



Premier is a leading independent exploration and production company with oil and gas interests in the North Sea, South East Asia, Pakistan, the Falkland Islands and Latin America.



We have remained committed to protecting our reputation as a responsible operator, which maintains the highest health, safety and environmental standards.”

Tony Durrant
Chief Executive Officer



Read more in the Chief Executive Officer's review on page 10

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AR This symbol indicates that more detailed information is available in our 2016 Annual Report.

AR This symbol indicates that more detailed information is available online.

AR Read more online at www.premier-oil.com (Corporate Responsibility)

Overview

This report covers our own production, development and exploration operations for the 2016 calendar year, and, where relevant, our non-operated joint ventures, contractors and suppliers.

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About this report

This is our eleventh annual Corporate Responsibility Report. The report, which has been approved by our Board, has been prepared in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (GRI G4 Guidelines) 'Core' option. The GRI G4 Guidelines require us to report on our most material issues. A table of GRI Aspects linked to these issues can be found on p77. Relevant reporting boundaries and levels of disclosure can be found on our website.

www.premier-oil.com
(Reporting)

Third party assurance

We have commissioned third party assurance by ERM Certification and Verification Services (CVS) of:

- The integrity of selected report data (as indicated in the ERM assurance statement on p74-75)
- The alignment of the materiality and stakeholder engagement processes used in the preparation of this report with the requirements of the GRI G4 Guidelines

Premier in numbers

2016 Highlights

Corporate responsibility

985

Number of employees and employed contractors

1.95

per million man hours

Total Recordable Injury Rate (TRIR)

186

tonnes CO₂e per thousand tonnes of production

Greenhouse gas intensity

Where we operate

Premier has seven offices worldwide with 799 employees and is organised into five business units – **UK, Pakistan, Indonesia, Vietnam** and **Falkland Islands** – with support provided by the corporate office in London. Premier is active both offshore and onshore, but all of the Company’s operated interests are located offshore.



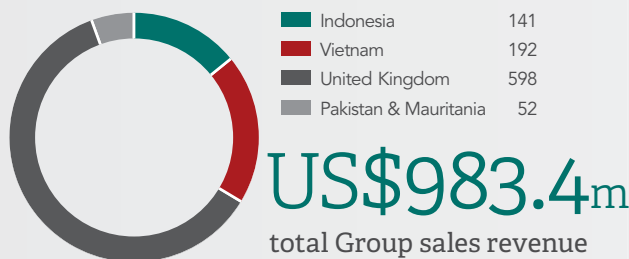
Key business units

- 1 UK
- 2 Pakistan
- 3 Indonesia
- 4 Vietnam
- 5 Falkland Islands

Other locations

- Brazil
- Mexico

Revenue by region (US\$m)



Operational **AR**

71.4 kboepd

Working interest production

91%

Operating efficiency

835 mboe

Proven and probable reserves and contingent resources

Financial **AR**

122.6 US\$ million

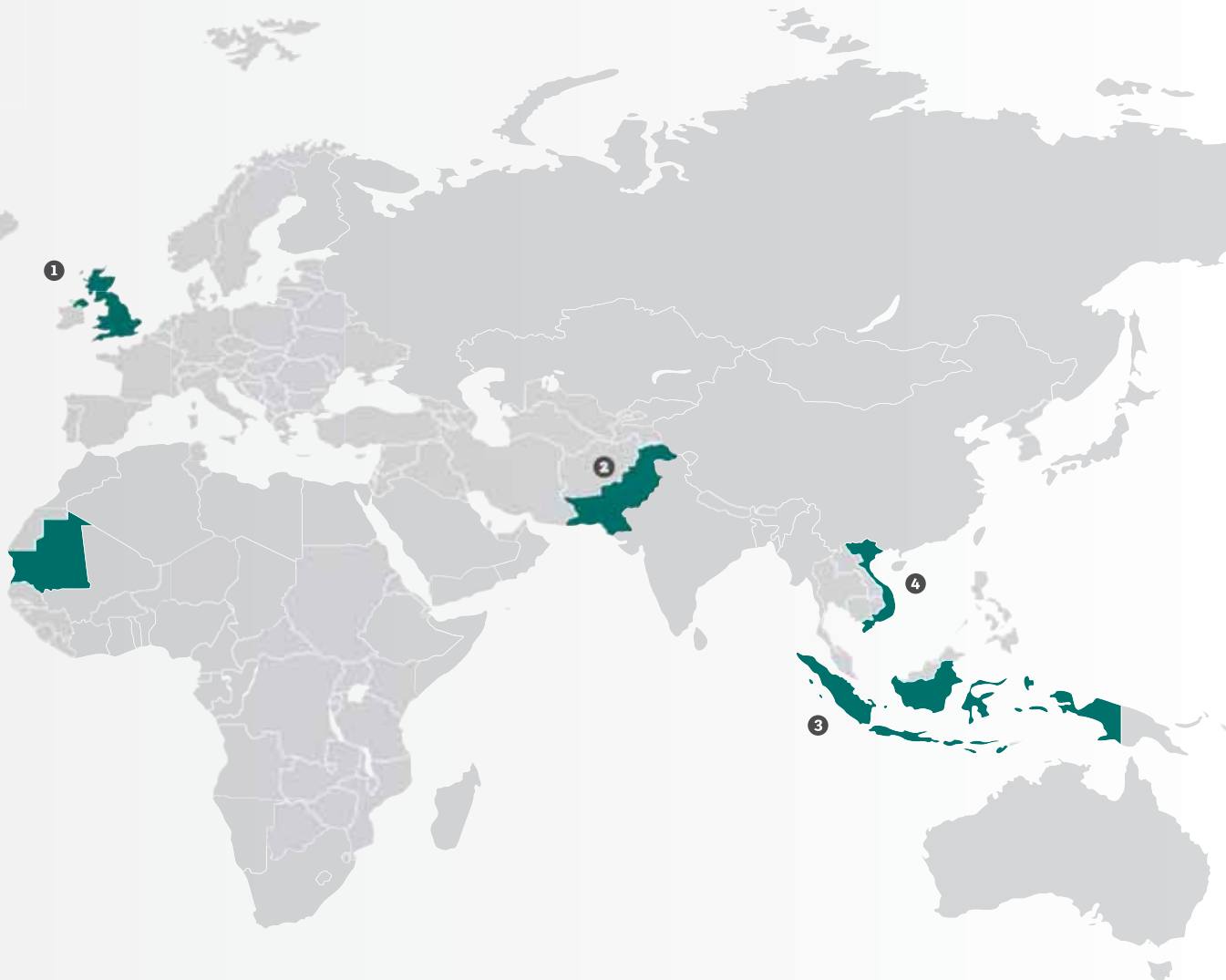
Profit after tax

15.8 US\$/boe

Operating costs

678.1 US\$ million

Capital expenditure



Business units¹



Exploration

Offshore exploration projects

Ceará, Blocks 665 and 717 (Brazil):

50% interest – operated

Ceará, Block 661 (Brazil):

30% interest – non-operated

Block 2 (Mexico):

10% interest – non-operated

Block 7 (Mexico):

25% interest – non-operated³

Performance indicator

→ Change since 2015

kboepd – working interest (2016)

Employees (2016)



UK²

Offshore oil production assets

Balmoral area: various interests – operated

Huntington: 100% interest – operated

Solan: 100% interest – operated

Kyle: 40% interest – non-operated

Offshore gas production assets

Babbage: 47% interest – operated

Elgin-Franklin: 5% interest – non-operated

Glenelg: 19% interest – non-operated

Onshore oil production asset

Wytch Farm: 30% interest – non-operated

Offshore oil development project with production planned to commence in 2017

Catcher (including Burgman and Varadero): 50% interest – operated

33.0 ↗ 98%

233 ↗ 11%⁴



Falkland Islands

Offshore oil pre-development projects

Sea Lion: 60% interest – operated

Casper North: 60% interest – operated

Casper South: 36% interest – operated

Beverley: 36% interest – operated

Zebedee: 36% interest – operated

Isobel Deep: 36% interest – operated

n/a

31 ↘ 30%⁵

Business partners⁷

Service contractors

Premier is highly reliant on service contractors for the following activities in particular:

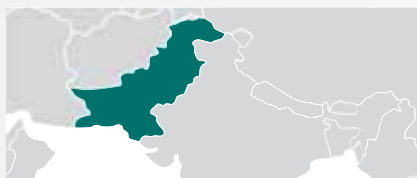
- Exploration and appraisal activities
- Construction, development and installation activities
- Logistics
- Operations

A relatively large proportion of Premier's service contractors (by value) are international oil and gas service companies due to our need for the highly specialised skills and capabilities they can provide.

Even under current market conditions, individual service contracts can be of very high value, with some exceeding US\$25 million in 2016.

Our service contractors are comprised of:

- Multi-national oil and gas service companies (most of which are headquartered in OECD countries) and their local subsidiaries
- Local oil and gas service companies, including those based in countries in which we operate



Pakistan

Onshore gas production assets

Qadirpur: 5% interest – non-operated
Kadanwari: 16% interest – non-operated
Zamzama: 9% interest – non-operated
Bhit/Badhra: 6% interest – non-operated
Zarghun South: 4% interest – non-operated

Please note, the Pakistan business unit also manages the following project in Mauritania:

Offshore oil production asset

Chinguetti: 8% interest – non-operated

7.9 ↘ 22%⁶
 13 → 0%



Indonesia

Offshore gas production assets

Anoa: 29% interest – operated
Gajah Baru: 29% interest – operated
Naga: 29% interest – operated
Pelikan: 29% interest – operated
Kakap: 19% interest – non-operated

Offshore gas development project

Tuna: 65% interest – operated

14.3 ↗ 3%
 439 ↘ 3%



Vietnam

Offshore oil production assets

Chim Sáo: 53% interest – operated
Dua: 53% interest – operated

16.2 ↘ 4%
 78 ↘ 4%

Suppliers

Materials, tools and equipment are provided to Premier and its service contractors by an international network of suppliers. These include:

- Pipelines
- Subsea equipment
- Engineering components
- Drilling components and fluids
- Power generators
- Safety equipment
- Control systems
- Auxiliary equipment
- Fuel

A significant proportion of suppliers are drawn from the countries in which Premier operates.

Customers

Premier sells crude oil on the international market to oil companies, traders and refiners across the world. The crude oil is transported to our customers by third party-operated oil tankers.

The Company sells gas largely to utility companies in Pakistan, Singapore, Indonesia and the UK. This is transported via undersea and surface gas pipelines.

¹ Further details of our exploration interests are available in our 2016 Annual Report and on our website.

² For an exhaustive list of significant UK licence interests, see www.premier-oil.com/premieroil/operations/global-licence-interests.

³ Subject to approval of the Comisión Nacional de Hidrocarburos.

⁴ Including employees in Aberdeen and London.

⁵ Including employees in Port Stanley and London.

⁶ Including production from Mauritania.

⁷ For further details of our broader set of stakeholders, see p24-25.

Our business model

Inputs

Financial

Availability of debt facilities ⁸ (US\$ million)	390
Cash and cash equivalents ⁹ (US\$ million)	203

Operational

Workforce ¹⁰	985
Capital spending (US\$ million)	678
Operational spending (US\$ million)	413

Corporate responsibility

Significant licence interests	76
Drill water used (Tonnes)	15,715
Energy use (TJ)	9,438

8 At 31 December 2016.

9 At 31 December 2016.

10 Includes employees and contractors.

Outputs

Financial

Total revenue generated ¹¹ (US\$ million)	984
Total economic value distributed (US\$ million)	825
Total economic value retained (US\$ million)	159

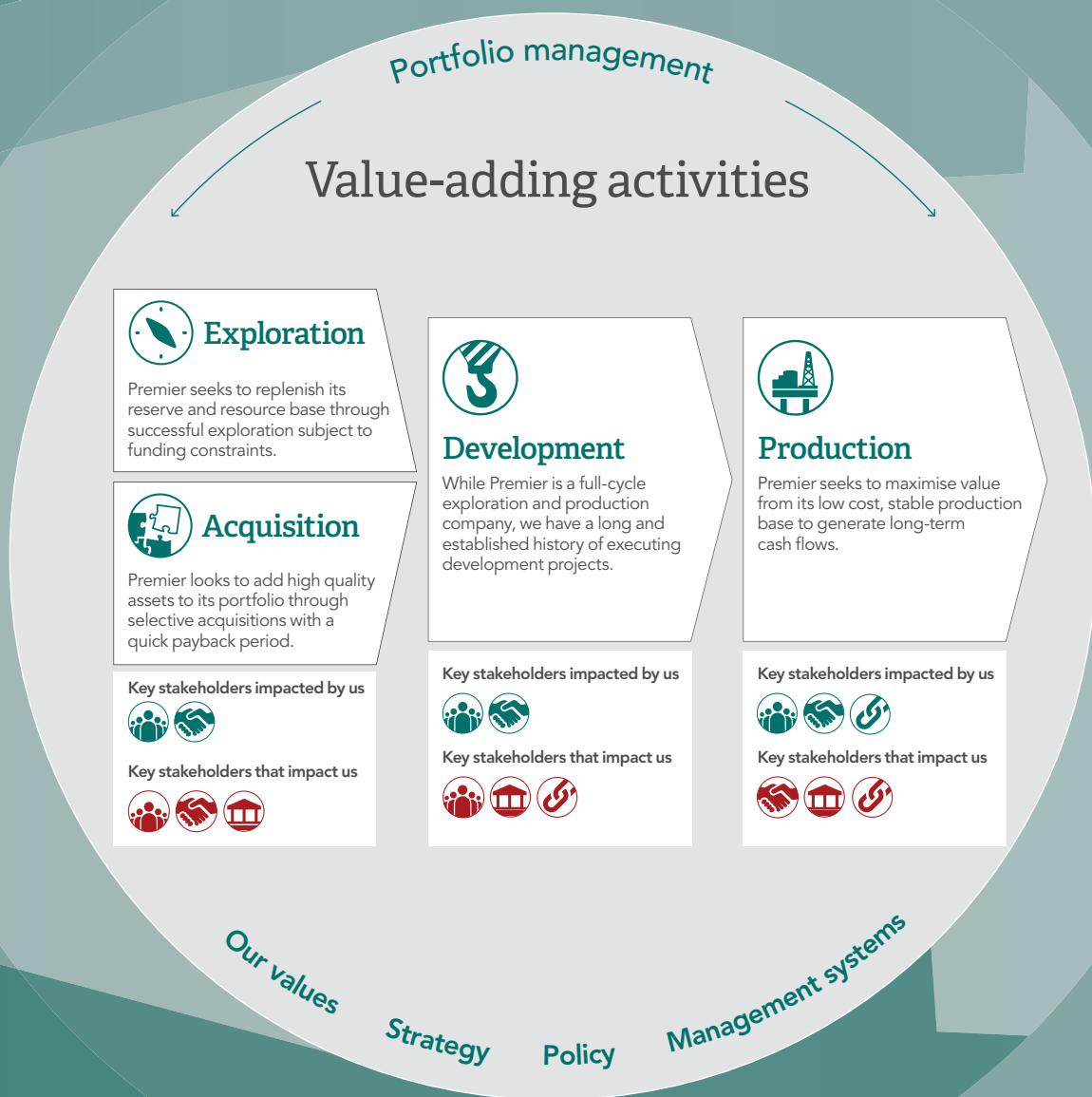
Operational

Production (working interest) (kboepd)	71
Increase in reserves (mmboc)	21

Corporate responsibility

Greenhouse gas emissions (Thousand tonnes)	846
High Potential Incident Rate (pmmh)	1.20
Total Recordable Injury Rate (pmmh)	1.95

11 Includes interest income received during 2016.



- Key stakeholders**
- Community
 - Government
 - Joint venture partners
 - Supply chain



Maintaining a responsible approach in changing market conditions

Tony Durrant

Chief Executive Officer

Introduction

In 2016, Premier continued to face a challenging commercial environment, characterised by sustained low oil prices. Nonetheless, we have taken steps to support both the immediate and long-term sustainability of our business, including:

- The maintenance of a low cost profile of US\$15.8/boe, whilst retaining our core skills base
- The acquisition of the high quality E.ON UK E&P ('E.ON') portfolio at a compelling valuation of US\$1.3/boe, consolidating our position in the UK North Sea and adding cash generative production of more than 17,000 boepd
- Ongoing engagement with our lenders to agree amendments to Premier's medium-term covenant profile and the re-setting of our debt maturities, whilst maintaining access to cash and undrawn funds

- The achievement of first oil at Solan and ongoing efforts to deliver first oil at Catcher in 2017. This – along with the fact that projected capex on Catcher (thanks to active project management and a weaker pound) is estimated to be 29 per cent lower than at sanction – will reduce our overall capex profile, whilst adding further cash-generative production to our portfolio

Importantly, we have remained committed to protecting our reputation as a responsible operator, which maintains the highest health, safety and environmental standards, including through the visible leadership of our management team (see below). Despite short-term pressure, we have not reduced our focus on corporate responsibility.

How does corporate responsibility support Premier's business?

Corporate responsibility is not a luxury; the nature of our offshore drilling and production activities means the need

for effective environmental and safety management will always be paramount. Furthermore, we believe that companies that operate responsibly are also likely to operate efficiently.

Now, more than ever, our operational continuity, maintenance of positive relations with business-critical stakeholders and our compliance with existing regulations are vital if we are to support immediate shareholder value. In the longer term, the maintenance of our reputation as a responsible partner of choice will also support shareholder value by enhancing our ability to access new commercial opportunities and relationships, improving our access to capital and helping us keep step with evolving societal expectations and compliance requirements.

What were Premier's corporate responsibility highlights in 2016 – and where could we improve on our performance?

I am pleased to report that in 2016 Premier:

- Achieved a greenhouse gas emissions intensity of 186 tonnes per thousand tonnes of production (compared to 219 tonnes in 2015 and 242 in 2014), lower than our 2016 target of 200 tonnes¹². This reflected high levels of operational efficiency, as well as change in the balance of our portfolio
- Had no Tier 1 or 2 process safety Loss of Primary Containment (LOPC) events at our drilling and production operations – compared to three in 2015
- Organised 13 Health, Safety, Environment and Security (HSES) Leadership Visits by senior corporate managers to our operations, as part of a newly introduced visible safety leadership programme
- Had improved assessment of our production assets against their Safety and Asset Integrity Performance Reporting Scorecards (STAIRS), with an average score of 83 per cent (2015: 77 per cent)

I am particularly pleased to report these figures at the end of a year that saw the successful integration of the E.ON assets.

Nonetheless, we did unfortunately fail to meet our Total Recordable Injury Rate (TRIR) target of 1.32 per million man hours worked. Our 2016 TRIR increased to 1.95 (2015: 1.27), although none of these incidents resulted in serious injuries. This performance reflected an increased number of injuries across our operated production facilities and our contracted construction vessels. These incidents more than offset improved performance at our drilling operations, which had no recordable injuries in 2016. We are taking a number of steps to address these issues in 2017, including enhanced visible HSES leadership, incident reporting training and HSES auditing. By doing so, we intend to return to our previous trend of improving performance.

Finally, I am pleased to say that our overall performance has also been recognised externally.

In 2016 we maintained our continued inclusion in the FTSE4Good Index Series, and also achieved a substantively improved rating under the CDP (Carbon Disclosure Project).

What are Premier's corporate responsibility plans for 2017?

In 2017, we will maintain our focus on navigating the low price environment, maintaining a high level of operational efficiency across our producing portfolio, bedding down our recently acquired E.ON assets and bringing Catcher online. In this context, we will extend our corporate responsibility programmes across our enlarged portfolio. The Ten Principles of the UN Global Compact, to which we are committed, will continue to guide us in this respect.

Specific areas in which we plan to further consolidate our existing systems, practices and performance include:

- Corporate responsibility materiality assessment
- Internal HSES data reporting processes
- Business ethics screening processes for third parties
- Security and human rights training
- Responsible procurement practices

As in 2016, whilst we will continue to maintain an efficient cost base, we will not do so in a way that undermines either our core competencies or our sustainability performance. Even if we face short-term market challenges, our skills, reputation and social licence to operate will underpin our longer-term profitability.

What do you see as the emerging corporate responsibility issues of the future?

With respect to the hydrocarbons sector specifically, many companies face increased decommissioning activity. Premier is no exception. Though the regulation and practice of decommissioning activity is still unfolding, we intend to approach our various decommissioning projects in a responsible fashion.

More broadly, interest in the indirect impacts of companies – from stakeholders generally and lawmakers specifically – will grow.

In turn, this is likely to result in ever-increasing demands for transparency, with a particular focus on suppliers and contractors (as well as business partners and host governments). By generating this kind of transparency, and applying the right kind of pragmatic and responsible management processes, we can minimise the risk of any negative indirect impacts taking place through our value chain.

Similarly, we can expect to see further efforts by governments to address climate change. The Paris Agreement, which entered into force in November 2016, marked a new chapter in global efforts to address climate change. Its impact is not likely to be immediate – but the direction of travel is clear; governments have collectively committed to controlling future projected increases in global temperature. This is likely – despite the risk of possible dissent – to drive a growing regulatory response around the world. It is a response that Premier and other companies in the hydrocarbon sector will need to be prepared for. Although we are a medium-sized company, we continue to support the establishment of a 'level playing field' of national, and ultimately international, carbon pricing.

Finally, the establishment of the Sustainable Development Goals (SDGs) offers both government and business a comprehensive, internationally agreed framework within which to pursue and support broad-based, meaningful development. We expect the SDGs to prove useful in helping guide our sustainability efforts, ensuring the alignment of our corporate responsibility programmes with national and international policy agendas, and maximising our positive development impacts.



Tony Durrant
Chief Executive Officer

¹² Revised downwards from an original target of 215 tonnes per thousand tonnes of production. This was with the aim of reflecting the introduction of lower-intensity assets to Premier's production portfolio (i.e. Huntington and Babbage).

Figure 1: Delivering on our commitments

Report section	Our commitment in 2016	Achievements in 2016	Status	Page
Our approach	Enhance the quality, communication and application of Premier's management systems	<ul style="list-style-type: none"> • Delivery of our enhanced Business Management System (BMS) • Comprehensive review and revision of drilling and HSES management systems 	●	p18–19, p29–31 and p35
	Continue to improve Premier's internal risk management systems	<ul style="list-style-type: none"> • Enhanced integration of corporate responsibility risks within our Analysis and Reporting Risk Online Workbench (ARROW) risk management tool 	●	p23
	Maintain and where possible advance our external corporate responsibility reporting	<ul style="list-style-type: none"> • Maintenance of reporting at GRI G4 'Core' level and implementation of our new G4-compliant reporting standard • Maintenance of our continued inclusion in the FTSE4Good Index Series, receiving a score of 3.2 out of a possible five in 2016 • Improvement of our CDP (formerly known as Carbon Disclosure Project) rating to a 'B' 	●	p3, p26–27, p40 and p77
Health, safety and security	Continuous improvement of asset integrity oversight and monitoring via Safety and Asset Integrity Performance Reporting Scorecards (STAIRS)	<ul style="list-style-type: none"> • Conducting STAIRS audits at our UK, Indonesia and Vietnam business units, achieving an average score of 83 per cent and beating our target of 77 per cent 	●	p32
	Continuous improvement in health and safety performance and metrics	<ul style="list-style-type: none"> • Had no Tier 1 or 2 process safety LOPC events at our drilling and production operations • Maintenance of a low, stable High Potential Incident Rate (HiPoR) 	●	p33 and p36–37
	Enhance our corporate safety leadership culture	<ul style="list-style-type: none"> • Implementation of 13 HSES Leadership Visits across our operations (carried out by our senior corporate leadership team) 	●	p30

Key to status

- Achieved
- Partially achieved
- Not achieved

Report section	Our commitment in 2016	Achievements in 2016	Status	Page
Environment	Achieve improved levels of greenhouse gas intensity	<ul style="list-style-type: none"> Decrease in our emissions intensity from 219¹³ to 186 tonnes per thousand tonnes of production Achieved a greenhouse gas intensity performance that improves on our corporate target 	●	p40–42
Employees	Maintain Premier's core competencies in a cost reduction context	<ul style="list-style-type: none"> Minimisation of employee retrenchments where possible, focusing our cost reduction efforts on the supply chain, including contractors 	●	p48
Society	Prepare for compliance with the United Kingdom's Modern Slavery Act	<ul style="list-style-type: none"> Publication of an Anti-Slavery and Human Trafficking Statement on our corporate website 	●	Website
	Enhance application of the UN Guiding Principles on Business and Human Rights	<ul style="list-style-type: none"> Development of an enhanced Security Forces and Human Rights training module, tailored to the maritime context Ongoing development of our dedicated human rights grievance procedure 	●	p64–65
	Develop our responsible procurement practices	<ul style="list-style-type: none"> Further development of our Supply Chain Contractor Due Diligence Process, in preparation for rollout across our business units in 2017 	●	p66–67
	Enhance transparency regarding economic value distribution	<ul style="list-style-type: none"> Enhanced identification and measurement of local procurement spend 	●	p70

13 Updated figure following diesel under-reporting at our Balmoral asset in 2015 (p40).

External environment

Issues influencing the oil and gas sector

Hydrocarbon prices

Mature assets

Implications for the oil and gas sector

Pressure to reduce costs

- The price of oil remains well below levels at the start of 2014, despite modest increases throughout the year
- Continued cost reduction initiatives risk undermining companies' operational capabilities, with potential implications for HSES performance
- Reductions in spending on exploration and project development have the potential to undermine upstream companies' reserve replacement and growth pipeline
- Reduced community investment could compromise companies' social licence to operate

The need to prepare for future decommissioning

- Companies with mature fields need to:
- Understand – and make provision for – potentially significant decommissioning costs
 - Ensure that the environmental impacts of decommissioning are minimised

How Premier is addressing these issues

Intelligent cost control and operational efficiency

Since the fall in oil prices, we have sought to maximise our production while reducing our operating cost base and capital commitments from existing operations. While we will continue to explore cost control opportunities where practical, we remain committed to:

- Preserving our longer-term operational capabilities
- Strengthening our production portfolio (as evidenced by our acquisition of the E.ON portfolio in April 2016)
- Continuing to invest selectively in our portfolio of unsanctioned projects at the appropriate equity levels, with due regard to the commodity price environment
- Continuing to implement high quality HSES management (p28–35)

In addition, we will continue to actively manage our portfolio across the cycle, focusing our efforts on our highest-return assets.

Proactive management of related costs and liabilities

Our decommissioning management efforts include the following:

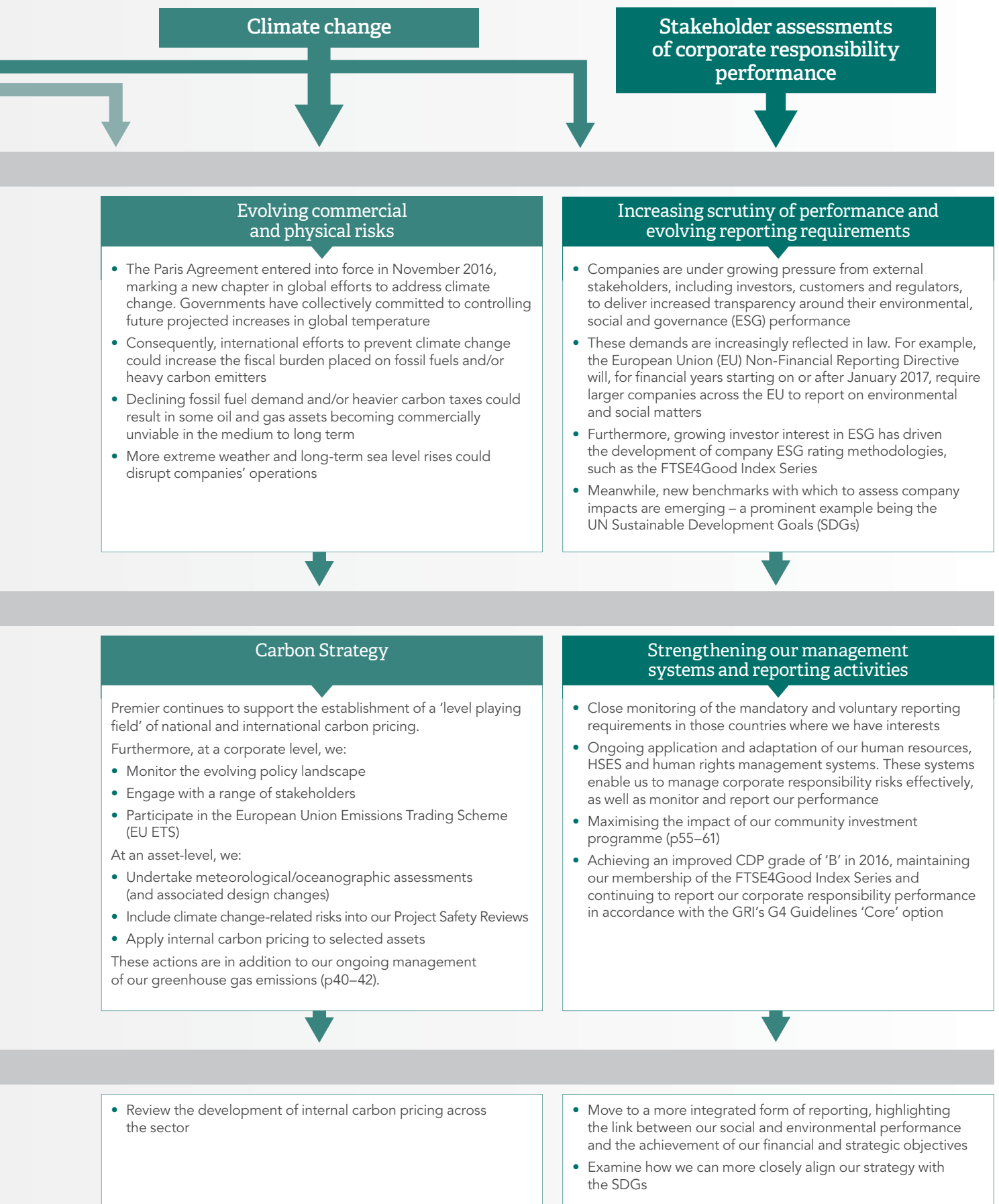
- Inclusion of decommissioning costs into all project planning
- Further development of a specialist decommissioning resource, initially focused around the Balmoral late-life project and other mature UK assets
- Engagement with joint venture partners and regulatory bodies in view of the OGA's new powers in the context of MER UK and the establishment of OPRED within the Department for Business, Energy and Industrial Strategy (DBEIS)
- Preparation of detailed decommissioning programmes and active project management plans
- Application of strict environmental requirements on contractors during well, subsea and asset decommissioning

The Group's decommissioning provision at the end of 2016 was US\$1,325.3 million.

Future actions to consider

- Add long-term value through acquisitions during low points in the commodity price cycle (subject to access to capital)

- Future/longer-term cessation of production at selected assets (and associated decommissioning planning)
- Adherence to new and changing regulations on decommissioning standards
- Innovative collaboration with service and technology providers



Climate change

Stakeholder assessments of corporate responsibility performance

Evolving commercial and physical risks

- The Paris Agreement entered into force in November 2016, marking a new chapter in global efforts to address climate change. Governments have collectively committed to controlling future projected increases in global temperature
- Consequently, international efforts to prevent climate change could increase the fiscal burden placed on fossil fuels and/or heavy carbon emitters
- Declining fossil fuel demand and/or heavier carbon taxes could result in some oil and gas assets becoming commercially unviable in the medium to long term
- More extreme weather and long-term sea level rises could disrupt companies' operations

Increasing scrutiny of performance and evolving reporting requirements

- Companies are under growing pressure from external stakeholders, including investors, customers and regulators, to deliver increased transparency around their environmental, social and governance (ESG) performance
- These demands are increasingly reflected in law. For example, the European Union (EU) Non-Financial Reporting Directive will, for financial years starting on or after January 2017, require larger companies across the EU to report on environmental and social matters
- Furthermore, growing investor interest in ESG has driven the development of company ESG rating methodologies, such as the FTSE4Good Index Series
- Meanwhile, new benchmarks with which to assess company impacts are emerging – a prominent example being the UN Sustainable Development Goals (SDGs)

Carbon Strategy

Premier continues to support the establishment of a 'level playing field' of national and international carbon pricing. Furthermore, at a corporate level, we:

- Monitor the evolving policy landscape
- Engage with a range of stakeholders
- Participate in the European Union Emissions Trading Scheme (EU ETS)

At an asset-level, we:

- Undertake meteorological/oceanographic assessments (and associated design changes)
- Include climate change-related risks into our Project Safety Reviews
- Apply internal carbon pricing to selected assets

These actions are in addition to our ongoing management of our greenhouse gas emissions (p40–42).

Strengthening our management systems and reporting activities

- Close monitoring of the mandatory and voluntary reporting requirements in those countries where we have interests
- Ongoing application and adaptation of our human resources, HS&S and human rights management systems. These systems enable us to manage corporate responsibility risks effectively, as well as monitor and report our performance
- Maximising the impact of our community investment programme (p55–61)
- Achieving an improved CDP grade of 'B' in 2016, maintaining our membership of the FTSE4Good Index Series and continuing to report our corporate responsibility performance in accordance with the GRI's G4 Guidelines 'Core' option

- Review the development of internal carbon pricing across the sector

- Move to a more integrated form of reporting, highlighting the link between our social and environmental performance and the achievement of our financial and strategic objectives
- Examine how we can more closely align our strategy with the SDGs

Section 1: Our approach

Responsible behaviour underpins our current and future success. It is a key means by which we obtain and maintain our social and legal licence to operate – the approval we require from our host communities, governments and other stakeholders to do business.

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SDGs related to material issues covered in this section

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Premier's material issues are mapped against related SDGs on page 78

Governance

Principles, frameworks and standards

We recognise that we must earn our social and legal licence to operate through a consistent track record of responsible and effective performance. We are guided in this respect by our values and policies, as well as a range of external principles and standards. These are set out in Figure 3, with further details about these principles and standards available online in our GRI G4 Table.

Our Group policies are approved by the Board and help ensure that we avoid or minimise our negative impacts on stakeholders and maximise our positive impact. Our policies are promulgated internally through our intranet-based Business Management System (BMS) (p19).

Corporate responsibility leadership

As required by the UK Corporate Governance Code, the Board:

- Defines Premier's strategic objectives
- Determines the nature and extent of the principal risks it is willing to take in achieving its strategic objectives
- Sets Premier's values and standards
- Ensures that the strategic objectives are pursued in an effective manner
- Ensures that major business risks are monitored and managed in a prudent and effective manner and that sound systems of internal control are in place

Accordingly, the Board approves the Corporate Responsibility Policy and the management of significant corporate responsibility-related risks and opportunities.

More information about Premier's governance, including in relation to corporate responsibility, is available on p66–125 of the 2016 Annual Report.

www.premier-oil.com
(2016 Annual Report)

Corporate responsibility management

In 2016, the principal topics arising from Premier's activities that have economic, social and environmental impacts on stakeholders, and the Premier executives responsible for overseeing them on a day-to-day basis, were:

- Health, safety, environment and security (HSES), overseen by the Group Development and Operations Manager
- Human rights, government relations and risk management, overseen by the Group Head of Corporate Services
- Human resources, overseen by the Group Human Resources Director
- Legal and regulatory compliance, and ethical behaviour, overseen by the Group General Counsel

The executives reported to the Chief Executive Officer, with the exception of the Group Head of Corporate Services who reported to the Finance Director and, in relation to risk management, to the Audit and Risk Committee. The Group Head of Corporate Services was responsible for overseeing day-to-day corporate responsibility performance (e.g. stakeholder engagement, management system development and performance reporting). Significant stakeholder feedback was made available to the Board.

Other Group functions, such as supply chain, were also involved in corporate responsibility management. For example, our decision to enter into or maintain relationships with business partners is informed primarily by commercial and operational considerations, but also their business ethics, environmental, safety and human rights performance.

Figure 2: Our values

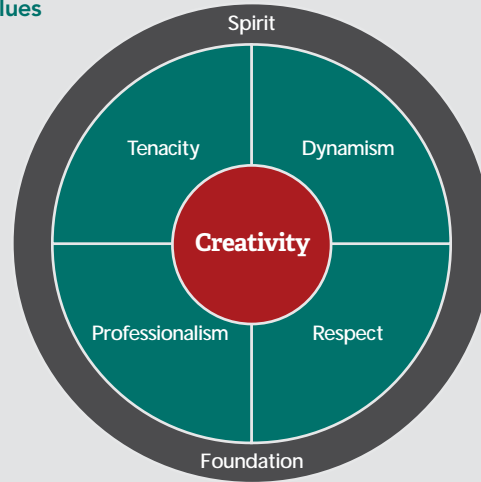


Figure 3: Summary of principles, frameworks and standards

Internal	
Values	www.premier-oil.com (Our Values)
Vision and Strategy	www.premier-oil.com (Vision, Strategy and Business Model)
Business Ethics Policy and associated Global Code of Conduct	www.premier-oil.com (Company Policies)
Corporate Responsibility Policy	
Health, Safety, Environment and Security (HSES) Policy	
Human Rights Policy	
Community Investment Policy	
Risk Management Policy	
Equal Opportunities and Diversity Policy	
Whistleblowing Policy	
External	
UN Global Compact (participant)	www.unglobalcompact.org
International Association of Oil & Gas Producers (IOGP) (member)	www.iogp.org
International Petroleum Industry Environmental Conservation Association (IPIECA) (association member via the IOGP)	www.ipieca.org
OHSAS 18001 occupational health and safety management system standard (applied to all Premier-operated production assets and our drilling operations)	www.bsigroup.com
ISO 14001 environmental management system standard (applied to all Premier-operated production assets and our drilling operations)	www.iso.org
Voluntary Principles on Security and Human Rights	www.voluntaryprinciples.org
UN Guiding Principles on Business and Human Rights	www.ohchr.org
ISO 31000 risk management system standard (which underpins our Risk Management System)	www.iso.org

Figure 4: Corporate-level BMS elements that supported corporate responsibility management in 2016

Management system	Responsible individual	Reference
Legal	Group General Counsel	p19–22
HSES	Group HSES Manager	p28–43
Human Resources	Group Human Resources Director	p44–51
Corporate Responsibility	Group Head of Corporate Services	p18 and throughout
Community Investment		p55–61
Human Rights		p62–67
Risk		p23 and p28–35 of the Annual Report
Supply Chain	Group Supply Chain Manager	p6–7, p20–22 and p66–67



Business Management System

Our BMS is an administrative platform that records our internal controls. It is composed of the policies, standards, procedures, processes and guidelines applied by each of Premier's corporate functions (including the Development and Operations, Exploration, Business Development, Human Resources, Corporate Services, Legal and Finance functions), as well as supplementary

local-level management system content used by each business unit in order to ensure compliance with local laws and regulations and address other local circumstances.

➔ For more information about our principles, frameworks and standards, and corporate responsibility management, see www.premier-oil.com (GRI G4 Table)

Business ethics

In addition to compliance with applicable laws and regulations, our success is dependent upon the trust of key stakeholders, including host governments and societies, actual and potential investors, as well as our business partners and suppliers.

We are therefore committed to upholding and, where feasible, strengthening ethical standards wherever we do business.

Global Code of Conduct

Our commitments are set out in our Business Ethics Policy, and our behaviour (including our anti-corruption efforts) is governed by our Global Code of Conduct (the Code)¹.

The Code was revised in 2015 and issued during the course of 2016. Compliance with the Code is sponsored by a Company-wide leadership group, comprised of business ethics champions from each business unit. The group meets annually to discuss opportunities for improving performance.

Our associated review processes provide assurance regarding internal compliance with the Code. The Audit and Risk Committee monitors the effectiveness of the Code and its supporting policies.

➔ www.premier-oil.com (Company Policies)

¹ Available in both English and Bahasa Indonesia, with supplementary explanatory material available in Vietnamese. Additional language options are not provided at our Pakistan business unit, as all of our employees there speak English.

Scope of application

All employees and those associated with Premier, such as consultants, contractors, customers and suppliers, are required to adhere to the Code.

We also require our business partners, including joint venture partners, contractors, customers and suppliers, to apply the principles of the Code or equivalent standards. We do so by including business ethics provisions in our contracts.

Depending on the nature of the relationship, we will:

- Require an undertaking by the counterparty to comply with the Code
- Require an undertaking by the counterparty to comply with their own code of ethics
- Include specific conditions and warranties relating to ethical standards in our contract with the counterparty

Beyond this, we also:

- Publicise the Code amongst all our business associates on an ad hoc basis (including via documentation and contractual terms)
- Require (under our standard contracts) all intermediaries and agents to adhere to appropriate standards of ethical conduct and, where appropriate, receive related training
- In the case of our more recent joint venture agreements, include a right to request an annual certificate of compliance with the Code





All business partners are able to access the Code via our website. In some cases, local, social, political and cultural conditions may make it difficult for business partners to comply with all our requirements immediately. Where this is the case, we will look for evidence of measurable progress towards compliance and will withdraw from the relationship if progress is not made.

Communication and training

We aim to train all employees on the Code within one month of their induction. In 2016, all new employees received induction training on the Code (2015: 100 per cent). Thereafter, employees at our Indonesia and Vietnam business units receive training on an annual basis, while all other employees (including our Executive Directors) receive training on a triennial basis². This training, to which consultants are also given access, takes account of local norms and is delivered through interactive workshops and online modules. A total of 71 per cent of existing employees received such training in 2016. Those working in roles assessed as having higher levels of exposure to corrupt activity (such as business development, procurement and permitting) are required to undertake additional, targeted training.

Risk assessment and due diligence

Our legal team analyses all business units for the risk of non-compliance with the Code, including those related to corruption. Procurement, facilities management, logistics and the obtaining of permits can present a higher risk in some local contexts. The legal team also carries out screening to identify politically exposed persons, the application of sanctions and other relevant information.

This is complemented by our high-level business ethics risk screening tool, which helps Premier to prioritise and target its anti-corruption efforts. The tool assesses Premier's operated and non-operated exploration, development and production operations for their level of exposure to business ethics risk. The tool utilises country risk data, as well as the characteristics of the operation in question.

To improve oversight of our supply chain, we plan to complete the implementation of our Supply Chain Contractor Due Diligence Process in 2017. This process involves a questionnaire-based online business ethics assessment, which will be applied to all potential new suppliers, identifying those requiring more detailed due diligence before contracts are entered into.

Premier sometimes uses intermediaries, agents or other third parties to support its interactions with government stakeholders, other oil and gas companies, and service providers. We make all such appointments in accordance with our Intermediaries Policy. The Policy requires us to carry out appropriate screening for corruption and other business ethics risks.

Monitoring

All business units undergo cyclical reviews by our legal team to ensure employees are compliant with the Code. In 2016, the team reviewed our Indonesia and Vietnam business units. These found that, with one possible exception (see p22), our employees were complying with the Code.

Employees, contractors and agency workers who believe that Premier or anyone working for or on behalf of Premier has violated the Code are encouraged to report their concerns to their line managers. They can do so without fear of recrimination and on a confidential basis. All such reports are properly investigated and the results reported to the Audit and Risk Committee.

Alternatively, allegations of malpractice can be lodged via Premier's confidential, independently managed and well-publicised³ reporting hotline. The hotline is always available and, in addition to business ethics, accepts concerns or questions related to other matters, such as health, safety and human rights.

In 2016, Premier:

- Was not subject to any fines or non-monetary sanctions for legal or regulatory breaches
- Was not subject to any legal actions relating to business ethics, corruption or anti-competitive behaviour
- Identified one possible non-compliance with the Code relating to allegations of corruption (see p22)

 www.safecall.co.uk
(Whistleblowing hotline)

² Non-Executive Directors receive a formal briefing on the Code as part of their induction, as well as periodic updates.

³ Through induction, the Employee Handbook and the BMS. Our whistleblowing hotline is operated by Safecall, a third party provider.

Enforcement

Any breach of the Code by our employees will result in disciplinary action and, in extreme cases, instant dismissal and referral to the relevant law enforcement authorities. In 2016, there were no disciplinary sanctions or dismissals for breaches of the Code. However, during the year, a formal investigation was opened by the Company into allegations of individual corruption against one of our employees. The employee resigned before disciplinary procedures were completed. The incident in question was small in scale and isolated, and did not highlight any material weaknesses in our control systems.

Any breach of the Code by our business partners will result in either:

- An agreed corrective action plan and measures to avoid a recurrence, or
- Potential termination where this is legally permissible

In 2016, we did not terminate or fail to renew any external business relationships due to breaches of the Code.



Defining our material issues

Our materiality assessment process, which is described more fully on p26–27, draws on Premier's existing risk assessment process, as well as its stakeholder engagement activity.

Risk management Policy

Premier's Risk Management Policy applies the principles set out in the ISO 31000 risk management system standard. The Policy (and its associated management system):

- Sets our risk appetite
- Helps identify and evaluate the risks that affect our business
- Ensures that appropriate and effective risk controls and mitigating measures are put in place
- Supports our efforts to achieve the highest standards of corporate governance

🔗 www.premier-oil.com
(Company Policies)

🔗 www.iso.org
(ISO 31000)

Process

Premier's integrated Analysis and Reporting Risk Online Workbench (ARROW) risk management tool is the Company's online corporate risk register. Using ARROW, we:

- Assess all relevant risk components, including nature, causes, consequences, impact and likelihood
- Define a management approach to each risk, including risk ownership, controls and mitigating measures

- Monitor and manage risks in real time across all business units and corporate functions

A number of risks relating to our corporate responsibility performance are recorded in ARROW, including those relating to:

- Catastrophic events at our operated facilities
- Fiscal pressure from host governments
- Organisational capabilities and competency management
- Governance and compliance breaches
- The effective Group-wide implementation of our human rights commitments

Stakeholder engagement

Stakeholder identification, prioritisation and engagement helps us:

- Understand how our activities and relationships impact others
- Manage these impacts in a responsible manner
- Track the effectiveness of our management activities

Stakeholder engagement also helps us to understand the potential risks that stakeholders could pose to the achievement of our business objectives, enabling us to proactively avoid or mitigate them. Information gathered through stakeholder engagement is integrated into the ARROW risk management tool where relevant.

Figure 5: Stakeholder engagement at Premier

Stakeholders are selected for engagement on the basis of:

- Their actual and potential impact on Premier, and the achievement of its business objectives
- Premier's actual and potential impact, both positive and negative, on them

Engagement takes place at three different levels:

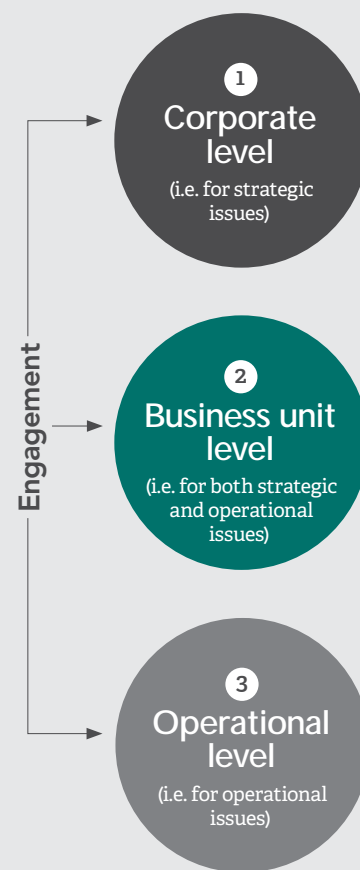


Figure 6: Stakeholder engagement – and issues raised

Category	Type	Engagement mechanism	Minimum frequency of engagement	Examples of key issues raised in 2016	Please refer to
Investors	Current and potential shareholders, plus investment analysts	Annual Report, website, direct engagement and Stakeholder Forum	Daily	<ul style="list-style-type: none"> • Share price performance • Progress and costs of key projects, including first oil at Solan, the progress of the Catcher FPSO and the Front End Engineering Design (FEED) programme of Sea Lion • Acquisition of the E.ON portfolio • The refinancing of Premier's debt • Strategic response to the continued low price of hydrocarbons 	Annual Report
Employees	Employees	Ongoing workplace engagement, direct dialogue, staff surveys and performance reviews	Weekly	<ul style="list-style-type: none"> • Salaries, working conditions and career progression • Share price performance • Health and safety performance • Response to ongoing low hydrocarbon prices and organisational restructuring following the acquisition of the E.ON portfolio 	Health, Safety and Security; Employees
	Contractor employees	Ongoing workplace engagement, direct engagement and contractual agreements	Weekly	<ul style="list-style-type: none"> • Health and safety performance • Premier's ongoing cost-reduction measures in response to low hydrocarbon prices • Local recruitment and labour relations in Indonesia 	Health, Safety and Security; Employees; Society
	Organised labour	Regular scheduled meetings and collective labour agreements	Annual	<ul style="list-style-type: none"> • Collective bargaining agreement in Vietnam and Indonesia 	Employees
Business partners	Joint venture partners	Direct engagement and contractual agreements	As required	<ul style="list-style-type: none"> • The coordination and targeting of community investment activities in Indonesia • Preparation for decommissioning activity in the Greater Balmoral area • Engagement with UK business unit joint venture partners to identify collective cost-reduction opportunities 	Annual Report; Overview; Community Relations; Society
	Contractors and suppliers	Direct engagement, performance monitoring and contractual agreements, including with, for example: <ul style="list-style-type: none"> • Seismic contractors • Drilling contractors • FPSO contractors • Shipyard construction contractors • Platform commissioning contractors 	Weekly	<ul style="list-style-type: none"> • Safe working conditions during construction and installation • Cost reduction • Supplier/contractor financial health • Increased supplier performance monitoring and engagement 	Annual Report; Health, Safety and Security; Society
	Customers	Direct engagement, vendor processes and contractual agreements	Weekly	<ul style="list-style-type: none"> • Oil and gas prices • Oil and gas quality 	Annual Report

Category	Type	Engagement mechanism	Minimum frequency of engagement	Examples of key issues raised in 2016	Please refer to
Government	National governments	<p>Joint dialogue, including through Oil & Gas UK and BRINDEX, with the UK Government</p> <p>Direct dialogue, including with:</p> <ul style="list-style-type: none"> • Falkland Islands Government (FIG) • Indonesian Government • Vietnamese Government 	Monthly	<ul style="list-style-type: none"> • Policy support for North Sea oil and gas operators in a low price environment • Fiscal arrangements in the UK and the Falkland Islands • Implementation of the UK Government's 'MER UK' strategy 	Society
	Regulators	<p>Direct dialogue, including with:</p> <ul style="list-style-type: none"> • FIG Department of Mineral Resources • SKK Migas (Indonesia) • Oil and Gas Authority (OGA – UK) • Department for Business, Energy and Industrial Strategy (DBEIS – UK) • Health and Safety Executive (HSE – UK) 	Weekly	<ul style="list-style-type: none"> • Consultation with HSE regarding first oil at Solan and with DBEIS regarding participation in UK Continental Shelf (UKCS) survey requests • Engagement with the OGA regarding the acquisition of the E.ON portfolio • Engagement with DBEIS and OGA on decommissioning • Cost control and project scheduling in Vietnam • Draft Development Plan approvals and oil export approach in the Falklands 	Annual Report; Overview; Society
Society	Civil society	<p>Direct and indirect engagement (including Stakeholder Forum) with:</p> <ul style="list-style-type: none"> • IOGP • IPIECA • UN Global Compact • Oil & Gas UK • Step Change • Various NGOs in countries of operation 	Quarterly	<ul style="list-style-type: none"> • Overall corporate sustainability performance • Local community development needs • Management of new and existing community investment programmes 	Community Relations; remaining sections
	Local communities	<p>Direct engagement (via local Community Relations teams and business unit managers) and development-focused community investment programmes</p>	Monthly	<ul style="list-style-type: none"> • Ongoing targeting and effectiveness of new and existing community investment programmes in all locations • Environmental impact assessment of the Sea Lion development on the Falkland Islands • Water availability at a non-operated minority joint venture in Pakistan • Enhanced capacity building for local fishing communities in Indonesia • Potential temporary and localised impacts on fishing communities located near our production and exploration operations • Assisting local communities with transport needs in Indonesia, following the cancellation of commercial flight services 	Community Relations; Society

Materiality assessment

This report is structured around our most significant corporate responsibility issues. Their significance has been assessed (in conjunction with third party experts) on the basis of:

- The potential/actual impact of Premier on stakeholders and their interests
- The potential/actual impact of stakeholders on Premier and the achievement of its business objectives

Material issues

The outcomes of the assessment process are displayed on the corporate responsibility materiality matrix on p27 (Figure 8). Presentation of an issue as 'non-material' on this matrix does not mean it is irrelevant or that it is not being managed, but only that it is not of sufficient significance to be addressed in detail in this report.

Additional details regarding the implications of these findings for our disclosures under the GRI G4 Guidelines can be found on p77. Principal changes in material issues in 2016 include:

- Increased significance of 'Generating value for communities' – reflecting the economic impact of reduced procurement expenditure on host societies

- Increased significance of 'Occupational health and safety' – reflecting Premier's reassessment of the security environment in a number of transit locations
- Reduced significance of 'Learning and development', which is now a non-material issue, for the purposes of this report. This reflects Premier's typically low level of attrition, the experienced nature of our workforce, and our enhanced ability to 'buy in' skills when necessary, due to the current availability of experienced and competent professionals for employment in the sector
- Inclusion of 'Cyber security' as a new, non-material issue – reflecting Premier's view that it is a distinct and growing challenge for the oil and gas sector that must be proactively managed

Stakeholder Forum on Corporate Responsibility

On 28 September 2016, Premier held its third Stakeholder Forum on Corporate Responsibility. The forum was attended by a variety of participants, including:

- UN Global Compact Network UK
- Tullow Oil
- ERM Certification and Verification Services
- Cairn Energy
- Transparency International UK
- Enesco
- Axa Investment Managers

The meeting was also attended by Robin Allan, Premier's Director, North Sea and Exploration.

Participants were asked to provide feedback on Premier's updated materiality matrix.

Key adjustments made in light of this feedback include:

- Increased significance of 'Climate change and GHGs', reflecting growing stakeholder interest in how the oil and gas sector is responding to the issue, particularly following the Paris Agreement
- Increased significance of 'Responsible supply chain management', reflecting ever-greater levels of scrutiny of companies' supply chains in the context of the UK Modern Slavery Act

Participants were also asked to identify current or emerging corporate responsibility issues that could impact Premier and its stakeholders (including the wider oil and gas industry) in the future. Responses included the need for:

- Responsible industry management of decommissioning activity in the North Sea (including scope and quality of work, and financial management)

- Close monitoring of HSES performance as market conditions threaten to erode institutional capacity and focus within the industry
- A clear strategy from the industry in response to climate change
- The alignment of companies' corporate responsibility objectives with the new UN Sustainable Development Goals (SDGs)
- The application of appropriate strategies to manage violations of core labour standards within the supply chain as a whole (i.e. beyond direct or first tier suppliers and contractors)
- Improved levels of corporate transparency, particularly as regards tax payments and beneficial ownership

 sustainabledevelopment.un.org
(Sustainable Development Goals)

Figure 7:
Materiality assessment process

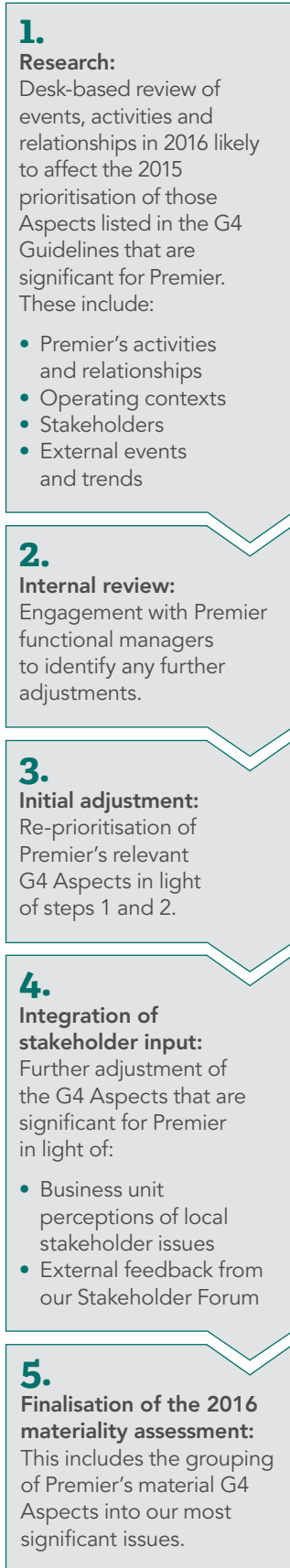
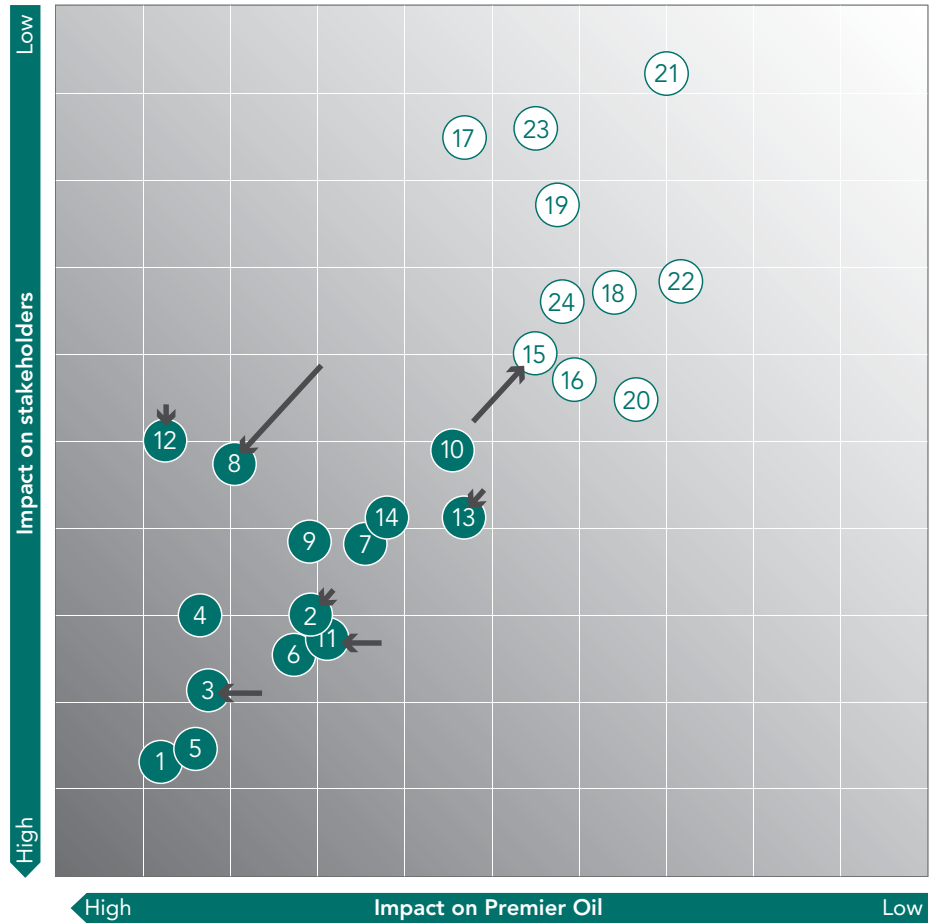


Figure 8:
Corporate responsibility materiality matrix



Arrows indicate key shifts in our material issues in 2016.

Material issues

- | | | |
|--------------------------------------|------------------------------------|---|
| 1 Asset integrity and process safety | 6 Employee engagement | 12 Public policy and government relations |
| 2 Climate change and GHGs | 7 Environment (general) | 13 Responsible supply chain management |
| 3 Economic contributions | 8 Generating value for communities | 14 Workforce |
| 4 Effluents and waste | 9 Governance and ethics | |
| 5 Emergency preparedness | 10 Human rights | |
| | 11 Occupational health and safety | |

Non-material issues

- | | | |
|-----------------------------|---------------------------------|---------------------------|
| 15 Learning and development | 18 Community impacts | 21 Market behaviour |
| 16 Biodiversity | 19 Customer impacts | 22 Product responsibility |
| 17 Child/forced labour | 20 General grievance mechanisms | 23 Resource use |
| | | 24 Cyber security |

UN SDGs related to Premier’s material issues can be found throughout this report at the beginning of each chapter and on p78.

See p77 for a list of our material and non-material issues and related G4 Aspects.

Section 2: Health, safety and security

Premier is committed to operating responsibly and maintaining strong health and safety performance levels. We do all that is reasonably practicable to prevent major accidents and ensure the safety of everyone involved in our operations.

- 29 Materiality
- 32 Process safety and asset integrity
- 34 Emergency preparedness
- 34 Safety assessments
- 36 Occupational health and safety
- 37 Employee and asset protection





Materiality

The health, safety and security risks associated with offshore oil and gas operations are such that the strongest health, safety and security management is vital. This is due to the potential impacts of health, safety and security incidents on our employees and contractors, as well as the need to maintain our:

- Operational continuity
- Regulatory compliance
- Corporate reputation

Key issues in this regard include:

- Process safety and asset integrity
- Emergency preparedness
- Occupational health and safety
- Employee and asset protection

During 2016, Premier maintained high levels of vigilance over health and safety management in the context of:

- Carefully considered cost reductions in response to challenging market conditions for the oil and gas sector
- The integration of new assets into our portfolio following Premier's April 2016 acquisition of the E.ON assets

Managing health, safety and security

Premier's Health, Safety, Environment and Security (HSES) Policy includes commitments to:

- Continually improve our performance
- Assess and manage risks
- Maintain clean, safe and healthy workplaces
- Plan and prepare for potential emergencies

The Policy is implemented through our HSES Management System. The system is comprised of a comprehensive set of standards and procedures, which form part of Premier's Business Management System (BMS – p19). These include our Golden Rules, which are designed to help address the most common causes of serious incidents at oil and gas facilities.

SDGs related to material issues covered in this section

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



Premier's material issues are mapped against related SDGs on page 78

The HSES Management System applies to our global operational activities and stipulates how HSES issues should be managed throughout the hydrocarbon exploration, development and production cycle. Certain elements also apply to our assets that are operated by third parties and to contracted activities. The management system is externally certified to the OHSAS 18001 health and safety management system standard for our production facilities and drilling operations.

We believe that major accidents can always be avoided and we seek to ensure that our employees, contractors, visitors, neighbours and the environment receive a high level of protection. To support this, we frequently review our operations to assess the risk of major accidents and to implement controls designed to prevent their occurrence.

HSES performance is monitored, measured and reported on an ongoing basis to the Executive Committee and to the Board.

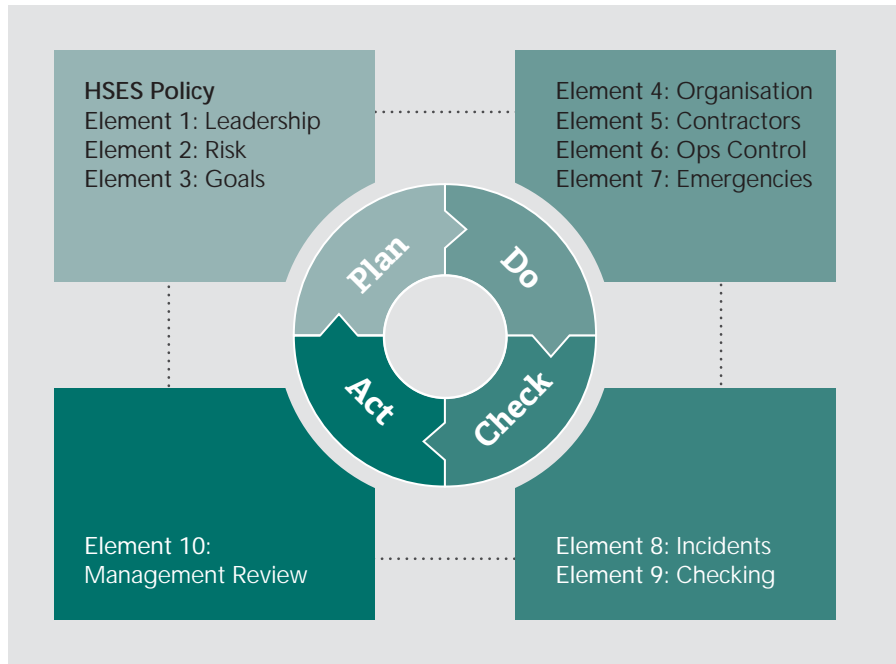
www.premier-oil.com
(Company Policies)

www.bsigroup.com
(OHSAS 18001)

Fitness for work

All employees and contractors working offshore must undertake a medical assessment every two years, in accordance with the Oil & Gas UK Guidelines for Medical Aspects of Fitness for Offshore Work. Alcohol and illegal substances are strictly prohibited. As well as applying relevant disciplinary actions, we strongly encourage individuals affected by either to accept the professional counselling made available to them by Premier.

Figure 9: Scope and hierarchy of the HSES Management System



Employee engagement

All Premier employees are accountable for their own HSES performance and that of their team.

All employees receive HSES awareness training during their induction. Employees working on or travelling to offshore facilities must undertake a Basic Offshore Safety Induction and Emergency Training programme. They are required to attend a Further Offshore Emergency Training refresher programme every four years thereafter.

As part of our employee engagement process:

- Each team enters into collective HSES performance contracts
- Key personnel (i.e. those likely to influence HSES performance) enter into individual performance contracts that include HSES measures. We are continuing to examine the possibility of including HSES targets in all employee performance contracts
- We distribute a corporate HSES scorecard summarising Premier's performance to all personnel on a monthly basis
- HSES advisors and safety officers in all our operations conduct regular meetings to discuss health and safety issues with employees

Focus area:

Visible HSES leadership

Visible HSES leadership is one of the most important elements involved in supporting a strong HSES culture. In 2016, our senior management (including Board members) participated in a programme, through which they:

- Undertook offshore survival training if they had not already done so (which is a requirement for offshore site visits)
- Visited Premier or key contractor-operated sites to discuss and review HSES performance. Following these visits, any agreed actions, as well as summary reports, were uploaded to our HSES reporting database to support analysis of our performance

In addition, we established an annual target for the number of such visits taking place. In the first year of the programme, 13 visits were undertaken, exceeding our target of 10.

Employees and contractors at our UK, Vietnam and Pakistan business units (representing 38 per cent of our workforce) have representatives on formal joint management-worker health and safety committees¹. Although this is not the case at our other business units, employees regularly receive direct communications on HSES issues (including through the issuing of HSES Alerts (p36) and the sharing of best practice) from senior managers and supervisors.

Monitoring and assurance

The HSES Management System is monitored and reviewed on an ongoing basis. This programme includes:

- Internal auditing against our corporate and business unit HSES standards
- Third party ISO 14001 and OHSAS 18001 certification of our operated production and drilling activities
- Periodic Energy Institute process safety surveys

The Board reviews HSES performance against our targets on a monthly basis and the Executive Committee reviews performance through quarterly reviews with each business unit. All health and safety performance data includes Premier employees and both directly and indirectly employed contractors across all our operated activities.

In 2016, we introduced a new corporate KPI, the HSES Index. It replaces Total Recordable Injury Rate (TRIR), which has historically been used as the Company's HSES KPI. The index was introduced to provide a broader assessment of Premier's HSES performance, and combines a number of weighted performance indicators, which are:

- TRIR
- Process safety
- Asset integrity
- Greenhouse gas intensity
- High Potential Incidents (HiPos)
- HSES Leadership Visits

Using this new metric, our target is to always achieve or surpass an annual index score of 100 per cent. In our first year of using the HSES Index, Premier achieved a score of 101 per cent.

Focus area:

UK business unit introduces training to support employee mental well-being

In 2016, our UK business unit provided training to promote the mental well-being of our onshore workforce. Training was introduced to:

- Support employees during a sustained period of uncertainty in the oil and gas industry
- Help reduce the stigma that can surround mental health issues

The training included:

- An eight-week trial of mindfulness-based stress management training, delivered by Robert Gordon University
- Stress awareness and stress management sessions delivered at quarterly HSES events

These sessions explained the causes of stress, its psychological and physiological impacts, as well as ways to reduce its negative effects. Following positive feedback from participants, we plan to provide a similar programme to our UK offshore workforce.

This initiative supplements Premier's existing Employee Assistance Programme (EAP), which is available to all UK employees and their immediate family. The EAP is a free-to-access, confidential counselling hotline, operated by trained external counsellors. Users are provided with practical solutions for, and advice about, a range of topics, including health and emotional well-being. If necessary, employees can also request in-person counselling sessions.

Focus area:

'Back to Basics' training at our Vietnam business unit

In 2016, our Vietnam business unit developed a new 'Back to Basics' health and safety training programme. After Premier assumed control of operations and maintenance at our Chim São asset in 2015, we introduced this programme to educate offshore contractors about the basic health and safety standards they must adhere to when working on our operated facilities.

The programme, which includes a series of interactive workshops, requires offshore crews to complete four training modules focused on core areas of health and safety best practice. The contents of the modules have been summarised in a new handbook, available in English and Vietnamese, which is provided to all programme participants. The programme has proved successful in developing health and safety awareness and engagement and will be continued in Vietnam and rolled out to our Indonesian business unit in 2017.

¹ 'Workforce' includes employees and contractors.

Process safety and asset integrity

Our HSES Management System defines Premier’s objectives and minimum requirements for process safety and asset integrity in all operations, as well as the responsibilities, verification and validation required to provide assurance that they have been met.

Safety and Asset Integrity Performance Reporting Scorecards

We apply Safety and Asset Integrity Performance Reporting Scorecards (STAIRS) across all of our operated assets, covering integrity, maintenance, plant control, people, procedures and recovery (i.e. emergency response) barriers. These:

- Assess process safety and asset integrity performance each month
- Support the identification, assessment and management of associated risks

- Confirm that each asset is ‘safe to operate’
- Facilitate target-setting, monitoring and assurance (including third party auditing against the Energy Institute Process Safety Survey (EIPSS) standard)

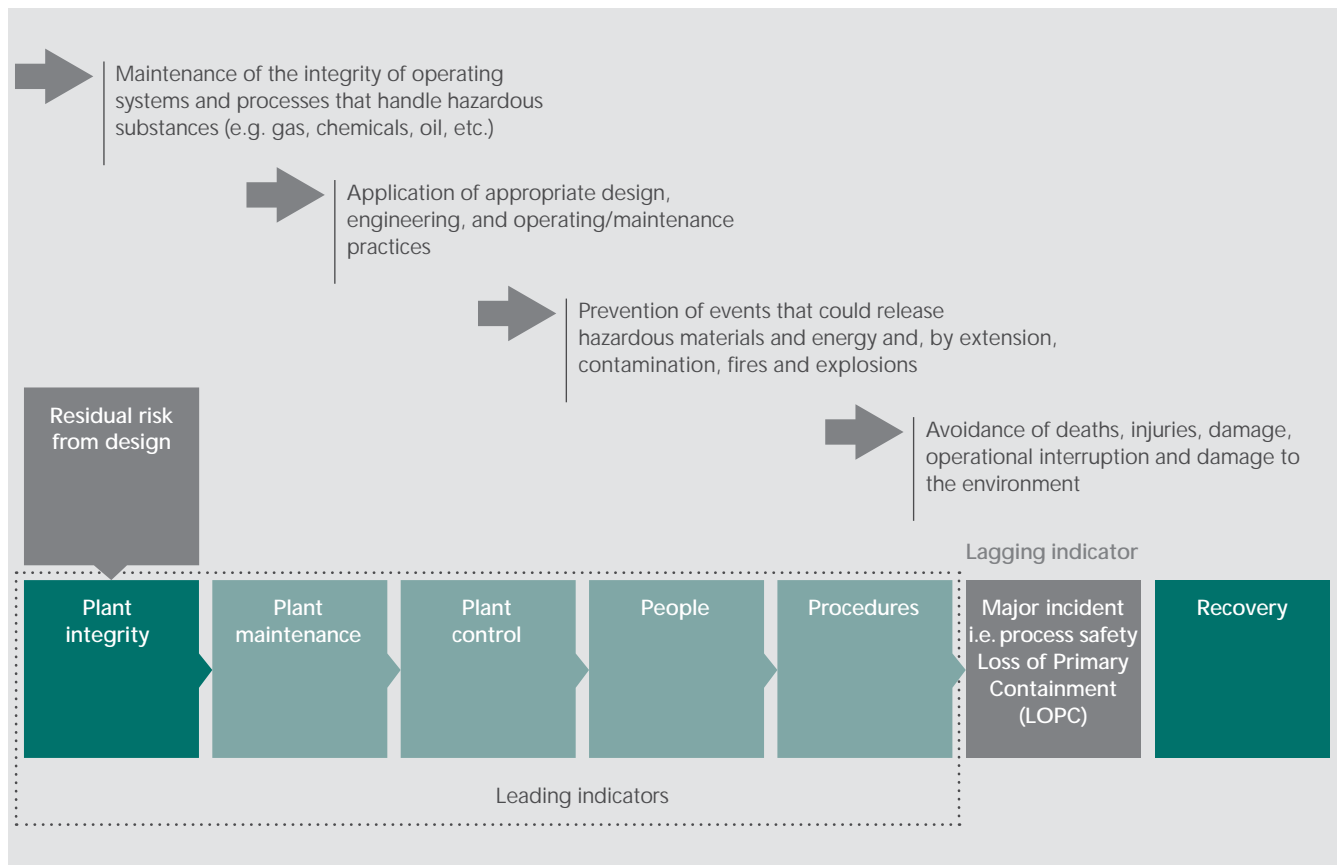
The Scorecards are based on a combination of the principles of American Petroleum Institute (API) recommended practice and the EIPSS framework. They:

- Include sufficient information to demonstrate compliance with each installation’s Safety Case, or justification for continued operation if a degraded barrier is found
- Evaluate a full set of process safety and asset integrity indicators for each control/barrier and assign an overall score on how each barrier is being managed

At year-end 2016, we achieved an overall STAIRS performance of 83 per cent (2015: 77 per cent), beating our target of 77 per cent. Six of our eight operated assets were rated ‘excellent’ in their STAIRS, with the remaining two rated as ‘good’. Three of these assets were introduced to the STAIRS programme in 2016: our new Solan platform, as well as Huntington and Babbage (acquired from E.ON in April 2016).

The STAIRS scoring is verified by internal audit, often in conjunction with a representative from the Energy Institute. In 2016, we conducted STAIRS audits on six assets in Indonesia, Vietnam and the UK. Using the EIPSS framework, the audit team was able to both validate the STAIRS scores and benchmark Premier against industry peers. The majority of Premier’s scores were deemed to be above average and, in many cases, in the upper-quartile for the industry.

Figure 10: Key elements of process safety²



² Based on IOGP Report 456: Process Safety – Recommended Practice on Key Performance Indicators (2011).

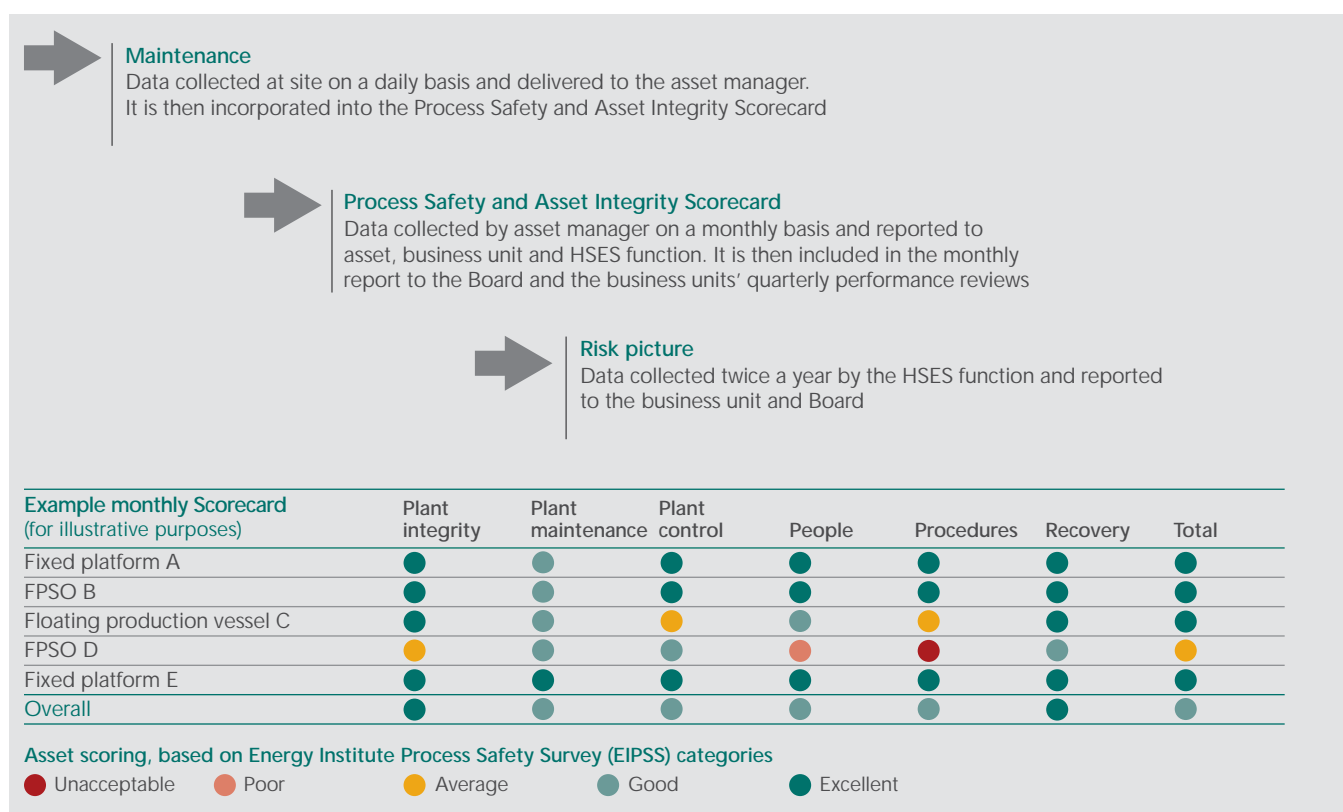
Figure 11: Process safety data

Process safety LOPC events	2014	2015	2016
Tier One	0	0	0
Tier Two	0	3	0
Events of lesser significance	11	5	11
Total	11	8	11

Process safety Loss of Primary Containment

Premier records process safety events through the measurement of consequences (i.e. injury or impact) and process safety Loss of Primary Containment³ (LOPC) events. We classify significant process safety LOPC events as either 'Tier One' or 'Tier Two'⁴ and report our performance annually to the IOGP for benchmarking. We also record other process safety LOPC events relating to sub-threshold volumes for investigation and internal performance reporting.

In 2016, our target was to have no more than three Tier One and Tier Two events.

Figure 12: Process safety data collection and reporting example

3 A process safety LOPC is the unplanned or uncontrolled release of certain types of hazardous material from a tank, pipe or other receptacle that is intended to serve as the primary container used for processing, storing or transferring the material concerned.

4 Based on IOGP Report 456: Process Safety – Recommended Practice on Key Performance Indicators (2011). The following are abbreviated definitions: Tier One events involve releases of more than 500kg of gas or 1,000kg of oil per hour. Tier Two events involve releases of more than 50kg of gas or 100kg of oil per hour.

Focus area:**Enhancing our emergency response capability**

In 2016, the UK business unit made a number of improvements to its emergency response (ER) capability. This follows the expansion of the business unit's asset portfolio with Premier's acquisition of the E.ON assets and first oil at Solan.

Enhancements include:

- The establishment of an additional emergency management team, which will provide dedicated support to Premier's UK assets
- The recruitment of an Emergency Preparedness and Response Lead. This new role is responsible for coordinating the business unit's ER and crisis management activities
- A doubling of the number of on-call personnel available to respond to an emergency
- The roll-out of a new competency-based ER training programme to all new and existing staff in ER roles
- A doubling of the number of planning, preparation and testing exercises undertaken on an annual basis

Emergency preparedness

Premier's HSES management systems are designed to minimise the risk of catastrophic safety incidents and other major events occurring. This is particularly important given the complex nature and location of our assets, as well as the combustibility of hydrocarbons and other materials used on our facilities. Despite processes and controls designed to prevent major incidents, it is nevertheless necessary to plan carefully to mitigate the impacts of any incidents, should they occur.

All our business units and operated facilities have ER plans, which are subject to regular review. In addition, we conduct regular offshore drills for all personnel, as well as periodic onshore emergency exercises involving ER teams from our business units and corporate office. These are based on simulated scenarios such as major oil spills or fatal accidents.

We also carry out:

- A range of more regular health and safety drills at all our onshore offices and offshore facilities
- Periodic business continuity and emergency response exercises at our onshore offices

Our efforts in this regard in Indonesia are supported by our recently established disaster recovery centre in Batam. This site provides disaster recovery support for the key communication and administrative systems used by our Indonesian business unit offices. In August 2016, a full disaster recovery test exercise was undertaken at the centre, which confirmed its readiness to support business continuity activities in the event of a serious incident.

Well capping

We continue to support the work of the Oil Spill Prevention and Response Advisory Group, a body established by Oil & Gas UK that has overseen the development of a well capping device for the UK Continental Shelf (UKCS). This device can close off a well in the event of a major incident, thereby stopping a substantial and sustained oil release. The device, which is fully operational,

is kept in readiness for immediate deployment when required. As a member of Oil Spill Response Limited, we are entitled to use the device at any of our drilling and production locations on the UKCS.

We also have an agreement with Wild Well Control, which enables us to access and mobilise their subsea well containment system on a fully staffed basis in response to a loss of control on any Premier-operated well in the world.

Safety assessments**Project Safety Reviews**

We carry out Project Safety Reviews (PSRs) at all our operated projects and at all stages of their lifecycle to ensure that we identify and effectively manage HSES risks. Each project typically undergoes six PSRs from concept to operation, which are aligned with Premier's approval gate stages (see Figure 13). HSES risks must be managed to an acceptable level before a project can proceed to the next stage.

Safety Cases**Premier operated assets**

Safety Cases (which document all of the risks that could cause a major accident, the evaluation of those risks and the measures that have or will be taken to manage them) are applied at all our operated installations to assess relevant process safety risks against established benchmarks. We then reduce these risks to a level that is 'as low as reasonably practicable' (the ALARP principle⁵) where required. Our operated assets are then reviewed every five years to ensure ongoing compliance with their Safety Cases.

We start preparing Safety Cases at an early stage for each project to identify key risk drivers and solutions. We then develop the Safety Case in detail as the project proceeds and ensure that a comprehensive and acceptable Safety Case is in place prior to production. Our Safety Cases are consistent with the regulatory standards of the UK, irrespective of location. This reflects our desire to apply best practice wherever we work. Each Safety Case is reviewed by local regulators or competent third parties, who provide assurance regarding compliance.

⁵ 'Reasonably practicable' implies that an assessment is made in which the quantum of risk is balanced against the money, time and effort involved in averting that risk.

During the current reporting period:

- Our Anoa and Gajah Baru Safety Cases were updated following five-yearly business unit-level 'thorough reviews' in 2015, and have also been subjected to an independent corporate review to check alignment with UK Safety Case Regulations
- A five-yearly 'thorough review' of our Chim São Safety Case was undertaken

Contractor drilling

We encourage all our drilling contractors to adopt the International Association of Drilling Contractors HSE Case Guidelines for their drilling operations. In 2016, all of the contracted drilling rigs working for us had a Safety Case in place.

We assess the integrity of our contracted drilling rigs prior to their deployment. This includes:

- Assessment of each drilling rig's technical specifications during bidding to ensure that it meets our requirements
- A pre-hire audit following selection of a rig
- A drilling preparedness review that assesses crew competence, maintenance processes, and the integrity of safety-critical equipment (e.g. blowout preventers)

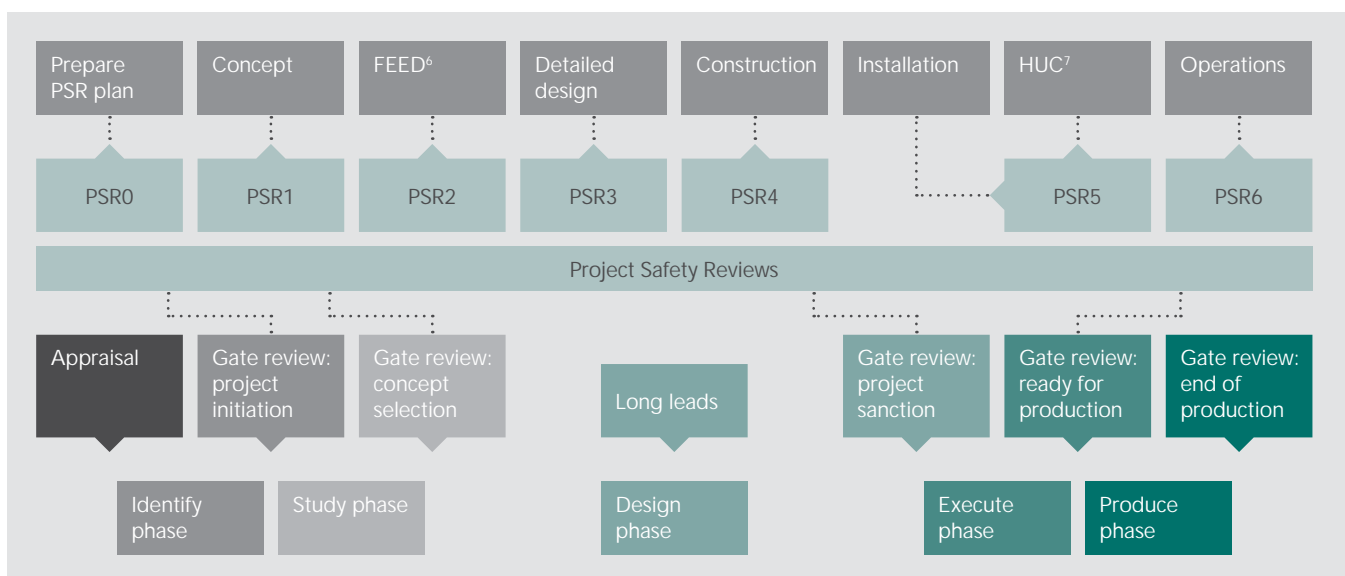


Well examination

Our well examination procedures, which we apply across the Company, ensure that (as far as reasonably practicable) our wells are designed, operated, suspended and decommissioned in a way that prevents any unplanned escape of oil or gas, and that minimises health and safety risks.

We commission independent, competent experts to review our wells on an annual basis to ensure they continue to meet these requirements.

Figure 13: Project Safety Reviews at all stages of the project pipeline



6 Front End Engineering Design.
7 Hook-up and Commissioning.

Occupational health and safety

In 2016, we worked 6.7 million man hours (2015: 7.1 million). The reduction in man hours in 2016 reflected reduced drilling and project activity.

Total Recordable Injury Rate⁸

In 2016, our TRIR rose from 1.27 per million man hours worked to 1.95.

There were 13 recordable injuries in 2016 compared with nine in the previous year. Injuries in 2016 included:

- Six lost work day cases (LWDC)
- One restricted work day case (RWDC)
- Six medical treatment cases (MTC)

The increase in the overall TRIR was largely accounted for by an increase in the number of injuries across our operated production facilities, as well as injuries on our contracted construction vessels. These incidents more than offset improved performance in our drilling operations, which went the entire year without any recordable injuries.

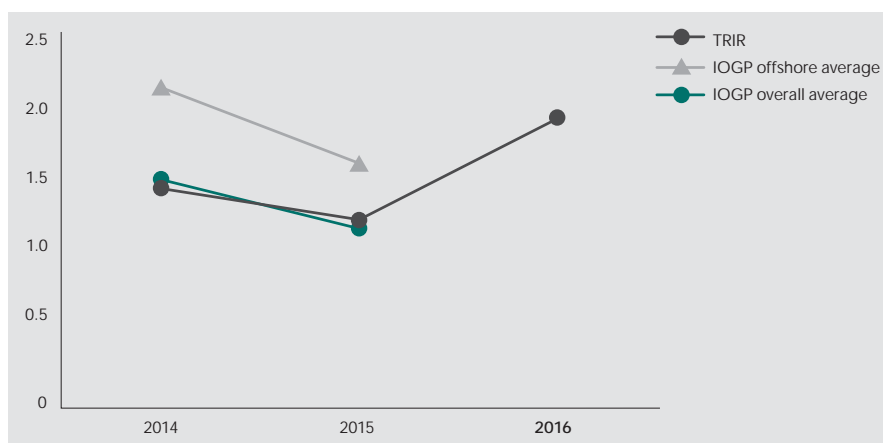
In 2016, we had no confirmed cases of occupational illness and experienced no fatalities.

Figure 14: Occupational safety data

Key safety parameters and indicators	2014	2015	2016
Man hours worked (million)	10.8	7.1	6.7
Fatalities	2	0	0
Lost work day cases (LWDC)	7	3	6
Restricted work day cases (RWDC)	2	2	1
Medical treatment cases (MTC)	5	4	6
Key performance indicators			
Target recordable injury rate*	2.50	1.75	1.32
Total Recordable Injury Rate (TRIR)*	1.48	1.27	1.95

* per million man hours worked

Figure 15: Total Recordable Injury Rate (TRIR)⁹ benchmarking¹⁰



High Potential Incidents

The HiPos metric is a key indicator used to monitor incidents that could have had major HSES consequences. We define HiPos as incidents that have the potential (under different circumstances) for life-changing injury, single and/or multiple fatalities, significant environmental impact and/or reputational damage to the Company. By understanding and addressing the root cause of HiPos, we can reduce the likelihood or impact of future significant incidents.

In 2016, we identified eight HiPo events (2015: eight), giving us a High Potential Incident Rate (HiPoR) of 1.20 per million man hours worked (2015: 1.13).

Our HiPos in 2016 included:

- Four relating to production activities
- Three relating to drilling activities
- One relating to business travel

These incidents reflect the risks posed by drilling and production operations, as well as supporting activities.

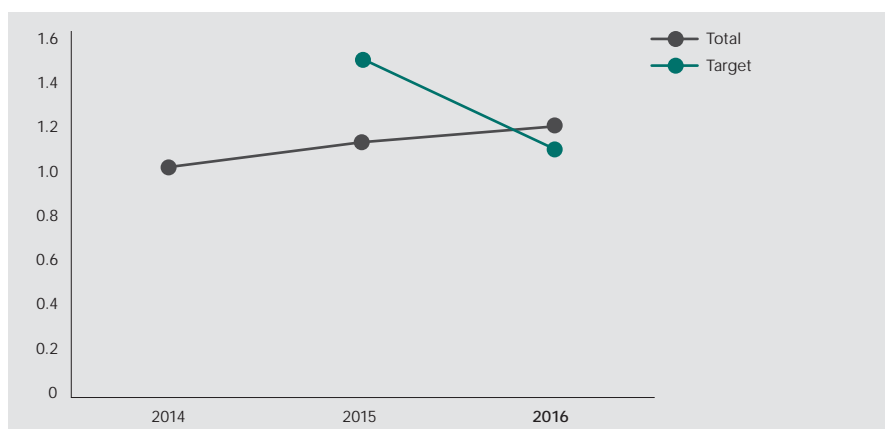
After we have investigated the root cause of each HiPo, we issue HSES Alerts to all relevant personnel and externally (where the sharing of insight is useful). These provide a description of the incident, its causes and necessary preventative actions¹¹.

⁸ Injury data is reported in accordance with IOGP guidelines.

⁹ Per million man hours worked.

¹⁰ IOGP TRIR data for 2016 was not available when this report was issued.

¹¹ HSES Alerts are also issued for non-HiPos that nonetheless require heightened awareness and caution.

Figure 16: High Potential Incident Rate (HiPoR)¹²**Figure 17: High Potential Incidents data**

Parameter	2014	2015	2016
High Potential Incidents (HiPos)	11	8	8
Target High Potential Incident Rate*	n/a	1.50	1.10
Total High Potential Incident Rate (HiPoR)*	1.02	1.13	1.20

* per million man hours worked

Employee and asset protection

We conduct security risk evaluations for our employees and assets that are guided by the latent risks posed by their location, as well as recent incidents.

Recent terror attacks across Europe have made the issue of physical security more material to Premier in 2016. Consequently, we have issued revised travel security protocols for our staff and contractors travelling on Premier business.

Other areas of higher potential security risk in which Premier employees worked and that they visited included:

- Mexico – linked to potential kidnap risks during onshore business travel and employee transfer
- Brazil – linked to violent crime
- Pakistan – linked to security challenges

Visitors to these locations were supported by in-depth travel risk assessments and guidance, as well as enhanced physical security and evacuation precautions where appropriate.

Premier applies a formal travel risk management process when any employee travels abroad.

It is also a member of International SOS, which provides the Company with international medical assistance, healthcare and security services, as well as updates on local health-related risks.

During 2016, there was one significant security incident that directly affected Premier personnel. One of our employees in Brazil was the victim of an armed robbery on a public bus whilst travelling back to the office from an external training course.

Although no one was harmed as a result of the incident, we categorised it as a HiPo due to the high potential for serious injury. In response to the incident, we reviewed and amended our in-country land transport procedures to mandate the use of approved private taxis for all work-related transport. We also provided additional security awareness training for our Brazilian employees, contractors and visitors.

Disease management

Premier provides its employees (and their families where appropriate) with relevant information on disease prevention when travelling to, or working in, high-risk areas. Medication is provided when necessary.

¹² Per million man hours worked. Please note, there was no HiPoR target for 2014.

Section 3: Environment

Premier is committed to operating in a manner that reduces our environmental impacts to a level that is as low as reasonably practicable. We will never knowingly compromise our environmental standards to meet our operational objectives.

39 Materiality

40 Climate change and greenhouse gas emissions

42 Effluents and waste





SDGs related to material issues covered in this section

9 INDUSTRY INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



Premier's material issues are mapped against related SDGs on page 78

Materiality

All Premier's operated activities occur offshore, where we drill for and extract both oil and gas from sub-surface reservoirs for transport to international markets. These activities can have negative impacts on water quality, air quality and local ecosystems. Any failure to take reasonable steps to avoid and/or mitigate these impacts poses a material risk to Premier's reputation and to our ability to meet our legal and regulatory obligations.

Our most significant environmental issues relate to:

- Effluents and waste, including the prevention of spills and the responsible management of hazardous materials
- Greenhouse gas emissions associated with energy consumption and flaring at our facilities

Managing our environmental performance

The controls in our HSES Management System (p29–31) manage our environmental performance across the lifecycles of our operations and projects. The majority of our operated production and drilling activities are certified to the ISO 14001 environmental management standard. The recent exceptions are our new Solan asset, which began producing in 2016, as well as the producing assets Premier acquired from E.ON in April 2016¹. We plan to include these assets within the scope of our ISO 14001 certification in 2017.

In 2016, we spent US\$8.4 million on identifiable environmental protection measures. This includes:

- US\$2.35 million on waste disposal, emissions treatment and remediation
- US\$6.08 million on prevention and environmental management costs

¹ For the first time, the environmental data reported in this section includes our Huntington, Babbage and Solan operated production assets (unless otherwise stated). We incorporated data from Huntington and Babbage into our environmental reporting activities having obtained operational control of these assets, following the completion of the acquisition of the E.ON assets in April 2016. Data from Solan was incorporated following its coming on-stream in April 2016.

Impact assessment

Our HSES Management System requires us to perform baseline surveys and prepare environmental and social impact assessments (ESIAs) for each operated activity. The assessments address our:

- Physical impacts
- Ecosystem impacts
- Socio-economic impacts

We gauge the significance of each impact and assess how we can reduce it to a level that is 'as low as reasonably practicable' (ALARP). In this regard, we decide on the implementation of potential impact controls on the basis of efficacy, practicality and cost.

Reporting our performance

Our business units record key environmental metrics on an ongoing basis. These metrics are analysed every month and relevant performance indicators reported to the Board. We distribute an HSES scorecard to all personnel to keep them informed of Company HSES performance (p30).

In 2016, Premier was not subject to any environmental fines or penalties. However, investigations remain ongoing into incidents of emissions under-reporting at our Balmoral asset in 2015. This under-reporting meant that Premier did not relinquish the correct number of emissions allowances to the European Commission, as required under the European Union Emissions Trading Scheme (EU ETS). Premier has since recalculated, re-verified and re-submitted its emissions records and relinquished all allowances required to make up for the 2015 shortfall. Furthermore, we conducted a full investigation that identified the cause of these errors, and addressed shortcomings in our validation process. No civil penalties were issued by the regulator (the UK Department for Business, Energy and Industrial Strategy (DBEIS)) during 2016.

Climate change and greenhouse gas emissions

Approach

We work to minimise our carbon emissions through:

- The application of effective design and, wherever practicable, energy efficient technology
- The efficient operation of our existing equipment and infrastructure, including the minimising of flaring and venting
- Responsible energy use

We also:

- Conduct environmental ALARP studies at the design stage of every new project
- Set specific, measurable, attainable, relevant and time-bound (SMART) annual greenhouse gas intensity targets to drive operational efficiency at our operated production assets
- Aspire (by pursuing the targets mentioned above) to achieve a carbon intensity for steady-state operated production that is in line with the industry median²

We benchmark our carbon emissions performance against an industry performance database compiled and published annually by the International Association of Oil & Gas Producers (IOGP)³.

Performance constraints

The extent to which we can reduce our carbon emissions is limited by the fact that the performance of our offshore production facilities is largely determined by their original design. Furthermore, the energy intensity of an asset typically increases over time. This is because as fields mature, hydrocarbon production declines and produced water (and thus fluid handling) increases. Consequently, variations in the greenhouse gas intensity of our operated portfolio will primarily be driven by the age of assets within our portfolio.

Reporting

In the UK we are subject to the EU ETS. Accordingly, we submit an annual, externally verified report on our emissions to the UK's DBEIS.

Premier also publishes its Environmental Statement⁴ on an annual basis (previously titled UK Continental Shelf (UKCS) Environmental Performance Report). Our 2016 report, which will be submitted to DBEIS in May 2017, will include details of greenhouse gas emissions from our North Sea assets.

We are a longstanding participant of the CDP⁵. In 2016, the grading of our Climate Change submission improved to a 'B' from a performance grade of 'D' and a disclosure score of 96 in 2015⁶.

 ec.europa.eu
(EU ETS)

Managing climate change risks

We recognise that climate change has the potential to pose physical risks to our operations. Such risks might include:

- Heightened storm risks
- Long-term sea level rises

Accordingly, we undertake detailed meteorological and oceanographic impact assessments for all new projects during the design phase. These incorporate projections of rising sea levels and more frequent unpredictable weather events. We continued to gather oceanographic data at our Falkland Islands Sea Lion project during 2016.

Climate change also poses a variety of corporate-level risks to the Company. Principal among these is the evolving fiscal and legislative response to climate change in our countries of operation. The 2015 Paris Agreement, which entered into force in November 2016, reflects the commitment of the international community in this respect. Premier will continue to closely monitor the developing policy environment at an international and national level, and will adapt our future carbon emissions strategy accordingly.

 www.premier-oil.com
(Carbon Strategy)

² As published annually by IOGP.

³ The IOGP median was 168 tonnes per thousand tonnes of production for 2015 (latest data available).

⁴ For more information, see Premier's 2015 report at <http://www.premier-oil.com/premieroil/dlibrary/panda/ospar-report-30-june-16.pdf>.

⁵ Formerly known as the Carbon Disclosure Project.

⁶ In 2016, the CDP updated its scoring methodology, meaning that companies are now only awarded a letter grade, rather than separate disclosure and performance ratings.

Figure 18: Greenhouse gas emissions per function (thousand tonnes)

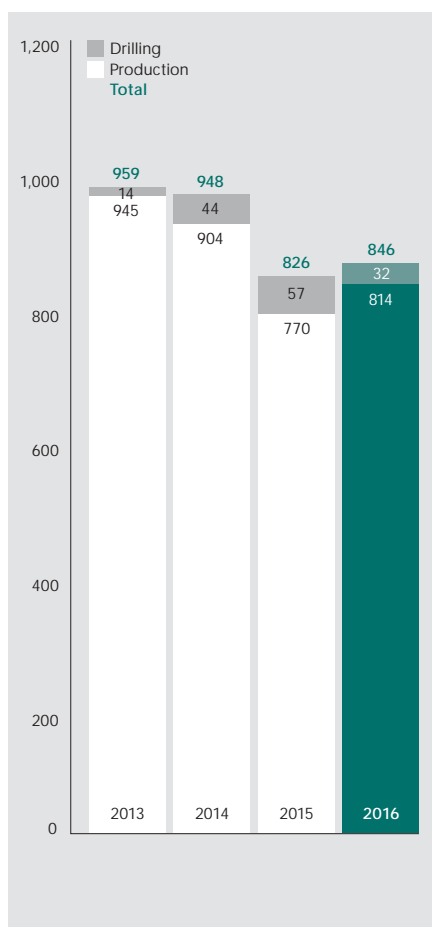


Figure 19: Flaring of gas (tonnes)

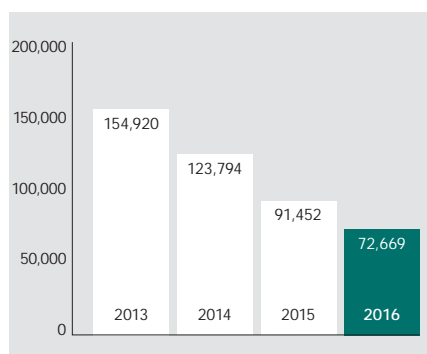


Figure 20: Greenhouse gas intensity (tonnes CO₂e per thousand tonnes of production)

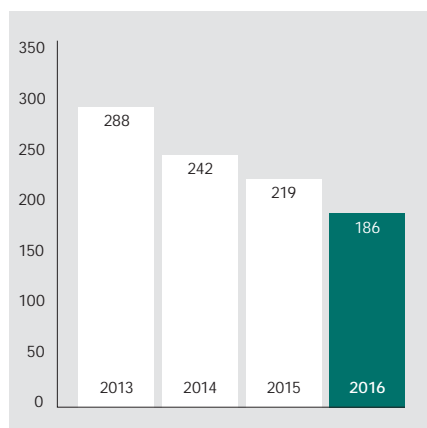


Figure 21: Flaring and venting of gas (tonnes/tonnes per tonne of production)¹⁴

	Indonesia	UK	Vietnam	Total
Flaring (tonnes)	5,182	31,306	36,181	72,669
Flaring per tonne produced	0.003	0.032	0.026	0.017
Venting (tonnes)	1,571	0.323	75	1,646
Venting per tonne produced	0.001	0.000	0.000	0.000

Direct emissions^{7,8}

In 2016, total Scope 1 (i.e. direct) greenhouse gas emissions⁹ from our operated facilities and drilling operations amounted to 846,096 tonnes (2015: 826,330¹⁰ tonnes). This increase reflects the inclusion of the Solan, Huntington and Babbage operated production assets into our portfolio in 2016.

Our Scope 1 emissions are expected to grow further over the coming years as new production operations come on-stream (our Catcher field, for example).

In 2016, our operated production assets achieved a greenhouse gas emissions intensity of 186 tonnes per thousand tonnes of production¹¹ (2015: 219¹² tonnes), beating our revised SMART 2016 target of 200 tonnes per thousand tonnes of production. This target was reduced from 215 tonnes per thousand tonnes of production to 200, in order to reflect the lower-intensity profile of the assets we acquired from E.ON in April 2016.

Our 2016 intensity figure includes emissions from the assets we acquired from E.ON. If these new assets were not included, we would have achieved an emissions intensity of 198 tonnes per thousand tonnes of production. In 2017, we aim to achieve greenhouse gas intensity of less than 185 tonnes per thousand tonnes¹³.

- 7 Greenhouse gases reported in this section include carbon dioxide, methane and nitrous oxide. The chosen base year is 2011 (when Gajah Baru (Indonesia) and Chim São (Vietnam) came on-stream). Prior to this, our operated production portfolio was materially different, making comparison prior to 2011 much less relevant. Calculations of Scope 1 emissions (i.e. direct emissions from owned or controlled sources) are based on equations and emission factors provided in the 2009 API GHG Compendium. Global warming potential rates are taken from the IPCC (2013) Assessment Report as well as IOGP guidance. Premier does not produce any biogenic emissions.
- 8 Our planned activities do not typically produce significant amounts of hydrofluorocarbons, perfluorocarbons or sulphur hexafluoride. However, in 2016, 2,368 tonnes of these gases were emitted into the atmosphere as a result of three unplanned releases at our Solan production asset and one at our Balmoral production asset.
- 9 i.e. combustion emissions; flaring and venting; significant stationary sources; and significant mobile sources.
- 10 Revised figure following diesel under-reporting at our Balmoral asset in 2015 (p40).
- 11 Including Scope 1 emissions for production only. As explained above, the chosen base year is 2011. Our Solan asset, which achieved first oil in April 2016, is not included in our 2016 intensity target as it was not in steady state production at the beginning of the year. As such, greenhouse gas emissions from the asset are also not included in our reported emissions intensity figure for 2016. Emissions from Solan are, however, included in our total emissions reporting.
- 12 Revised figure following diesel under-reporting at our Balmoral asset in 2015 (p40).
- 13 In 2017 we will be changing the basis for our greenhouse gas intensity measurements by removing mobile sources (e.g. helicopters and support vessels) from our calculations to align our reporting with IOGP requirements.
- 14 In the UK, for Balmoral and Solan, venting quantity is not calculated because it is already included in the flaring calculation as an estimated figure. Including this data would result in double-accounting. Huntington and Babbage both have vent consents that form the basis of the estimate for venting emissions.

In 2016, Scope 1 (i.e. direct) greenhouse gas emissions¹⁵ from our non-operated facilities (the percentage of total emissions based on Premier's equity share) amounted to 167,193 tonnes (2015: 113,155 tonnes). This increase reflects the integration of additional non-operated assets into our portfolio in 2016. If emissions from flaring and fuel gas combustion at these non-operated assets are factored into our emissions intensity calculations, it would result in an overall performance of 212 tonnes per thousand tonnes of production (2015: 270 tonnes). This decrease reflects the integration of lower intensity assets to our portfolio in 2016.

Indirect emissions

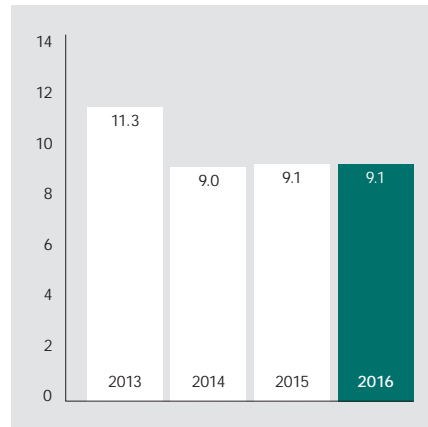
In 2016, our indirect emissions were:

- Scope 2 (i.e. indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam¹⁶): 964 tonnes from office energy consumption (2015: 1,000 tonnes)¹⁷
- Scope 3 (i.e. other indirect emissions, such as transport-related activities): 5,463 tonnes from global business travel (2015: 16,379 tonnes)¹⁸. This decrease reflects a reduced number of flights made by Premier charter aircraft to and from the Falkland Islands in 2016

Where possible, we make efforts to reduce our emissions. This includes:

- The purchase of renewable power for several of our onshore offices
- Reducing unnecessary air travel by (for example) using video-conferencing

Figure 22: Oil in produced water (ppm-wt)



Effluents and waste

A range of pollution risks is associated with offshore production activities, including those relating to planned discharges, unplanned discharges and waste management. We therefore measure and report produced water quality as well as waste production on a monthly basis.

Planned discharges

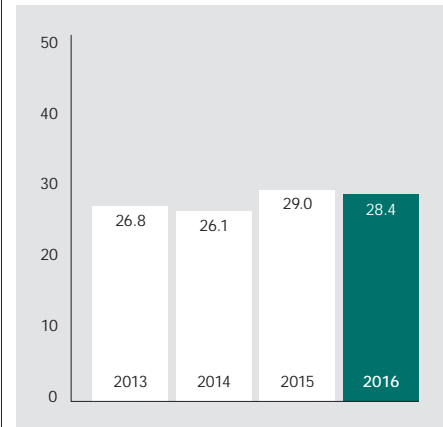
Discharges to land and sea

All our operated offshore assets extract oil, gas and formation water from offshore reservoirs. We separate the oil, gas and water using our on-site processing plant. The constituent parts are then:

- In the case of oil, exported
- In the case of gas, exported, used by the facility itself as fuel gas, re-injected or, to the extent it cannot be put to any of these uses, flared
- In the case of water (known as 'produced water'), it is either re-injected into the reservoir to maintain underground pressure or it is cleaned, filtered and then discharged into the sea

In 2016, we discharged 3.13 million tonnes of produced water (2015: 3.17 million tonnes), representing a decrease of 1.26 per cent. This reflected lower

Figure 23: Oil in produced water (tonnes)



levels of production at our Balmoral asset, which makes the largest contribution to produced water quantities. However, this decrease was partly offset by the integration of additional assets into our portfolio in 2016, as well as increasing produced water content from our maturing production assets. All such planned discharges are cleaned to meet or exceed national standards, using standard separation techniques. During 2016, the average amount of oil in produced water was 9.1 parts per million by weight (2015: 9.1 ppm-wt).

The vast majority of produced water is discharged to the sea. Our offshore production operations, which discharge water to the sea, are not located in any protected areas.

Air pollutants

A breakdown of selected emissions to air is set out in Figure 25. In broad terms, these emissions have increased due to the inclusion of additional production assets in our portfolio in 2016.

There are no material emissions of ozone-depleting substances from our facilities.

¹⁵ For non-operated assets, emissions are calculated from fuel gas usage and flaring only and do not include diesel use.

¹⁶ Scope 2 (i.e. indirect emissions from the generation of purchased energy) calculations are based on emission factors supplied by the UK Department of Energy & Climate Change (now DBEIS), the UK Department for Environment, Food & Rural Affairs (Defra) and International Energy Agency guidance. A different factor is used for each country, and is applied to the total energy consumption in our onshore facilities (offices and warehouses). Emission factors are used to give an estimate of CO₂ equivalent.

¹⁷ Note: Premier's offshore facilities produce their own electricity.

¹⁸ Scope 3 calculations are based on Defra guidelines and the emission factors they supply are used to calculate a CO₂ equivalent figure based on kilometres travelled. Emissions associated with end-use are not included as this is beyond our control.

Unplanned discharges

Our target is to have no significant spills to the environment (i.e. of more than one barrel (0.134 tonnes) of hydrocarbons or other hazardous material).

In 2016, we had a total of 61 spills (2015: 37 spills). Of these:

- Forty-four spills released a total of 5.9 tonnes to the environment (2015: 21 spills/29.6 tonnes). Of these, 26 spills released 2.2 tonnes of hydrocarbons (2015: 12 spills/0.9 tonnes) and 18 spills released 3.7 tonnes of chemicals (2015: 9 spills/28.7 tonnes). There was one significant diesel spill that occurred from our Solan asset (1.9 tonnes) and an increased number of smaller spills, predominantly from our UK assets
- Seventeen spills amounting to 1.2 tonnes were immediately captured through the use of bunding and drip pans (2015: 16 spills/3.3 tonnes). Of these, 11 spills involved 1.1 tonnes of hydrocarbons (2015: 13 spills/3.3 tonnes) and six spills involved 0.1 tonnes of chemicals (2015: 3 spills/0.013 tonnes)

All our operations maintain comprehensive oil spill contingency plans. In addition, we have ongoing contracts with oil spill response specialists to provide emergency support in the unlikely event of a major incident.

Waste management

In 2016, we collected 8,176 tonnes of waste materials (2015: 6,377 tonnes of waste materials) from our global drilling and production operations, and returned it to shore for disposal. Of this:

- A total of 7,242 tonnes was hazardous waste (2015: 3,683 tonnes of hazardous waste). All of our assets and drilling operations produce hazardous waste. This waste was largely comprised of drill cuttings (6,310 tonnes) and used oil. The majority of this was produced by the UK business unit's drilling operations, reflecting the drilling of multiple development wells on our Catcher project throughout 2016

- A total of 934 tonnes was non-hazardous waste (2015: 2,694 tonnes of non-hazardous waste). This included scrap metal, wood, plastic and other materials. This decrease reflects the fact that in 2015, the majority of our non-hazardous waste was produced by drilling operations in Norway, where we are no longer active. Where feasible, we segregate and recycle as much of this waste as possible and encourage the use of recycled input materials¹⁹

- For information about our use of natural resources and management of biodiversity impacts, see www.premier-oil.com (GRI G4 Table)

Figure 24: Hydrocarbon spills to the environment (tonnes)

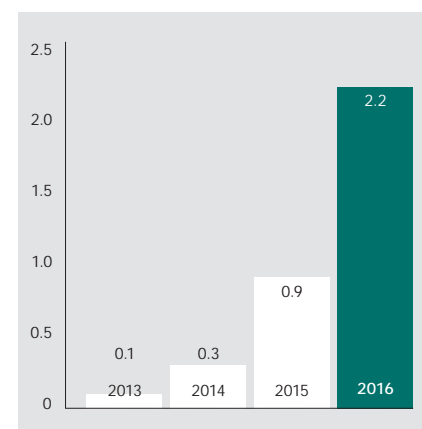


Figure 25: Emissions to air (tonnes)²⁰

	2013	2014	2015	2016
N ₂ O	14	10	10	12
CH ₄	5,432	4,574	3,754	3,522
VOCs	17	29	17	19
NO _x	1,181	1,480	1,374	1,583
SO _x	95	111	83	92
CO	–	403	435	521

Figure 26: Intensity of discharges to air in 2016 (tonnes per thousand tonnes of production and tonnes per well drilled)

Parameter	SO _x	NO _x	VOCs	CO
Production	0.018	0.346	0.004	0.120
Drilling	1.992	13.446	0.294	0.916

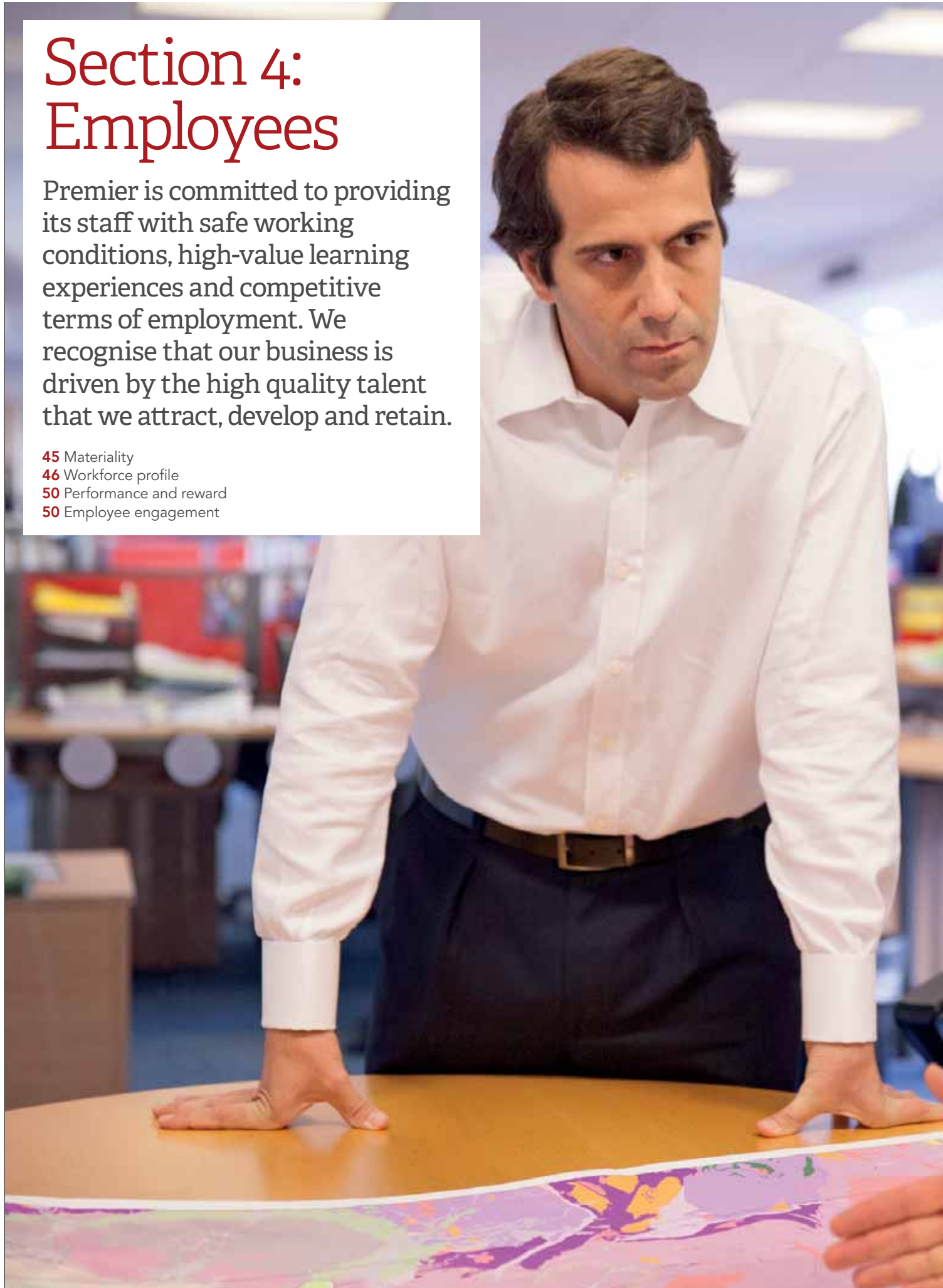
¹⁹ Other than water, the majority of input materials used in our exploration and production activities are chemicals-based and are not available in recycled form.

²⁰ NO_x, SO_x and VOCs have been calculated on the basis of standard emission factors from UKOOA (now Oil & Gas UK) EEMS Guidelines for the Compilation of Atmospheric Emissions Inventory, 2002. These are applied to diesel and fuel gas use from production and drilling operations. We do not emit significant amounts of persistent organic pollutants, hazardous air pollutants or particulate matter.

Section 4: Employees

Premier is committed to providing its staff with safe working conditions, high-value learning experiences and competitive terms of employment. We recognise that our business is driven by the high quality talent that we attract, develop and retain.

- 45 Materiality
- 46 Workforce profile
- 50 Performance and reward
- 50 Employee engagement





SDGs related to material issues covered in this section

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Premier's material issues are mapped against related SDGs on page 78

Materiality

Our business success is dependent on our ability to recruit, retain and motivate high quality, skilled employees and contractors.

To this end, Premier seeks to treat its people fairly, offer meaningful professional development and deliver rewards commensurate with employee performance.

Key issues in this regard include:

- Workforce profile
- Employee engagement (and rewards)

Managing employees

We manage our employees in line with our Corporate Responsibility Policy, our Human Rights Policy and our Global Code of Conduct.

The People Portal – Premier's online human resources information system – and Business Management System (BMS) host a range of processes and guidance that form our Human Resource Management System. This includes processes and guidance relating to:

- Performance
- Resourcing
- Reward
- Competency management

The BMS helps us achieve an appropriate balance between consistent corporate policy requirements and flexible, local-level requirements across the Group.

www.premier-oil.com
(Company Policies)

Workforce profile

At the end of 2016, Premier had 799 employees (2015: 829 employees) and 186 contractors (2015: 232 contractors)¹.

In 2016, our recruitment and turnover rate was significantly affected by our purchase of the E.ON portfolio in April, as shown below:

- A total of 166 new employees joined our workforce (2015: 36 new employees). One hundred and thirty-six of these employees joined Premier as a result of the acquisition
- A total of 164 employees exited the Group on either a voluntary or involuntary basis, representing a turnover rate of 21 per cent (2015: 119/14 per cent). One hundred and fourteen of these exiting employees had joined the Group as a result of the acquisition
- Of the exiting employees, 125 were subject to redundancy, representing a redundancy rate of 16 per cent (2015: 39 employees/five per cent redundancy rate). One hundred and thirteen of these redundancies related to employees who had joined the Group as a result of the acquisition
- If employees that joined Premier as a result of the acquisition are excluded from these calculations, our turnover rate and redundancy rate were lower than in 2015, at six per cent and two per cent respectively

For more information on the acquisition and its implications for employee numbers, see p48.

¹ The term 'contractors' relates to individuals employed directly by Premier or via an agency but on fixed-term contracts (often related to specific projects). These individuals typically work full-time for periods exceeding three months. The definition does not include individuals employed by our contracting companies. Both groups, however, are included in our health and safety statistics.

² In addition to turnover in our core business units, 114 staff that joined Premier in 2016 (following our acquisition of the E.ON portfolio) also exited the Company.

³ Two employees at our Falkland Islands business unit are based in the Falkland Islands. The other 29 employees are based in the business unit's London office.

⁴ Senior management refers to Grade 5 and above.

Location and local employment

Figure 27: Employee recruitment/turnover by business unit²

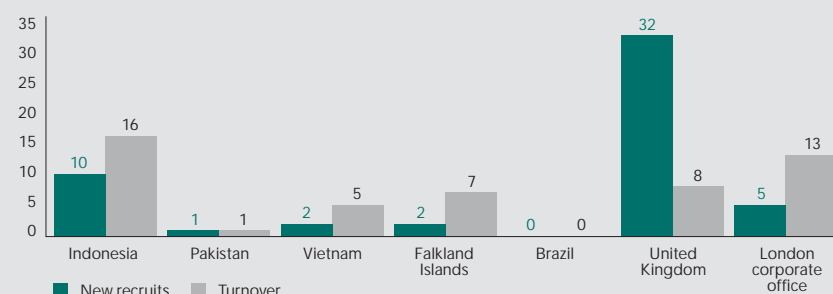


Figure 28: Employee net gain/loss by business unit

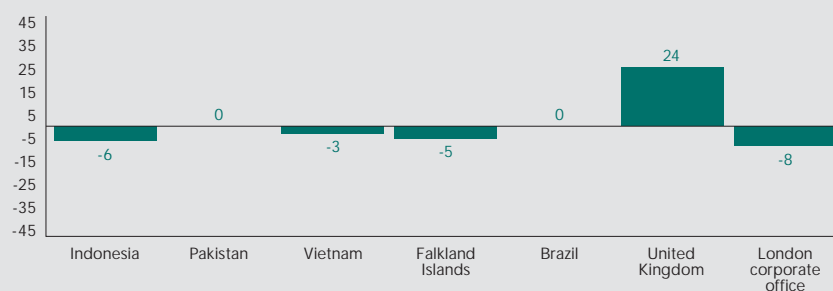


Figure 29: Number of employees by business unit³

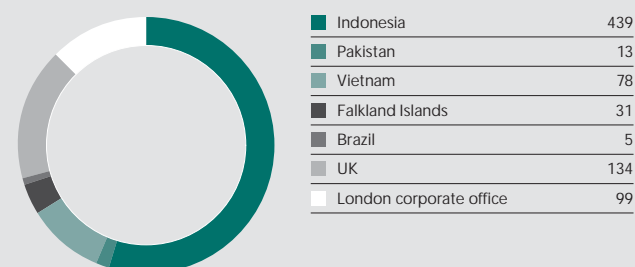
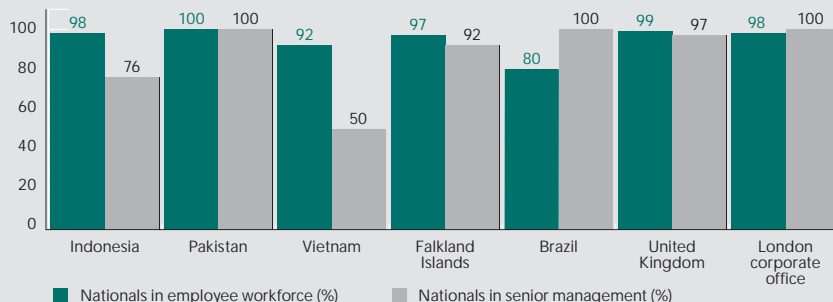


Figure 30: Percentage of nationals in employee workforce and senior management by business unit⁴



Nationals make up 98 per cent of our employee workforce (2015: 97 per cent) and 91 per cent of our senior management (2015: 84 per cent). At the end of 2016, we employed 19 expatriate employees (2015: 29).

Diversity and anti-discrimination

Premier is committed to the principle of equal opportunity in employment and the maintenance of a fair and non-discriminatory work environment.

Figure 31: Employee gender by business unit

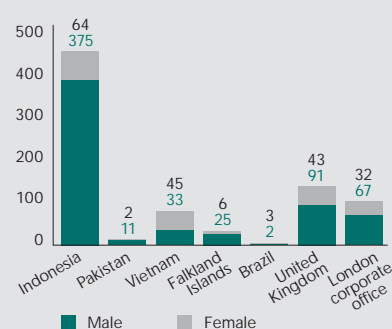


Figure 32: Employee recruitment/turnover by gender

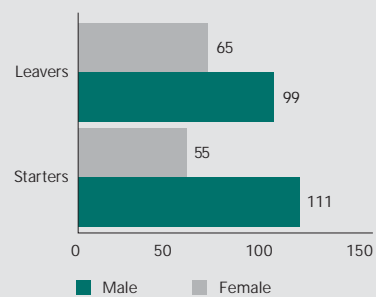


Figure 33: Employee net gain/loss by gender

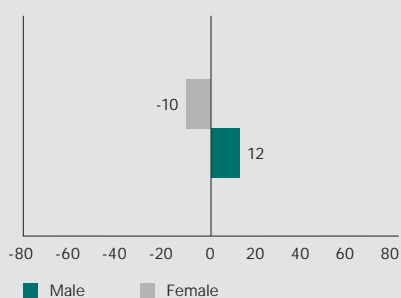


Figure 34: Employee gender balance

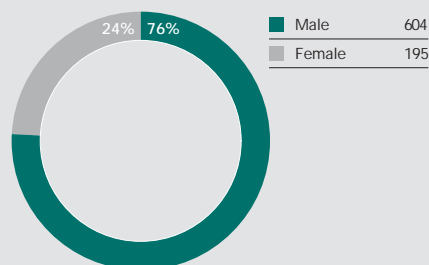


Figure 35: Gender balance at senior management level

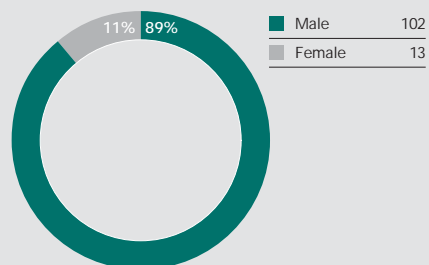


Figure 36: Gender balance at Board level

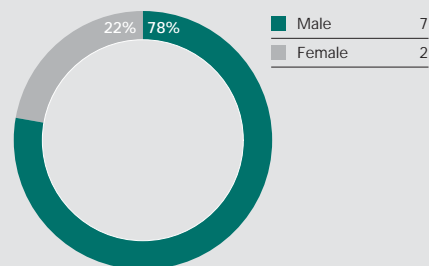
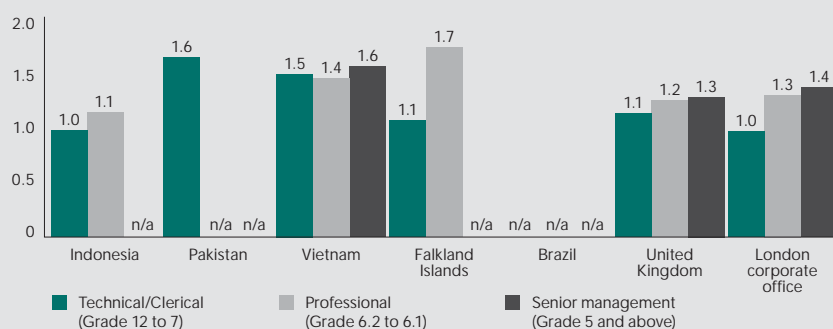


Figure 37: Ratio of male to female salaries by job role at business units⁵



Women are typically under-represented in the oil and gas sector. It is not clear whether this relates to informal barriers to entry, self-selection and/or conscious/unconscious discrimination. In this context, we aim to ensure that our own management systems, practices and working culture do not unfairly impede female access to – and success within – our own workforce.

The ratio of male to female salaries partially reflects the higher level of representation of males in senior management roles. We seek to ensure that those in equivalent roles who are achieving equivalent performance receive equivalent pay, irrespective of personal characteristics such as gender.

⁵ Where 'n/a' is displayed, a meaningful comparison cannot be made between males and females. This is because men or women were not employed in these roles.



Workforce reduction

Like many other operators in the oil and gas sector, market conditions required us to carry out a number of redundancies throughout the year (125 in 2016). The number of retrenchments would, however, have been greater but for:

- Our ongoing development projects, which support employee retention and job creation
- The focusing of our cost reduction efforts on our supply chain, including contractors

In addition, we continue to work to ensure that we retain high-performing employees through our appraisal and reward framework (p50).

Where an employee is at risk of losing their job, we engage with them to identify ways in which this can be prevented. If redundancy is still considered to be necessary, employees are consulted on how to mitigate the resulting impacts. In 2016, we offered affected employees career transition support, financial counselling and/or additional training, as well as making an enhanced redundancy payment that exceeds statutory requirements.

The majority of redundancies came as a result of our acquisition of the E.ON portfolio in the second quarter of 2016. Following the acquisition and subsequent integration process, efforts were made to avoid redundancies where possible. We:

- Transferred 51 potential job roles from the E.ON business to our UK business unit, and two roles to our UK corporate office
- Offered 21 other vacant roles (unrelated to the above) to E.ON staff

In total, only 22 employees from the E.ON business agreed to take up these roles. Many of the affected employees were unwilling to relocate from London to Aberdeen, a principal reason for the low uptake of these roles. As a result, 113 employees opted for enhanced redundancy settlements, while one employee resigned.

During the integration of the E.ON business, we instigated a collective consultation with the newly acquired staff, which included the election of employee representatives. We used this consultation to clearly explain the integration process to employees, as well as Premier's policy with regard

to relocation support and enhanced redundancy packages. It also helped our human resources team to listen to the concerns and feedback of affected employees and adjust policy where necessary.

Local employment

We give priority to the employment of suitably qualified nationals whenever possible. To support this aim, we invest in the development of nationals' skills, knowledge and experience. This helps ensure they can access opportunities throughout our organisation, whilst also supporting our business.

Examples of the senior roles occupied by nationals include the Vice President of Operations and Development at our Indonesia business unit and the Finance Manager at our Brazil office. In some instances we employ expatriate managers (i.e. those employed on foreign contracts) at a senior level due to:

- The need for highly qualified expatriate managers with appropriate oil industry experience for specific roles to fill local skill shortfalls
- Greater geographical mobility of senior managers within the business
- The need for Group oversight of international operations
- The value of international exposure to support Group succession planning

We seek opportunities to transfer positions occupied by expatriate managers to nationals.

Diversity and anti-discrimination

We treat people fairly, equally and without prejudice, irrespective of gender, race, age, disability, sexual orientation or any other discriminatory attributes. This is reflected in our Equal Opportunities and Diversity Policy, which we updated in 2016 to ensure that it remains aligned with best practice. The policy applies to all permanent and temporary staff, contractors and all job applicants. Employee obligations in this respect are set out in our Employee Handbook. These prohibit employees from carrying out discrimination (whether direct or indirect), harassment and victimisation.

Employees can request flexibility to enable them to manage their work and home life. A total of 53 employees took parental leave during the reporting period (21 women and 32 men), representing 100 per cent of those entitled to take such leave. Ninety-six per cent of these individuals are still employed by Premier, and either returned to work in 2016 or indicated plans to do so in 2017. In addition, two employees were also given extended leave to manage their caring responsibilities.

Focus area:

Future Leaders Group



Our Vietnam business unit has established a programme designed to support the professional development of high-potential junior staff. The programme, named the 'Future Leaders Group', challenges participants with tasks and activities reflective of management roles and requires them to work effectively in teams. Other learning experiences are also offered, including seminars that explain how functional areas of the business work and that educate attendees about important workplace issues, such as gender equality.

Throughout the year, participants met with senior Premier employees and the female chief executives of three companies, who discussed with them their own pathways into senior management. Of the eight employees who participated in the programme during 2016, four progressed into roles with greater responsibility in early 2017.

➤ For more information about the learning and development opportunities we offer our staff, see www.premier-oil.com (GRI G4 Table)

Performance and reward

Pay and benefits

Our Global Pay and Benefits Policy ensures that pay and benefits for all employees are appropriate for the markets in which we operate. The Policy is approved by the Board Remuneration Committee, which also:

- Sets the remuneration of the Company's Executive Directors
- Reviews and approves the remuneration of the Company's senior managers

A global corporate grading system supports implementation of the Policy. The system, which defines awards across the Group, takes account of local economic conditions, helping to ensure consistent treatment in all locations.

We conduct annual market reviews to assess market pay levels. On the basis of this information, we aim to progress employees to top-quartile base salaries in each market we operate in where this is supported by individual performance (see 'performance management' below).

Our employees typically receive salaries that are significantly higher than applicable local minimum wage levels. This is due to the nature of employee roles at Premier (which are generally office-based administrative roles or highly skilled technical roles), and our stringent compliance requirements. Indeed, our entry grade salary levels in Brazil, Indonesia, Pakistan, the UK and Vietnam are significantly higher than the applicable local minimum wage.

We also supplement employees' base salaries with additional benefit packages. These vary depending on national employment law and local circumstances.

They include⁶:

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision
- Stock ownership

Our retirement plans have a participation rate of 100 per cent across our applicable business units⁷, with Premier contributing up to 15 per cent of salary to employee pension funds (depending on location).

Performance management

Our strategy is to reward superior performance with commensurate remuneration. All employees are subject to regular performance management and appraisal, and have annual Individual Performance Contracts (IPCs) setting out their goals and performance measures for the year.

In 2016, 99 per cent of employees received performance reviews against their IPCs, and were assigned a performance rating by their managers. This rating was then compared against Group-wide data to guide salary adjustments and bonus recommendations.

Bonuses and incentives

Premier incentivises and rewards high performance through its individual reward frameworks. These include:

- Annual discretionary bonuses for all employees on the achievement of a range of corporate, team and individual performance targets
- The share-based Premier Value Share Plan (PVSP) or Long Term Incentive Plan (LTIP), which is designed to focus employees on longer-term corporate strategy and align their interests with those of our shareholders

In addition, we make Conditional Share Awards to new employees at the discretion of the Remuneration Committee to compensate them for the loss of deferred benefits from their previous employer. In exceptional circumstances they can also be awarded to existing employees.

Employee engagement

Premier encourages open communication between employees and managers on an ongoing basis. We use a number of one- and two-way communication mechanisms to keep employees informed about wider Company issues and performance, including:

- Regular team meetings
- The Company intranet
- Messages from our Chief Executive
- Ongoing email communications on Company matters
- Town Hall staff meetings at each business unit, attended by visiting members of the Executive Committee and senior management

Engagement of this sort is particularly important in the current market environment, which has required us to undertake a number of cost-cutting initiatives, including reductions in the size of our workforce and reduced spending on training.

Premier will typically provide its employees and, where relevant, their elected representatives with at least one month's notice of any significant operational changes that might affect them. This minimum notice period is included in our collective agreement with employees in Indonesia⁸. In cases of redundancy, employees are provided with support from a career transition advisor. This includes assistance in finding suitable alternative employment, as well as counselling, training and financial planning.

⁶ For more information about the benefits available to our employees, please see the online GRI G4 Table at www.premier-oil.com.

⁷ This does not include our Vietnam business unit, where employees are subject to a mandatory state pension scheme, into which we make contributions.

⁸ The collective agreement covering our employees in Vietnam is still awaiting government approval.



Employee feedback

We conduct occasional structured employee surveys at business unit level. The results of these surveys help us to understand employee attitudes towards commitment, rewards, retention, working conditions and related issues. For example, the results of our engagement survey at the UK business unit in 2016 showed that employees feel they are able to manage their workload effectively, and that their contribution is valued. The survey also showed that there is room for improvement in the way that Premier communicates organisational policies and decisions. We are considering what action to take as a result. Overall, the results compare positively with all industry sectors.

We also gather additional feedback from employees through:

- Regular performance reviews
- A formal, non-recriminatory and confidential human resources grievance procedure⁹ should employees feel uncomfortable raising issues through normal management channels
- Our confidential whistleblowing hotline (p21)
- Screen-based surveys on our Global Code of Conduct

Our Grievance Policy requires us to ensure that our employees have access to a fair grievance procedure without unreasonable delay. Written grievances are recorded by our human resources department and included in each personnel file (which is subject to data protection). Any sanction subsequently imposed following investigation can be appealed via a publicised appeals procedure.

In 2016, 90 formal grievances were raised by employees that had joined Premier as a result of our acquisition of the E.ON portfolio. These grievances related to our subsequent redundancy programme and, more specifically, the terms of the proposed enhanced redundancy package.

Following the conclusion of a collective consultation exercise with these employees, as well as the refinement of the redundancy package, 84 of these grievances were withdrawn. Of the remaining grievances, four were heard by the Group Human Resources Director (and findings issued), while two were left unheard, as the relevant employees chose to take no further action and left the Company.

Beyond this:

- Three formal grievances (unrelated to the redundancy terms offered to former E.ON staff) were raised, addressed and resolved
- No incidents of actual or alleged discrimination were reported

Organised labour

We respect the right of all employees to join a legitimate trade union and bargain on a collective basis. We support organised labour through, amongst other things, carrying out official collective consultations in Indonesia, Vietnam and the UK. At our UK and Falkland Island business units, as well as our corporate office, we undertake collective consultation with employee representatives, only if 20 or more UK-based employees are made redundant within a 90-day period.

We have a collective bargaining agreement in place in Indonesia, covering 432 employees. This represents 98 per cent of the business unit employee workforce and 54 per cent of the total employee workforce.

This agreement regulates employee terms and conditions specific to the country, including:

- Wages
- Working hours, overtime and shift work¹⁰
- National holidays and annual leave
- Health, safety and medical treatment
- Training
- Employment termination

The collective agreement covering our employees in Vietnam is still awaiting government approval.

⁹ These are available in local languages at Premier's operations, except in Vietnam and Pakistan, where all of our employees speak English.

¹⁰ Premier complies with all local labour laws, including those related to working hours and overtime.

Section 5: Community relations

We are committed to the maintenance of strong, respectful relationships with our local communities that help us deliver tangible benefits to all parties. This is not only the right thing to do, it also supports our broader social licence to operate, and, by extension, our long-term business success.

53 Materiality

54 Engagement and impact management

55 Community investment





Materiality

As Premier's operated assets are offshore, our relationships with local communities are not as critical for us as they may be for companies with onshore operations. Despite this, community relations remain important due to:

- The potential and actual impacts of our activities (and those of our partners) on local fishing communities
- The role of certain onshore communities as transit and logistics points for our offshore operations
- The positive impact our community investment has on our reputation and social licence to operate
- The potential and actual impacts of our non-operated, onshore exploration and production activities in Pakistan and at Wytch Farm in the UK and the potential for new onshore operations in the future

A key issue in this regard is:

- Our generation of value for local communities

In addition, we are careful to minimise our negative impacts on local communities, if they do occur.

Managing our relations with communities

Premier's Community Investment Policy outlines our approach to building and maintaining relationships with communities. It is applied through our Community Investment Management System, which is aligned with IPIECA¹ standards. Under the management system, we systematically identify, manage, evaluate and budget our engagements in host countries. It focuses on the following key aspects:

- Policy governance
- Risk evaluation management
- Planning
- Implementation and monitoring
- Audit and review

All of our operations have established community engagement and investment programmes.

➔ www.premier-oil.com
(Company Policies)

¹ International Petroleum Industry Environmental Conservation Association.

SDGs related to material issues covered in this section

1 NO POVERTY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Premier's material issues are mapped against related SDGs on page 78

Engagement and impact management

Onshore exploration and non-operated joint venture operations

Although Premier had no onshore exploration activities in 2016, we do have interests in non-operated, onshore production assets via our joint venture partners.

In the UK, we work with our joint venture partners to engage with local communities where required. During 2016, Premier and its joint venture partners held discussions with Dorset County Council regarding the renewal of planning consent at Wytch Farm. Following the natural expiry of planning consent in late 2016, Dorset County Council has approved new planning consent in principle, subject to the finalisation of the provision of security for decommissioning.

In Pakistan, where relevant, we discuss community relations issues with our joint venture partners during quarterly Operational Committee meetings. Our partners in Pakistan focus their

community investment activities on education, health and infrastructure development.

Our partners sometimes operate in remote and undeveloped locations, where their presence can have a positive economic impact, including through the creation of local employment opportunities.

Furthermore, the tribal nature of the communities that some of our partners engage with requires them to navigate traditional land and resource rights. Accordingly, during exploration and development phases, land is typically leased from relevant tribal groups, despite the possibility that such groups may lack formal legal title.

Other issues that can affect relations between our partners and local communities include demands for employment and the negotiation of lease terms. Potential instability is also a concern in Pakistan, although our joint venture interests operate in areas that enjoy relatively high levels of physical security compared to other parts of the country.

Offshore exploration and production

As our operations are predominantly offshore, we have relatively limited interaction with local communities.

Nonetheless, we engage with those stakeholders that are or could be affected by our activities, including local fishing communities, communities hosting our onshore supply and logistics bases, and our community investment partners and beneficiaries.

Examples of community engagement in 2016 include:

- Discussions with fishing communities in the UK, Indonesia, Vietnam and Brazil, regarding the temporary and localised impact that our offshore production operations – and, where relevant, the seismic exploration activity conducted by our contractors – can have upon fishing activity
- Working with local fishing vessels to help ensure that they do not expose themselves (or our assets) to health and safety risks by entering the waters immediately around our offshore operations



- Ongoing engagement with a range of stakeholders in the Falkland Islands regarding the current and future impact of our development activities. For example, as part of Premier’s environmental impact assessment process for the Sea Lion project, our Falkland Islands business unit undertook a comprehensive public scoping consultation, which involved engagement with a wide range of local stakeholders, including members of the legislative assembly, businesses, NGOs and the public

Our Health, Safety, Environment and Security (HSES) Policy requires us to prepare environmental and social impact assessments (ESIAs) for each of our operated activities (p40). Where relevant this will include engagement with local communities. None of our operations has been identified as having any material negative impacts on local communities, again reflecting their remote, offshore locations.

Community investment

We use community investment projects to avoid and/or mitigate any negative impacts resulting from our activities, contribute to local education and capacity, and deliver lasting social, economic and environmental value for local communities and host governments.

In 2016, we spent US\$0.69 million on community investment projects (2015: US\$0.88 million). Reduced spending over the past two years reflects the challenging market environment. Nonetheless, our business units have sought to use their reduced community investment budgets to protect the benefits delivered by existing community projects and to support highly impactful new projects.

A breakdown of each business unit’s community investment activity in 2016 is set out below and on p56–61.

Figure 38: Community investment trends (US\$million)

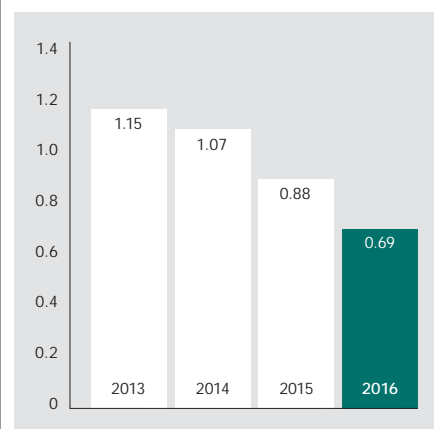
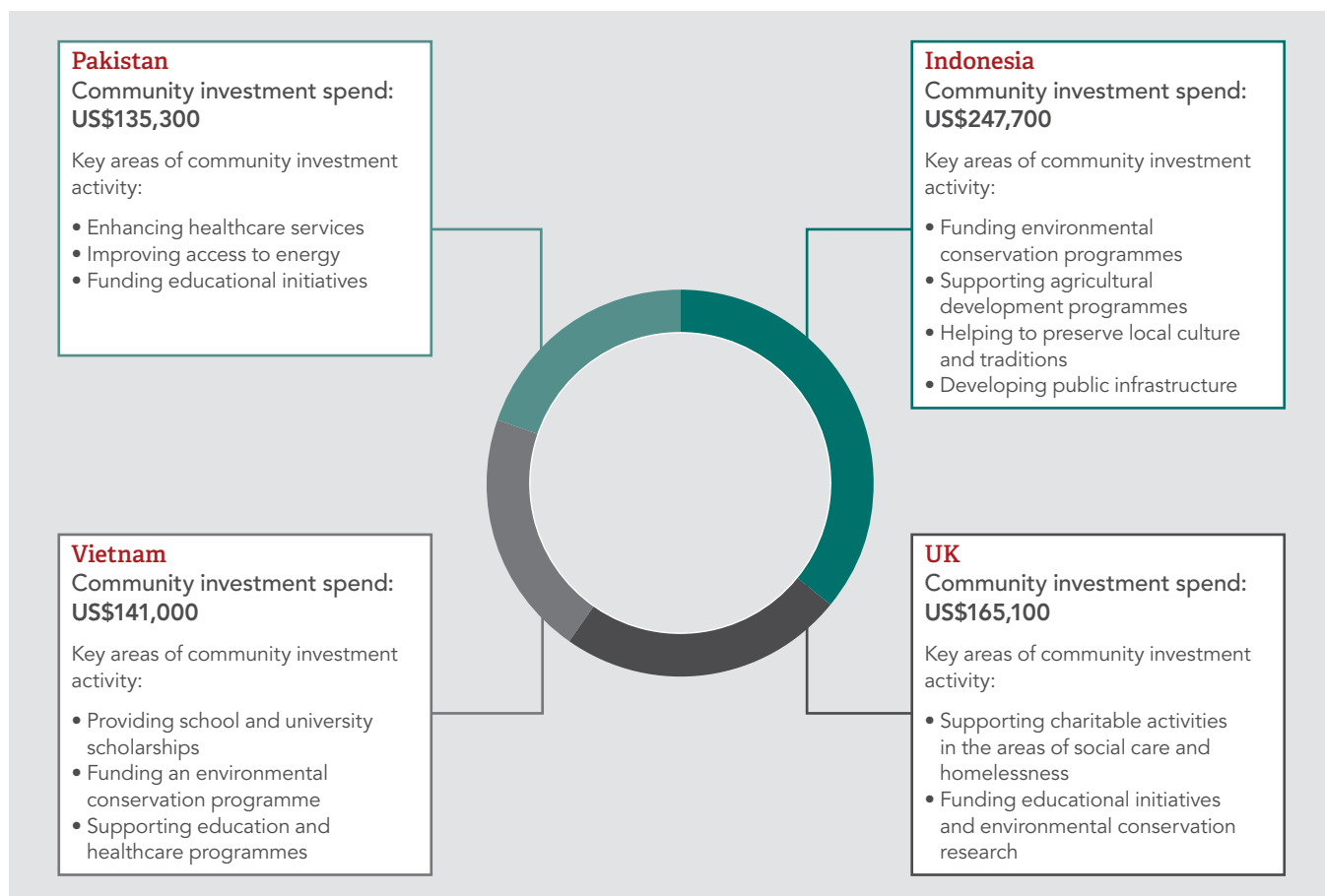


Figure 39: Our community investment profile in 2016



Indonesia

Premier funded two new projects in 2016:

- The development of a Malay art and cultural facility in Tarempa (located on Siantan island) aimed at preserving local traditions and culture. Premier provided funding of over US\$40,000 to this project. The centre, which is the first of its kind in the Anambas Islands, is being used by local groups to practise traditional music, dance and martial arts, and contains a small public library focused on Malay culture
- The funding of a full scholarship for one student from the Anambas Islands focused on marine life and fisheries management, as well as financial support for 50 other students studying in the Anambas Regency

In addition to the continued funding of the collaborative infrastructure development programme (p57), our Indonesia business unit maintained support for a number of ongoing community investment programmes. These include:

- Provision of library management training for the committee charged with running the Community Learning and Education Centre in Piabung Village. In 2015, Premier funded the development of this centre, which includes a public library and a community radio system
- Provision of cooking equipment for women (often housewives) in the villages of Tebang, Candi and Piabung, who earn an income from selling food that they produce
- Implementation of an organic farming project in Teluk Bayur Village, as part of a programme designed to cultivate alternative livelihoods to fishing

- Renovation of the outdoor facilities of a public library in Rintis Village. Premier funded the construction of the library in 2015
- Provision of facilities to support workers cultivating mangroves on the Anambas Islands. Premier planted these mangroves in 2013 in conjunction with the National Committee of Indonesian Youth
- Assistance in the preservation of a turtle habitat on Pahat Island. Since 2014, the programme has resulted in the release of around 28,000 hatchlings to the sea



Project:

Supporting infrastructure development in the remote Anambas and Natuna Island communities, Indonesia

Context

Since 2013, Premier's Indonesian business unit has participated in a collaborative programme to develop and renovate infrastructure and public facilities across the Natuna and Anambas Islands. Other programme participants include Premier's joint venture partners in the region – Conoco Phillips, Star Energy and Lundin Petroleum.

The remote Natuna and Anambas archipelagos are close to Premier's operations in the Natuna Sea. The islands are characterised by relatively low levels of development and a lack of high quality infrastructure and public services – a situation not uncommon amongst Indonesia's more remote island communities.

Over the course of three years, Premier has invested more than US\$300,000 in the programme, supporting a variety of projects.

Actions in 2016

In 2016, Premier donated over US\$80,000 to support several projects run through the programme, including the following on the Anambas Islands:

- Renovation of the main roads providing access to both the Ladan and Teluk Bayur villages
- Renovation of a mosque used by community members in the village of Payamaram

In addition, Premier supported the renovation of jetty facilities in the village of Mekar Jaya in the Natuna Islands, and the building of the following facilities on the Anambas Islands:

- A meeting hall in the village of Putik
- A sports facility in the village of Candi
- A meeting centre in the village of Tebang

**Impacts**

Since its inception, the collaborative investment programme has benefited thousands of islanders across Natuna and Anambas.

Strengthened transport infrastructure has improved access to and from numerous remote communities. This has enhanced local trading and employment opportunities, as well as individuals' access to public and private services.

The construction of community centres, the renovation of places of worship and investment in cultural preservation in 2016 will help reinforce the local social and cultural fabric.



Vietnam

In addition to continued support for the charity Newborns Vietnam (p59), the Vietnam business unit funded a variety of existing community investment programmes throughout the year, including:

- Educational and healthcare programmes at the Binh Tho Development Centre, Ho Chi Minh City. The financial assistance provided by Premier has helped the centre maintain these programmes, which benefited 120 children in 2016
- Planting another 20 ha of mangrove trees in the Soc Trang coastal area of southern Vietnam, in addition to the 85 ha planted by Premier since 2011. The mangroves help protect the coastline, capture carbon dioxide and improve aquaculture harvests for the local community
- Provision of school and university scholarships for 42 students via the Light Your Hope Scholarship Foundation and the Saigon Children's Charity CIO
- The construction of a secondary school in Hau Giang Province, southern Vietnam. Over 180 students will be able to attend the school when it is completed

Project:

Helping Newborns Vietnam reduce neonatal mortality and morbidity, Vietnam

Context

Newborns Vietnam is a UK-registered charity that operates in Vietnam. Its mission is to improve the health of newborn infants and their mothers across the country.

The charity runs bespoke neonatal nursing and medical education programmes to support hospitals across Vietnam. These programmes produce skilled healthcare professionals who are well-equipped to play an active role in reducing neonatal mortality and morbidity. The charity works in partnership with higher education institutions and teaching hospitals in the UK to deliver these programmes.

Actions in 2016

Premier sponsored Newborns' 2016 'Cycle a Difference Asian Business Ride', a cycling challenge fundraising event to support Newborns' work.

Premier has provided financial support to the charity since 2013, helping it implement its programmes and procure much-needed medical equipment.

Impacts

The sponsorship and funding provided by Premier since 2013 have not only helped Newborns carry out its work, but have also raised the profile of the charity's fundraising events, encouraging the involvement of other businesses in the region.

For example, revenue generated by these events has been vital in helping Newborns improve neonatal healthcare at the Da Nang Hospital for Women and Children, a referral facility for newborn care in central Vietnam. Training provided by the charity has had very positive results, including a reduction in neonatal mortality rates of 50 per cent between 2012 and 2016.

Building on this success, the charity plans to undertake a number of initiatives in 2017 to further improve neonatal healthcare in Vietnam, including:

- The implementation of a post-qualification, competency-based training programme for junior doctors at the Vietnam National Children's Hospital in Hanoi (the country's primary children's hospital). This is the same programme that Newborns is currently implementing at the Da Nang Hospital for Women and Children and is taught in over 40 countries
- A pilot project in collaboration with the Vietnamese Ministry of Health to develop a neonatal network system for northern Vietnam. The project will help the charity and the Vietnamese Ministry of Health to explore the potential to develop this system for the whole country

www.newbornsvietnam.org



UK

Our UK business unit continued to support HorseBack UK (described below), as well as fund a variety of other existing community investment initiatives, including:

- Archway, a charity that works in Aberdeen and throughout north east Scotland to enhance the quality of life of around 200 children and adults with learning disabilities
- The Aberdeen Seafarers Centre, which provides advice and a range of facilities to seafarers visiting the port of Aberdeen
- Geobus, an educational outreach programme focused on educating school children about geosciences. The programme benefits 12,000 students a year on average

- Kincardine and Deeside Befriending, a charity that provides older people with companionship and practical support. Premier's donation helped the charity's trained volunteers support around 100 older people during 2016

In addition, staff from the UK business unit's FPSO team raised US\$3,000 for Children with Cancer UK and the Children's Cancer Association of Japan. The team raised this money by undertaking a sponsored ascent of Japan's highest mountain, Mount Fuji.

Project:

Rehabilitating ex-military personnel and community members at HorseBack UK, UK

**Context**

HorseBack UK is a charity that empowers injured veterans to help themselves and others, following their clinical recovery. In doing so, the charity provides purpose and community for those who have been injured serving their country. HorseBack UK is based in Aboyne, Aberdeenshire, the closest onshore region in the UK to Premier's North Sea operations.

The charity provides courses designed to build the confidence and self-esteem of participants, and ultimately support them on their journey to recovery.

As well as offering therapy through working with horses and being in the company of those with similar experiences, the courses also challenge participants to use teamwork and leadership skills to achieve various objectives. The courses are led by instructors who have also been affected by conflict, meaning that they and the participants can work together in an understanding and supportive environment.

Pakistan

In 2016, our Pakistan business unit invested in a wide range of local community development projects managed by our joint venture partners in the country. These include:

- The installation of solar energy infrastructure for the residents of the Kadanwari, Kirthar and Zamzama lease areas
- The construction of water filtration units for the residents of the Kirthar lease area
- The provision of financial support for health clinics and family planning services in the districts of Ghotki, Johi and Khairpur
- The purchasing of an ambulance for the hospital in the Ghotki district
- The funding for 11 students from the Ghotki district to attend medical or engineering courses

Other

At a corporate level, Premier supported a number of charities and causes in 2016, including The Passage, a charity operating in close proximity to Premier's London offices that offers support to homeless and vulnerable people.

The corporate office also continued to support students seeking to join expeditions run by Operation Wallacea, an organisation that runs biological and conservation management research programmes across the world. Premier provided ongoing bursary support for UK-based undergraduate students to undertake field research into coral reef preservation in the Wakatobi Marine Park in Indonesia.



Actions in 2016

In 2016, Premier donated US\$34,000 to HorseBack UK. This financial assistance helped to:


- Employ an essential member of staff for another year
- Pay for animal husbandry costs

In addition, throughout 2016, HorseBack UK provided a series of leadership and team development courses for 16 Premier employees. This initiative is part of the charity's strategy to build mutually beneficial and more sustainable relationships with its corporate partners.

Impacts

Since its establishment, the courses and activities offered by the charity have supported the recovery of over 600 individuals from the local area and across the UK. Seventeen per cent of course participants have managed to return to full-time employment, while 11 per cent went into full-time education. The funding provided by Premier has helped HorseBack UK to maintain these important activities and position the charity for future growth.

The success achieved by the charity over the past four years has resulted in HorseBack UK recently opening its programme to non-military participants. The charity is now able to reach those members of the community who can benefit from the services it offers, including those impacted by drug abuse, emotional trauma or disability.

 www.horseback.org.uk

Section 6: Society

Premier is committed to having a positive impact wherever we operate. We do so by respecting human rights, engaging transparently with our host governments and generating economic value for our host countries.

- 63 Materiality
- 64 Human rights
- 68 Public policy and government relations
- 70 Economic contributions
- 72 Economic distribution





SDGs related to material issues covered in this section

1 NO POVERTY



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Premier's material issues are mapped against related SDGs on page 78

Materiality

Through our activities we have an impact on a range of stakeholders. Conversely, these stakeholders also have the potential to affect Premier's business at both local and national levels. It is therefore important that we respect the rights of local people, cooperate transparently and constructively with governments and other stakeholders, and deliver economic value to broader society.

Key issues in this regard are:

- Human rights
- Public policy and government relations
- Economic contributions

Managing our interactions with society

Our policies define our approach to interacting with society. These include our overarching Corporate Responsibility Policy, Code of Conduct, Human Rights Policy and Risk Management Policy. These policies are implemented through our associated management systems. We are also guided by the UN Guiding Principles on Business and Human Rights.

www.premier-oil.com
(Company Policies)

www.ohchr.org
(UN Guiding Principles on Business and Human Rights)

Human rights

Human rights context

As our operated assets are located offshore, our human rights risk and impact profile is very different from that of onshore operators, for whom local communities are likely to be a principal focus. For us, the main focus is on our workforce and supply chain, rather than local communities. This is particularly the case given that we did not conduct any onshore exploration activities in 2016.

Human Rights Management System Policy and procedures

Premier's Human Rights Policy, which is based on international human rights norms, requires us to respect and promote human rights. It is aligned with and is mutually supportive of our broader corporate responsibility and community investment frameworks.

The Policy is implemented through our Human Rights Management System, which prescribes how to:

- Embed human rights
- Conduct risk assessments
- Develop action plans
- Carry out implementation and monitoring
- Audit and review compliance and performance

These processes and procedures are included in the corporate responsibility and public affairs section of our Business Management System (BMS).

Figure 40: Coverage of Premier's human rights risk screening tool

Human rights	Labour rights
Cultural rights	Child labour
Development rights	Freedom of association and collective bargaining
Indigenous rights	Discrimination
Conflict-affected territories	Forced and involuntary labour
Security practices	Working conditions
	Health and safety

Both our Human Rights Policy and broader Human Rights Management System are aligned with the UN Guiding Principles on Business and Human Rights.

- www.premier-oil.com (Company Policies)
- www.un.org (Universal Declaration of Human Rights)
- www.ilo.org (International Labour Standards)
- www.ohchr.org (UN Guiding Principles on Business and Human Rights)

Human Rights Risk Screening

A quantitative tool that incorporates country risk data from a third party specialist is available in the Human Rights Management System for Group-wide reference. The tool can be used to screen our high-level human rights risks, in the context of:

- Our operated production operations, exploration projects and development projects
- Our non-operated joint venture assets
- Countries identified for possible exploration or joint venture activities

The tool helps us identify, score and prioritise for targeted management those current and future assets where there is a higher likelihood of adverse potential human rights impacts.

Premier's operated assets and non-operated joint venture assets have been annually re-assessed using this tool. In addition, we carry out ad hoc evaluations of human rights risks for our operations and employees where on-the-ground events and developments require them.

In the future, we also plan to carry out human rights risk screening for new service contractors and suppliers through our Supply Chain Contractor Due Diligence Process (p66).

Human rights training

We offer, via our centralised BMS, a scenario-based training module focused on security and human rights. This module, which supports our application of the Voluntary Principles on Security and Human Rights (VPs) (p66), was updated in 2016. This was with the aim of ensuring that it is fully tailored to those issues relevant to the offshore operating environment.



Human rights grievance mechanism

In 2016, we refined further our human rights grievance procedure, which we plan to implement across the business in 2017. The procedure will enable Premier to better identify and address actual or potential human rights impacts, whether they are directly or indirectly associated with Premier's activities.

There were no reported violations of our Human Rights Policy during the reporting period, and no identified incidents of human rights abuse.

Our own operations

Labour rights

We respect the right of all employees to:

- Join a legitimate trade union, and we comply with all local legislation regarding collective bargaining (p51)
- Be free from discrimination within the workplace (p49)

We have not identified any of our operations as presenting risks to workers' rights to exercise freedom of association and collective bargaining. There were no reported incidents of discrimination at our operations in 2016.

Community rights

As our operations are offshore, the risk that our activities will adversely affect the human rights of local community members is low. If such effects were to arise, it is most likely they would relate to the ability of local fishing communities to exploit the waters in the immediate vicinity of our operated facilities.

Community-related impacts associated with our non-operated onshore activity are addressed on p54.

We carry out detailed environmental and social impact assessments (ESIAs) for all exploration and development activities. These identify any potential human rights impacts, including those relating to local communities, so that appropriate solutions can be put in place.



Security and human rights

Premier remains committed to the application of the Voluntary Principles on Security and Human Rights (VPs) at all its operated assets.

We do not typically employ or contract security personnel, apart from those provided by landlords at our office locations. Accordingly, we did not carry out any human rights training for internal or external security personnel in 2016. When we require any security services elsewhere than in our office locations, service providers are required to apply human rights standards that are aligned with our Human Rights Policy.

In exceptional cases, we contract private security contractors to accompany individuals travelling to high-risk exploration and/or business locations. Our service providers in this regard:

- Are members of the International Code of Conduct for Private Security Service Providers' Association

- Apply the VPs
- Apply standards that commit them to respecting human rights in all their activities, as well as relevant supporting practices such as training, risk assessment, monitoring, internal whistleblowing processes and grievance procedures

No security-related incidents with human rights implications were recorded in 2016.

Our business partners

In line with the UN Guiding Principles on Business and Human Rights, we seek to monitor the human rights performance of our business partners (p6–7), including our:

- Non-operated joint venture partners
- Service contractors
- Suppliers

We focus primarily on their HSES performance due to the possible human rights implications for workers in the supply chain and also for our reputation and licence to operate.

Supply chain management

Our business units typically undertake their own contracting and procurement, with the corporate office providing strategic and commitment endorsement and oversight where necessary. We subject all new contractors to an initial risk-based HSES assessment via either pre-qualification, bidding and/or negotiation, and during contract commencement. Following these onboarding assessments, any contractors that we deem to be of high risk are subjected to a more detailed HSES screening. Furthermore, all our major contracts include relevant HSES requirements.

Where possible, we monitor the HSES performance of suppliers and service contractors. In 2016, this included the integration of HSES performance indicators into contracts with major service providers at our Catcher project and Balmoral asset in the UK North Sea. We are examining the possible implementation of a broader contract management framework at our UK and Indonesia business units. A key focus area of the framework will be the HSES performance of our contractors.

We also plan to finalise the implementation of our Supply Chain Contractor Due Diligence Process across our business units in 2017. The process utilises an online, third party assessment tool to screen all new potential suppliers and service contractors for a range of business ethics, human rights and labour rights risks.

On the basis of this assessment, the system will 'red flag' potential issues of concern, triggering (where relevant) a full due diligence process tailored to Premier's specific needs. Long-term contracts that are categorised as 'high risk' under this process will be reassessed every two years, while those categorised as 'low risk' will be reassessed every three years.

We also carry out reviews of our largest Tier One and Tier Two contractors¹ following contract award, focusing mainly on HSES performance. Furthermore, we maintain a presence at the major construction yards undertaking work for us to ensure that acceptable broader human rights and labour standards (as well as HSES standards) are adhered to.

No significant negative human rights or labour rights impacts were identified in our supply chain in 2016.

New licences, acquisitions and relationships

When making significant acquisitions or entering into new countries or major new relationships with joint venture partners, service contractors or suppliers, we also carry out, when appropriate:

- Ad hoc risk assessments that include human rights considerations if relevant
- Third party due diligence focused on reviews, for example, of political exposure, financial probity, etc.

In addition, we take a risk-based approach to the inclusion of relevant human rights provisions in related contracts. Where relevant we take into account precedents and any human rights risks identified during our new country entry procedures.

In connection with Premier's April 2016 purchase of the E.ON assets, we conducted a wide-ranging due diligence process, which encompassed HSE and human rights performance. This assessment did not reveal any issues that would have contravened Premier's own policies. Furthermore, a provision was included in the purchase agreement requiring E.ON to guarantee that they had not received any notices for material HSE non-compliances in relation to these assets for at least two years.

Figure 41: Tendering controls

General procurement	
Contracting Strategy Framework	Recommendation to Award Framework
<p>Before we enter into new contracts that we consider pose a high level of HSES risk or are of a financially material nature, we review the following:</p> <ul style="list-style-type: none"> • Performance history of pre-qualifying and/or bidding contractors (including HSES metrics and identified issues) • Other high-level risks (including human rights issues if relevant) <p>This enables our teams to apply appropriate criteria to the evaluation process as well as embed relevant HSES obligations within final contracts.</p>	<p>Our business unit and corporate tender boards are automatically required to endorse new commitments (exceeding US\$200,000 and US\$10 million respectively). At both levels this includes a more in-depth assessment of contractor-specific risks.</p>



¹ We categorise our supply chain into the following tiers: Tier One (high-value contractors who utilise sub-contractors), Tier Two (direct contractors) and Tier Three (smaller suppliers).

Public policy and government relations

Managing our relations with government

The governments of our host countries are some of our most important stakeholders. This reflects the impact on our business of public policy, legislation, regulation and the awarding of new licences.

Business units engage directly with our host governments and regulators, although licence bids are made directly by our Exploration team. All engagement is carried out in line with Premier's applicable policies, including our Corporate Responsibility Policy, Code of Conduct and Human Rights Policy. In 2016, Premier did not:

- Make any political donations or contributions
- Receive any significant financial assistance from government²
- Have any direct government shareholders

Premier is a member of a number of bodies that use their legitimate influence to lobby governments on issues affecting the oil and gas sector. These include the following organisations:

- Association of British Independent Oil Exploration Companies (BRINDEX)
- Falkland Islands Petroleum Licensees Association
- Indonesian Petroleum Association
- International Association of Oil & Gas Producers (IOGP)
- Oil & Gas UK
- Pakistan Petroleum Exploration and Production Companies Association

Key public policy issues The Falkland Islands

Our Sea Lion project is operating under licences legitimately awarded by the Falkland Islands Government (FIG) and has the full backing of the FIG and of the UK Government, notwithstanding the continued claims by the Government of Argentina to sovereignty over the Falkland Islands.

The project is expected to make an important contribution to our overall production portfolio once it enters production.

The technical definition of the Front End Engineering Design (FEED) for Phase 1 of the Sea Lion project is now well-advanced. Premier's final investment decision will be informed by the future price of oil and our ability to fund the project while also reducing our debt. Throughout 2016, we continued to engage constructively with the FIG and other Falkland Islands stakeholders regarding:

- Plans for the development of the Sea Lion field
- The environmental impact assessment for the Sea Lion project
- Management of our potential future social impacts

UK energy policy

We continue to engage with the UK Government regarding how the industry can maximise value from the UK's remaining offshore oil and gas reserves. This is in the context of continued low oil and gas prices, ageing fields and infrastructure, and significant decommissioning liabilities. Our engagement efforts are informed by the 2014 Wood Review (Maximising Economic Recovery).

We are also engaging directly with the UK's Oil & Gas Authority (OGA). The OGA has been tasked with ensuring that the UK gets the maximum economic benefit from its offshore oil and gas reserves on the UK Continental Shelf (UKCS). Relevant topics of discussion include:

- Asset stewardship, including initiatives to improve collaboration between operators – particularly with respect to logistics and shared infrastructure
- Current fiscal arrangements for North Sea operators

- Opportunities to reduce the operational burden on North Sea operators
- Planning for future decommissioning of oil and gas infrastructure (and managing associated costs)

🔗 www.ogauthority.co.uk (OGA)

🔗 www.ogauthority.co.uk (2014 Wood Review)

Focus area:

Increasing focus on North Sea decommissioning

The issue of decommissioning is attracting growing levels of attention in the maritime nations surrounding the North Sea, as its oil and gas fields become increasingly mature. Decommissioning is the process by which oil and gas production assets are taken out of service once they are no longer commercially viable. Under the requirements of the current Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR Convention), the physical process of offshore decommissioning requires wells to be safely plugged and abandoned, and the infrastructure required to extract oil and gas to be dismantled and removed from the sea bed. Operators are only exempt from their full decommissioning obligations if it can be shown that removing an offshore structure is impractical, or unsafe, or would cause more environmental harm than leaving it in place.

In the UK, the process is highly regulated, reflecting the significant risks that the decommissioning process can pose to the environment if carried out irresponsibly. This is in addition to the financial challenges that decommissioning (typically an expensive process) can present for operators and the UK Government. As well as these financial, safety and environmental challenges, decommissioning presents a host of potential commercial opportunities to a wide range of service providers (p71).

² This includes any exceptional and significant tax relief/credits, subsidies, investment grants, awards, royalty holidays, financial support from export credit agencies and other financial benefits from any government outside the application of national fiscal frameworks as generally applied.

Focus area:

How our activities in Vietnam support the UN Sustainable Development Goals



In July 2016, Phil MacLaurin, Premier's Vietnam Country Manager, spoke at the Junior Chamber International (JCI) Global Partnership Summit at the UN headquarters in New York. The JCI is a non-profit organisation that encourages young citizens across the world to deliver positive change in their local communities. The summit, which was supported by the Office of the UN Secretary General's Envoy on Youth, saw senior figures from a variety of disciplines and sectors discuss the implications of the Sustainable Development Goals (SDGs) adopted by UN member states in September 2015.

Mr MacLaurin outlined how Premier has supported and continues to support the SDGs in Vietnam, since the establishment of the business unit there in 2004. Examples include:

Supporting SDG 8: Contributing to economic growth and providing decent work

In 2016 alone, the Vietnam business unit distributed US\$98 million in economic value – much of which went directly into Vietnam's national

economy. This includes tax payments and royalties to government, operating expenditures and the payment of salaries to the business unit's workforce. These contributions have been enhanced by our strategy of employing nationals and contracting Vietnamese firms where possible. A less tangible but equally important contribution is the ongoing transfer of valuable skills to nationals, which will help support longer-term, sustainable economic development.

In addition, the energy that Premier produces helps drive the Vietnamese economy. In particular, our gas powers important wealth-creating industrial parks in the south of the country.

Supporting SDG 4: Contributing to and harnessing the benefits of quality education

Premier has benefited from the Vietnamese Government's investment in colleges and universities, as well as the Government's efforts to encourage more students (particularly women) to participate in higher education. This has helped the business unit become much less reliant on expatriate workers than it was in 2004, with nationals now

accounting for 92 per cent of the employee workforce and 50 per cent of senior management. Not only does this direct more economic value back into the country, it also facilitates the transfer of valuable knowledge and skills back into Vietnamese society.

Premier has also partnered with civil society to invest hundreds of thousands of dollars into a variety of development-oriented community programmes. These programmes have directly or indirectly supported education at the primary, secondary and tertiary levels. Examples include the funding of scholarships for school and university students, as well as the provision of financial support for the Binh Tho Development Centre in Ho Chi Minh City, a school attended by over 100 children.

Supporting SDG 5: Supporting gender equality

The gender balance of the Vietnam business unit's onshore workforce has changed markedly since 2004, when it was majority male. By 2011, the business unit employed an equal number of men and women and today, 58 per cent of the employee workforce is female. Increases have also been seen in managerial and technical roles, with women now occupying 53 per cent and 37 per cent of these roles respectively.

This outcome reflects:

- The increasing representation of women in higher education in Vietnam
- Premier's commitment to providing equal opportunities in the workplace
- Business unit initiatives, such as the 'Future Leaders Group', a leadership development programme designed to challenge and motivate high-achieving junior professionals (p49). This has benefited a number of female participants, offering them regular access to members of Premier's senior management, as well as opportunities to engage with senior businesswomen. These meetings allow programme participants to learn from experienced leaders and discuss career development pathways

➔ sustainabledevelopment.un.org
(Sustainable Development Goals)

➔ www.jci.cc

Resource nationalism

Resource nationalism remains an ongoing challenge for companies in the oil and gas industry. In the light of current market conditions, some host countries are working to find ways to support the viability of international oil and gas operators. Others, however, continue to seek ways to maximise the value they can extract from these operators, despite the commercial pressures they face. We therefore closely monitor policy dynamics at each of our business units to understand relevant drivers and respond appropriately. An important part of this is measuring and communicating the shared value that we generate for our host societies, including through our:

- Generation of economic value for host governments (amongst others)
- Employment and development of host country nationals
- Use of host country suppliers (as well as associated capacity-building, where relevant)
- Investment in community development programmes

In 2016, we continued to monitor risks in:

- Indonesia: Including continuing policy and fiscal uncertainty
- Brazil: Including issues relating to local content requirements
- Vietnam: Including questions regarding the interpretation and application of law

Economic contributions

We believe we can best generate longer-term value for our shareholders by operating in a way that also delivers tangible benefits to all our other stakeholders, including:

- Host governments, which grant us oil and gas licences and regulate our activities
- Host societies, which give us our social licence to operate
- Employees, whose skills and efforts underpin our ability to create value

Any failure to deliver value to these key stakeholders would ultimately undermine our core business objectives³.

Managing our economic contributions

We are proud of our role in generating shared value from national oil and gas reservoirs. Much of this value stays in our host societies, directly supporting long-term socio-economic development.

Our most important means of distributing value are through:

- Payments to other businesses, including locally-based service contractors and suppliers
- Payments to our workforce, including wages and benefits for employees from our host countries
- Payments to our providers of capital, including shareholder dividends and interest on debt

- Payments to government, including cash taxes, royalties and other payments to our host governments⁴
- Community investment spending (p55)

In this context (and in line with relevant local content requirements) Premier seeks to:

- Employ nationals where they are suitably qualified (p48) and encourage the employment of nationals amongst our service contractors where possible
- Use host country service contractors and suppliers where they are able to meet our operational and economic requirements

To help ensure nationals and host country service contractors and suppliers are able to access such opportunities, we also support local capacity building where possible.

In 2016, 49 per cent of the combined supplier and contractor spending at our Vietnam, UK and Indonesia business units was with locally owned and operated entities. A further 36 per cent of this spending was with local entities owned by foreign parent companies.

Figure 43 and p72–73 provide more information about how we distribute the value we create.

Figure 42: Economic value retained and distributed (US\$ million)

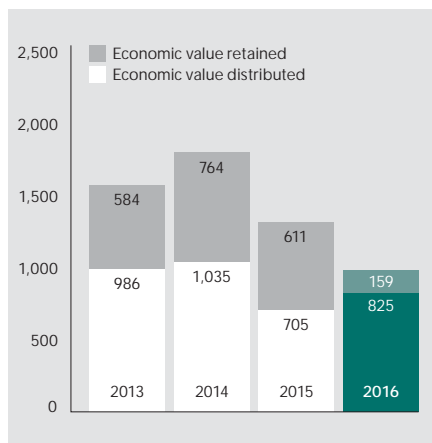
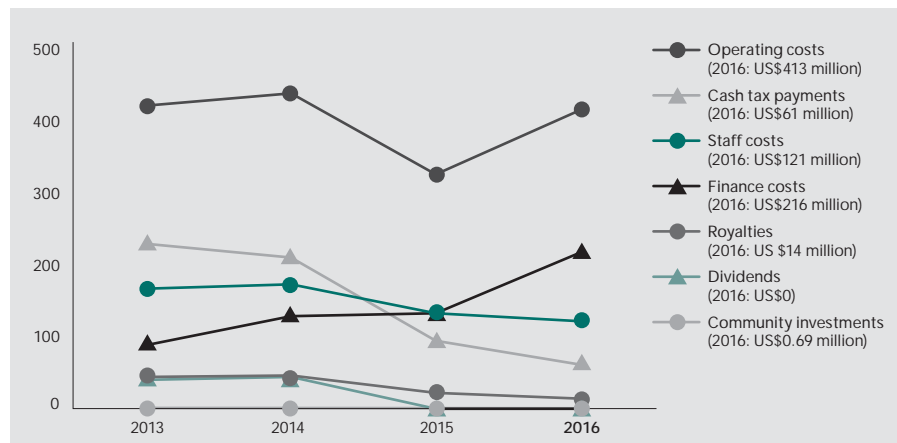


Figure 43: Economic distribution by type (US\$ million)



3 The means by which we create and distribute this value as well as the results of our efforts are set out in our 2016 Annual Report.

4 Currently, the UK and Indonesia are Extractive Industry Transparency Initiative (EITI) Members. Both are yet to be assessed against the 2016 Standard. Premier is not an EITI Supporting Company.

Focus area:

Premier demonstrates commitment to the North Sea oil and gas industry through much-needed investment

The North Sea oil and gas industry is a vital source of income for the north east of Scotland and makes a material contribution to the broader UK economy. It is estimated, however, that the fall in the price of oil since 2014 has resulted in the loss of more than 100,000 jobs linked to the sector⁵ in the UK – resulting in real hardship.

Against this backdrop, Premier has actively increased its investment in the sector, as other operators downgrade their presence and activity. Examples include:

- Bringing the Solan field on-stream. The field achieved first oil in April 2016
- Ongoing investment in the development of the Catcher field, which is scheduled to produce first oil in the second half of 2017. Gross capital expenditure required to achieve first oil is anticipated to be US\$1.3 billion. Expenditure is primarily focused on drilling wells, installing subsea infrastructure and project management costs
- The US\$120 million acquisition of the E.ON assets in April 2016. In addition to adding 17 kboepd of production to our portfolio, the acquisition included a 50 per cent operated interest in the large Tolmount gas field, for which project sanction is targeted for the first quarter of 2018

We are also working to safely extract the maximum amount of economic value from near-end-of-life assets in the region, including Balmoral.

Our increased investment and production have made and will continue to make a significant economic contribution to the region.



This includes:

- Taxes and royalties paid to the UK Government
- Operational expenditure with suppliers, service contractors and joint venture partners
- Payments to our employees and contractors
- Maintenance of our business partners' valuable oil and gas expertise and capabilities on the UKCS, which would be hard to recover if it was ever withdrawn

The UK business unit has also begun preparing for the ultimate decommissioning of end-of-life wells and supporting infrastructure in the North Sea. The sector's collective decommissioning activity will, over time, provide its own financial stimulus to the UK economy. Numerous service providers that will help undertake the process of safely decommissioning oil and gas infrastructure are expected to benefit from this new phase in the lifecycle of the North Sea oil and gas fields.

Payments to governments

Premier is committed to prompt disclosure and transparency in all tax matters and has met all applicable statutory requirements in this respect. This includes the disclosures and submissions that we make in order to comply with the requirements of the European Union Accounting Directive (EUAD) and the Extractives Industry Transparency Initiative (EITI).

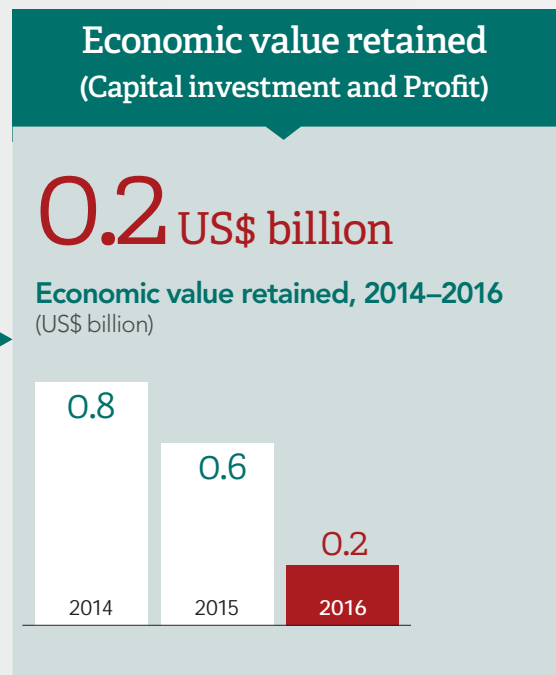
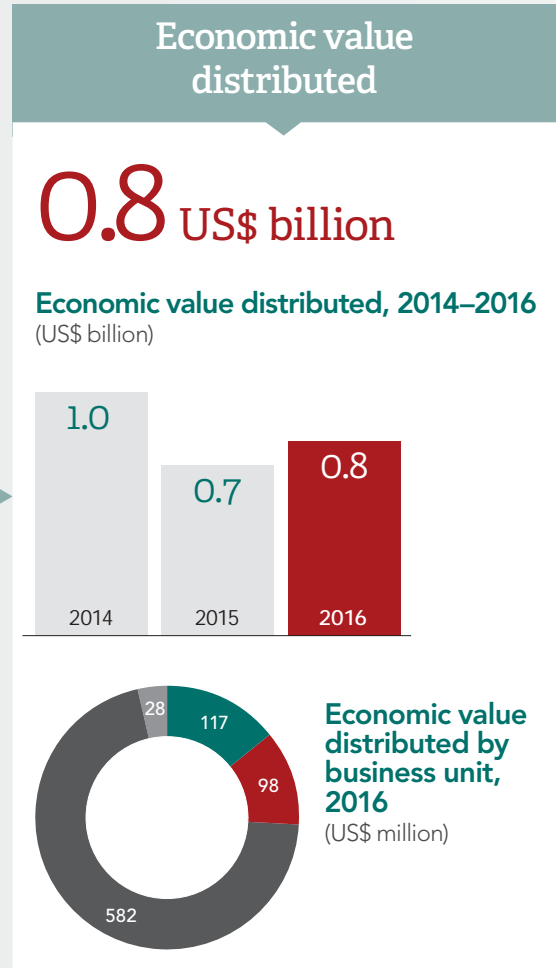
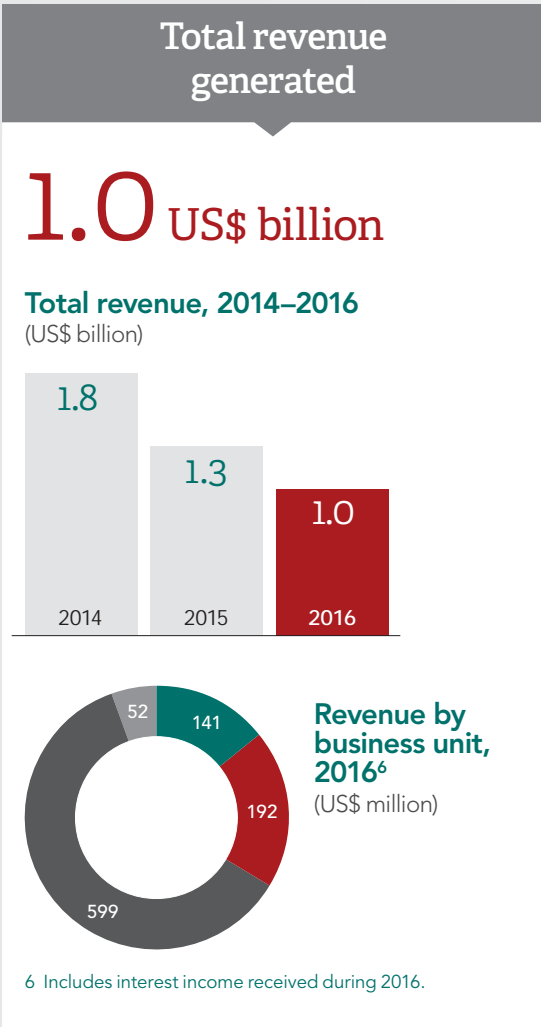
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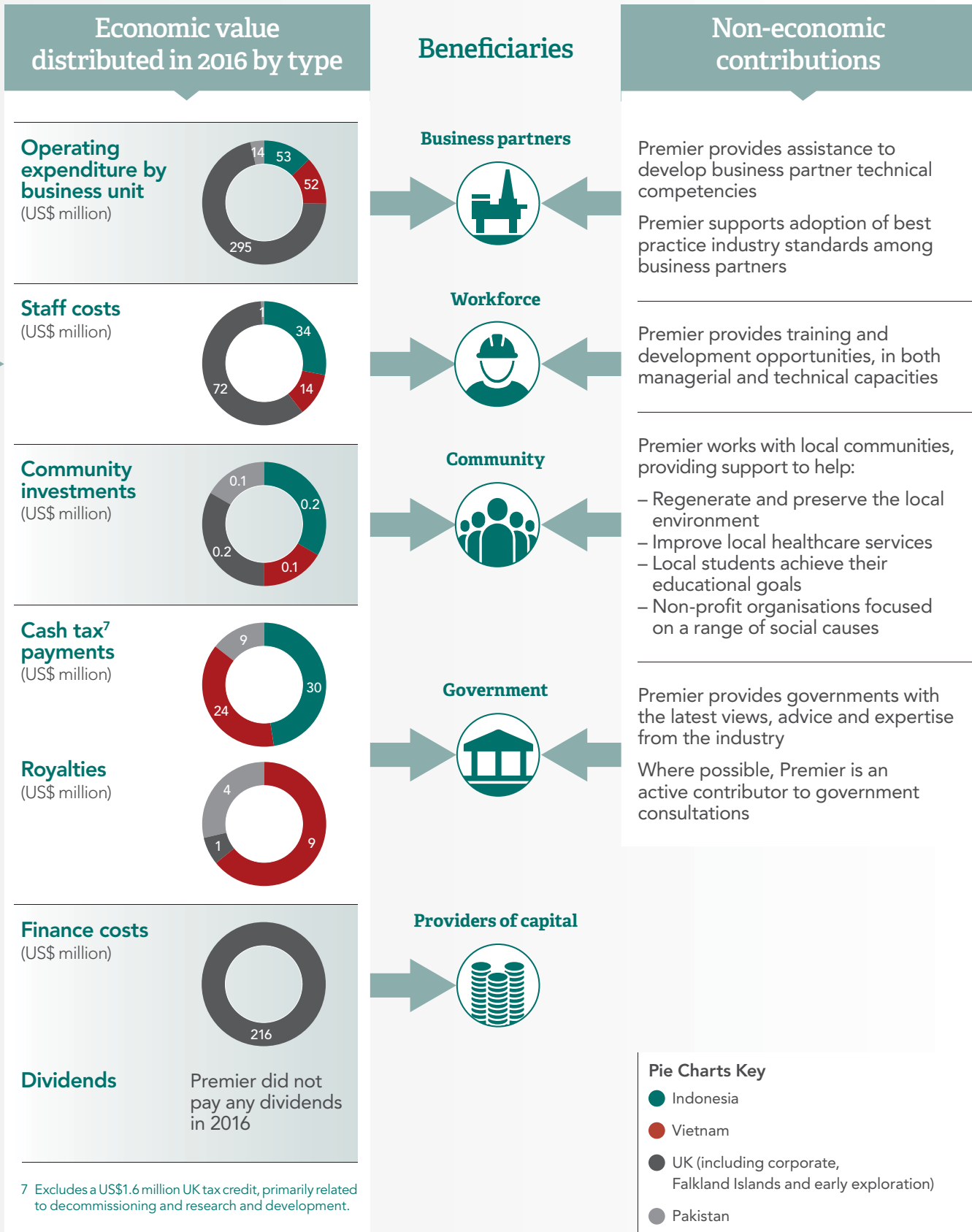
- We are committed to following the spirit and the letter of applicable tax laws and regulations in the countries in which we operate
- We are committed to paying all taxes as they arise from and in alignment with our revenue-generating activity
- We do not use and are committed to not using artificial tax avoidance schemes

We do make use of tax concessions, incentives and reliefs where available in the manner intended by legislation.

⁵ See <http://oilandgasuk.co.uk/oil-gas-uk-figures-show-impact-of-oil-price-downturn-on-jobs/>.

Economic distribution





Appendix

Independent Assurance Statement to Premier Oil plc

ERM Certification and Verification Services (ERM CVS) was engaged by Premier Oil plc (Premier) to provide assurance in relation to the information set out below and presented in the Premier Oil Corporate Responsibility Report 2016 (the Report).

Engagement Summary

Scope: Whether the 2016 information and data for the following selected GRI G4 disclosures, as indicated in the assurance column of the GRI Content Index (<http://www.premier-oil.com/premieroil/corporate-responsibility/reporting-new>), are fairly presented, in all material respects, with the reporting criteria.

General Standard Disclosures:

- G4-17 to G4-23 (Identified Material Aspects and Boundaries)
- G4-24 to G4-27 (Stakeholder Engagement)

Specific Standard Disclosures in relation to:

- Environment (EN 3, 8, 11, 15-16, 18, 21-24, 29, OG 4-7 and related DMA disclosures)
- Occupational Health and Safety (LA 5-6, OG 13 and related DMA disclosures)

Reporting Criteria: The G4 Sustainability Reporting Guidelines of the Global Reporting Initiative and internal indicator criteria developed by Premier and described in the relevant performance sections.

Assurance Standard: ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000).

Assurance level: Limited assurance.

Respective responsibilities: Premier is responsible for preparing the Report and for the collection and presentation of the information within it.

ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that the 2016 data and information for the disclosures listed under 'Scope' above are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

- A review of external media reporting relating to Premier to identify relevant sustainability issues in the reporting period.
- A review of the materiality determination process including the results of stakeholder engagement processes and attending a stakeholder roundtable as an observer.
- Interviews with management representatives responsible for managing the selected issues.
- Interviews with relevant staff to understand and evaluate the relevant management systems and processes (including internal review processes) used for collecting and reporting the selected disclosures.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year end data submitted by all locations included in the consolidated 2016 group data for the selected disclosures which included testing the completeness and mathematical accuracy of data.
- Confirming conversion factors and assumptions used.
- A review of the results of site level ISO 140001 and OSHAS 18001 certification audits undertaken by ERM CVS in the reporting year.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Our work was undertaken at Premier's head office in London. We did not undertake source data verification at any operated facilities.



Jennifer Iansen-Rogers

Head of Corporate Assurance

24 February 2017

ERM Certification and Verification Services, London

Web: www.ermcv.com

Email: post@ermcv.com

ERM CVS
Informed Assured

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Premier Oil plc in any respect.

External Review of Reporting on Corporate Responsibility

Verisk Maplecroft was commissioned by Premier Oil plc to:

- Confirm the accuracy of all corporate responsibility statements presented in this report
- Confirm the claim stated by Premier on p3 that this report was prepared in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (GRI G4 Guidelines) at a 'Core' level

This statement is made in our capacity as an ongoing service provider to Premier on this and previous assignments. Verisk Maplecroft did not directly verify the data relating to HSES or economic performance. We did, however, confirm the existence of Premier's HSES policy statements and actions, the veracity of management systems and the rigour of internal reporting/review processes.

Methodology

Verisk Maplecroft's review of Premier's corporate responsibility performance involved the following activities between mid-2016 and early 2017:

- **Internal engagement:** Including with Premier managers in the Falkland Islands, Indonesia, the UK and Vietnam
- **Review of standards:** The report was informed by the standards of the following organisations: (1) GRI (G4 Sustainability Reporting Guidelines); (2) IPIECA (Oil and Gas Industry Guidance on Voluntary Sustainability Reporting); (3) UN Global Compact (Ten Principles and associated requirements on the annual Communication on Progress); (4) FTSE4Good (ESG themes). The review also involved engagement with Premier on the potential for further public reporting to meet the emerging expectations of external stakeholders
- **Materiality process:** Verisk Maplecroft assisted Premier with the updating of the outputs of its structured materiality process to help identify its material corporate responsibility issues. This process is aligned with the requirements of the G4 Sustainability Reporting Guidelines. As part of this process, Verisk Maplecroft also facilitated direct engagement with external stakeholders, whose feedback directly influenced the final assessment
- **Gap analysis:** A gap analysis was carried out to identify and, where feasible, address gaps in Premier's existing reporting practices against the relevant reporting standards
- **Performance enhancement:** The outcomes from the review of standards and gap analysis were used, where possible, to enhance Premier's level of reporting

During this process, Verisk Maplecroft also identified opportunities to enhance Premier's approach to corporate responsibility. This included responsible supply chain management and tax transparency, as well as data collection with respect to local procurement, environmental expenditure and water use.

Materiality and completeness

Verisk Maplecroft believes that the narrative and data presented in this report are an accurate representation of Premier's material sustainability issues. Verisk Maplecroft is also satisfied that Premier's claim to have applied the GRI G4 Guidelines at 'Core' level is fairly stated. Premier has reported on its management approaches towards its material issues and on relevant GRI G4 Core performance indicators – including those in the GRI's Oil and Gas Sector Supplement.

Recommendations

Premier might consider taking the following steps as it expands its commitment to corporate responsibility and associated management practices. Doing so will also enable Premier to continue its progressive alignment with the GRI G4 Guidelines:

- Identification and assessment of human rights and labour rights impacts in the supply chain
- Measurement of the impact of specific initiatives to reduce greenhouse gas emissions
- Additional detail regarding the disposal and treatment of waste (including drilling waste)
- Enhanced granularity with respect to business ethics training for Board members and related communication with business partners

Premier might also consider further areas to enhance its reporting, including:

- Further analysis of its 'indirect' impacts, including relevant environmental, labour, human rights and social impacts associated with its supply chain
- The ongoing inclusion of integrated reporting elements that relate corporate responsibility and corporate responsibility performance to operational and/or financial performance



Gus Macfarlane and Chris Laws

30 March 2017

Verisk Maplecroft, 1 Henry Street, Bath, BA1 1JS, United Kingdom

Web: www.maplecroft.com

Email: info@maplecroft.com

Material issues and related GRI G4 Aspects

For Premier's full GRI G4 Table, please see: www.premier-oil.com/premieroil/corporate-responsibility/reporting-new

Issue	G4 Aspect	Material?	Page
Asset integrity and process safety	Asset integrity and process safety	Y	28-29, 32-33
Biodiversity	Ecosystem services and biodiversity	N	Online GRI Table plus 38-40, 54-61
Child/forced labour	Child Labor	N	Online GRI Table plus 44-45, 62-67
	Forced or Compulsory Labor	N	Online GRI Table plus 44-45, 62-67
Climate change and GHGs	Emissions	Y	Online GRI Table plus 38-43
Community impacts	Indigenous Rights	N	Online GRI Table plus 52-55, 62-67
	Indirect Economic Impacts	N	52-61
	Involuntary resettlement	N	Online GRI Table plus 52-55, 62-66
	Local Communities	N	Online GRI Table plus 52-55, 62-68
Customer impacts	Customer Health and Safety	N	Online GRI Table
	Customer Privacy	N	-
Cyber security	Cyber security	N	26
Economic contributions	Economic Performance	Y	AR plus 40-42, 50, 52-61, 62-63, 68-73
	Reserves and production	Y	AR plus 5
Effluents and waste	Effluents and Waste	Y	Online GRI Table plus 28-35, 38-43
Emergency preparedness	Emergency preparedness	Y	28-35
Employee engagement	Labor Practices Grievance Mechanisms	Y	Online GRI Table plus 44-45, 51, 62-67
	Labor/Management Relations	Y	44-45, 50-51, 65
Environment (general)	Overall	Y	28-31, 38-40
General grievance mechanisms	Grievance Mechanisms for Impacts on Society	N	16-22, 52-55, 65
	Environmental Grievance Mechanisms	N	38-40, 53-55, 64-65
Generating value for communities	Procurement Practices	Y	52-61, 62-63, 68-71
Governance and ethics	Anti-corruption	Y	16-22
	Compliance	Y	16-22, 38-40
	Compliance (general)	Y	16-22
	Compliance (product responsibility)	N	-

Issue	G4 Aspect	Material?	Page
Human rights	Freedom of Association and Collective Bargaining	Y	44-45, 51, 62-67
	Human Rights Grievance Mechanisms	N	Online GRI Table plus 51, 62-67
	Non-discrimination	Y	44-49, 51, 62-65
	Security Practices	Y	37, 54, 62-66
	Human rights assessment	Y	Online GRI Table plus 62-67
	Investment (human rights)	Y	Online GRI Table plus 62-67
	Learning and development	Training and Education	N
Market behaviour	Anti-competitive behavior	N	16-22, 62-63
	Marketing Communications	N	Online GRI Table
Occupational Health and Safety	Occupational Health and Safety	Y	Online GRI Table plus 28-37, 51
Product responsibility	Product and Service Labeling	N	Online GRI Table
	Products and Services	N	-
	Transport	N	38-40, 42
Public policy and government relations	Public Policy	Y	16-22, 62-63, 68-70
Resource use	Materials	N	Online GRI Table plus 38-40, 43
	Energy	N	Online GRI Table plus 38-42
	Water	N	Online GRI Table plus 38-40
	Fossil fuel substitutes	N	Online GRI Table
Responsible supply chain management	Supplier Environmental Assessment	Y	28-31, 38-40, 62-63, 66-67
	Supplier Assessment for Impacts on Society	Y	Online GRI Table plus 19-22, 62-67
	Supplier Assessment for Labor Practices	Y	Online GRI Table plus 44-45, 62-67
	Supplier Human Rights Assessment	Y	Online GRI Table plus 62-67
Workforce	Employment	Y	Online GRI Table plus 44-51
	Equal Remuneration for Women and Men	Y	44-51, 65
	Diversity and Equal Opportunity	Y	Online GRI Table plus AR plus 44-51
	Market Presence including local content	Y	44-51

Material issues and related Sustainable Development Goals



This table shows the key relationships between Premier's material issues and the UN Sustainable Development Goals (SDGs).

To see the key relationships between our material issues and the targets associated with each SDG, see the appendix to our GRI G4 Table at www.premier-oil.com/premieroil/corporate-responsibility/reporting-new

Section	Material issue	Related SDGs
Our approach	Governance and ethics	16 Peace, justice and strong institutions
Health, safety and security	Asset integrity and process safety	8 Decent work and economic growth
		9 Industry, innovation and infrastructure
		12 Responsible consumption and production
		14 Life below water
	Emergency preparedness	See 'Asset integrity and process safety' above
	Occupational health and safety	8 Decent work and economic growth
Environment	Climate change and GHGs	9 Industry, innovation and infrastructure
		12 Responsible consumption and production
		13 Climate action
	Effluents and waste	9 Industry, innovation and infrastructure
		12 Responsible consumption and production
		14 Life below water
	Environment (general)	See 'Climate change and GHGs' and 'Effluents and waste' above
Employees	Workforce	5 Gender equality
		8 Decent work and economic growth
	Employee engagement	8 Decent work and economic growth
Community relations	Generating value for communities	1 No poverty
		8 Decent work and economic growth
		9 Industry, innovation and infrastructure
Society	Human rights	5 Gender equality
		8 Decent work and economic growth
		16 Peace, justice and strong institutions
	Responsible supply chain management	See 'Human Rights', above
		See 'Occupational health and safety' above
		See 'Environment (general)', above
Public policy and government relations	16 Peace, justice and strong institutions	
Economic contributions	1 No poverty	
	8 Decent work and economic growth	
		9 Industry, innovation and infrastructure

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			Page	Status
Environmental indicators				
E1	Climate change and energy	Greenhouse gas emissions	38–43	Reported
E2		Energy use	Online GRI Table plus 38–40	Reported
E3		Alternative energy sources	Online GRI Table plus 38–40	Reported
E4		Flared gas	Online GRI Table plus 38–42	Reported
E5	Biodiversity and ecosystem services	Biodiversity and ecosystem services	Online GRI Table plus 38–40	Reported
E6	Water	Fresh water	Online GRI Table plus 38–40	Reported
E7		Discharges to water	38–40, 42–43	Reported
E8	Local environmental impact	Other air emissions	38–40, 42–43	Reported
E9		Spills to the environment	38–40, 42–43	Reported
E10		Waste	38–40, 43	Reported
E11		Decommissioning	Online GRI Table and AR plus 14, 28–31, 35, 68, 71	Reported
Health and safety indicators				
HS1	Workforce protection	Workforce participation	28–31	Reported
HS2		Workforce health	28–31, 34–35	Reported
HS3		Occupational injury and illness incidents	Online GRI Table plus 36–37	Reported
HS4	Product health, safety and environmental risks	Product stewardship	Online GRI Table plus 28–31	Reported
HS5	Process safety and asset integrity	Process safety	28–33	Reported
Social and economic indicators				
SE1	Community and society	Local community impacts and engagement	52–61	Reported
SE2		Indigenous peoples	Online GRI Table plus 52–55, 65–66	Reported
SE3		Involuntary resettlement	Online GRI Table plus 52–55	Reported
SE4		Social investment	52–61	Reported
SE5	Local content	Local content practices	48–50, 62–63, 70–73	Reported
SE6		Local hiring practices	46–50, 62–63, 69–70	Reported
SE7		Local procurement and supplier development	Online GRI Table plus 52–55, 62–63, 70–73	Reported
SE8	Human rights	Human rights due diligence	62–67	Reported
SE9		Human rights and suppliers	62–67	Reported
SE10		Security and human rights	62–66	Reported
SE11	Business ethics and transparency	Preventing corruption	16–22	Reported
SE12		Preventing corruption involving business partners	16–22, 66–67	Reported
SE13		Transparency of payments to host governments	16–22, 68, 70–71	Reported
SE14		Public advocacy and lobbying	16–22, 68	Reported
SE15	Labour practices	Workforce diversity and inclusion	Online GRI Table plus 44–49	Reported
SE16		Workforce engagement	44–45, 50–51	Reported
SE17		Workforce training and development	Online GRI Table plus 44–45	Reported
SE18		Non-retaliation and workforce grievance system	44–45, 50–51, 65	Reported

UN Global Compact: Our Communication on Progress against the Ten Principles



This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

		Page	Status
Human rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	16–19, 62–67	Communicated
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	16–19, 62–67	Communicated
Labour			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Online GRI Table plus 44–45, 51, 62–67	Communicated
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Online GRI Table plus 62–67	Communicated
Principle 5	Businesses should uphold the effective abolition of child labour	Online GRI Table plus 62–67	Communicated
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	44–49, 64–67	Communicated
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Online GRI Table plus 38–43	Communicated
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Online GRI Table plus 38–43	Communicated
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Online GRI Table 34, 40, 42	Communicated
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	16–22, 68–71	Communicated

FTSE4Good: ESG themes



FTSE4Good

		Page	Status
Governance			
Corporate governance		AR	Reported
Risk management		AR plus 23	Reported
Tax transparency		26, 70–73	Reported
Anti-corruption		16–22, 70–71	Reported
Environment			
Climate change		38–42	Reported
Water use		Online GRI Table plus 38–40	Reported
Biodiversity		Online GRI Table plus 38–40	Reported
Pollution and resources		Online GRI Table plus 38–43	Reported
Supply chain ¹		66–67	Reported
Social			
Health and safety		28–37	Reported
Labour standards		Online GRI Table plus 44–45, 50–51, 62–67	Reported
Human rights and community		Online GRI Table plus 52–66	Reported
Customer responsibility ¹		Not relevant	
Supply chain ¹		Online GRI Table plus 62–67	Reported

¹ Included in FTSE4Good Themes but not applied to Premier as part of its formal assessment.

Glossary

ALARP	as low as reasonably practicable
ARROW	Analysis and Reporting Risk Online Workbench
DBEIS	Department for Business, Energy and Industrial Strategy
BMS	Business Management System
DECC	Department of Energy and Climate Change
EIPSS	Energy Institute Process Safety Survey
ESIA	environmental and social impact assessment
EU ETS	European Union Emissions Trading Scheme
FPSO	Floating, Production, Storage and Offloading vessel
GHG	greenhouse gases
GRI	Global Reporting Initiative
HiPos	High Potential Incidents
HiPoR	High Potential Incident Rate
HSES	health, safety, environment and security
IOGP	International Association of Oil & Gas Producers
IIPECA	International Petroleum Industry Environmental Conservation Association
kboepd	thousand barrels of oil equivalent per day
LOPC	loss of primary containment
LWDC	lost work day case
MER UK	Maximising Economic Recovery from the UK Continental Shelf
mmboe	million barrels of oil equivalent
MTC	medical treatment case
OGA	Oil & Gas Authority
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
pmmh	per million man hours worked
ppm-wt	parts per million by weight
RWDC	restricted work day cases
STAIRS	Safety and Asset Integrity Performance Reporting Scorecards
TJ	terajoule
TRIR	Total Recordable Injury Rate
UNFCCC	UN Framework Convention on Climate Change
VPs	Voluntary Principles on Security and Human Rights

Contacts

For any enquiries about this report or its content, please contact:

Corporate Responsibility Department

Premier Oil plc

Email: premier@premier-oil.com

Tel: +44 (0)20 7730 1111



Designed and produced by
SampsonMay
Telephone: 020 7403 4099
www.sampsonmay.com

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www.premier-oil.com

Premier Oil plc
23 Lower Belgrave Street
London SW1W 0NR

Telephone: +44 (0)20 7730 1111
Email: premier@premier-oil.com