

SUSTAINABILITY REPORT



KS ENERGY LIMITED
FOR FINANCIAL YEAR ENDING 31 DECEMBER 2017

Published on 26 December 2018

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INTRODUCTION

Introduction from the Executive Chairman and CEO

GRI 102-14

The KS Energy Sustainability Report 2017 is the maiden sustainability report for KS Energy. It covers our environmental, social and governance (“ESG”) performance in 2017. Our aim has been to prepare a full and balanced report on the most material topics of interest to our customers, partners and investors.

KS Energy Limited (the “Company” and together with its subsidiaries and associated companies, the “Group”) is an integrated services provider to the global oil and gas, marine and petrochemical industries. Headquartered in Singapore, the shares of the Company are traded on the Main Board of SGX-ST, part of the Singapore Exchange. The core activities of the Group are capital equipment charter, the provision of drilling and rig management services; specialised engineering and fabrication; and the distribution of equipment and spares. The Group’s principal operating segment is held under its 80.09% owned subsidiary, KS Drilling Pte Ltd (“KS Drilling”).

KS Drilling is an internationally accredited drilling and drilling rig management company, providing capital equipment, rig management and drilling services directly to major oil companies for their onshore and offshore production needs.

The Group’s distribution business is held by its jointly controlled entity, KS Distribution Pte Ltd, (“KS Distribution”) which represents more than 300 globally accredited brands and distributes more than 60,000 line-items.

The Group’s other operating segment is held under the wholly owned subsidiary, KS Fabrication and Engineering Pte Ltd, which provides customised engineering and fabrication services to a wide range of companies in the oil and gas industry with customers spanning from the Americas to Asia through its subsidiary Globaltech Systems Engineering Pte Ltd (“Globaltech”).

At KS Energy, we believe in development which benefits communities and operations that respect people and their safety, whilst having consideration for the environment. The world demands more energy but lower greenhouse gas emissions. This can only be achieved by investing in renewable energy sources while improving the efficiency of existing non-renewable energy infrastructure.

The U.S. Energy Information Administration ranked Indonesia the world's third largest geothermal electricity producer and capacity holder in 2014 after the United States and the Philippines, in an article published on 19 October 2015. Indonesia's Ministry of Energy and Mineral Resources estimates that the country holds a potential 29 gigawatts (GW) of geothermal capacity reserves, only 5% of which is currently being used. Indonesia's current geothermal capacity of 1.3 GW consists of plants clustered around Java, Bali, North Sumatra, and North Sulawesi. KS Energy is very proud to have completed drilling operations for geothermal projects in North Sumatra.

The financial year that ended 31 December 2017 was a year of improving prospects for the oil and gas industry although the operating environment for our Group, as for every other industry player, remained challenging. Although we achieved a higher utilization of the fleet of on-shore and off-shore drilling rigs owned and operated by our Drilling business, the net loss attributable to shareholders of the Company was \$18.3 million for the year. The higher fleet utilization naturally led to a higher total number of manhours worked and our total recordable incident rate increased slightly from 2016 to 2017 yet still well below the industry average.

Kris Wiluan

Chairman and Chief Executive Officer

About this report

The KS Energy Sustainability Report 2017, for the financial year ending 31 December 2017, was published in December 2018. This report is our first sustainability report and focuses on the most critical environmental, social and governance topics that affects our performance and prospects. Further information on corporate governance can be found in the Corporate Governance Statement on pages 21 to 43 of our Annual Report 2017 published on 10 April 2018.

The main steps involved in selecting the most critical topics are:

1. Identify and understand topics that are important to our stakeholders;
2. Identify topics that are important to our business;
3. Collate the topics identified as of highest importance or materiality;
4. Inform the Board of Directors of the chosen topics, for their endorsement

Stakeholder Engagement

To identify and understand topics that are important to our stakeholders we conducted meetings with various working groups consisting of representatives from operations departments, management staff and independent directors. We discussed environmental, social and governance topics to gather opinions from each individual and feedback they may have received from external stakeholders such as customers, suppliers, bankers and investors through their informal discussions. The process was run by our senior executives who attended workshops on the sustainability reporting process. An independent consultant was not engaged due to cost constraints. As a first-time reporter, only the employee stakeholder engagement was undertaken specifically as part of the report preparation process.

Key Stakeholder Groups

<u>Stakeholder</u>	<u>How we engage</u>	<u>Key topics and concerns raised</u>
Investors	Shareholder Meetings	Financial & operational performance
Employees	Regular Meetings	Financial performance; health & safety; diversity
Suppliers	Supplier assessments	Financial & operational performance
Customers	Daily during operations	Operational performance; health & safety
Bankers	Regular Meetings	Financial performance; Compliance

Material Sustainability Matters

Following the engagement sessions, we were able to identify our key stakeholders, generate a list of potential environmental, social and governance matters relevant to our company and identify the key topics important to both internal and external stakeholders. Key stakeholders are those we expect to be either significantly affected by our activities or who affect our ability to achieve our desired outcomes.

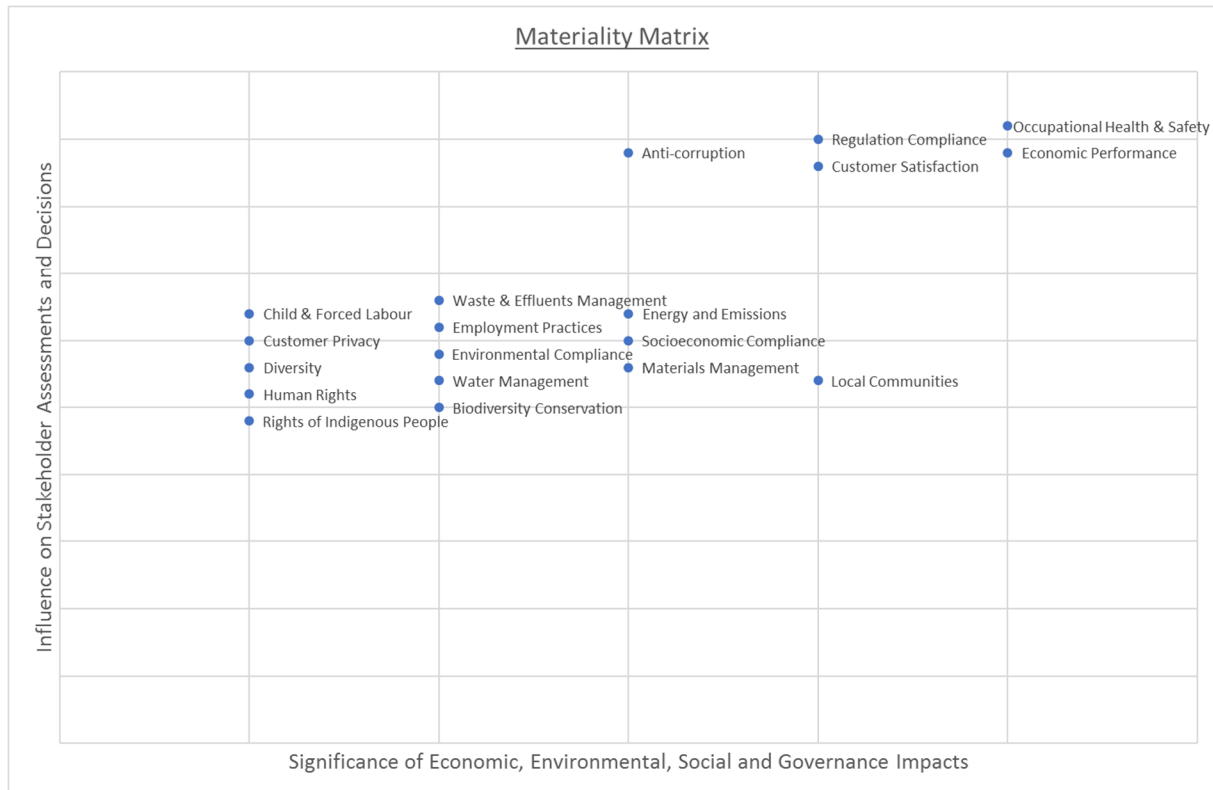
This report will focus on the key sustainability topics identified by this process and are our most material environmental, social and governance topics for our internal and external stakeholders. Material topics may be identified either due to the environmental, social or governance impacts caused by our activities or those that substantively influence the assessments and decisions of stakeholders.

The material ESG topics identified were:

1. Occupational Health & Safety
2. Economic Performance and Sustainability

The material topics selected will undergo review in subsequent reports to ensure their continued relevance and importance. The material topics have been prioritised for inclusion in this report. As we are a first-time reporter, there has been no restatement of information given in previous reports and no significant change from previous reporting periods in the list of material topics and topic boundaries.

The chart below shows our application of the materiality principle as the matrix prioritises topics based on the significance of impact (highest on the right-hand side) and their influence on stakeholder assessments and decisions (highest at the top).



Reporting Principles

The Reporting Principles for defining report content have helped decide which content to include in the report. The Reporting Principles are divided into two groups: principles for defining report content and principles for defining report quality.

Reporting Principles for defining report content

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

Reporting Principles for defining report quality

- Accuracy
- Balance
- Clarity
- Comparability
- Reliability
- Timeliness

We used the Reporting Principles for defining the report content for our material ESG topics which were selected following a prioritization exercise using the principles of Stakeholder Inclusiveness and Materiality.

Compliance with SGX Rules

This report is in accordance with Rule 711A, which states that a sustainability report must be issued no later than 5 months after the end of the financial year, as paragraph 5.3 of Practice Note 7.6 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited (“**SGXST**”) allows an issuer, in its first year of reporting, to report within 12 months of the end of its financial year.

This report describes our sustainability practices with reference to the primary components set out in Listing Rule 711B on a ‘comply or explain’ basis which are:

- a) material environmental, social and governance topics;
- b) policies, practices and performance;
- c) targets;
- d) sustainability reporting framework; and
- e) Board statement.

As this is the first year of sustainability reporting, we have adopted the phased approach in line with the SGX Sustainability Reporting Guide. We plan to develop our sustainability reporting over the next two years to include additional topics, more performance measures and targets for our material topics.

Reporting Framework

We have chosen the Global Reporting Initiative (“**GRI**”) Sustainability Reporting Standards (“**GRI Standards**”) framework as the most widely adopted global standards for sustainability reporting. This report has been prepared in accordance with GRI Standards: Core Option.

This report covers global operations and all subsidiaries for which the Group has management control, unless otherwise indicated. The reporting boundary for financial data is consistent with the consolidated financial data in our Annual Report 2017. The reporting boundaries for Health & Safety relate to the activities of KS Drilling to reflect the continuing business, materiality and depend on where the impacts occur most for the topic. A list of all entities included in the consolidated financial statements is shown in the 2017 Annual Report on pages 100-102.

For reference to the GRI Content Index, please refer to Page 19.

Board Statement

The Board considers financial topics and non-financial topics, such as environmental, social and governance (“**ESG**”) topics, as part of the wider strategic planning process. Through the development of this report, the Board has worked directly with senior management to determine the material ESG topics. The management and monitoring of the material ESG topics is part of the full Board's responsibility, rather than a Board Sustainability Committee, in order to secure input from all Board members as we develop our sustainability reporting.

This report has not been audited by external auditors nor do we intend to seek external assurance for the report in the following year. An electronic version of this report and our annual reports are available at www.kenergy.com.sg

We welcome feedback from all stakeholders. Please send all feedback via email to samcj@kenergy.com.sg

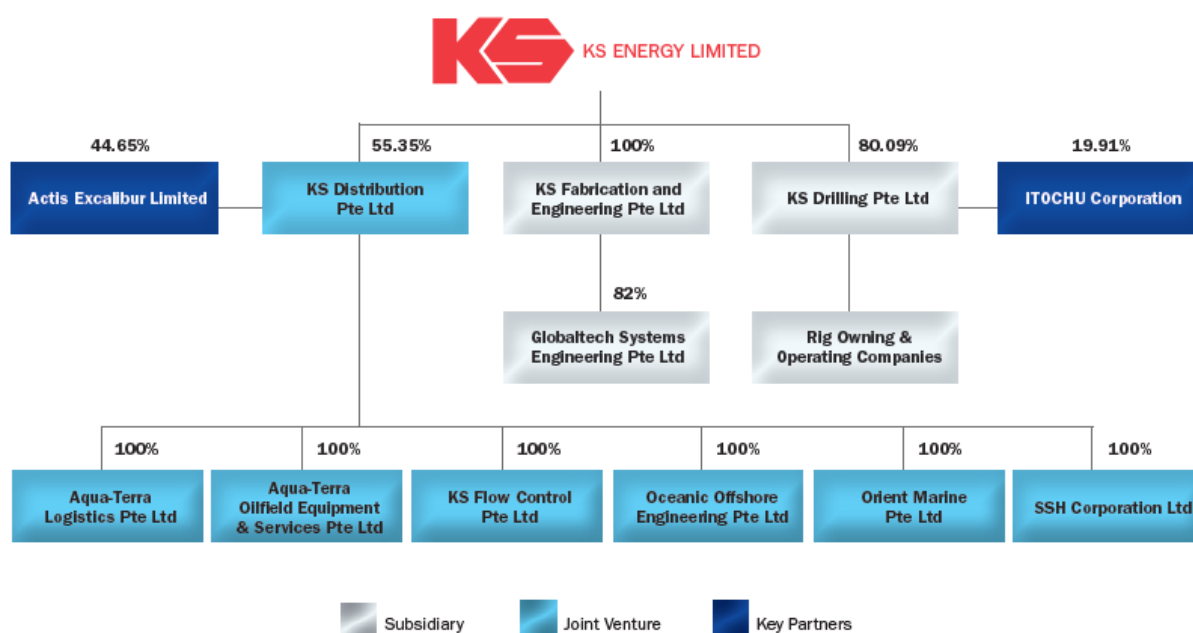
About KS Energy – Organizational Profile

GRI 102-1 to 13

KS Energy is headquartered in Singapore and its shares are traded on the Main Board of SGX-ST, part of the Singapore Exchange. During the year ended 31 December 2017, it operated through three business units, namely KS Drilling Pte Ltd, KS Fabrication and Engineering Pte Ltd and KS Distribution Pte Ltd.

For details on our ownership and legal form please see details in our Annual Report 2017 on pages 97, 100-102 and 146-147.

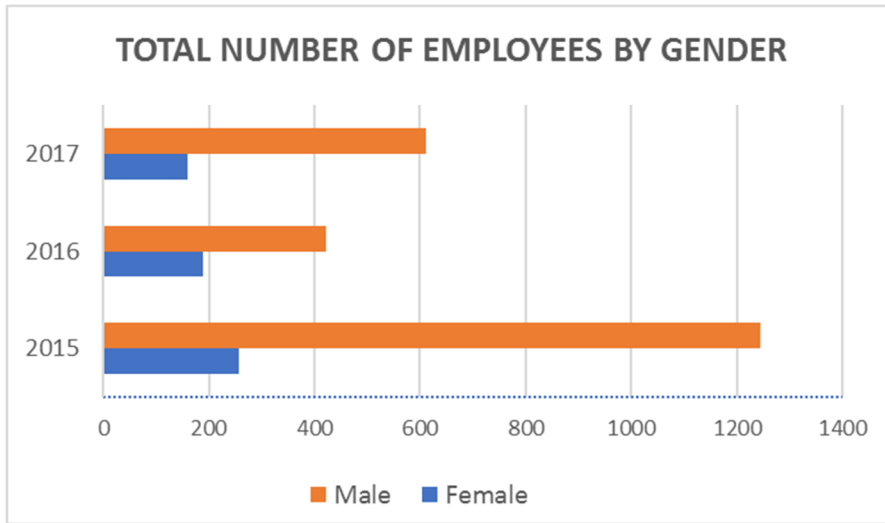
KS Energy Group Structure



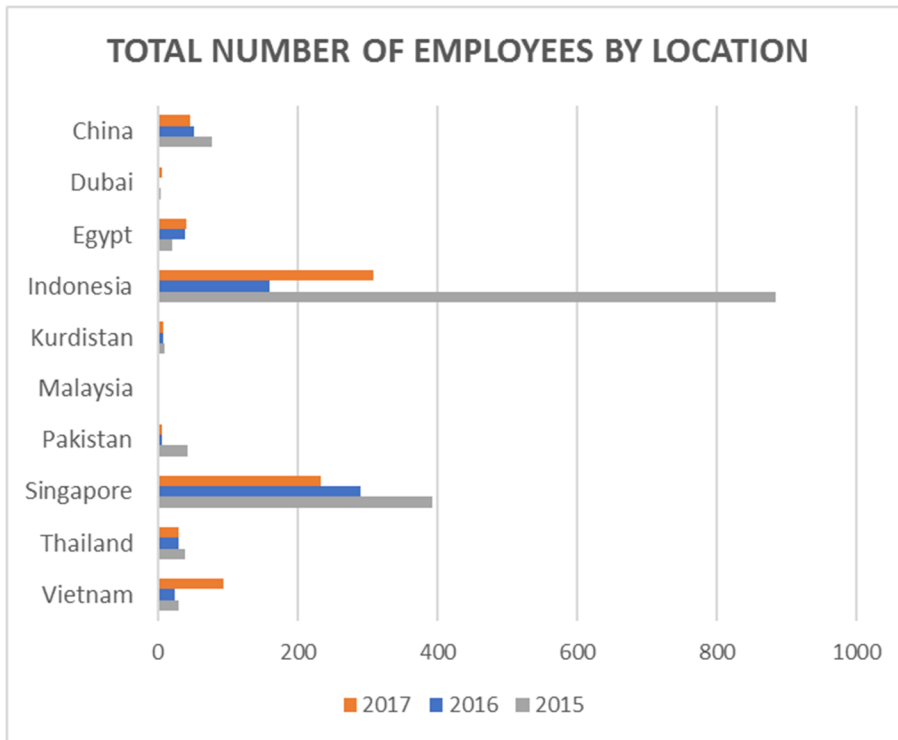
KS Energy Group had a total of 770 employees as at 31 December 2017 across all the business units. In the graphs below, we show the total number of employees by gender and location. We encourage remuneration based on merit and experience without gender discrimination. KS Energy has committed to adopt the principles of fair employment under the Tripartite Alliance for Fair Employment Practices since 2011. The 5 principles of Fair Employment Practices are:

- Recruit and select on the basis of merit (such as skills, experience or ability to perform the job) regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
- Treat employees fairly and with respect and put in place progressive human resource management systems.
- Provide employees with equal opportunities to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
- Reward employees fairly based on their ability, performance, contribution and experience.
- Comply with the labour laws and abide by the Tripartite Guidelines on Fair Employment Practices.

Graph showing the total number of employees by gender as at each 31 December:



Graph showing the total number of employees by country as at each 31 December:



We consider gender diversity and inclusion to be a key issue for all companies and we seek to encourage the advancement of diversity and inclusion at KS Energy. We provide equal opportunity in recruitment, career development, promotion, training and reward for all employees, regardless of gender, ethnicity, sexual orientation or physical ability. Although only 21% of employees were female as at 31 December 2017, we ensure we provide enough opportunities and encouragement for women to join our organisation.

The total number of employees in each location significantly varies based on the number of rigs in operation in each location. Head count data is compiled and maintained by our Human Resources department.

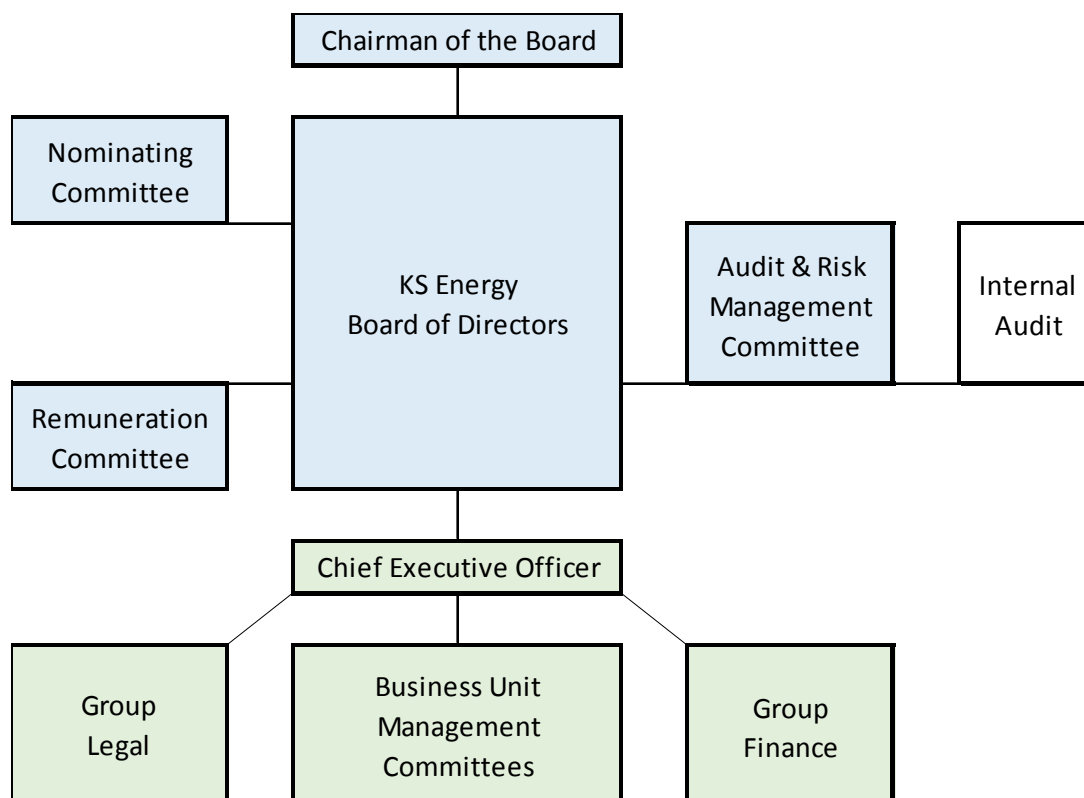
KS Energy recorded consolidated revenue of S\$47.1 million for the year ended 31 December 2017 (“FY2017”). Total assets, total debt and total equity as at 31 December 2017 were S\$496.4 million, S\$408.1 million and S\$52.3 million, respectively.

S\$'M	FY2017	FY2016	FY2015
FOR THE YEAR			
Revenue	47.1	35.1	92.0
AT YEAR END			
Total Assets	496.4	566.1	670.0
Total Debt	408.1	428.7	384.6
Total Equity	52.3	87.0	210.8

Governance Structure

GRI 102-18

KS Energy is committed to maintaining high standards of corporate governance in conducting the Group’s business and believes that strengthening corporate transparency through sound corporate policies, business practices and internal controls would enable the Company to safeguard its assets and interests while it strives to achieve its objectives and attain sustainable growth and value for its shareholders. KS Energy adheres to the Code of Corporate Governance 2012 (the “2012 Code”) issued by the Monetary Authority of Singapore, where applicable. Mr Kris Wiluan is the Executive Chairman and Chief Executive Officer of the Group.



More information can be found in the Corporate Governance Statement of the 2017 Annual Report from page 21.

As an organisation, we aim to be efficient users of energy and water across our business units and at our corporate headquarters in Singapore. In 2017, Singapore reaffirmed its commitment to the December 2015 COP 21 Paris Agreement and its pledge to reduce emissions intensity and stabilise emissions. Singapore is a small low-lying city-state with an open economy and significant coastal infrastructure so is particularly vulnerable to the consequence of climate change. In line with the Paris Agreement, Singapore has committed to reduce its emissions intensity by 36 per cent from 2005 levels by 2030, and to stabilise its emissions with the aim of peaking around 2030.

Performance Data - Environment (Singapore Operations)

	2015	2016	2017
Direct Energy (kwh)	195,487	183,747	162,887
Potable Water Used (CuM)	400	358	185

The above data shows the annual amount of electricity and water used by the KS Energy and KS Drilling offices in Singapore.

We encourage staff to recycle using specially labelled bins located within our Singapore offices.



About KS Drilling Pte Ltd (“KS Drilling”)

KS Drilling is an internationally accredited drilling and drilling rig management company providing capital equipment, rig management and drilling services directly to oil and gas companies. As of 31 December 2017, KS Drilling owned or had partial ownership interests in and operated 3 jack-up offshore drilling units, 6 onshore drilling units and 4 work-over units. As of 31 December 2017, KS Drilling were constructing two additional jack-up offshore drilling units.

KS Drilling is headquartered in Singapore and operations are focused around the rig locations.

	NAME OF RIG	TYPE OF RIG	LOCATION
1	KS Orient Star 2	Jack-Up Rig	China (yet to be delivered)
2	KS Java Star 3	Jack-Up Rig	China (yet to be delivered)
3	KS Java Star	Jack-Up Rig	Indonesia
4	KS Java Star 2	Jack-Up Rig	Vietnam
5	KS Medstar 1	Jack-Up Rig	Egypt
6	KS Discoverer 1	Land Rig	Kurdistan
7	KS Discoverer 3	Land Rig	Pakistan
8	KS Discoverer 4	Land Rig	Kurdistan
9	KS Discoverer 6	Land Rig	Indonesia
10	KS Discoverer 7	Land Rig	Indonesia
11	KS Discoverer 8	Land Rig	Indonesia
12	PPE 1, 2, 3 & 4	Workover Rig	Indonesia

KS Drilling’s total revenue by geography for the year ended 31 December 2017 was:

Country	S\$'M
Indonesia	23.8
Vietnam	12.0
Egypt	9.3
Pakistan	1.4
Total	46.5

KS Drilling employed a total of 459 people as at 31 December 2017 of which 68 were full-time permanent employees and the remainder were full-time contracted third-party personnel who represent most workers at operational sites. KS Drilling is dependent on highly skilled industry focused professionals. Employee welfare is extremely important, so we can attract and retain the necessary calibre of employees. Employee welfare includes the business and operational environment employees must operate in and the health and safety track record. Employees are based in the following countries.

Country	31-Dec-17
Indonesia	286
Vietnam	81
Egypt	41
Singapore	29
Kurdistan	7
Pakistan	6
Dubai	5
China	4
Total	459

About KS Fabrication and Engineering Pte Ltd

KS Fabrication and Engineering Pte Ltd provides customised engineering and fabrication services to a wide range of companies in the oil and gas industry with customers spanning from the Americas to Asia through its subsidiary Globaltech Systems Engineering Pte Ltd (“Globaltech”).

Globaltech operations are based in Singapore and total revenue for the year ended 31 December 2017 was S\$0.6 million. Globaltech employed 3 people as at 31 December 2017 all of which were permanent employees located in Singapore.

About KS Distribution Pte Ltd (“KS Distribution”)

KS Distribution is an integrated one-stop solution provider for customers from the oil & gas, marine & offshore, petrochemical, green energy, mining and other industries. KS Distribution represents more than 300 globally accredited brands and distributes more than 60,000 line-items. Products include various equipment and spares from various well-known brands within the oil & gas and marine & mining industries. Equipment ranges from capital equipment such as offshore and marine cranes, fluid flow control equipment such as valves, to anchor chains, wire ropes, hoses and hand tools. KS Distribution also has strong procurement and trading expertise and can assist in sourcing any equipment associated with the industries that we serve.

KS Distribution is headquartered in Singapore and has operations in China, Thailand, Vietnam and Indonesia. It’s total revenue by geography for the year ended 31 December 2017 was:

Country	S\$'M
Singapore	66.9
Hong Kong	11.0
Thailand	10.0
China	9.4
Indonesia	5.5
Vietnam	1.0
Total	103.8

KS Distribution employed a total of 294 people as at 31 December 2017 all of which were full-time permanent employees. Employees are based in the following countries.

Country	31-Dec-17
Singapore	187
China	43
Thailand	29
Indonesia	22
Vietnam	13
Total	294

Through a business reorganisation initiated in October 2018, KS Distribution ceased to be part of the KS Energy Group in December 2018.

Supply Chain

GRI 102-9

Our procurement supply chain mainly comprised of the suppliers for materials and consumable items required by our three jack-up drilling rigs and six onshore drilling rigs. KS Drilling's supply chain mission statement is: "Our aim is to provide optimum support to operations in delivering essential materials and services in a manner which is of superior quality and lower cost of ownership. This will be done on time, every time." KS Drilling has a robust supply chain policy which is part of the company management system. Policies and procedures have been developed for each stage from source to settle, in line with the best industry practices.

Our supply chain policies encompass a range of activities including warehouse management, procurement, contracts, logistics and compliance. We maintain a detailed approved vendor list ("AVL") which consists of reputable, ethical, and high performing vendors that meet our needs and provide the best value in terms of cost, quality and delivery. Where practical, KS Drilling encourages local sourcing to help develop local businesses in the countries it operates. At present, data on the geographic location of suppliers is not maintained.

Periodic vendor performance audits are conducted based on spend volume, criticality and service rankings. Vendor audits include visits to their facilities by Management to determine performance and improvement opportunities are recommended. As an ISO certified company, we also audit some our approved vendors on environmental aspects in compliance with industry standards.

KS Drilling participates in worldwide IADC supply chain initiatives and shares in lateral learning in the drilling sector of the industry the forum discussions.

Significant changes to the organization and its supply chain

GRI 102-10

There has been no significant change to the size, structure, ownership, or supply chain during the reporting period.

Precautionary Principal

GRI 102-11

The precautionary approach was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'. It states: 'In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

For details on our risk management please see details in the Corporate Governance section of the Annual Report 2017 on page 34.

External initiatives

GRI 102-12

KS Energy has committed to adopt the principles of fair employment under the Tripartite Alliance for Fair Employment Practises since 2011.

Membership of associations

GRI 102-13

Mr Soh Gim Teik, our lead independent director is second vice-Chairman of the Singapore Institute of Directors.

Values, principles, standards, and norms of behaviour

GRI 102-16

The KS Energy employee handbook provides a guide for the expected standards of employee's professional conduct. The Group's values and principles are summarised in the following core aspects.

Performance:

We strive for a performance driven culture in which our people are empowered and motivated to perform to the best of their abilities. We set "improvement of customer satisfaction" as the underlying objective to all our activities, and judge all internally proposed policies and plans by its level of contribution to this effort.

Professional development:

We constantly upgrade our people's abilities and technical skills to cater to the changing needs of the industries. We continuously develop our human resources, encourage employees to exercise their full potential and create relationships where both the corporation and individual can grow together.

Teamwork and work ethics:

We are committed to a culture of teamwork and professionalism that fosters synergies within the group. Every action we take reflects the highest ethical standards. We interact with our customers, our employees and our shareholders with honesty and integrity.

Employee welfare:

We endeavour to create an invigorating environment that encourages our people to maintain a healthy equilibrium between their professional work and personal life responsibilities. We regard our employees as our most important resource and strive to fully appreciate each person's individual value.

Health and Safety:

Health and Safety is ensured primarily through understanding and complying with rules and regulations, a strict execution of everyone's duty, and improvements in technology and expertise, built up through ceaseless efforts. We demand strict adherence to practices that relate to the health and safety of our people.

Collective bargaining agreements

GRI 102-41

Our employees are not covered by collective bargaining agreements but are given the right to exercise freedom of association.

Economic Sustainability

Economic Performance 2016

GRI 201

Management Approach 2016

GRI 103-1, 103-2 and 103-3

Economic sustainability is a key concern for our stakeholders. Our independent auditors have flagged conditions which indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern in each of the last three audit reports. In addition, the Company is also placed on the minimum trading price entry criterion watch-list under Rule 1311(2) and the financial entry criteria watch-list under Rule 1311(1) of the SGX Listing Manual.

Details in relation to the management approach and its components are shown in the notes to the financial statements under note 2.1 "going concern basis of accounting" on pages 65 and 66 of the 2017 Annual Report.

The financial performance of the Group is formally reviewed by the Audit & Risk Management Committee and the Board on a quarterly basis.

Direct economic value generated and distributed

GRI 201-1

For the year ended 31 December 2017, the direct economic value generated by the Group was:

- \$47.1 million from revenues – net sales plus revenue from sales of assets

For the year ended 31 December 2017, the economic value distributed by the Group was:

- \$34.2 million for operating costs – this includes purchases from suppliers and other operating expenses
- \$24.8 million for employee wages and benefits – this includes salaries and benefits
- \$8.5 million for providers of finance – this includes interest paid to banks
- \$0.3 million to governments – this includes corporate incomes taxes paid net of refunds

For the year ended 31 December 2017, the economic value retained by the Group was therefore minus \$20.6 million (direct economic value generated less economic value distributed).

Financial implications and other risks and opportunities due to climate change

GRI 201-2

KS Energy does not have a system in place to calculate the financial implications or costs, or to make revenue projections. It does not currently have plans to develop the necessary systems but will review this requirement on an annual basis.

Defined benefit plan obligations and other retirement plans

GRI 201-3

KS Energy does not provide a retirement plan for its employees. In Singapore, the Central Provident Fund

(CPF) is a comprehensive social security savings plan that enables Singapore citizens and permanent residents to set aside funds for retirement. Under the CPF scheme, both KS Energy and its employees make monthly contributions in accordance with the prevailing regulations.

Financial assistance received from government

GRI 201-4

In 2017, the Group received a total of \$55,000 in financial assistance from governments. Here, the Group refers to Singapore subsidiaries and therefore relates to the activities of KS Energy, KS Drilling and Globaltech. All financial assistance received was from the Singapore government's employment credit schemes as well as cash grants under its leave incentives for maternity and child care schemes, plus exhibition grants.

Health and Safety

Occupational Health and Safety 2016

GRI 403

Management Approach 2016

GRI 103-1, 103-2 and 103-3

Both employee welfare and health & safety are core aspects of the Group's values and principles. Our people are our greatest asset and their actions and achievements contribute to the overall success of the Group.

Occupational Health & Safety risk is most significant for our people working on our drilling rigs within the KS Drilling business unit. The management approach and disclosures for this material topic therefore relate to the KS Drilling business unit. As at 31 December 2017, just over 80% of KS Drilling employees worked on our drilling rigs and the balance worked in corporate roles. All employees who work on the drilling rigs undergo annual medicals.

- KS Drilling has a fully developed and continuously enhanced system and process to support quality, health, safety and environmental ("QHSE") objectives across the business; and
- KS Drilling provides employees the necessary training and coaching needed to meet the required standards and to follow the processes, including weekly site safety meetings

Health & safety information is gathered by the most senior employee at rig locations. It is discussed and reviewed by Management, who approve any recommendations, and shared over the intranet. The information is gathered for our employees (permanent and contract staff) and third-party employees who are also on-site.

QHSE performance is reported to the board of both KS Drilling and KS Energy on a quarterly basis. The QHSE performance includes lost time incidents rate ("LTIR") and total recordable incidents rate ("TRIR") plus their appropriate frequency rate. An LTI is a work-related incident (injury or illness) to an employee in which a physician or licensed health care professional recommends days away from work due to the incident, excluding the day of the incident. The incident rates are calculated per 200,000 manhours worked and the frequency rates are calculated per 1,000,000 manhours worked. All work-related recordable injury or illness cases that occur to employees (those assigned to rigs as well as shore based administrative and support personnel) are reported and investigated for remedial actions and lessons learnt sharing.

The QHSE performance is compared against data from the International Association of Drilling Contractors (the "IADC") which has tracked safety and accident information for the drilling industry since 1962 in their Incident Statistics Program ("ISP"). First Aid cases are not considered to be recordable and are not included in the QHSE data for IADC ISP. First aid cases include any treatment of minor scratches, cuts, burns, splinters and so forth, and any follow-up visit for the purpose of observation. KS Drilling submits its QHSE performance to IADC.

In addition to the recordable incidents, KS Drilling also records a description of all first-aid cases, near-misses, equipment loss or damage, environmental and other similar cases, together with actions or measures taken to prevent similar future cases occurring. QHSE performance and incident reports are regularly reviewed by senior management.

All our operations have a qualified medic on-site with medicines plus a safety coordinator. Weekly safety meetings are held together with safety briefings at shift changes and at the beginning of tasks. Personal safety equipment is provided by the company for all employees.

Workers representation in formal joint management–worker health and safety committees GRI 403-1

Regular formal joint management-worker health & safety committee meetings are held which bring together senior management, senior employees at rig locations and worker representatives from rig locations.

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities GRI 403-2

The below QHSE performance data excludes minor (first-aid) injuries, in line with industry standards. The injury rate is expressed as the total recordable incident rate is calculated per 200,000 manhours worked, also in line with industry standards. There were no work-related fatalities included within the QHSE performance data. Absentee rates are not recorded as workers are generally paid by a day-rate or by an hourly rate, so absenteeism is not an issue.

Recordable Incident Rate	2013	2014	2015	2016	2017
KS Drilling	0.52	0.16	0.13	0.23	0.26
Industry Average	0.81	0.75	0.60	0.46	0.54

Workers with high incidence or high risk of diseases related to their occupation GRI 403-3

Workers in our industry may suffer hearing loss from working in a noisy environment and back injuries from manual lifting. We therefore take particular care to ensure all employees wear ear protectors when necessary and we provide training in lifting technique and injury prevention.

Global Reporting Initiative (GRI) Content Index
GRI 102-55

Page number references showing “AR” refer to our 2017 Annual Report.

GRI Standards - Content Index			
GRI Standard	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Page Number
GRI 101: Foundation 2016			
GRI 102:			
ORGANISATIONAL PROFILE			
General	102-1	Name of the organization	p. 1
Disclosures	102-2	Activities, brands, products, and services	p. 7-12
2016	102-3	Location of headquarters	p. 7-12
	102-4	Location of operations	p. 7-12
	102-5	Ownership and legal form	p. 7
	102-6	Markets served	AR p. 16
	102-7	Scale of the organization	AR p. 4-11 and 58-145
	102-8	Information on employees and other workers	p. 7-12
	102-9	Supply chain	p. 13
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	102-47	List of material topics	p. 4 and 5
	102-48	Restatements of information	n/a: First report
	102-49	Changes in reporting	n/a: First report
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GRI Standards - Content Index			
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