored as necessary. Records of this process shall be retained according to the organisations procedures.

Information shall be reported by or in the:

- Monthly H&S Report;
- Business Brief;
- Accident investigation
- Tool Box Meeting minutes and agenda; and
- H&S Meeting minutes and agenda in the Mine or Station which includes representation from all contractors on site.

There are procedures for identifying hazards and assessing risks, that cover reporting hazards and for incidents and occurrences, these procedure ensures that action is taken to rectify the problem.

The person identifying the hazard can also report it via the:

- Maximo Work Order System
- Incident Management System (IMS)
- BSafe Improvement Note

The Hazard Identification, Risk Assessment and Control, the Incident investigation and reporting procedure, the H&S Committee Meetings procedure and the Work Group Toolbox Meeting procedure are all located in 03 Procedures/H&S/General

GDF SUEZ Hazelwood has established procedures to monitor:

- Performance, effectiveness of relevant operational controls and conformance with the organisations objectives and targets; and
- Compliance with relevant OHS legislation.

11 HEALTH SURVEILLANCE

GDF SUEZ Hazelwood has a documented procedure for Health Monitoring for its employees. There are also procedures covering specific hazards such as Noise, Asbestos and Lead that have regulatory requirements regarding the testing and monitoring of workers who have been exposed to these hazards.

The above specific hazard procedures are all located in 03 Controlled Documents/Health and Safety/General

Hazelwood has engaged a Registered Nurse to carry out the health surveillance. A medical examination is offered to all employees annually. The examination has been designed to address the specific hazards on GDF SUEZ Hazelwood's site. Employees have access to their individual results. Records of each appointment are maintained.

12 INCIDENT INVESTIGATION, CORRECTIVE AND PREVENTIVE ACTION

GDF SUEZ Hazelwood has a Non-Conformance and Corrective and Preventative Action Procedure. **QMS Non-conformance Procedure [Para-Link]** is located in Certified Management Systems Procedures.

GDF SUEZ Hazelwood shall establish, implement and maintain procedures for:

- Investigating, responding to, and taking action to minimise any harm caused from, incidents;
- Investigating and responding to system failures; and
- Initiating and completing appropriate corrective and preventive action.

Incident Investigation and Reporting **[Para-Link]** is located in 03 controlled documents/Health & Safety Procedures/General.

The organisation shall implement and record any changes in the SMS procedures resulting from incident investigations and corrective and preventive action.

Paradigm's Action Items module is used to define responsibility and authority for handling and investigating non-conformances and for initiating and completing any corrective and preventative actions.

All ongoing or uncompleted Action items will be summarised by the Q.A. Manager and discussed at ELT meetings until they are closed out.

12.1 Records and Records Management

The majority of GDF SUEZ Hazelwood's Health & Safety Records are located on the GDF SUEZ Hazelwood computer network in 'Paradigm'. Additional Health & Safety records at GDF SUEZ Hazelwood are decentralised and they are primarily owned, tabulated, and maintained by the incumbents of the key Job Records are the evidence of the ongoing operation of the SMS and are kept to enable management to assess compliance, assist in the development of policy, and to provide data for Health & Safety performance and targets. GDF SUEZ Hazelwood shall establish, implement and maintain procedures for the identification, maintenance and disposition of OHS records, as well as the results of audits and reviews.

OHS records shall be legible, identifiable and traceable to the activity, product or service involved. OHS records shall be stored and maintained in such a way that they are readily retrievable and protected against damage, deterioration or loss. Their retention times have been established and recorded In the Records Retention Schedule

Records shall be maintained, as appropriate to the system and to the organisation, to demonstrate conformance to the requirements of this Standard.

13 SMS AUDIT

GDF SUEZ Hazelwood has established, implemented and maintains an audit program and procedures for periodic SMS audits to be carried out by competent personnel, in order to determine whether the SMS:

- Conforms to planned arrangements for OHS management including the requirements of AS/NZS 4801 and OHSAS 18001;
- Has been properly implemented and maintained; and
- Is effective in meeting the organisation's policy as well as objectives and targets for continual OHS improvement; and provide information on the results of audits to management and employees.

There is a three yearly internal Health and Safety audit programme schedule, based on legislative requirements and the results of risk assessments of the organizations activities, (Risk Register) and the results of previous audits.

It covers both legislative compliance and internal SMS elements.

GDF SUEZ Hazelwood has a Safety Management System Audit Procedure.

Safety Walk and Compliance Audit Procedure [Para-Link] located in 01 Management Systems/Certified Management Systems/SMS.

The recommendations arising from audits will be programmed for remedial action through the Concerns module of Paradigm with regular progress reports to management and as appropriate, regulatory authorities.

The Quality Manager under the responsibility of the Director Corporate Services will coordinate the audit program.

14 MANAGEMENT REVIEW

There is a requirement under AS/NZS 4801 & OHSAS 18001 certification to conduct at regular intervals a documented Management review of the GDF SUEZ Hazelwood SMS.

GDF SUEZ Hazelwood has a Management Review Procedure to ensure that management reviews of SMS are carried out in a structured manner to allow evaluation of the safety management system and that there is follow up recorded documentation - agendas, minutes and action items.

GDF SUEZ Hazelwood's senior management (a representative of the ELT & the H&S Manager) reviews the SMS, on a six monthly basis to ensure its continuing suitability, adequacy and effectiveness. The management review process ensures that the necessary information is collected to allow management to carry out this evaluation.

The GDF SUEZ Hazelwood SMS Management Review is located in 01 Management Systems/ Certificate Management/ SMS –SMS Management review

SMS Management Review [Para-Link] is located in Certified Management Systems Procedures.