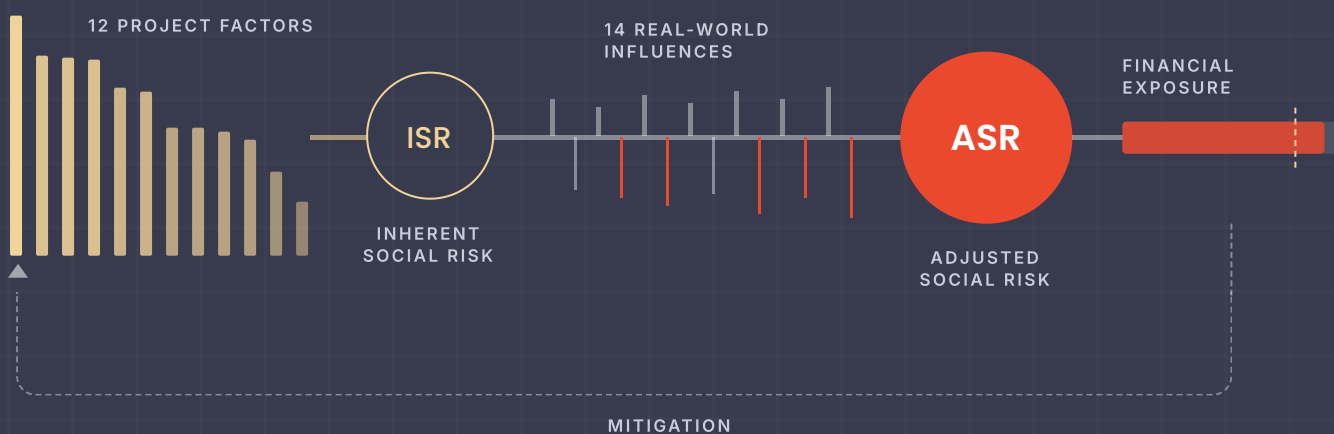


How POPM Works

A plain-English guide to assessing and managing social risk



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What is POPM?

Project
decisions

Project Factors

ISR

Real-world
influences

ASR

Financial
exposure

Mitigation

Re-baseline

POPM in a nutshell

Public Outrage Predictive Modelling (POPM) is a methodology for identifying, assessing and managing the social risk associated with major infrastructure projects, like data centres.

Most approaches to social risk focus heavily on what communities and stakeholders are already saying or doing — their concerns, sentiment, objections, complaints or opposition. These are important signals, but they often emerge after many of the project decisions capable of creating that response have already been made.

KEY PRINCIPLE

POPM moves the assessment upstream.

It starts with the project itself: the decisions and characteristics that can affect people, places and communities. It then considers the real-world conditions surrounding the project that may increase or decrease the resulting social risk.

This allows POPM to distinguish between two important things:

- the social risk inherent in the project itself, and
- the way the circumstances around the project can change that risk.

POPM then translates the resulting risk into Indicative Financial Exposure, allowing project teams to understand whether the level of social risk could materially affect the project's risk position and available contingency budget.

Most importantly, POPM is designed to support decision-making while there are still decisions to be made. It helps identify which sources of social risk are within the project's ability to influence, which are outside its control, and how changing the project could change its social-risk position.

In simple terms, POPM asks three critical questions:

- 1 What social risk are today's project decisions capable of creating?
- 2 How will the prevailing conditions around the project change that risk?
- 3 What can we change now to reduce the risk — and what could it cost if we don't?

Practice-led, evidence-based and AI-enabled

POPM is practice-led, evidence-based and AI-enabled.

It is practice-led because POPM has been developed from more than two decades of experience working with major infrastructure projects and observing how project decisions, community concerns and stakeholder relationships can contribute to broader project risk.

It is evidence-based because those practical observations have been tested and developed against research, documented project experience and case evidence. The factors POPM assesses, the relationships between them and the rules used to interpret them are supported by a structured body of evidence rather than relying on intuition alone.

And it is AI-enabled because artificial intelligence allows POPM to apply that detailed methodology to large and complex bodies of project information. AI can help identify relevant evidence, apply the assessment frameworks consistently, explain the reasoning behind an assessment and test how the risk position could change under different project scenarios.

It's important to know that AI does not determine the methodology.

It operates within POPM's approved frameworks, evidence and assessment rules, with human oversight. This detailed POPM Knowledge Base provides the structure that ensures the assessments undertaken are consistent, repeatable and traceable.

The POPM journey

POPM follows social risk from the early project decisions that create it through to the potential consequences that may result.

To do this, POPM considers information about the project itself alongside information about the communities, location and circumstances in which it will operate. It assesses the project decisions and characteristics capable of creating social risk, then explores how prevailing real-world conditions may change the way that risk is expressed.

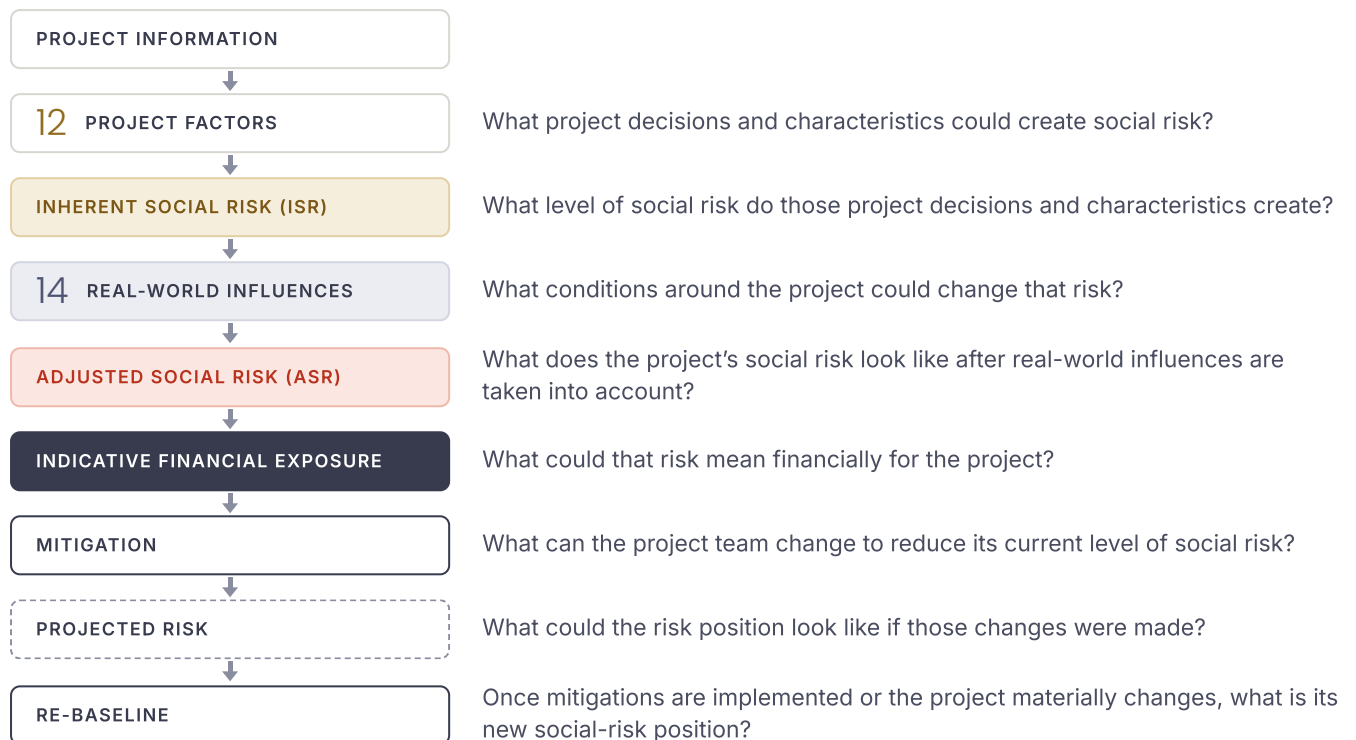
The resulting social-risk position is then used to calculate the project's Indicative Financial Exposure and compare it with the project's available contingency budget.

Where the potential exposure can be absorbed by the available contingency, the project's Overall Project Risk is considered 'Within Tolerance'. Where it cannot, the extent of the financial exposure not covered by contingency determines whether the Overall Project Risk is classified as Moderate, High or Extreme.

Where the level of risk warrants further consideration, POPM can help identify what is within the project's ability to change and test how different project decisions or mitigation scenarios could alter both the social-risk position and financial exposure.

As the project evolves, POPM can be updated to reflect material changes in the project or the circumstances surrounding it.

FIGURE The POPM journey



Why POPM exists

Project
decisions

Project Factors

ISR

Real-world
influences

ASR

Financial
exposure

Mitigation

Re-baseline

Major projects routinely assess risks that could affect their successful delivery. Cost, schedule, safety, engineering, environmental and regulatory risks are identified early, assessed systematically and used to inform project decisions.

Social risk is often treated differently.

The potential for community concern, stakeholder opposition or broader public controversy may be recognised, but it is often assessed through what people are already saying and doing — through consultation feedback, stakeholder sentiment, complaints, media coverage, political attention or organised opposition.

These are important indicators but by the time they become visible, the conditions that created them may already be embedded in the project. For example:

- A site may already have been selected
- Land may already have been acquired
- Resource requirements may already have been established
- Design decisions may already have been made that affect local amenity or community character
- Benefits and impacts may already have been distributed in ways communities consider unfair
- Expectations may already have been created about how much influence people will have over decisions that affect them.

At that point, the project team may be measuring the reaction to social risk rather than the decisions that created it.

Moving social risk upstream

POPM was developed to bring the assessment and understanding of social risk forward — before all the important project decisions have been made.

Rather than waiting for community opposition or stakeholder concern to reveal that a project has a social-risk problem, POPM asks what can be understood from the project decisions and characteristics themselves.

This matters because social risk can begin developing long before it becomes visible.

A project decision may appear reasonable when considered from an engineering, commercial or operational perspective, while creating a very different response when experienced by the people or communities affected by it.

Individual decisions can also accumulate. What appears manageable in isolation may become much more significant when combined with other project impacts or with existing pressures in the host community.

POPM therefore treats social risk as something that can be identified and assessed before it escalates into visible opposition.

This does not mean predicting exactly what a community will do. Nor does it assume that opposition will occur.

Instead, POPM assesses the conditions capable of creating social risk and the circumstances that may influence how strongly that risk is expressed.

The purpose is straightforward: the earlier a project team understands the social risk it may be creating, the greater the opportunity to make informed decisions about it.

That might mean changing something about the project. It might mean recognising a risk that cannot readily be changed and making an informed decision to accept or manage it. Or it might mean ensuring the project has sufficient financial capacity to absorb the potential consequences.

POPM does not remove uncertainty from major-project development. It makes an important source of that uncertainty more visible, quantifiable and better understood while there is still an opportunity to act.

The principle is simple: it is better to identify and reduce the conditions capable of creating social risk than to manage the consequences after that risk has escalated into opposition, disruption or financial exposure. POPM gives project directors the opportunity to do exactly that — to understand social risk upstream, when prevention remains possible with the right project decisions.

What is social risk and where does it come from?

Project
decisions

Project Factors

ISR

Real-world
influences

ASR

Financial
exposure

Mitigation

Re-baseline

What do we mean by social risk?

The term social risk is used in different ways across industries, organisations and countries. In POPM, it has a specific meaning.

DEFINITION

Social risk

Social risk is the potential for project decisions and characteristics to create concern, opposition or other community and stakeholder responses capable of affecting successful project delivery.

Those effects can take many forms.

They might include increased community concern, organised opposition, political pressure, reputational damage, disruption, delays or additional project costs. In more serious cases, social risk can contribute to changes in project design, approvals, timing or even whether a project proceeds.

But these consequences are not the social risk itself. They are potential expressions or consequences of that risk.

This distinction matters.

A project does not suddenly acquire social risk when somebody objects to it, a negative story appears in the media or a protest is organised.

The conditions capable of producing those responses may have developed much earlier in the project planning process, through decisions about:

- where the project will be located
- the resources it consumes
- the impacts it creates
- the benefits it provides
- how transparent it is, or

- how much opportunity affected communities have to influence the decisions that will ultimately impact them.

Similarly, a lack of visible opposition does not necessarily mean that social risk is low.

Concerns may not yet have surfaced, the project may not yet be widely known or understood, or circumstances surrounding the project may change.

POPM therefore looks beyond the question “Are people opposed to this project?”

It asks a more useful question:

KEY PRINCIPLE

“What is it about this project, and the circumstances surrounding it, that could create or change social risk?”

That distinction allows social risk to be assessed before its consequences become obvious — and while the project may still have options available to prevent or reduce the conditions creating that risk.

Projects have relationships too

In our personal and professional lives, relationships are built through interactions.

Every interaction has the potential to strengthen a relationship or diminish it. Trust can be built gradually through many positive experiences, just as it can be weakened through decisions or actions that leave someone feeling ignored, disadvantaged or unfairly treated.

Projects have relationships too.

A major infrastructure project may be an engineering and commercial undertaking, but it also develops a relationship with the community in which it operates. That relationship begins forming through project decisions — often well before formal community engagement begins.

Where will the project be located? How much land, water or electricity will it require? What impacts will neighbouring communities experience? Who will receive the benefits? Who will carry the burden? How transparent will the project be? And how much genuine opportunity will affected people have to influence decisions that affect them?

Each of these decisions can contribute to the way a community experiences the project.

Individually, some may appear relatively insignificant.

But collectively, they can create a pattern that strengthens the conditions for community acceptance or increases the potential for concern and opposition.

Importantly, this relationship is not created by engagement alone.

You can't sell a lemon

Good engagement matters, but it cannot transform a fundamentally poor project proposition simply by explaining it better. If the combination of decisions and characteristics that shape a project has created a lemon, communities are likely to recognise it as one.

Good engagement can help a project team understand community concerns, build trust and make better decisions. But it cannot always compensate for a project profile that communities experience as fundamentally unfair, harmful or unacceptable.

That is why POPM looks at the project as a whole. A single issue may create concern, but social risk is shaped by the way multiple project decisions and characteristics combine — and by the circumstances in which the resulting project is experienced.

Similarly, social risk is not simply a measure of whether a project is popular.

A community does not have to like a project for it to be delivered successfully. What matters is whether the project's decisions and characteristics create conditions capable of generating a level of concern or opposition that can materially affect project delivery.

This is one of the fundamental principles behind POPM:

KEY PRINCIPLE

Social risk does not begin when opposition appears. It begins with the project decisions and characteristics capable of creating the conditions for that opposition.

Understanding those decisions early gives project teams the opportunity to make different choices before concern becomes conflict and conflict escalates into disruption, reputational damage or financial consequences.

How project decisions become downstream consequences

Social risk does not move automatically from a project decision to community opposition.

Between the two is a series of gateways that can determine whether concern emerges, grows or goes no further.

Throughout project planning and development, decisions are made about location, design, resource requirements, impacts, benefits, transparency and how much opportunity affected communities have to influence decisions that affect them. Those decisions create a set of circumstances that people experience in different ways.

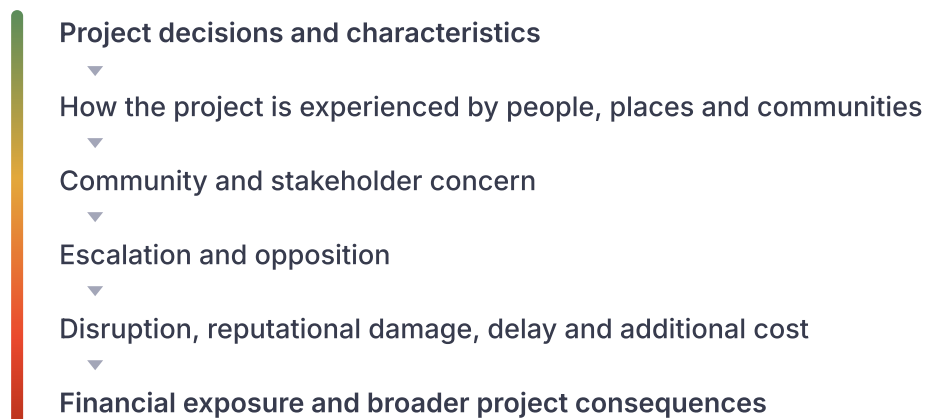
Some may see little reason for concern. Others may believe they are being asked to carry an unreasonable impact, compete for a scarce resource, accept an unfair distribution of benefits and burdens, or live with decisions they had little opportunity to influence.

Concern may remain limited or be resolved. But under the right conditions, it can grow.

More people may become aware of the issue. Concerns may be shared and reinforced. Stakeholders may organise. Media or political attention may increase. Existing community dissatisfaction or pressure may intensify the response.

What began as a characteristic of the project can soon become a much broader project issue.

This is the pathway POPM is designed to understand:



The pathway is not inevitable.

Not every project impact creates concern. Not every concern becomes opposition. Not every opposition campaign causes disruption or delay.

The same project characteristic can also produce very different levels of social risk in different locations and circumstances.

That uncertainty is precisely why POPM assesses both the social risk created by the project and the real-world conditions capable of influencing how that risk is expressed.

The distinction also changes where project teams look for solutions.

If social risk is understood only after opposition appears, the project response naturally focuses on the opposition — more engagement, more communications, stakeholder management and responding to emerging issues.

POPM has been designed to look further upstream by asking whether something about the project itself can and should be changed before concern escalates.

That does not make engagement or communications less important — these strategies remain vital to understanding community concerns and managing social conflict when it arises. But they do not have to be the project's first and only line of defence.

By identifying the causes of social risk much earlier, POPM broadens the project's ability to manage that risk proactively as well as reactively — creating an opportunity to prevent or reduce the conditions for opposition before the focus shifts to managing its consequences.

Assessing the social risk created by the project

Project decisions

Project Factors

ISR

Real-world influences

ASR

Financial exposure

Mitigation

Re-baseline

3.1

What POPM looks at

We have established that social risk can begin with decisions made during project planning and development. The next challenge is working out which aspects of a project are capable of creating that risk and how significant they might be.

POPM does this by assessing a series of Project Factors.

Project Factors represent the decisions and characteristics of a project that evidence and experience indicate are capable of contributing to social risk. They provide a structured way of examining the project from the perspective of the people and communities who may experience its impacts, rather than relying only on the way the project is understood internally.

For data centre projects, POPM assesses 12 Project Factors:

01	Resource Competition	The extent to which the project may compete with communities or other users for resources such as electricity and water.
02	Benefit Imbalance	Whether the distribution of project benefits and burdens may be perceived as unfair.
03	Community Character & Way of Life	The potential for the project to affect the character, amenity or established way of life of the host community.
04	Project Justification	Whether the need for the project and the reasons for its location, scale and impacts are considered credible and justified by affected communities and stakeholders.
05	Environmental Impact	The potential for the project to affect the natural environment.
06	Economic Implications	The potential for the project to create adverse economic effects for individuals, businesses and/or communities.
07	Health & Wellbeing	Actual or perceived impacts on physical health, wellbeing or quality of life.
08	Project Transparency	How open, accessible and candid the project is in providing information about decisions, impacts and commitments.

09 Indigenous Rights & Interests	The extent to which the project may affect the rights, interests, Country or cultural connections of Indigenous peoples.
10 Heritage & Cultural Significance	Potential impacts on places, objects, landscapes or values of heritage or cultural importance.
11 Opportunity to Influence	The extent to which affected communities and stakeholders have meaningful opportunities to influence decisions that affect them.
12 Site Selection & Development Concentration	The social-risk implications associated with where the project is located and the extent to which data centre development is concentrated in the surrounding area.

Each Project Factor is assessed individually because it represents a different potential source of social risk. However, the 12 factors should not be understood as isolated risks.

As we saw in the previous chapter, it is the overall project profile that matters. A single factor may create relatively little concern on its own, while several factors occurring together can create a very different set of circumstances for the host community.

Nor are all Project Factors equally important in every project. Some may not be present at all. Others may become significant drivers of the project's social-risk position.

POPM therefore uses the Project Factors to answer two fundamental questions:

Which aspects of this project are capable of creating social risk?

How significant is each of those sources of risk in this particular project?

The answers provide the building blocks for assessing the project's Inherent Social Risk (ISR) — the level of social risk arising from the project decisions and characteristics themselves, before any real-world influences surrounding the project are taken into account.

3.2

How POPM assesses Project Factors

Identifying which Project Factors are relevant is only the beginning. POPM also needs to determine how significant each factor is for the particular project.

Each Project Factor is assessed using the same structured process, drawing on information about the project and the circumstances in which it is being developed.



Starting with project evidence

The assessment begins with the available evidence.

This can include project plans and design information, technical studies, business cases, approvals documentation, engagement strategies and findings, stakeholder and community feedback, publicly available information and other credible sources relevant to the project.

Project Intelligence is not limited to formal documentation. It can also include relevant project-specific observations, informed knowledge or other information that may not ordinarily appear in formal project records, provided its source and evidentiary limitations are appropriately recognised.

This information forms the project's Project Intelligence — the evidence base POPM draws on to inform the assessment.

AI assists by analysing that information, identifying evidence relevant to each Project Factor and applying it against POPM's approved assessment methodology. This allows large and complex bodies of project information to be considered systematically while retaining a clear connection between the evidence and the resulting assessment.

Is the factor present?

The first question asked by POPM is whether the Project Factor is actually present.

A factor should not contribute to the project's social-risk assessment simply because it could theoretically be relevant. There must be evidence that the issue represented by that factor actually exists for the project being assessed.

Where a Project Factor is not present, it is excluded from the assessment. Where it is present, POPM assesses how significant the Project Factor condition is.

Identifying the Material Findings

For each factor that is present, POPM identifies the Material Findings — the project conditions and evidence that materially underpin the assessment.

These might include, for example, substantial demand for a constrained local resource, proximity to sensitive receptors, a significant imbalance between local impacts and benefits, or limited opportunity for affected communities to influence an important decision.

Material Findings are not individually scored. They record the important project-specific facts, circumstances and evidence that underpin the assessment and help explain why the factor received its score.

This makes the reasoning easier to understand, review and reproduce. It also becomes important later when POPM tests mitigation: if something about the project changes, the assessment can identify which Material Findings have genuinely changed and which remain the same.

Assessing the factor as a whole

Each Project Factor has its own Master Framework.

The Master Framework sets out what the factor means, what evidence is relevant and the criteria used to distinguish different levels of significance for that Project Factor. POPM uses the available Project Intelligence and Material Findings to assess the factor as a whole against that framework.

Where a factor is present, it receives a score from 1 to 10, with higher scores representing a more significant Project Factor condition under the relevant Master Framework. That score is then used to determine the factor's contribution to Inherent Social Risk.

The score is not produced by adding up individual issues or Material Findings. It is a holistic assessment of the Project Factor against the approved Master Framework.

This distinction is important. Five relatively minor findings do not automatically create more social risk than one highly significant finding. What matters is the overall condition of the factor and how that condition compares with the assessment criteria.

How confident are we in the assessment?

Not every assessment is supported by the same quantity or quality of evidence. POPM therefore also records Assessment Confidence.

Assessment Confidence does not change the Project Factor score. Instead, it indicates the level of confidence in the AI-generated assessment based on the amount, strength, quality and completeness of the evidence available to support it.

A factor may have a high Project Factor score supported by extensive and reliable evidence, or the same score may be based on more limited information. A lower level of confidence can identify where additional project information, further research or closer human review may strengthen the assessment.

AI assists but people remain accountable

AI makes it possible to analyse complex project information and apply the POPM methodology consistently, but the resulting assessment remains reviewable by people.

The evidence, Material Findings, reasoning, score and Assessment Confidence can be examined, challenged and, where warranted, revised before the user accepts the assessment.

This combination of structured methodology, evidence, AI analysis and human oversight is designed to make Project Factor assessments consistent and repeatable without pretending that complex social risk can be reduced to an automated answer.

3.3

From Project Factors to Inherent Social Risk

Once the Project Factors have been assessed, POPM brings the individual results together to determine the project's Inherent Social Risk (ISR).

DEFINITION

Inherent Social Risk (ISR)

ISR represents the level of social risk arising from the project decisions and characteristics themselves.

It gives project teams a way of seeing the project's underlying social-risk profile before considering the real-world influences that may increase or decrease the way that risk is ultimately expressed.

Not all Project Factors carry the same weight

Although every Project Factor is assessed using the same 1–10 scale, not every factor has the same potential to contribute to social risk.

POPM research examined the frequency, prominence and impact of different Project Factors across documented project experience. In simple terms: how often did the factor emerge as a source of social risk, how prominent did it become when it did, and how significantly did it affect project outcomes?

These differences are reflected in an evidence-based weighting applied to each Project Factor score when the project's Adjusted Social Risk (ASR) is calculated. Project Factor weightings do not form part of the ISR calculation.

This means a score of 8 for one Project Factor will not necessarily contribute exactly the same amount to ASR as a score of 8 for another.

The weightings are not intended to suggest that one type of community concern is inherently more important or legitimate than another. They reflect what the evidence tells us about the relative contribution different Project Factors make to social risk and project consequences.

Building the project's inherent risk profile

Where a Project Factor is present, it is assessed from 1 to 10 against its approved Master Framework. Together, those assessments determine the project's Inherent Social Risk (ISR).

A project with several highly scored Project Factors will generally have a higher ISR than one with fewer or less significant sources of social risk. But the value of ISR is not simply the final number.

The individual Project Factor results identify and quantify where the project's inherent social risk is coming from.

Two projects could therefore have a similar ISR while having very different risk profiles. One might be driven primarily by competition for constrained resources and an imbalance between local impacts and benefits. Another might derive much of its risk from site selection, community character, environmental impacts or limited opportunity to influence.

That distinction matters because different sources of social risk require different project responses and mitigations.

What ISR tells us — and what it doesn't

ISR gives us a structured assessment of the social risk arising from the project's current decisions and characteristics.

It does not tell us exactly how communities will respond.

Nor does it yet account for all the circumstances surrounding the project that may influence whether the underlying risk remains relatively contained or becomes more significant.

A project with a comparatively high ISR may operate in circumstances that moderate how strongly that risk is expressed. Another project with a lower ISR may encounter real-world influences that substantially increase it.

ISR therefore gives POPM its starting social-risk position — the risk arising from the project itself before the world around it is taken into account.

The next step is to understand how real-world influences can change that social-risk position — both positively and negatively.

Understanding how the real world influences social risk

Project decisions

Project Factors

ISR

Real-world influences

ASR

Financial exposure

Mitigation

Re-baseline

4.1

The same project can face very different social risk

Inherent Social Risk tells us about the social risk arising from the decisions made and characteristics of the project being assessed.

But projects are not delivered in the theoretical environment in which they are conceived. They are built in the real world and are therefore subject to the conditions that surround them.

Specifically, projects ultimately become part of host communities with their own histories, pressures, attitudes and experiences. They operate within political environments, attract different levels of public attention and may arrive at times when communities are already experiencing significant change or other pressures.

These circumstances can substantially change the way a project's inherent social risk is expressed.

EXAMPLE

Consider two data centres with similar electricity and water requirements.

One is proposed in a location with abundant resource capacity, strong infrastructure, relatively little development pressure and a community accustomed to hosting major industry.

The other is proposed in a community already experiencing pressure on electricity or water supplies, rapid development and growing concern about the cumulative demands being placed on local resources and infrastructure.

The project's demand for valued resources might be similar, but the circumstances into which that demand is introduced may be very different.

That means the social-risk context is also different.

The same principle applies well beyond resource use.

A project emerging in a community with strong trust in the developer may be viewed more sympathetically than one proposed by an organisation with poor social licence. A project announced during a politically sensitive period may attract attention that the same project would not receive at another time. Existing opposition may amplify concerns that might otherwise have remained relatively contained.

None of these circumstances necessarily changes the underlying project decisions or characteristics captured in ISR.

What they can change is how strongly the resulting social risk is likely to be expressed.

This distinction is fundamental to POPM.

It allows us to separate:

the social risk created by the project itself

from the real-world influences that can increase or decrease that risk.

POPM calls these influences ASR Determinants because they help determine how the project's Inherent Social Risk translates into its Adjusted Social Risk (ASR).

This is why two projects with similar Inherent Social Risk can ultimately have very different social-risk positions.

4.2

How real-world influences change the risk

POPM assesses the real-world influences surrounding a project through a series of ASR Determinants.

These determinants capture the conditions, perceptions and dynamics that can influence how the social risk created by the project is likely to be expressed and experienced.

They do not create a second set of Project Factors. Nor do they replace or rescore the underlying project decisions and characteristics already captured in ISR.

Instead, they help answer a different question:

KEY PRINCIPLE

What is happening around this project that could increase or decrease its social risk?

POPM groups these influences into four main categories of ASR Determinants.

Amplifiers 4	Modifiers 4	Political Context 3	Social Resilience Context 3
Visibility & Prominence Project Confirmation Escalating Opposition Disruption Fatigue	Social Licence Public Opinion Stakeholder Sentiment Political Backing	Electoral Sensitivity Election Proximity Geopolitical Climate	Resource & Infrastructure Pressure Environmental Stress Community Vulnerability & Capacity Pressure

Amplifiers

Amplifiers identify conditions that can increase the potential for existing social risk to become more visible, established or escalated.

For example, a project that is not widely known may face a very different risk environment once it becomes highly visible. Similarly, emerging opposition can become more significant as it becomes organised, attracts attention or begins to escalate.

POPM considers four Amplifiers: Visibility & Prominence, Project Confirmation, Escalating Opposition and Disruption Fatigue.

Amplifiers can increase social risk by varying degrees when present, but their absence does not reduce risk — it simply maintains the existing ISR level.

Modifiers

Modifiers capture existing perceptions and relationships that can increase or decrease the way project-related social risk is expressed and experienced.

They include the strength of the project’s existing social licence, wider public opinion, stakeholder sentiment and the level of political backing surrounding the project.

Unlike Amplifiers, Modifiers can move social risk in either direction. Positive conditions may moderate social risk, while negative conditions may increase it.

POPM considers four Modifiers: Social Licence, Public Opinion, Stakeholder Sentiment and Political Backing.

Political Context

Projects are also developed within political environments that can influence how social concerns are interpreted, prioritised or acted upon.

Political Context captures existing political and electoral conditions that can change the sensitivity surrounding a project and its social risk.

A project located in an electorally sensitive area may attract greater political scrutiny than the same project elsewhere.

The proximity of an election can increase the potential for project concerns to become politicised.

Wider geopolitical tensions can also change the way a project is perceived or debated, particularly where questions of strategic dependency, national security or international relationships become relevant.

POPM considers three Political Context determinants: Electoral Sensitivity, Election Proximity and Geopolitical Climate.

Social Resilience Context

Projects also enter communities whose existing built, natural and human systems have different capacities to accommodate additional change.

Social Resilience Context considers how well the community and the systems supporting it can absorb, adapt to and recover from additional project-related pressure.

It deliberately looks at the conditions that already exist before the project's additional demands or impacts are introduced.

This distinction is important.

Resource & Infrastructure Pressure looks at whether existing built systems — such as water, energy, transport, housing and essential services — are already under strain.

Environmental Stress considers the existing condition and resilience of the natural environment.

Community Vulnerability & Capacity Pressure considers whether existing social, economic and organisational pressures may limit the community's capacity to cope with further change.

POPM therefore considers three Social Resilience Context determinants: Resource & Infrastructure Pressure, Environmental Stress and Community Vulnerability & Capacity Pressure.

Social Resilience Context does not change the inherent nature of the Project Factors themselves. Instead, it helps explain why the same underlying project concern may be relatively easy to accommodate in one community but expressed more strongly, or prove more difficult to manage, in another.

Each relevant ASR Determinant is assessed against its approved Assessment Standards, with the resulting assessment and Assessment Confidence recorded as part of the project's POPM assessment. As with the Project Factors, Assessment Confidence indicates the level of confidence in the AI-generated assessment based on the amount, strength, quality and completeness of the evidence available to support it, without changing the assessment result.

Not every influence affects every source of risk

Importantly, ASR Determinants do not automatically apply to every Project Factor.

A real-world condition should only influence adjusted social risk where it has a relevant relationship with the particular source of risk being assessed.

For example, existing pressure on local water infrastructure may significantly influence the social risk associated with a project's water demand. It should not automatically increase unrelated sources of social risk simply because that pressure exists.

POPM therefore identifies which ASR Determinants are relevant to each Project Factor and applies them only to those parts of the project's inherent social risk that they can reasonably influence.

This allows POPM to adjust ISR according to how the particular social risks created by the project interact with the real-world conditions surrounding them, rather than simply applying a general context score to the entire project.

4.3

From ISR to Adjusted Social Risk

Once POPM has assessed the project's Inherent Social Risk and the relevant ASR Determinants, it brings the two together to calculate the project's Adjusted Social Risk (ASR).

DEFINITION

Adjusted Social Risk (ASR)

ASR represents the project's social-risk position after the real-world influences surrounding it have been taken into account.

The distinction between ISR and ASR is important.

ISR tells us how much social risk is being created by the project itself.

ASR tells us what happens to that risk when the project meets the real world.

Depending on the circumstances, ASR may be higher or lower than ISR. Where Amplifiers or other negative influences are present, the underlying social risk may increase. Where positive Modifiers are relevant, they may reduce the resulting social risk.

The size of the difference between ISR and ASR can therefore tell us something important about the project.

A substantial increase from ISR to ASR indicates that the circumstances surrounding the project are making its inherent social risk more difficult to manage. A reduction indicates that favourable real-world conditions are helping to moderate it.

But ASR does not replace ISR.

Both results matter because they tell project teams different things.

ISR identifies the social risk arising from decisions and characteristics that may be within the project's ability to influence.

ASR shows the project's broader social-risk position once the circumstances it must operate within are taken into account.

This distinction becomes particularly important when deciding what to do next.

A project cannot necessarily change the political environment, remove existing community pressures or control wider public opinion.

But it may be able to change some of the project decisions and characteristics that generated the underlying risk in the first place. Reducing that inherent risk can also reduce the amount of social risk exposed to those wider real-world influences.

In that sense, ISR and ASR provide two different but complementary views:

ISR helps us understand the social risk the project is creating.

ASR helps us understand the social-risk environment the project is actually facing.

Together, they provide a more complete picture of the project's social-risk position than either could provide on its own.

Understanding your POPM risk position

Project decisions

Project Factors

ISR

Real-world influences

ASR

Financial exposure

Mitigation

Re-baseline

5.1

What your POPM results tell you

By this point, POPM has produced two important measures of social risk.

Inherent Social Risk (ISR) tells us how much social risk is arising from the project's own decisions and characteristics.

Adjusted Social Risk (ASR) tells us what that risk looks like after the relevant real-world influences surrounding the project have been taken into account.

Together, they allow project teams to see not only the project's overall social-risk position, but also what is driving it and where it's coming from.

This matters because the same ASR can be produced by very different combinations of project and external risk.

One project may have relatively high inherent social risk that is being moderated by favourable real-world conditions. Another may have relatively modest inherent risk that is being substantially increased by the circumstances surrounding it.

The final ASR alone cannot tell us that.

Looking at ISR and ASR together allows project teams to distinguish between:

- risk arising from the project itself
- risk being added to or moderated by the circumstances surrounding it, and
- the individual Project Factors contributing most strongly to the underlying risk.

That provides more than a risk score. It provides a diagnosis of the project's social-risk position and begins to show where there may be opportunities to change it.

But understanding the level and source of social risk is only part of the picture.

For project decision-makers, another question matters:

KEY PRINCIPLE

What could this level of social risk mean for the project financially?

5.2

Turning social risk into Indicative Financial Exposure

Community opposition can create costs in many ways.

For example, delays caused by social conflict can elongate project schedules and blow out financing periods. Other common impacts include last-minute design changes, additional studies, increased environmental offsets, approvals processes, legal challenges, land acquisition costs, disruption, reputational impacts, additional engagement and communications.

These and other responses to emerging opposition can introduce additional costs that were not anticipated when the project was originally planned. In severe cases, social opposition can contribute to major project delay, redesign or cancellation.

Social risk can be more difficult to incorporate into project risk decisions because it is often measured differently from other material project risks. Measures such as stakeholder sentiment, community satisfaction or levels of opposition may provide valuable information, but they do not readily allow the potential consequences of social risk to be compared financially with other project risks.

Without a comparable measure, social risk can be difficult to weigh alongside the other risks competing for project attention, resources and contingency — even when its potential consequences are significant.

POPM addresses this by translating the project's assessed social risk into Indicative Financial Exposure.

This does not mean POPM predicts that a particular project will lose a specified amount of money.

Instead, it uses the assessed level of social risk to estimate the proportion of the project budget potentially exposed to social-risk consequences, allowing that exposure to be considered alongside the project's existing financial provisions for risk.

POPM calculates Indicative Financial Exposure for both ISR and ASR.

The ISR exposure shows the financial exposure associated with the project's underlying social risk.

The ASR exposure shows how that position changes once the relevant real-world influences surrounding the project are taken into account.

This allows the financial significance of the ISR–ASR difference to become visible as well.



5.3

Is the project within its risk tolerance?

Indicative Financial Exposure becomes particularly useful when it is compared with the project's available contingency budget.

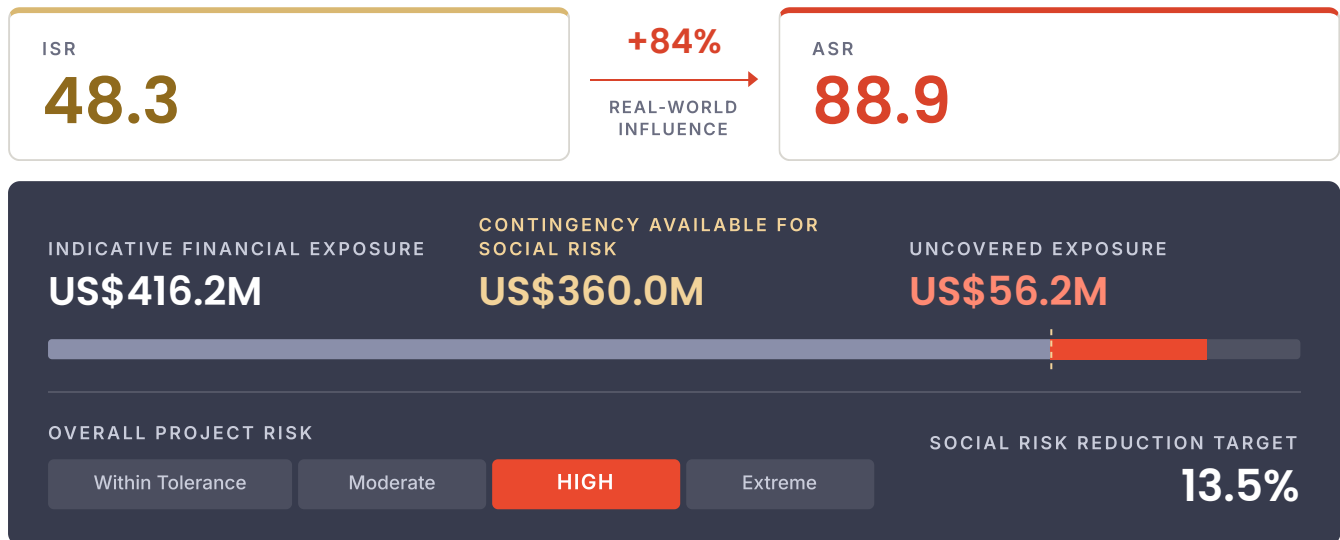
Contingency exists to provide financial capacity to absorb uncertainty and risk during project delivery. However, a project team may not consider the entire contingency budget available to absorb social risk. POPM therefore allows the project team to determine how much of its available contingency it is prepared to apply to potential social-risk exposure.

Where the financial exposure can be absorbed within that available amount, POPM considers the project's Overall Project Risk to be Within Tolerance.

Where financial exposure exceeds the amount of contingency available for social risk, POPM identifies the portion that remains financially uncovered. The extent of this uncovered exposure determines whether the project's Overall Project Risk is Moderate, High or Extreme.

EXAMPLE · READING A POPM RISK POSITION

ILLUSTRATIVE



This distinction is important because two projects with the same social-risk score may not have the same Overall Project Risk.

A project with sufficient contingency may have the financial capacity to absorb its estimated social-risk exposure. Another project with the same social-risk profile but significantly less contingency may not.

POPM therefore considers both:

How much social risk is the project facing?

and Does the project have sufficient financial capacity to absorb the potential consequences?

5.4

Absorbing financial exposure versus reducing social risk

There is an important distinction between having enough money to absorb social risk and actually reducing the social risk itself.

Increasing a project's contingency budget may improve its Overall Project Risk because more of the financial exposure can be absorbed.

But it does not change the project decisions or characteristics creating the underlying social risk.

Nor does it change the real-world conditions influencing how that risk may be expressed.

The social risk remains.

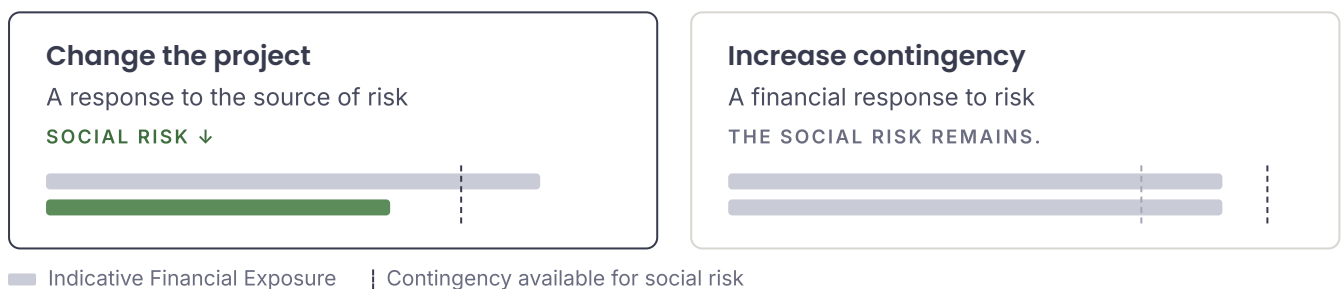
This gives project decision-makers two fundamentally different ways of responding to an unacceptable risk position.

They can increase the project's financial capacity to absorb the potential consequences.

Or they can examine whether something about the project can be changed to reduce the social risk capable of creating those consequences in the first place.

These responses are not mutually exclusive. A project team may choose to do both.

But the distinction matters because additional contingency is a financial response to risk, while changing the project is a response to the source of risk.



POPM is designed to make both options visible, allowing project teams to understand whether they are absorbing the financial consequences of social risk, reducing its underlying sources, or doing both.

Once the project's social-risk position and financial exposure are understood, the next question becomes:

KEY PRINCIPLE

What can we change now to reduce the risk — and what could it cost if we don't?

6.1

What the project can influence — and what it can't

One of the most important distinctions in POPM is between understanding social risk and being able to change it.

By this stage of the assessment, POPM has identified both the social risk arising from the project's decisions and characteristics — its Inherent Social Risk (ISR) — and the real-world influences affecting how that risk is likely to be expressed and experienced. Together, these produce the project's Adjusted Social Risk (ASR).

These two parts of the project's social-risk position are important, but they are fundamentally different when it comes to what the project team can do about them.

Many of the project decisions and characteristics contributing to ISR may be capable of change. The real-world influences that shape ASR are generally less within the project team's control.

12 PROJECT FACTORS → ISR

May be capable of change

14 ASR DETERMINANTS → ASR

Generally less within the project team's control

For example, a project team may be able to reconsider aspects of the project's site, design, resource requirements or impacts. It may be able to change the way benefits are distributed, improve transparency, provide greater opportunity for affected communities to influence decisions, or address other characteristics contributing to the project's Inherent Social Risk.

Other influences may be much harder, if not impossible, for the project to change.

A project team cannot move an election, remove existing political sensitivity or simply make community pressure on housing, infrastructure or natural resources disappear. Nor can it necessarily change established public opinion, stakeholder sentiment or wider geopolitical circumstances.

This does not mean those influences should be ignored. They remain important because they affect the social-risk environment the project is facing.

But it does change the question POPM asks.

Rather than assuming every source of social risk can be controlled, POPM distinguishes between the conditions the project may be able to change and the conditions it may need to understand, accommodate or manage.

That distinction brings the focus back to the Project Factors.

Because Project Factors capture the project decisions and characteristics creating the underlying social risk, they show us where the principal opportunities for reducing that risk may lie.

6.2

Identifying the risks that can be changed

A high Project Factor score tells us that a particular aspect of the project has been assessed as significant and is contributing to its Inherent Social Risk.

But it does not automatically tell us what should be changed.

To understand that, POPM looks beyond the score, to the Material Findings underpinning the assessment. These findings identify the specific project conditions responsible for the factor's risk position.

EXAMPLE

For example, a high Resource Competition score might be driven by substantial project demand for electricity, water or other resources that are also valued or required by the host community.

A high Benefit Imbalance score might reflect significant local impacts alongside relatively limited local benefits.

A high Opportunity to Influence score might arise because important project decisions affecting the community were made before stakeholders were given any meaningful opportunities to influence.

These distinctions matter because mitigation needs to change the conditions creating the risk, not simply target the score that represents it.

POPM therefore uses the assessment process to identify where there may be genuine opportunities to change the project's underlying risk profile.

Some Project Factors may offer substantial scope for change. Others may be constrained by decisions already made, technical requirements, commercial realities, regulatory obligations or circumstances that cannot reasonably be altered.

And sometimes the project team may decide not to change a source of risk at all.

POPM does not assume that every identified risk must be reduced — rather it raises the visibility of those risks and their potential consequences. This information helps project teams make more informed decisions to reduce risk, accept it or increase the project's financial capacity to absorb it.

6.3

Exploring mitigation options

Where a project team wants to investigate opportunities to reduce the project's social risk, POPM can help identify mitigation options relevant to the Project Factors and Material Findings driving that risk.

These options are informed by POPM's evidence base and documented project experience. They are intended to allow project teams to explore the kinds of changes that may address the conditions contributing to social risk.

A mitigation option might involve changing a physical aspect of the project, reducing an impact or resource requirement, altering the distribution of benefits and burdens, improving access to information, or creating a more meaningful opportunity for affected communities to influence a decision.

But identifying a mitigation option does not mean POPM automatically assumes that it will reduce risk.

The effect of any mitigation depends on the particular project.

A response that substantially changes one Project Factor's risk position may leave others unchanged. A mitigation intended to address one source of risk may also create consequential effects elsewhere in the project — positively or negatively. And some actions may support the implementation of a mitigation without changing the underlying project conditions themselves.

For that reason, there is no rule that says a particular mitigation automatically reduces a Project Factor by a standard percentage or number of points.

Instead, the question is:

KEY PRINCIPLE

If we changed the project in this way, what would the project look like — and how would POPM assess it then?

That distinction is fundamental to this methodology.

Mitigation in POPM is not about applying a discount to the existing risk score. It's about considering a different version of the project and assessing whether the proposed changes would genuinely alter the conditions creating its social risk.

Individual mitigation options can also be combined.

A project team may want to consider a package of changes addressing several sources of social risk at once, or compare different combinations of changes before deciding which approach is most appropriate and achievable.

In POPM, these alternative packages are known as Mitigation Scenarios.

Each scenario represents a different version of the project that can then be tested against the same POPM methodology used to assess the current project. This allows project teams to compare the current risk position with what that position could look like if different combinations of project changes were made.

So the next step is not simply asking “what could we change?”, but:

KEY PRINCIPLE

If we made those changes, what difference could they actually make?

Testing how mitigation could change social risk

Project decisions

Project Factors

ISR

Real-world influences

ASR

Financial exposure

Mitigation

Re-baseline

7.1

Building a mitigation scenario

Once potential mitigation options have been identified, POPM allows project teams to combine them into Mitigation Scenarios and test how different versions of the project could change its social-risk position.

A Mitigation Scenario is not limited to one Project Factor or one intervention.

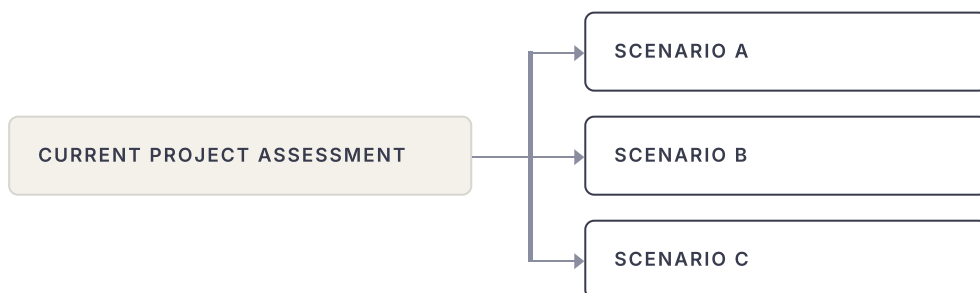
It represents a whole-of-project package of proposed changes. A scenario might contain a single significant change, several related mitigations, or a combination of changes addressing different sources of social risk across the project.

For example, one scenario might reduce resource requirements while also increasing local benefits. Another might consider a different site or design alongside changes to project impacts and opportunities for community influence.

Different scenarios therefore represent genuinely different choices that may be available to project decision-makers.

Importantly, each scenario starts from the same current project assessment.

This means Scenario A, Scenario B and Scenario C are alternative versions of the current project. They are not progressively stacked on top of one another.



That allows project teams to make a like-for-like comparison between the existing project and different combinations of potential changes.

Before POPM can test a scenario, however, the proposed changes need to be sufficiently clear to understand what would actually be different about the project.

A broad intention to 'reduce water impacts' or 'improve community benefits' is not enough on its own. POPM needs sufficient information about the proposed change to determine which project conditions would genuinely be different if that scenario existed.

Only then can the changed project be reassessed.

7.2

How POPM tests a changed project

The principle behind mitigation testing is deliberately simple:

KEY PRINCIPLE

Identify what the mitigation genuinely changes. Keep everything else the same. Then assess this version of the project using the same methodology as before.

This is important because POPM is not trying to create a more favourable assessment simply because mitigation has been proposed.

It begins with the project's current baseline assessment and the Material Findings that underpin it. POPM then identifies which of those conditions would genuinely change under the proposed Mitigation Scenario.

Conditions that are not affected remain as they were in the current baseline assessment.

Where a proposed change creates a genuinely different project condition, POPM reassesses the affected Project Factor as a whole against the same Master Framework used for the current baseline assessment.

The mitigation itself does not receive a score or a risk-reduction credit.

Instead, the changed project has to earn its new score under exactly the same assessment framework and methodology that were previously applied. In other words, the POPM assessment process is repeated with the changed conditions taken into account.

The result may be that a Project Factor score decreases, remains unchanged or, in some circumstances, increases. A proposed change may even remove the conditions that made a Project Factor present in the first place — or introduce a source of social risk that was not previously present.

The purpose is not to demonstrate that mitigation works.

It is to determine what the project's social-risk position would be if the proposed changes were actually part of the project.

7.3

Checking that solving one problem doesn't create another

Project decisions rarely operate in isolation.

A change intended to reduce one source of social risk can sometimes affect another.

Moving a project component may reduce impacts on neighbouring communities but create new environmental or heritage concerns. Reducing reliance on one resource may increase demand for another. A change intended to improve local benefits could potentially introduce different economic or land-use effects.

For that reason, POPM does not look only at the Project Factor a mitigation was originally intended to address.

Every proposed project change is checked across all 12 Project Factors to identify whether it could create a material effect elsewhere.

Those effects may be beneficial, adverse or dependent on the particular circumstances of the project.

This safeguard is important because mitigation should not appear successful simply because the assessment looked only at the problem it was designed to solve.

POPM therefore follows the consequences of the proposed change wherever they materially affect the project's social-risk profile.

At the same time, not every action associated with a mitigation should receive credit for reducing risk.

Some actions may make a mitigation easier to implement, strengthen a commitment or provide evidence that a proposed change is achievable. But unless the action itself changes a project condition assessed by a Project Factor, it does not independently justify a lower risk score.

The question remains the same throughout:

KEY PRINCIPLE

What has genuinely changed about the project, and what difference does that change make to its social risk?

7.4

Comparing mitigation scenarios

Once the affected Project Factors have been reassessed, POPM can calculate a projected social-risk position for each Mitigation Scenario.

The result is not a prediction that the project will achieve that outcome.

It is a counterfactual assessment: if the project were changed in the way described by the scenario, this is the social-risk position the POPM methodology indicates for that version of the project.

This allows project teams to compare the current project with different potential versions of it.

One scenario might produce a substantial reduction in inherent social risk but require significant project change. Another may produce a smaller reduction while being easier or less costly to implement. A third may address several sources of risk but introduce an adverse effect elsewhere.

POPM does not decide which scenario the project team should choose.

Instead, it gives decision-makers a consistent basis for comparing the social-risk implications of the alternatives alongside other considerations such as cost, feasibility, engineering, schedule and commercial requirements.

Nor does POPM assign a confidence multiplier to a Mitigation Scenario.

The scenario is assessed on the assumption that the project changes described within it exist substantially as modelled. Whether the project team ultimately chooses, implements or successfully delivers those changes is a separate project decision and implementation question.

7.5

Projected social risk and Projected Indicative Financial Exposure

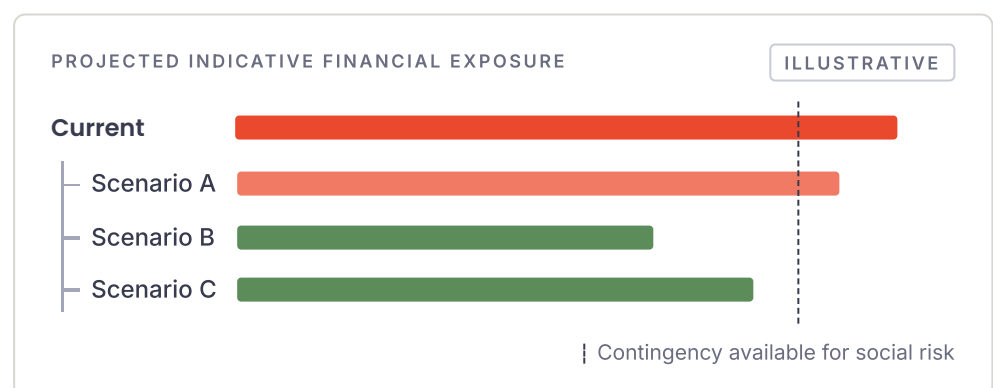
Once a Mitigation Scenario has been assessed, POPM can calculate its Projected ISR, Projected ASR and Projected Indicative Financial Exposure.

Projected ISR shows what the project's inherent social risk could look like with the proposed project changes in place.

Projected ASR then shows what that changed inherent risk could look like after the relevant real-world influences are taken into account.

Unless the scenario itself provides a valid reason for treating the surrounding circumstances differently, POPM holds those real-world influences consistent with the current assessment. This helps ensure that the comparison reflects the effect of changing the project rather than quietly changing the assumptions around it.

The resulting projected financial exposure can then be compared with the current financial exposure and the amount of contingency available for social risk.



This allows project teams to see not only whether a Mitigation Scenario could reduce social risk, but what that reduction could mean financially.

It does not mean that the difference between current and projected financial exposure is automatically a financial saving.

Implementing mitigation may itself have costs, and those costs need to be considered alongside engineering, commercial, schedule and other project implications.

Instead, POPM provides another piece of information for the decision:

KEY PRINCIPLE

What could it cost to change the project – and what could it cost if we don't?

That comparison brings mitigation back to the purpose of POPM itself: helping project decision-makers understand social risk while there are still meaningful choices available to them.

The projected scenario, however, is still only a scenario.

Once project changes are actually made, POPM can be used to assess the project that now exists.

That is known as re-baselining.

Re-baselining can occur more than once as a project develops, allowing POPM to reflect material changes in the project or the circumstances surrounding it. It can also help project teams understand what has changed when the project's social-risk position shifts or opposition escalates.

The next chapter looks at how POPM can remain current as the project evolves.

Keeping POPM current as the project evolves

Project decisions

Project Factors

ISR

Real-world influences

ASR

Financial exposure

Mitigation

Re-baseline

8.1

A POPM assessment is a point-in-time snapshot

Major projects do not stand still.

Designs develop, sites and layouts are refined, technical requirements change, approvals progress and decisions that were once uncertain become confirmed. Commitments may be made, mitigations implemented and new information may become available.

The circumstances surrounding a project can change as well.

Community pressures may increase or ease. Stakeholder sentiment may shift. Political conditions can change. Opposition may emerge or escalate, while issues that once attracted significant concern may become less prominent.

For that reason, a POPM assessment should be understood as a point-in-time snapshot of the project and the circumstances surrounding it.

It reflects the best available evidence about the project at the time the assessment is undertaken.

This does not make an earlier assessment wrong when circumstances later change. It means the project being assessed — or the world around it — is no longer exactly the same.

Keeping POPM current therefore requires the assessment to move with the project.

8.2

From projected scenario to actual project

A Mitigation Scenario allows project teams to test what the social-risk position could look like if proposed changes were made.

But a projected scenario does not become the project's new risk position simply because it has been modelled or selected.

Until the relevant changes become sufficiently established as part of the project, the existing baseline remains the assessment of the project as it currently stands.

This distinction is important.

A scenario may assume that resource requirements are reduced, a design is changed or a different benefit arrangement is introduced. POPM can assess the social-risk implications of those assumptions, but it does not treat the resulting projected risk reduction as permanent credit against the current project's risk position.

Once those changes are implemented — or otherwise become sufficiently established project conditions supported by evidence — they can form part of a new POPM assessment.

The hypothetical version of the project has then become part of the actual project.

That's when the project can be re-baselined.

8.3

Re-baselining the project

DEFINITION

Re-baselining

Re-baselining means updating POPM's assessment to reflect the project and surrounding circumstances as they now stand.

The assessment does not simply carry forward the projected benefit of a previous Mitigation Scenario.

Instead, POPM returns to the evidence.

The current project decisions and characteristics are assessed through the Project Factors, and the prevailing real-world influences are assessed through the ASR Determinants. The resulting ISR, ASR and Indicative Financial Exposure then become the project's new Baseline Risk Position.

This allows POPM to capture more than the effect of a mitigation.

Other aspects of the project may also have changed since the previous assessment. New information may have emerged. A Project Factor may have become more or less significant. An ASR Determinant may have changed. A source of risk that was previously absent may now be present — or vice versa.

Re-baselining therefore asks a broader question than:

Did the mitigation work?

It asks:

Given what we now know about the project and the circumstances surrounding it, what is its social-risk position now?

This also allows POPM to be used diagnostically when the social-risk position changes unexpectedly.

If opposition increases, a new issue emerges or circumstances surrounding the project materially change, a new assessment can help identify what has changed and where the resulting risk is coming from.

8.4

POPM through the project lifecycle

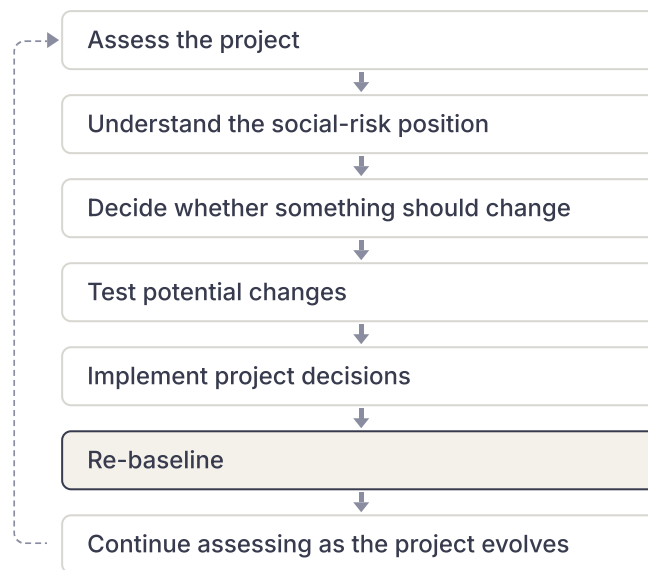
POPM can therefore be used at multiple points during the development and delivery of a project.

An early assessment can identify potential sources of social risk while important project decisions are still able to be made or changed.

Later assessments can reflect decisions that have become more developed or confirmed, new evidence, changing community or political circumstances and mitigations that have been implemented.

Where the project's risk position changes materially, re-baselining provides a new point of reference for subsequent decisions.

This creates a continuing cycle:



POPM does not require a project to be reassessed simply because time has passed.

The important question is whether something material has changed in the project, the evidence available or the circumstances capable of affecting its social risk.

Used this way, POPM can support decision-making from early project development through later stages of delivery without treating the original assessment as a permanent description of the project.

The methodology stays consistent. The project and the world around it do not.

That is why keeping POPM current matters.

What's under the bonnet

This guide has explained what POPM assesses and how it can be used to understand, quantify and manage social risk.

But behind that relatively simple assessment process sits a much larger body of methodology, evidence and instructions.

Most POPM users will never need to understand all of that detail. However, they do need to know that it exists.

9.1

The POPM Knowledge Base

POPM does not ask an AI model to look at a project and simply decide whether it appears socially risky.

The assessment is governed by the POPM Knowledge Base — the structured body of methodology, evidence, assessment rules and instructions that determines how POPM works.

It contains the detailed frameworks used to assess each Project Factor, the standards used to assess the real-world influences surrounding the project, the relationships between different parts of the methodology, the rules used to calculate risk and Indicative Financial Exposure, and the methodology governing mitigation and scenario assessment.

It also contains the evidence and sector-specific knowledge needed to apply POPM appropriately to the type of project being assessed.

This matters because complex social issues can be interpreted in many different ways.

Without a consistent methodology, two assessments of the same project could focus on different issues, apply different assumptions or reach different conclusions simply because the assessor approached the problem differently.

The POPM Knowledge Base provides the common structure that tells the assessment process what to look for, what evidence matters, how different conditions should be interpreted and what rules must be followed.

This ensures individual projects can be assessed on their own evidence while keeping the underlying methodology consistent.

The result is not that every assessment will be identical. Projects are different, evidence varies and circumstances change.

The aim is that the same project, assessed against the same evidence at the same point in time, should produce a substantially consistent, repeatable and explainable result.

That is what makes POPM more than an AI analysis of project information. The AI helps apply the methodology, but the Knowledge Base defines the methodology it is required to apply.

9.2

The evidence behind POPM

POPM is described as practice-led and evidence-based because the methodology has developed from both.

Its starting point was practical experience: more than two decades of observing how major infrastructure projects interact with communities and stakeholders, how apparently reasonable project decisions can create unintended social consequences, and how those consequences can escalate into broader project risk.

But experience alone is not enough to support a predictive methodology.

The observations underpinning POPM have therefore been tested and developed against research, documented project experience and case evidence.

That evidence helps answer questions such as:

- Which project characteristics repeatedly emerge when social risk develops?
- Which issues are most strongly associated with concern, opposition or escalation?
- Which conditions appear to make particular sources of social risk more or less significant?
- And what distinguishes projects that encounter substantial community opposition from projects that are delivered in more accepting circumstances?

For data centres, this has included research into both successful and contested projects and the circumstances surrounding them. The evidence has been used to develop and refine the Project Factors, their relative weightings, the ASR Determinants and the relationships between them.

Evidence also informs the mitigation options available within POPM.

This does not mean the evidence can tell us with certainty what will happen on the next project.

Communities are not laboratory conditions, and social risk is influenced by human behaviour, changing circumstances and incomplete information.

POPM uses evidence to identify patterns, relationships and conditions that can help us assess risk — not to pretend uncertainty has disappeared.

The evidence base can also evolve.

As new research, project experience and validation evidence become available, the POPM methodology and Knowledge Base can be reviewed and, where warranted, updated.

The objective is not to create a methodology that never changes.

It is to ensure that changes are evidence-led, deliberate and controlled.

Accessing the supporting evidence

The research, documented project experience and case evidence supporting POPM form part of a much larger body of material than can usefully be reproduced in this guide.

Importantly, that evidence does not sit behind POPM as a general bibliography. It informs specific elements of the methodology — including the Project Factors, their relative weightings, the ASR Determinants and the relationships between them, as well as the development of mitigation options.

For that reason, this guide does not include a conventional reference list. A bibliography would identify the sources used in developing POPM without necessarily showing how those sources contributed to particular methodological decisions.

Where greater methodological assurance is required — including by project proponents, regulators, financiers or independent reviewers — supporting methodology and evidence documentation can provide a more detailed basis for examining how POPM has been developed and applied.

The objective is not simply to demonstrate that POPM is evidence-based, but to maintain a traceable relationship between the evidence, the methodology it supports and the assessments that methodology produces.



9.3

Keeping AI grounded — governance and human oversight

AI makes POPM possible at a level of scale and consistency that would be difficult to achieve manually.

A major project can generate enormous amounts of information across technical studies, approvals documentation, project plans, stakeholder research, engagement findings and publicly available sources.

AI can analyse that information, identify evidence relevant to different parts of the POPM methodology and apply detailed assessment frameworks consistently.

The AI used by POPM is powerful, but it's not infallible.

Left to operate from its general knowledge alone, an AI model can interpret information differently between assessments, make unsupported connections or generate conclusions that sound plausible but are not adequately supported by evidence. This is commonly described as AI hallucination.

There is also a more subtle risk: AI drift.

An AI model is designed to interpret, reason and adapt. Without sufficiently clear boundaries, it may begin to reinterpret an established methodology, introduce new assumptions or relationships, or attempt to “improve” the approach it has been asked to apply. Individually, these changes may appear reasonable, but over time they can result in the AI applying something different from the approved methodology.

POPM is designed to constrain both risks.

The AI does not invent the Project Factors, decide their weightings or create its own rules for calculating social risk. It does not decide what constitutes a mitigation or how much risk a proposed mitigation should remove.

Those rules sit within the POPM Knowledge Base.

The AI's role is to apply them to the available project evidence — not to redesign or reinterpret them during an assessment.

This is why the Knowledge Base does more than provide information to the AI. It establishes the approved methodology against which the AI must operate, helping prevent both unsupported conclusions and gradual methodological drift.

POPM also retains the reasoning behind important assessment results. Project evidence, Material Findings, assessment reasoning, scores and Assessment Confidence can be reviewed rather than disappearing inside an unexplained AI answer.

And people remain accountable for the assessment.

AI-generated assessments can be reviewed, challenged and revised where the evidence supports a different conclusion before they are accepted as part of the project's POPM assessment.

The methodology also uses controlled baselines, defined assessment rules and versioned source material. This ensures changes in an assessment can be traced back to changes in the project, the evidence, the circumstances or the approved methodology — rather than unexplained changes in the way the AI happened to reason on a particular day.

This combination matters.

AI provides the analytical capability.

The POPM Knowledge Base provides the methodological discipline.

Human oversight provides accountability.

Together, they allow POPM to use the strengths of AI without asking users to simply trust whatever answer an AI model produces.

That brings us back to the description introduced at the beginning of this guide.

POPM is practice-led, evidence-based and AI-enabled.

AI is an important part of how POPM works.

But it is not the methodology itself — it is what enables the methodology to be applied consistently and repeatedly, allowing projects to be compared and changes in social risk to be understood over time.

Glossary of POPM terminology

A

Adjusted Social Risk (ASR)

The project's social-risk position after the relevant real-world influences surrounding the project have been taken into account. ASR starts with Inherent Social Risk and applies the relevant ASR Determinants.

Amplifiers

A category of ASR Determinants that can increase the potential for existing social risk to become more visible, established or escalated. Their absence does not reduce social risk; it simply means no additional amplification is applied.

POPM considers four Amplifiers:

- **Visibility & Prominence** — the extent to which the project and its potential impacts are visible, recognised or attracting wider public, media or stakeholder attention.
- **Project Confirmation** — the extent to which the project has moved from being uncertain or speculative towards becoming confirmed, credible and likely to proceed.
- **Escalating Opposition** — the extent to which existing concern or opposition is becoming more organised, coordinated, visible, influential or intense.
- **Disruption Fatigue** — the extent to which previous or ongoing disruption may reduce community tolerance for further project-related impacts or change.

Assessment Confidence

An indication of the level of confidence in an AI-generated POPM assessment, based on the amount, strength, quality and completeness of the available evidence. Assessment Confidence is recorded as Strong, Moderate or Limited and can help identify assessments that may benefit from additional project information, further research or closer human review. It does not change the assessment result.

Assessment Standards

The approved standards POPM uses to assess the real-world influences represented by the ASR Determinants.

ASR Determinants

The prevailing conditions, perceptions and dynamics that influence how the social risk captured in ISR is likely to be expressed, amplified or moderated.

The ASR Determinants are grouped into four categories: Amplifiers, Modifiers, Political Context and Social Resilience Context.

B**Baseline Assessment / Baseline Risk Position**

The accepted point-in-time POPM assessment of the project and the circumstances surrounding it. It provides the reference point against which subsequent changes or Mitigation Scenarios can be assessed.

I**Indicative Financial Exposure**

An estimate of the potential financial consequences associated with the project's assessed social risk. POPM uses Indicative Financial Exposure to help place social risk alongside other material project risks and compare it with the amount of contingency available for social risk.

Inherent Social Risk (ISR)

The social risk arising from the project's decisions and characteristics before the real-world influences surrounding the project are taken into account. ISR is determined from the assessments of the Project Factors that are present.

M**Master Framework**

The approved assessment framework for each individual Project Factor. It defines what the factor means, the evidence relevant to its assessment and the criteria used to distinguish different levels of significance for that Project Factor.

Material Findings

The project-specific conditions and evidence that materially underpin a Project Factor score and assessment. Material Findings explain what is driving the assessment but are not individually scored or weighted.

Mitigation Option

A potential project change that may address one or more conditions contributing to social risk. A Mitigation Option does not automatically reduce a Project Factor score; its effect must be assessed in the context of the particular project.

Mitigation Scenario

A whole-of-project package of one or more proposed changes (mitigations) that represents an alternative version of the project. POPM reassesses the changed project using the same approved methodology to determine its projected social-risk position.

Modifiers

A category of ASR Determinants representing existing perceptions and relationships that can increase or decrease the way project-related social risk is expressed and experienced.

POPM considers four Modifiers:

- **Social Licence** — the existing level of community acceptance, trust and legitimacy surrounding the project or project proponent.
- **Public Opinion** — the prevailing views and attitudes of the broader public towards the project, its purpose or relevant issues surrounding it.
- **Stakeholder Sentiment** — the prevailing attitudes of stakeholders with a direct or material interest in the project and its potential impacts.
- **Political Backing** — the degree of political support or opposition surrounding the project among relevant political decision-makers and institutions.

O

Overall Project Risk

POPM's assessment of the project's overall risk position after Indicative Financial Exposure is compared with the amount of contingency available for social risk. The resulting classifications are Within Tolerance, Moderate, High or Extreme.

P

Political Context

A category of ASR Determinants representing political and electoral conditions capable of influencing the sensitivities surrounding a project and its social risk.

POPM considers three Political Context determinants:

- **Electoral Sensitivity** — the extent to which the location or communities affected by the project are politically or electorally sensitive in ways that may increase attention to project-related concerns.
- **Election Proximity** — the extent to which the timing of relevant elections may increase political attention, sensitivity or responsiveness to project-related concerns.
- **Geopolitical Climate** — the extent to which wider geopolitical conditions may influence perceptions of the project, including issues such as national security, foreign ownership, strategic dependency, data sovereignty or international relationships where relevant.

POPM Knowledge Base

The governed body of methodology, evidence, assessment rules, sector-specific knowledge and instructions that defines how POPM operates. It provides the structure within which AI applies the methodology and helps maintain consistency, traceability and methodological discipline.

Project Factor

A category representing project decisions and characteristics that evidence and experience indicate are capable of contributing to social risk. Data Centre POPM assesses 12 Project Factors:

- **Resource Competition** — the extent to which the project may compete with communities or other users for resources such as electricity and water.

- **Benefit Imbalance** — whether project benefits and burdens may be distributed in ways that affected communities or stakeholders perceive as unfair.
- **Community Character & Way of Life** — the extent to which the project may affect the character, identity, lifestyle and amenity of the host community.
- **Project Justification** — whether the need for the project and the reasons for its location, scale and impacts are considered credible and justified by affected communities and stakeholders.
- **Environmental Impact** — the potential for the project to cause environmental harm or fail to meet accepted expectations of environmental responsibility.
- **Economic Implications** — the potential for the project to create financial disadvantage for surrounding individuals, businesses or communities.
- **Health & Wellbeing** — actual or perceived impacts on physical health, psychological wellbeing or quality of life.
- **Project Transparency** — the extent to which information about the project, its requirements, decisions and impacts is shared openly, accurately and at an appropriate time.
- **Indigenous Rights & Interests** — the extent to which the project may interact with the rights, interests, Country, culture, heritage or self-determination of Indigenous peoples.
- **Heritage & Cultural Significance** — potential interaction with places, objects, landscapes or other features of recognised heritage or cultural importance.
- **Opportunity to Influence** — whether affected communities and stakeholders have a genuine and timely opportunity to influence decisions that affect them.
- **Site Selection & Development Concentration** — whether the project's location minimises additional or cumulative development burden, or adds avoidable pressure to an area already experiencing concentrated development.

Project Intelligence

The body of project-specific information and evidence available to inform a POPM assessment. It may include project plans, technical studies, approvals documentation, engagement findings, stakeholder and community feedback, publicly available information and other credible sources. It may also include relevant informal project intelligence that would not ordinarily form part of formal project documentation, provided its source and evidentiary limitations are appropriately recognised.

Projected Adjusted Social Risk (Projected ASR)

The ASR calculated for a Mitigation Scenario after the changed project has been reassessed and the relevant real-world influences have been applied.

Projected Indicative Financial Exposure

The estimated financial exposure associated with the projected social-risk position of a Mitigation Scenario.

Projected Inherent Social Risk (Projected ISR)

The ISR calculated for the alternative version of the project represented by a Mitigation Scenario.

R

Re-baselining

Updating the POPM assessment when material changes in the project, available evidence or surrounding circumstances mean the existing baseline no longer adequately represents the project's current social-risk position.

S

Social Resilience Context

A category of ASR Determinants representing how well the built, natural and human systems supporting a community can absorb, adapt to and recover from additional project-related pressure. It considers the conditions that exist before the project's additional demands or impacts are introduced.

POPM considers three Social Resilience Context determinants:

- **Resource & Infrastructure Pressure** — the extent to which existing built systems and essential resources — such as energy, water, transport, housing and community services — are already experiencing demand, constraint or limited spare capacity.
 - **Environmental Stress** — the extent to which the natural systems surrounding the project are already experiencing stress, degradation or reduced resilience, including conditions such as drought, water scarcity, bushfire, flooding, erosion, biodiversity decline or pollution.
 - **Community Vulnerability & Capacity Pressure** — the extent to which existing social, economic or organisational conditions may increase community vulnerability or limit its capacity to accommodate and respond to additional change or disruption.
-

Social Risk

The potential for project decisions and characteristics to create concern, opposition or other community and stakeholder responses capable of affecting successful project delivery.

W

Within Tolerance

The Overall Project Risk classification where the project's Indicative Financial Exposure can be absorbed within the amount of contingency available for social risk.

Want to know more about POPM?

popm.app

Public Outrage Predictive Modelling

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POPM is a practice-led, evidence-informed predictive methodology designed to identify and assess social risk associated with major infrastructure projects. It supports informed decision-making, including testing how proposed mitigation could change a project's social-risk position; it does not predict definitive outcomes or guarantee how communities, stakeholders or other parties will respond.

Examples, project information, scores and financial figures used in this guide are illustrative unless otherwise stated. They should not be interpreted as an assessment of, or advice relating to, any particular project.

POPM assessments reflect the information and evidence available at the time they are undertaken and should be considered alongside project-specific information, professional judgement and other relevant analysis.

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