

A photograph of a man in profile, facing right. He is wearing a white hard hat, dark sunglasses, and a red shirt. He is looking out over a vast, blue ocean under a clear sky. The image has a subtle grid overlay.

BOUNDLESS

Transocean Sustainability Report 2017/2018





**AT TRANSOCEAN, WE ARE COMMITTED TO MOVING
THE WORLD FORWARD, UNENCUMBERED BY
TRADITIONAL ASSUMPTIONS AND LIMITED THINKING.
LEARNING FROM THE PAST WHILE PURPOSEFULLY
APPLYING INSIGHTS, WE SEEK TO ESTABLISH A
STEADY CADENCE IN OUR MARCH TO A SUSTAINABLE
FUTURE. WITH DISCIPLINE COMES CONTINUITY;
WITH CONTINUITY, MOMENTUM—RELENTLESSLY
AND STEADILY FORWARD.**





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PRESIDENT AND CEO &
OUR VICE PRESIDENT, HUMAN
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OUR PURPOSE

Consider the word "value." On one hand, it represents an internal principle that governs the way we conduct ourselves. On the other, it represents the external worth that others attribute to us and the things we do.

In 2016, we prefaced our Inaugural Sustainability Report with the declaration of our Transocean FIRST values—those guiding beliefs that establish the integrity with which we transact business and interact with our stakeholders. The theme of that report, Boundless Sustainability, spoke to the relentless energy applied to achieving our Vision 2022 goals while adhering to those values.

We are in the business of energy. Ultimately, our success as a business depends on the value we deliver as a company. Many people depend on us for the energy to power the world. We take that responsibility seriously. We have learned that meeting that responsibility increasingly demands that we do so sustainably—not in spite of our values but because of them.

Simply put, we are not in a position to do good things without being a successful company. Nor can we be a truly successful company without doing good things. Internal and external value must be inextricably linked.

This report is an update on the progress of our sustainability journey—how we have applied our boundless energy to lessen our collective impact. Our path is clear, our resolve is firm and our values are as relevant as ever.

MISSION STATEMENT

Our mission is to be the premier offshore drilling company by providing worldwide, rig-based well construction services to our customers through the integration of motivated people, quality equipment, and innovative technology, with a particular focus on technically demanding environments.



SHARED VALUES

F

I

R

S

T

Focused

We will consistently exceed the expectations of customers, shareholders and employees.

Innovative

We will continuously advance our position as technical leaders, and relentlessly pursue improvement in all that we do.

Reliable

We will execute flawlessly by ensuring that our equipment, processes and systems always perform as and when intended, and that our people are properly trained and motivated.

Safe

Above all else, we will protect each other, the environment and our assets. We will conduct our operations in an incident-free environment, all the time, everywhere.

Trusted

We will always act with integrity and professionalism, honor our commitments, comply with laws and regulations, respect local cultures, and be fiscally responsible.

**WE ARE SERVICE FOCUSED.
WE ARE DATA DRIVEN.
WE ARE PERFORMANCE ORIENTED.**

We have dedicated ourselves to continually exceed our customers' expectations on service. This upward curve is possible by continually monitoring and analyzing our data, improving performance through safer, more reliable and more efficient operations.



Jeremy Thigpen
President and
Chief Executive Officer



Janelle Daniel
Vice President, Human
Resources, Community
Relations and Sustainability

Message from our President and CEO & our Vice President, Human Resources, Community Relations and Sustainability

Transocean has been a pioneer in the drilling industry for more than 90 years, safely leading the industry into deeper waters and more challenging environments through the development and application of new technologies. And, as the largest and most experienced offshore drilling contractor in the industry, we recognize that we have a responsibility to continuously challenge existing norms to ethically, safely and efficiently deliver incremental value to our various stakeholders. Needless to say, we enthusiastically embrace this responsibility; and, as evidenced in this report, despite challenging market conditions, we continued to make progress in 2017 and 2018 through continued investments in:

- Training and Safety programs and tools to protect our people, assets and the environments in which we operate.
- Technologies that improve the safety, reliability and efficiency of our assets, and reduce the impact that our rigs have on the environment.
- The responsible Divestiture and Disposal of older and less capable assets.
- A comprehensive Talent Management program that includes recruiting, developing, retaining and motivating the industry's most talented and diverse workforce.
- Programs to support the global Communities in which we operate.



ACCORDANT WITH OUR TRANSOCEAN SHARED VALUES AND CODE OF INTEGRITY, WE RECOGNIZE THAT A SINCERE AND STEADFAST COMMITMENT TO CORPORATE SUSTAINABILITY IS FUNDAMENTAL

Accordant with our Transocean Shared Values and Code of Integrity, we recognize that a sincere and steadfast commitment to corporate sustainability is fundamental to fulfilling this mission and must be central to the way that we do business. Our approach to sustainability requires that we take a holistic approach to our work and ensures that we deliver value to all our stakeholders while minimizing our environmental footprint and maximizing our social responsibility. Thus, in 2018, we set about implementing a formal sustainability program within Transocean and published our 2022 aspirational goals. We are committed to taking the actions required to deliver our stated objectives and keeping you apprised of developments along the way. Going forward we will explore how to improve both our quantitative and qualitative information to provide a more complete view of our performance.

While there is still much to be done, we are pleased with the advancement that we have made since launching our inaugural Sustainability Report in 2018; and, we look forward to providing you with an update on our 2019 achievements in a future report.

Until that time, rest assured that we will remain steadfastly committed to responsibly fulfilling our role in meeting the world's energy needs.

Sincerely,

Jeremy Thigpen
President and CEO

Janelle Daniel
Vice President, Human Resources,
Community Relations and Sustainability

OUR BUSINESS IN 2018

GLOBAL MARKET PRESENCE

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. Specializing in harsh-environment and ultra-deepwater wells, we operate one of the most versatile and technologically advanced drilling fleets in the world.

31

ULTRA-DEEPWATER

13

HARSH ENVIRONMENT

4

MIDWATER

STRATEGIC INITIATIVES

ALIGN WITH OUR CUSTOMERS

We will actively support our customers in the delivery of their business objectives, and be recognized as their universal first choice.

OPERATE WITH DISTINCTION

We will be recognized and rewarded by our customers for consistently delivering the industry's safest and most efficient offshore well solutions.

OPTIMIZE PERFORMANCE

We will urgently and continuously optimize our processes and our organization to maximize margins and returns.

INVEST IN OUR FUTURE

We will attract, develop and retain the industry's best workforce, and we will operate, maintain and systematically upgrade the industry's most efficient fleet of offshore rigs.



Rig Counts as of February 2019.



QUICK FACTS

3B

2018 REVENUE

15

COUNTRIES OF OPERATION

60+

YEARS IN SERVICE

4K+

WELLS DRILLED

49

PATENT FAMILIES

6700

EMPLOYEES AND CONTRACTORS

OUR FLEET



ULTRA-DEEPWATER



HARSH
ENVIRONMENT



MIDWATER

OUR TECHNOLOGY

**HYBRID
POWER**

**DUAL
ACTIVITY**

**SMART
ANALYTICS**

AUTOMATION



OUR VISION FOR 2022

SAFETY

GOAL Our commitment is zero safety incidents and zero unplanned non-productive time throughout our global organization.

2017/18 PROGRESS: While overall we saw an increase in the total number of recordable incidents, the severity of those incidents dropped. We experienced no Tier-1 events and no TRIR events on half of our rigs.

TOTAL RECORDABLE INCIDENT RATE

[TRIR]: In 2017, we achieved a company best TRIR of 0.18; however, in 2018, our TRIR increased to 0.37. Though the frequency of events increased in 2018, the severity decreased.

LOST TIME INCIDENT RATE [LTIR]: In 2017, the LTIR was 0.02. Transocean experienced no Lost-Time Incidents for the 2018 calendar year—a company first.

FATALITIES: In 2017, Transocean experienced one fatality. In 2018, Transocean experienced zero fatalities.

ENVIRONMENT

GOAL Baselines and goals for GHG Emissions and Impact to Landfills will be restated and specified in a future report.

2017/18 PROGRESS: Due to an increase in total rigs on contract, more mobilizations, and changes to our rig type asset mix, emissions increased. We continue to identify opportunities to reduce our unplanned spills, emissions, and impacts to landfills and water.

SPILLS: In 2017/18, our loss of containment metrics increased in both number of incidents and total volume.

REDUCTION IN GHG: Generally, our direct emissions of CO₂, CH₄, N₂O, NO_x, SO₂ and VOC increased due to increased activity and changes to our fleet composition.

WATER AND WASTE MANAGEMENT: Currently, we seek to better assess impact to landfills and water, and we will set goals in these areas once we have established reliable baselines.

PERFORMANCE

GOAL Empowered by our data monitoring capabilities, we aspire to achieve 100 percent uptime in an incident-free environment and 100 percent revenue efficiency.

2017/18 PROGRESS: Through our Efficiency and Reliability Dashboards, along with OEM Healthcare Agreements, we seek to further improve performance and reduce out-of-service time.

UPTIME: In 2018, we exceeded our target, achieving 96.2 percent uptime, equating to approximately 500 hours (21 days) of additional operational productivity fleetwide.

REVENUE EFFICIENCY: From our 2016 metric of 97.8 percent, we dropped in 2017 to 96 percent; in 2018, to 95 percent.



PEOPLE

GOAL We seek to improve the health and financial security of our employees while providing them with a more diverse and inclusive work environment, giving them everything they need to succeed in their personal and professional lives.

2017/18 PROGRESS: We have increased our investment in training initiatives, actively promote gender inclusion, and continue to support our employees with holistic health and wellness programs.

TRAINING: Via our contract with Maersk Training, Transocean team members received 22,261 days of offshore training in 2016, 16,277 days in 2017, and 17,438 days in 2018.

HEALTH: As measured in our USA health benefit plan, we observed some positive trends and opportunities for improvement. There was an increase in telemedicine visits, 2018 vs 2017. Weight-related medical claims declined from 2017 to 2018. While enrollment in our Health Pregnancy Program declined from 19% in 2017 to 13% in 2018, the rate of cesarean births declined as did the rate of neonatal intensive care unit stays. All employees on U.S. health plans were eligible for biometric screenings in 2018. While these measures are for the U.S., the core framework for our health and wellness programs is expanded to other geographic locations where feasible based on regional regulations, programs and prevailing best practices.

GENDER INCLUSION: Women comprised 6.2% of our global workforce in 2018. Additionally, 15.6% of our leadership positions and 9% of our board seats were held by women in 2018.

401 [K] PARTICIPATION: In 2017, the plan had 5,185 participants; in 2018, it had 4,801 participants.

401 [K] COMPANY MATCH: In 2017, 81.35 percent of employees received maximum company match; in 2018, 81.98 percent.

FINANCIAL PLANNING: In 2018, we began investigating a Managed Account option within the 401(k) plan.

AVERAGE SAVINGS RATE: In 2017, the average savings rate was 7.7 percent; in 2018, 7.8 percent.

HEALTH SAVINGS ACCOUNT (HSA)

PARTICIPATION: In 2017 and 2018, 45 percent of employees contributed up to the company contribution, with 55 percent contributing above company contribution.

COMMUNITY

GOAL We look to secure \$4 million in corporate contributions, along with a 30 percent increase in employee contributions, including 40 volunteer hours annually from each employee.

2017/18 PROGRESS: Transocean continues to support STEM education and literacy worldwide. We have also provided relief directly to those in need and through numerous organizations.

CORPORATE CONTRIBUTIONS: In 2018, our charitable contributions exceeded \$1.25 million.

VOLUNTEER PER EMPLOYEE: In 2018, Transocean began exploring a paid volunteer time off program.

EMPLOYEE GIVING: In 2018, Transocean set up the Transocean Employee Assistance Management (T.E.A.M.) Fund.

MEASURABLE IMPACT: In 2018, we sponsored six Jason Learning STEM professional development opportunities in the Houston Independent School District, which were attended by a total of 140 teachers.



SAFETY

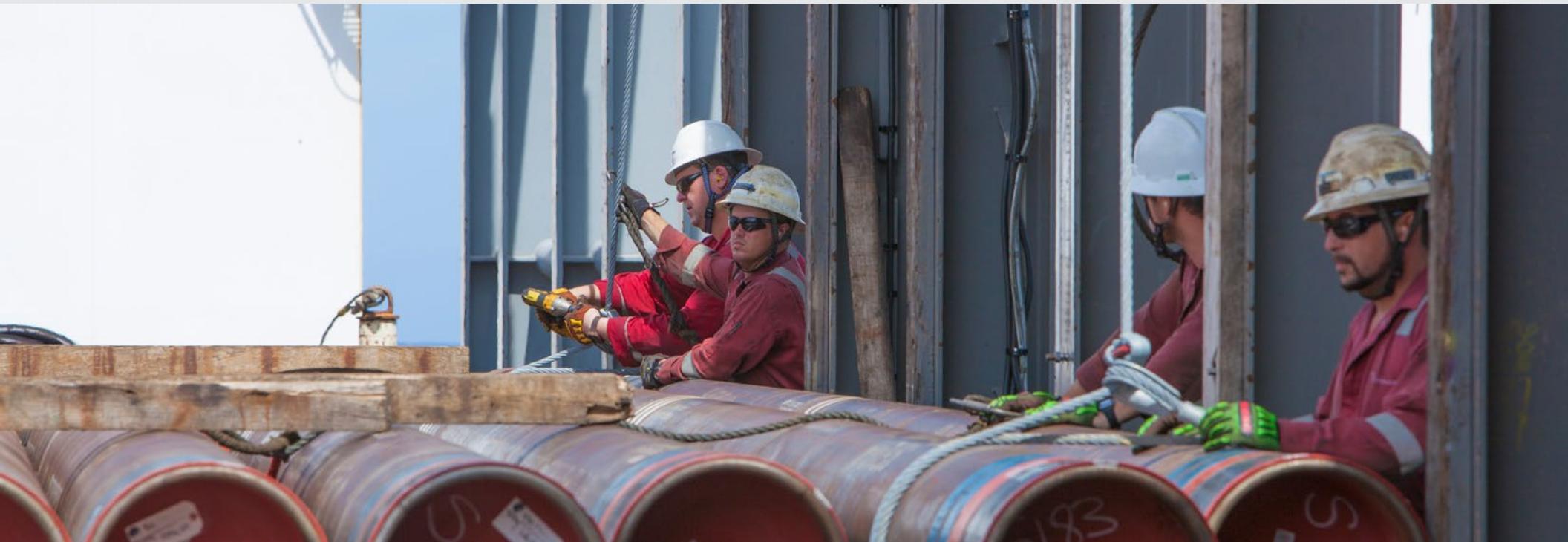
**There is no area in which achieving
is more important. Here, we will lead.
Not with slogans or program binders
but by ensuring that 100 percent
of our people go to work and return
home without incident.**



GOAL

ZERO

SAFETY INCIDENTS





IMPLEMENTS OF OUR JOURNEY

Because we value every individual and community, our commitment to safety extends to all of our stakeholders, including our employees, customers, the communities in which we live, and the environments in which we operate. Setting aggressive goals and carefully implementing the processes necessary to achieve them, we have embraced a culture of continuous improvement based on years of operational experience. Our goal is to conduct our operations incident-free, all the time, everywhere.

To reach that goal, we meticulously create plans, assess risk and execute tasks according to detailed work procedures designed to assure the safest and most efficient path to performance. This approach is supported by robust checklist verification procedures developed by NASA and NTSB, and includes monthly compliance assessments and audits. Programs like Hold the Zero and Time Out for Safety routinely reinforce our corporate safety culture.

To maintain Operational Integrity (OI), we have implemented the industry's best barrier management system. Our highly trained crews are equipped to prevent and mitigate the Big 5 major hazard accidents: fires; major drops; loss of well control, station keeping and watertight integrity.

We employ a rigorous verification strategy, which includes: a monthly compliance assessment by the rig leadership team, verified by shore-based management; competency and effectiveness assessment of preventive and mitigating control measures against the Big 5 major hazard accidents; and management system audits conducted by internal independent operational teams, applying corrective actions that are communicated within the company and reviewed monthly by executive leadership.

View Transocean's full policy statements on Health, Safety and Environment, and Quality at www.deepwater.com/about/sustainability-health-safety-and-environment.

We are focused on an incident-free workplace,
all the time, everywhere.





ZERO

No Lost-Time
Incidents for the 2018
Calendar Year

A Company First

On our mission to achieve incident-free operations, we have established occupational health policies and procedures with respect to noise, vibration, respiratory protection and ergonomics. We also take a proactive stance on health management, contracting leading medical providers to quickly respond to field situations, as well as providing for examinations, immunizations and offshore medical resources.

PROGRESS

Our expectations were already high. The previous two years had seen the best Total Recordable Incident Rate (TRIR) results in company history—0.42 in 2015 and 0.34 in 2016. But anticipated increases in rig activity, hiring and necessary training requirements convinced us to set our TRIR target at 0.39.

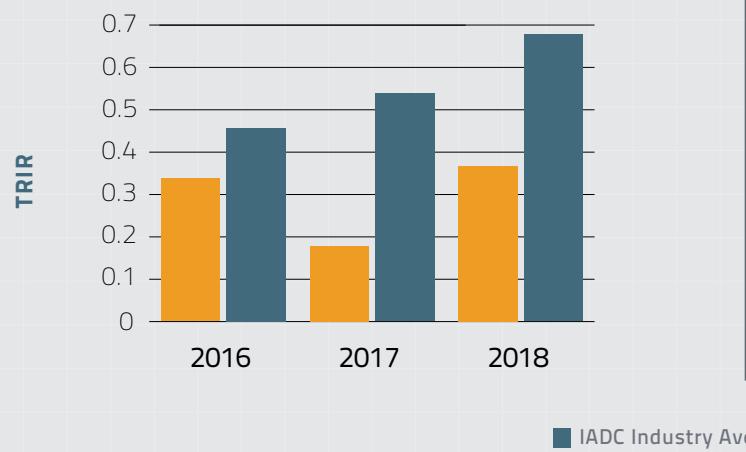
In 2017, we beat our own record with a TRIR outcome of 0.18. At that point, our momentum faced a number of challenges, including the acquisition and integration of the Songa Offshore fleet, planned and anticipated increases in rig startups and reactivations, and an increase in crew hiring and the training needed to bring new employees into our safety programs and processes. We also experienced a fatality in 2017. The event was thoroughly investigated to ensure that it would not be repeated, with lessons learned shared throughout the fleet.

In 2018, our TRIR score of 0.37 fell below our target of 0.25. While this reflects an increase in the total number of incidents, the severity of those incidents dropped. The company experienced no Tier 1 events—events that require immediate and potentially significant company time and resources to rectify—and half of our operating rigs did not experience any incidents counted in TRIR. Moreover, we experienced no Lost Time Incidents for the entire calendar year—a first for our company.



SAFETY

TOTAL RECORDABLE INCIDENT RATE



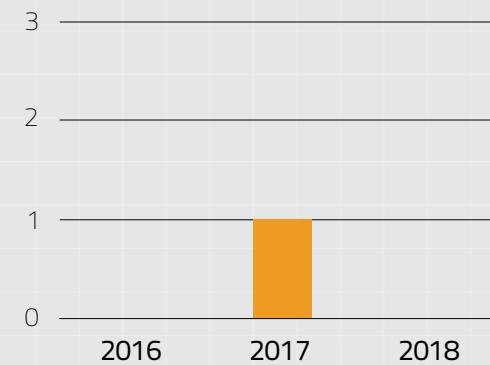
LOST TIME INCIDENT RATE



FATALITIES 2018



EMPLOYEE AND CONTRACTOR FATALITIES



*Source: <http://www.iadc.org/wp-content/uploads/2019/06/2018-5-Year-Summary-Report.pdf>.



IDEAS IN ACTION

Drill-floor Automation

Moving people out of harm's way



This year, we turned a task into a mission, with an eye towards changing the way our industry looks at safety.

Avoiding the Zone

Twenty years ago, the drill floor was made up of a dangerous assortment of manually operated tongs, spinning wrenches and chains. Mistakes, compounded by unfortunate timing, often ended badly. Since then, the industry has evolved towards a more thoughtful approach to zone management—particularly when it comes to drill-floor operations—to avoid collisions between humans and equipment.

Advancing Automated Pipe Handling

At Transocean, we are taking active measures to drive this evolution forward. For the past year and a half, we have been advancing the automation of pipe handling, developing individual control layers for specific tasks. By layering coding sequences, many of these operations no longer require people, who can be moved to safer and more productive tasks.

As a matter of safety and procedure, Transocean programs equipment to move more slowly when people are on the drill floor. Once people are removed from this environment, we are able to speed up these processes, further reducing time and boosting operational efficiency.

Our most consequential change has been the shift from a task-centric to a mission-centric perspective. We have developed control layers over control layers, automating sequence chains of multiple machines. Tripping, for example, once required 20 operator actions; we now have it down to one.

Sustaining Sustainability

Our ultimate goal is to move all employees out of danger zones. Automation is a means of not only limiting risk exposure but also of gaining traction. We strive to lead change from the front, demonstrating the collective profitability of doing it right—to companies, to employees and to communities.



ENVIRONMENT

We share one planet. That fact, combined with our genuine desire to do no harm, compels us to back words with actions—to direct the momentum of any success we achieve as a company into technologies that lessen our environmental impact.

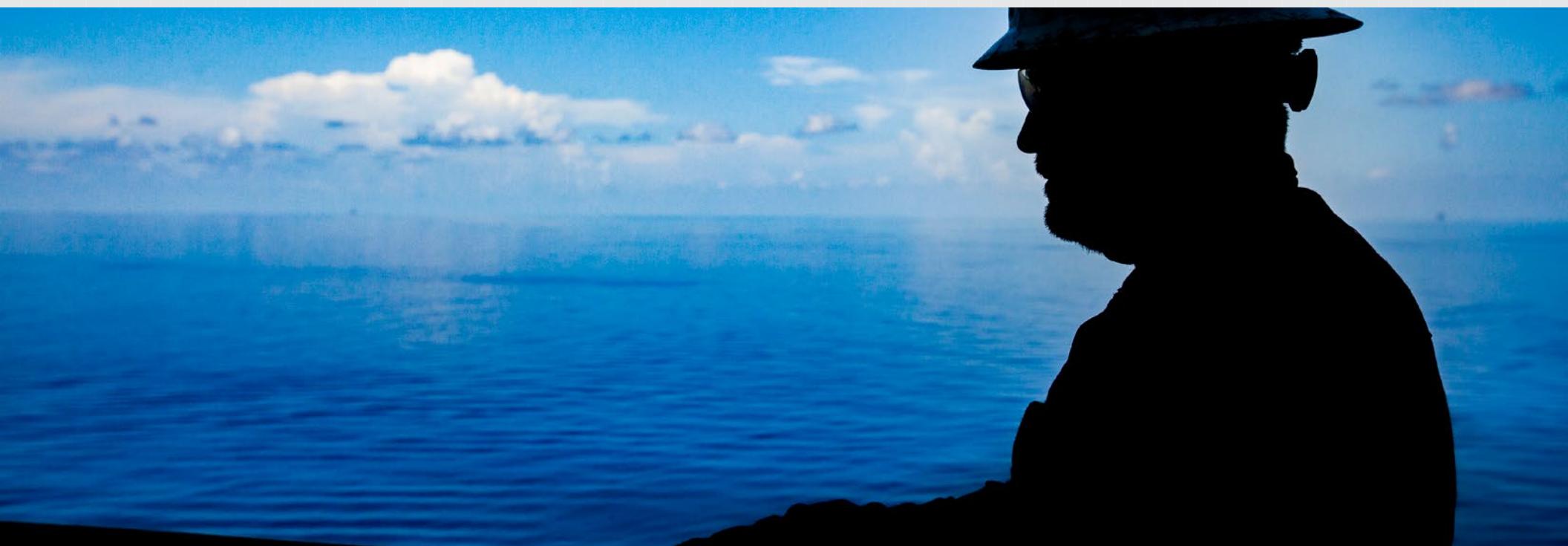


2022 GOALS

ZERO

SPILLS

BASELINES AND GOALS FOR GHG
EMISSIONS AND IMPACT TO LANDFILLS
WILL BE RESTATED AND SPECIFIED
IN A FUTURE REPORT.





ONE PURPOSE

Efficiency minimizes impact. This is the simple algorithm that drives our environmental approach. It reflects our commitment to every stakeholder—customers, employees, shareholders and communities. Our HSE teams are keenly aware of our role in protecting the environment. Our company, as a whole, is dedicated to achieving our goal of zero spills while reducing days in production, energy consumption and Greenhouse Gas (GHG) emissions. Spill prevention is an integral part of our Shared Value of Safety as we drive towards an incident-free workplace.

Our evolution to a culture of increased awareness, vigilant self-reporting and continuous improvement has accelerated over the past decade in support of our environmental initiatives. Our operations conform to ISO 14001 standards, applicable to all rigs, offices and facilities.

TARGETING IMPROVEMENT

In evaluating our progress since 2016, there are a number of factors to consider. For example, when offshore activity increases, so do total GHG emissions. Decreased activity, while resulting in fewer total emissions, can yet increase the Energy Efficiency Operation Index (EEOI), which measures CO₂e per vessel operating hour. This increase is due to variable operating loads associated with a wide range of rig activities and the power they require.

Targeting these operational load inefficiencies is key to reducing our impact while improving safety—and it's a primary driver for many of our current initiatives.

We are dedicated to our goal
of zero spills while reducing
energy consumption.





Loss of Containment While spills are rare, we believe we can prevent them entirely. Transocean employs strong processes to prevent spills to sea in order to protect environments in which we work. Our success in limiting loss of containment events is linked to how effectively we operate on our core values of safety and reliability. In 2018, our total volume of spills was 55.5 kiloliters, an increase from 13.5 in 2017. Roughly half of our spill volume in 2018 was attributed to a single incident. We led a thorough investigation, and developed a corrective action plan that included a remediation process and communication of lessons learned across our global fleet. Our total number of spills increased slightly, from 63 in 2017 to 69 in 2018. We are taking steps to reduce loss of containment incidents going forward.



GHG Emissions and Fuel Consumption Our offshore greenhouse gas (GHG) emissions are highly correlated to fuel use on our rigs. Due to significant changes in our fleet composition, we plan to reset our baseline and GHG emission reduction goals in a future report. Over the past few years, we have exited the jackup market and concentrated our fleet in the harsh environment and ultra-deepwater markets. Generally, harsh environment and ultra-deepwater units are significantly larger, have higher fuel requirements and higher emissions. In addition, a significant portion of our fleet was not contracted when the initial baseline was established due to the cyclical downturn in the offshore drilling industry. As the market recovers, we anticipate that additional units will return to work.



Across 2017 and 2018, fuel consumption and GHG emissions increased due to changes in fleet composition as described above; in addition, they were impacted by an increase in rig mobilization periods, which require higher fuel consumption relative to standard operations. Further, we had a higher number of rigs operating in 2018 relative to 2017.

Our teams are focused on making meaningful improvements to our rig technology and operating procedures to reduce the intensity of our fuel consumption and emissions during operations. Meaningful decreases in the time needed to drill wells coupled with technology that allows us to store and smooth power demands on our engines will enable us to reduce the fuel needed to construct wells.



Water Usage Most Transocean rigs use desalination units for potable water, while water for drilling operations is usually shipped from shore. We are working on internal protocols to consistently measure water usage across our fleet. Once in place, these will establish a baseline and target for improvement. Our aim is to reduce our impact to shore and utilize potable and drilling water more efficiently on our rigs.



Waste Management In 2018, we have continued to apply our continuous improvement model to identify opportunities to reduce our impact to landfills. Currently, we are working to establish fleet-wide measurement standards; after which, we will set a baseline year and meaningful progress targets.



ENVIRONMENT

LOSS OF CONTAINMENT		2018	2017	2016
Total volume of spills to sea	Liters x 1000	55.5	13.5	5
Total number of spills to sea		69	63	58
GHG EMISSIONS AND FUEL CONSUMPTION				
Fuel Consumption	Tonnes x 1000	435	296	285
Total CO ₂ e ¹	Tonnes x 1000	1,419	966	931
Direct GHG Emissions (Scope 1) ²	Tonnes x 1000			
CO ₂		1391.58	947.35	913.17
CH ₄		0.08	0.05	0.05
N ₂ O		0.10	0.07	0.06
Other Air Emissions ²	Tonnes x 1000			
NO ₂		25.83	17.59	16.95
SO ₂		1.74	1.18	1.14
VOC		0.87	0.59	0.57

¹We use IPCC's AR5 values to calculate CO₂e.

²We use EEMS Table 8.2 - Default Emission Factors for Diesel Consumption Plant Operations to estimate emissions gases for our offshore operations.



IDEAS IN ACTION

Responsible Decommissioning

Stewardship through the asset lifecycle





As offshore rigs reach the end of their service life, we at Transocean are committed to recycling and disposing of them in an environmentally responsible way.

Confronting Reality

Even with robust maintenance and stewardship programs, rigs eventually reach the end of their service life. Responsible decommissioning of these massive steel structures isn't universally embraced by all companies and countries. Since 2014, Transocean has recycled and disposed of approximately 40 vessels. We have made it our mandate to ensure that these operations are performed according to established environmental guidelines.

One set of international protocols governing the recycling of assets is the Basel Convention. Specifically, the treaty addresses the movements of hazardous wastes between nations, and it seeks to discourage the practice of developed countries forcing their waste on less-developed countries.

A second set of standards, established by the International Maritime Organization at the Hong Kong International Convention, codifies practices for the safe and environmentally responsible recycling of ships and rigs.

Responsible Recycling is Complex, Costly and Crucial

In accordance with these two international conventions, we reclaim hazardous materials, fluids and other relevant substances, then recycle

or dispose of them responsibly. Vessels are towed to shipyards and cut into reasonably sized pieces by companies with validated expertise.

To assist with the process of compliance with Transocean standards, we contract a third-party environmental oversight organization, Grieg Green, to audit the yards we work with and oversee execution of our rig-recycling processes from start to finish. Grieg Green regularly monitors and audits these yard facilities to ensure compliance with ISO 9001, ISO 14001, and OHSAS 18001. Additionally, we insist that these companies adhere to high occupational health and worker safety standards, including worker training, tools and international guidelines on child labor.

Worldwide, we are only conducting recycling activities in two countries. This greater degree of scrutiny comes at a higher cost; however, we firmly believe that it is necessary to ensure that our retired assets are disposed of safely and responsibly.

Let's Be Who We Claim to Be

At Transocean, there is a growing sense of responsibility for our planet and future generations. Our efforts must go beyond simply checking the sustainability box. We must back words with actions, to raise standards, meet them and encourage others to do the same.



PERFORMANCE

Transocean seeks to become our customers' Universal First Choice. This requires earning an unconditional level of trust—achieved not through promises and platitudes, but through a highly disciplined, process-driven approach based on accurate data, analysis and transparency.



2022 GOALS

100%

UPTIME





INTELLIGENCE APPLIED

Our Vision 2022 Performance goal is to achieve 100 percent uptime in an incident-free environment. To get there, we plan, we execute, we measure, and we improve. We do this rigorously and continuously, expanding our data monitoring and analytical capabilities every year to solve problems and improve efficiency.

Our Efficiency Dashboard gives us and our customers near real-time data on rig and crew performance, which we can compare against fleet-wide Key Performance Indicators, past operations, activities for upcoming operations (to facilitate planning), and our customers' own schedules.

Currently under development, our Reliability Dashboard will give us a near real-time view of critical operations, including our Dynamic Positioning System, current and upcoming maintenance, Power Management System and BOP status.

In 2017/18, OEM healthcare agreements executed with our Critical Supplier Partners have driven reliability improvements for BOPs and drilling systems equipment, significantly reducing non-productive time.

In 2018 and as part of those health care agreements, we also began laying the groundwork and are leading the industry charge for collaborative, condition-based maintenance optimization. Basing maintenance on equipment monitoring, we seek to improve performance and uptime as well as reduce and in some cases eliminate the need for out-of-service time for our rigs.



We are leading the industry
charge for collaborative,
condition-based
maintenance optimization.





Measuring Uptime Results

Transocean views uptime as the best measure of operational efficiency. While uptime is a common operational metric in our industry, there is not a standard industry definition. We define uptime as total operating hours, minus downtime hours, expressed as a percentage of the maximum total operating hours. Operating hours are defined as the number of hours a rig is operating under a contract.

Downtime is defined as the number of hours the rig is not engaged in drilling activities, resulting from mechanical failure or human performance error. Using this formula, zero mechanical failures and human performance errors would result in a rig operating at 100% uptime. Downtime events detract from optimal performance and have a direct negative impact on the customer's operational plan.

In 2017, Transocean's uptime was 96.8 percent, a 0.3 percent increase from the previous year. For 2018, Transocean's incremental target for uptime was 96 percent. Through operational efficiencies, we actually achieved 96.2 percent uptime. This increase over target performance equated to approximately 500 hours—or 21 days—of additional operational productivity across the fleet, resulting in greater customer satisfaction and higher earnings.

In 2017, Transocean achieved a revenue efficiency of 96 percent; in 2018, it dropped to 95 percent.



2018 PERFORMANCE

UPTIME



96.2%

Increase over target performance equates to approximately 21 days of additional operational productivity across the fleet.

REVENUE EFFICIENCY

95%

IDEAS IN ACTION

Performance Dashboard

How technology powers efficiency





Numbers are impartial. They have no opinions. Instead, they offer the means to measure and improve.

It's Complicated

When targeting efficiencies in well construction, there are many complex manual and semi-manual operations to consider. A slight variation in how a discrete task is performed, multiplied over numerous operations, can add up to significant non-productive time over the course of drilling a 20,000-foot well, particularly in harsh or deepwater environments.

Measurement and Management

Transocean's performance dashboard has allowed us to translate the vast amount of raw data we collect on the performance of our rigs and crews into actionable information. By removing the subjectivity of manual reporting, we can make better decisions about how we write and execute procedures, train our crews and run our equipment. Using this data to create digital twin simulation models of various rig activities, our engineers have enabled our management teams and rig crews to easily visualize, compare and learn.

Digital twins help our teams to easily identify inconsistencies in time-critical operations and make improvements. For example, by specifically focusing on the pipe-tripping process, this approach has helped us reduce the time required for well construction by up to 20 percent, improving efficiency, while saving our customers time and money.

Looking Forward

Transocean is the first drilling company to bring this kind of comprehensive transparency to customers, giving them a true baseline to measure performance and visualize efficiency. Through our various operational dashboards, accessible via mobile devices, Transocean management, customers and rig crews are looking at the same data. As wireless-sensor technology continues to advance, so will the analytics, exponentially enhancing our potential to improve the way we work.

KEY INNOVATION INITIATIVES

Environmental impact, performance and innovation are all tied together. Through innovation, Transocean strives to improve operational efficiency, minimizing our impact in an economically sustainable model.



Healthcare Agreements with OEMs

With contractual incentives, OEM objectives are coming in line with those of drilling contractors and operators. As such, they have a vested interest in ensuring that critical drilling systems are up and running. This drives collaborative efforts to increase systems and equipment reliability where issues resolution cycle time is greatly reduced, optimize maintenance and, ultimately, lower total cost of ownership.



Prognostics

We continue to deploy predictive technology to evaluate performance across different systems and subsystems, optimizing maintenance performance and resource allocation, increasing safety and reducing costs.



Hybrid Power Micro-Grid

As an early adopter of hybrid power technologies, Transocean has been reclaiming energy previously wasted during drill floor operations. This energy is used to reduce demand peaks on our diesel engines and mitigate risks in the event of power faults. This demand peak shaving saves fuel, directly impacting GHG emissions. We are deploying our first hybrid propulsion system in Q2 2019.



Data-Informed Decision-Making

From supply-chain information to equipment performance data, we're using technology to enable better, faster and safer decisions while minimizing costs associated with non-productive time.



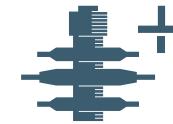
Automated Drill Floor

Transocean's journey to an automated, person-free drill floor is currently focused on the development of mission-based controls as a departure from the task-based controls requiring constant human intervention. With this methodology, we optimize the speed and efficiency of our equipment while moving personnel out of harm's way.



Performance Dashboard

We continue to enhance our ability to capture equipment performance data and perform advanced analytics, driving operational efficiencies across our entire fleet.



BOP Reliability

To improve operational integrity related to well control, we have developed a high-reliability, closed loop BOP emergency control system that is SIL-3 compliant, works independently of fluid supply from accumulators, and proactively monitors condition and readiness.



Digital Twin Simulations

Augmenting the potential of the Performance Dashboard, we are developing simulated 3D models to optimize performance, reducing flat time during well construction.



PEOPLE

Our employees are more than our most valued assets. They are the agents of our aspirations, driving all initiatives forward. Recognizing that success is impossible without them, Transocean is committed to supporting their health, wellness, security and professional development.



2022 GOALS



BETTER HEALTH



FINANCIAL SECURITY



GREATER INCLUSION





SUSTAINING THE HUMAN FACTOR

As a true pioneer in the offshore drilling industry, Transocean has led the way in innovation and technology. We've set deepwater drilling records with impressive efficiency. But none of these achievements would be possible without the commitment, energy, diversity and talent of our employees. These men and women constitute our most valued assets—stewards of our reputation, essential to our growth and long-term success. We are committed, in turn, to providing them with an inclusive, supportive and safe environment in which they can flourish personally and professionally. To that end, Transocean has embraced a process-driven, continuous-improvement methodology to our numerous HR initiatives.



We are committed to
providing our people with an
inclusive, supportive and
safe environment.





Competency assessments are overseen by our Training Board and guided by our Competence Assurance Management System.

Recruitment & Development

Because we work in a highly technical environment, having the best people is a priority. Transocean continues its efforts to attract a diversity of talent, including numerous initiatives aimed specifically at increasing the number of women working in offshore positions. In 2018, we participated in the Women On the Water Conference in Maine, actively connecting with maritime students to introduce them to the offshore drilling sector.

Retention is just as important as recruitment. To achieve our objectives, we strive to encourage a transfer of knowledge from long-tenured employees to younger talent—a dynamic confluence of expertise and fresh perspectives. We conduct periodic talent reviews to help us better understand our employees' career and development goals. Coupled with our succession-planning process, this enables our team to create individual development plans to build the skills and competencies within our workforce that we need to be competitive today and in the future.

Company-wide, our 2017 training investment was \$21 million; in 2018, that number grew to \$29 million. Offshore training formats include on-the-job, e-learning, customer-specific, certifications, leadership and licensing programs. Unique simulation-based education with Digital Twin modeling lets employees more accurately visualize equipment performance and target efficiencies.

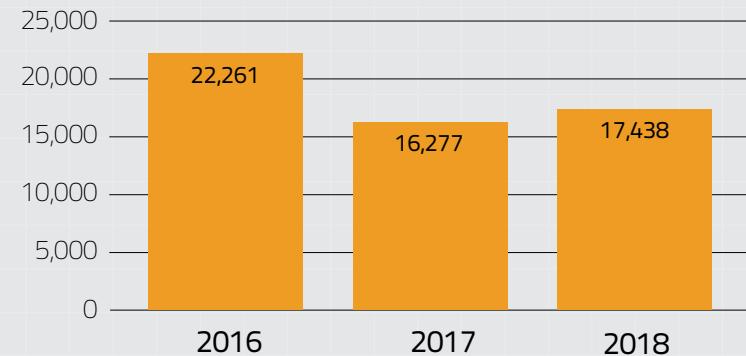
Competency assessments are overseen by our Training Board and guided by our Competence Assurance Management System (CAMS), which is accredited by the Offshore Petroleum Industry Training Organization (OPITO) and subject to an annual audit. Training plans are on a cycle, dictated by specific rig personnel requirements.



RECRUITMENT & DEVELOPMENT

We take recruitment and development seriously, investing in our workforce to ensure they are the best-trained and most experienced people in the industry. The chart on the right includes training focused on offshore skills and tools.

DAYS OF OFFSHORE TRAINING*



*Numbers are based on an eight-hour training day.



Health & Wellness

Our approach to health and wellness is holistic, encompassing the physical, emotional and financial well-being of our employees. Building on a solid benefits foundation, we strive to enhance the healthcare experience with high-quality plans and a variety of flexible healthcare solutions, including Health Savings Accounts (HSAs). We also actively promote fitness and technology advancements such as telemedicine, which—from 2017 to 2018—has seen utilization nearly double.

As with rig performance, health progress requires data. In September 2018, we expanded preventive-screening benefits, already covered at 100 percent, to include Quest Diagnostics in a push to get all U.S. employees screened. We have made strides in improving maternal health; in 2018, C-section rates and NICU length-of-stay rates both fell.

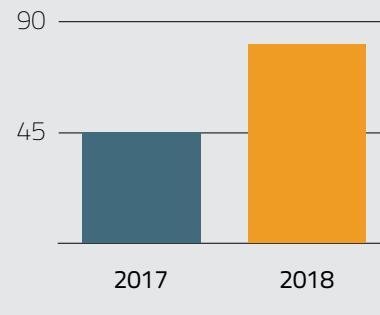
To promote long-term financial stability, Transocean has focused on retirement plans and planning, including matching funds and educational tools. By 2022, we seek to grow 401(k) participation to 95 percent of all eligible employees at an average savings of 10 percent, with 95 percent of those participants securing the maximum employer match. In 2018, we also began evaluating Managed Account options.

While these health and financial wellness programs are U.S.-centric, the core strategic framework is expanded to other geographic locations where feasible, based on regional regulations, programs and prevailing best practices.



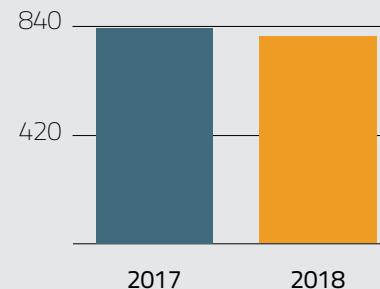
2018 HEALTH & WELLNESS

TELEMEDICINE VISITS



↑ UP 80%

WEIGHT-RELATED CLAIMS



↓ DOWN 4.5%

2022 Goal reduce leading weight-related claims by 75%

HOUSTON-BASED EMPLOYEES OBTAINING BIOMETRIC SCREENINGS

13% UP 85%*

2022 Goal 90% Houston-based employees obtaining biometric screenings

GOM RIGS OFFERING BIOMETRIC SCREENINGS

100%

MAXIMUM 401K MATCH PARTICIPATION

81%

↑ UP 0.7%*

2022 Goal 95% of participants receive the maximum 401(k) company match

AVERAGE EMPLOYEE SAVINGS

7.8%

↑ UP 1.29%*

2022 Goal average employee savings rate of 10%

PARTICIPANTS IN COMPANY'S 401(K)

82%

↑ UP 7.4%*

2022 Goal 95% of eligible employees participate in the Company's 401(k) Plan

*Compared to 2017.

Inclusion

Better results spring from a more diverse perspective. To that end, we are driving cultural and gender inclusion across all levels of our organization through education and recruitment.

As an international company, we respect the diversity and cultures of the countries in which we operate. In 2018, we employed 6,700 employees and contractors, representing 54 nationalities, up from 41 nationalities the previous year.

Since 2016, we have made gains towards achieving our goals for women in leadership positions. However, along with our industry, we lag behind in overall gender diversity. Our aspirational goals with respect to gender diversity are that women hold: (1) 25% of our offshore roles; (2) 25% of our leadership positions, which are defined as Senior Manager or higher; and (3) 25% of our Board Seats.





INCLUSION – 2018 GLOBAL EMPLOYEE GENDER RATIO*

ONSHORE WORKFORCE
(PERCENT OF WOMEN)

32.3%



OFFSHORE WORKFORCE
(PERCENT OF WOMEN)

1.33%



LEADERSHIP
(PERCENT OF WOMEN)

15.6%



BOARD COMPOSITION
(PERCENT OF WOMEN)

9%



GLOBAL WORKFORCE
(PERCENT OF WOMEN)

6.2%





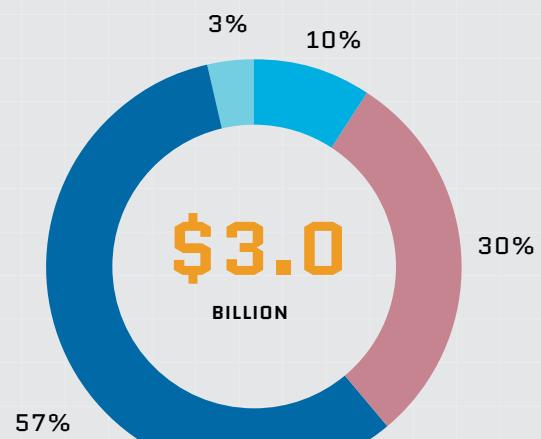
WHERE OUR EMPLOYEES WORK AS OF YEAR END 2018



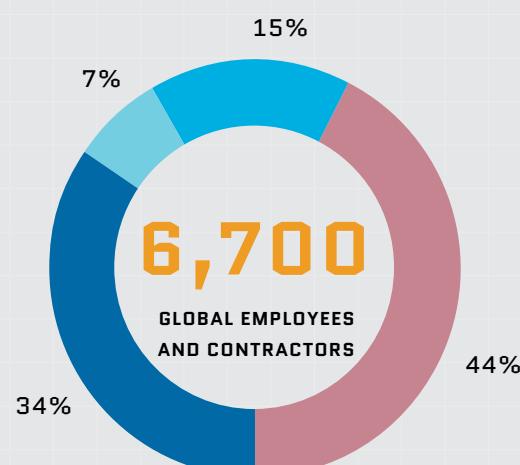


INCLUSION - 2018 GEOGRAPHICAL DISTRIBUTION

2018 REVENUE BY LOCATION [BILLIONS]



2018 EMPLOYEES AND CONTRACTORS BY LOCATION [%]



REPRESENTATION OF NATIONS

54
NATIONALITIES

■ North America

■ South America

■ Europe/Africa

■ Asia/Australia

Our efforts have been recognized. In both 2017 and 2018, Transocean was named the world's number-one drilling contractor in the Rigzone Ideal Employer Survey.



An Ideal Employer

To attract and retain the very best people, we must also factor in that our world is rapidly changing. To meet the evolving challenges of our society, the environment, customers and shareholders, Transocean has dedicated itself to being the world's premier employer for offshore drilling jobs. Some of these initiatives include:

- Continually promoting greater transparency through communication. To achieve this goal, we purchased and began configuring our internal communications app—Transocean CURRENT—scheduled to launch in 2019.
- Improving the work-life balance of our employees, we have begun implementing a more flexible work environment, including virtual connectivity.
- Offering a scholarship program for children of employees and tuition reimbursement for employees seeking to continue their education.

Our efforts have been recognized. In both 2017 and 2018, Transocean was named the world's number-one drilling contractor in the Rigzone Ideal Employer Survey.



Rewards & Recognition

We believe in calling out achievement and excellence. Transocean's Recognition & Rewards (R&R) Program is designed to acknowledge our regular, full-time employees for outstanding performance specifically demonstrating application of the Company's Shared Values and/or delivering a significant business impact.

Every year, we also recognize individuals, teams and installations exceeding performance expectations at the FIRST Excellence Awards, named after Transocean's Shared Values.





COMMUNITY

Relationships are often thought of as something built. At Transocean, we also believe that removing barriers can bring us together as a single community, creating connections that are powerfully and fundamentally human.



2022 GOALS

\$4M

CORPORATE CONTRIBUTIONS

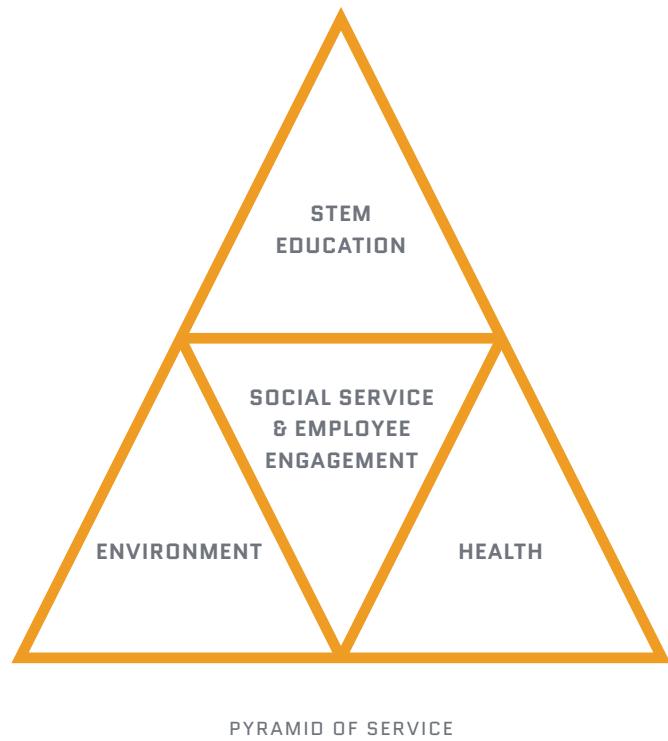
40

VOLUNTEER HOURS PER EMPLOYEE

30%

INCREASE IN EMPLOYEE CONTRIBUTION





Transocean's community service focus areas include education concentrated on literacy and STEM courses, Health and Safety to promote healthy living and disease eradication, Environmental Conservation and Restoration, and Social Services and Employee Engagement to provide the basics of food, shelter, education, water and well-being.

ENGAGING OUR COMMUNITY

Transocean engages with many external stakeholders, including industry groups, investors, regulators and the general public. As a company and as individuals, we are proud to help communities around the world address the challenges they confront—hunger, protection for women and children, education and homelessness, as well as the protection of the environments in which we operate. Knowing what we can accomplish together inspires us.

In 2017 and 2018, we have refocused our efforts around our Pyramid of Service: STEM education and literacy; Health and Safety; Environmental Conservation and Restoration; and Social Services and Employee Engagement.

In 2018, our charitable contributions and sponsorships exceeded \$1.25 million.



STEM programming

Since 2017, Transocean has partnered with Jason Learning to bring their project-based STEM learning curriculum to the Houston Independent School District. In 2018, we sponsored four workshops and two introductory sessions, training a total of 140 teachers. Highlights of the program included sponsoring a teacher visit to high-tech firms such as Apple, Google, Facebook and iNaturalist.

During 2017 and 2018, Transocean employees served as STEM role models to introduce students across the nation to STEM careers and real world applications in the Offshore Drilling industry.

Relief for those in need

Transocean provided significant support to communities and employees during Hurricane Harvey, including \$100,000 donations to both the Houston Food Bank and The American Red Cross. We also provided support to employees in India who were impacted by monsoon flooding in 2018.

In 2018, we created the Transocean Employee Assistance Management Fund (T.E.A.M. Fund). Beginning in 2019, employees and the company will contribute to the fund—employees with needs can apply for grants.

Stakeholders

As an industry leader, we are mindful of our responsibility in setting the standards that guide best practices. We continue to actively participate on committees and in events such as employee town-hall assemblies, as well as events sponsored by:

- American Petroleum Institute
- Center for Offshore Safety
- International Association of Drilling Contractors
- National Ocean Industries Association
- Oilfield Energy Center
- Society of Petroleum Engineers

Because financial transparency is imperative, Transocean's management plays an active role in meeting with the investment community. In 2018, executives, senior management and our investor-relations team met with investors and analysts across the globe at more than 25 investor conferences, at roadshows and in our offices. Additionally, more than 35 research analysts covered Transocean, publishing regular equity research reports on the Company and industry.

COMMUNITY



1 - Cooking/serving dinner at Ellington Field and to the Texas National Guard

2 - United Way volunteers show off employee fundraising results: \$500,000

3 - Legal team volunteering at the Baker Ripley Shelter at NRG Center

4-6 - Helping people at the St. Joseph's Condominiums clear furniture and sheetrock impacted by flood waters

7 - Preparing and serving meals at the Second Mile Mission Center





8 - Oilfield Energy Center High School Career Fair

9 - 2018 Veterans Day Breakfast

10 - Toys for Tots Drive

11 - Plaque presented by OATH, Inc. in recognition of Transocean's donation to Texas Anglers Charity Classic (TACC), a fishing tournament co-hosted with NOV

12 - On-field contest at Texans Salute to Service Game recognizing Transocean veterans and active-duty servicemen

13 - Transocean team at Galveston Bay Marsh Mania (wetlands restoration project)

14 - 2018 TACC Tournament



9



10



12



13



11



14



MATERIALITY

Transocean is focused on the issues that are important to our employees, customers, investors and the communities in which we operate. Guided by our values and driven by our culture of continuous improvement, we have aligned our sustainability goals accordingly.

Making the greatest impact

Identification of Sustainable Topics We initially identified over 50 sustainability topics based on our goals, peer reviews and a variety of internal and external criteria.

Internal Evaluation These initial topics were reviewed then prioritized by a committee of senior Transocean management and multi-disciplinary subject-matter experts.

External Assessment For a future report, we seek to engage external stakeholders with a formal survey to further refine our sustainability initiatives.

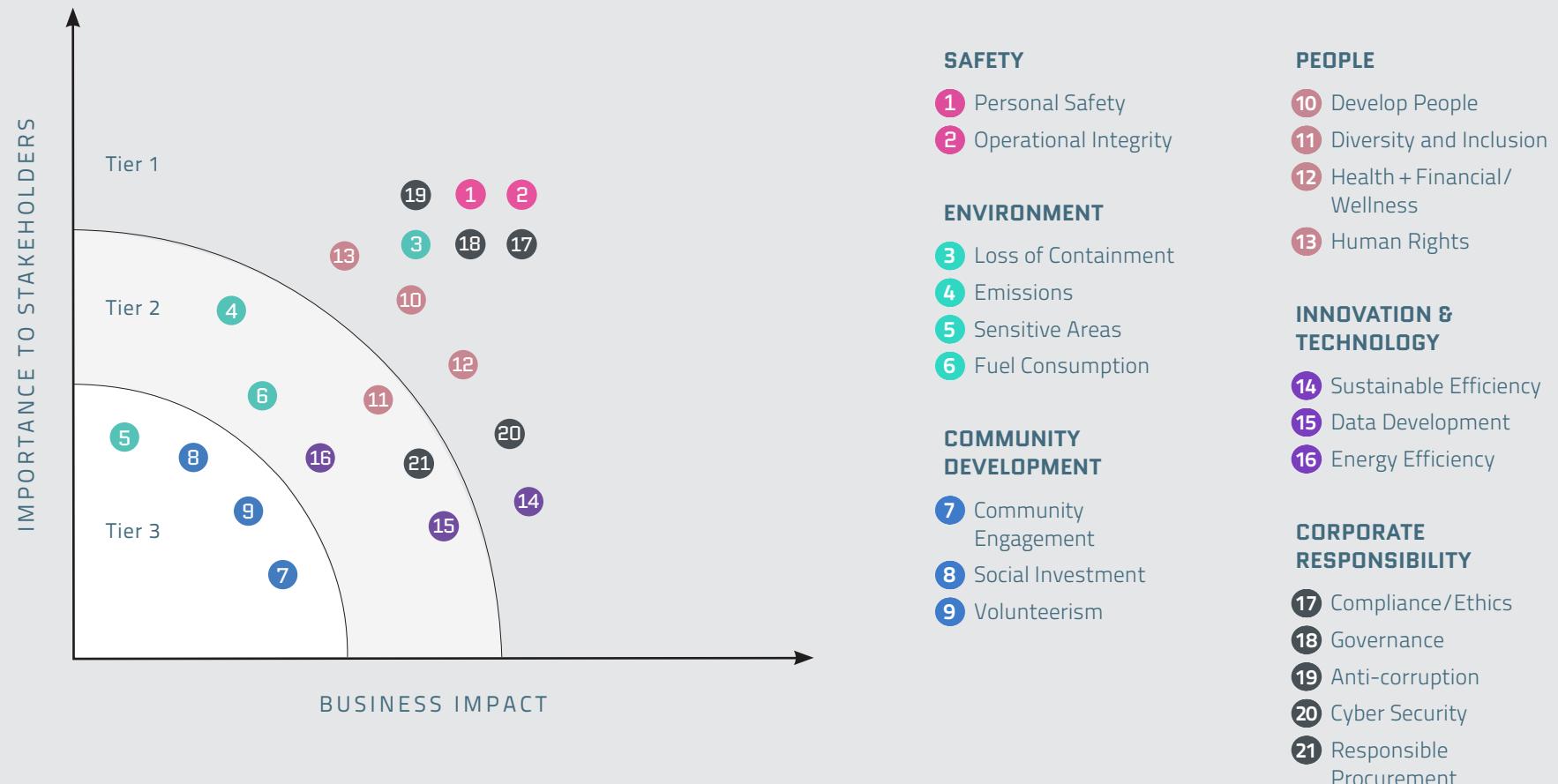
Validation In 2016, we identified 21 sustainability topics as material to our business and our stakeholders. Those topics were prioritized into three tiers based on order of importance, with Tier 1 items identified as our principle areas of focus.

The Tier 1 items identified via this process are:

- Personal Safety
- Operational Integrity
- Loss of Containment
- Professional Development
- Health & Financial Wellness
- Human Rights
- Sustainable Efficiency
- Compliance/Ethics
- Governance
- Anti-Corruption
- Cyber Security



MATERIALITY ASSESSMENT : PRIORITIZATION & VALIDATION





CORPORATE GOVERNANCE

We believe that the cornerstone of good corporate governance is the quality of leadership of the Board of Directors ("Board") and the management of the Company. In furtherance of this commitment, the Board is guided by Corporate Governance Guidelines. These include how the Board is selected and compensated, how the Board functions, and how the Board oversees and interacts with management. The Guidelines are available at www.deepwater.com.

Board Composition

Transocean's Board provides broad oversight of the management and governance of the Company. As of May 2019, our Board was comprised of 10 members, representing six nationalities, with one female member. The average age of our directors was 59, and their ages ranged from 38 to 70, with an average tenure of 6 years. Our independent directors regularly meet in executive sessions, outside the presence of any members of management, and all of our directors serve one-year terms, ensuring that they are accountable to shareholders at every annual meeting.

Except for the Company's Chief Executive Officer ("CEO"), all directors are independent as defined by the New York Stock Exchange. The Board has chosen not to combine the positions of CEO and Chairman of the Board. The Board believes that separating these positions allows our CEO to focus on our day-to-day business, while our Chairman of the Board presides over the Board as it provides advice to, and independent oversight of, management and the Company's operations.

Committees

The Board and the committees of the Board met at least once a quarter during 2018, and the quarterly meetings occurred over a period of two days. Each of our directors attended at least 80% of the meetings, including meetings of committees on which the director served.

The Board's Corporate Governance Committee periodically reviews the Company's director criteria and the composition of the Board to evaluate profiles, skills, experience and diversity. The Committee performs an assessment of the Board, committees and directors; considers recommendations from shareholders and directors; and reviews developments in corporate governance. Further, the committee recommends to the Board director nominees for election to the Board by the shareholders of the Company.

The Board's Health, Safety & Environment (HSE) Committee reviews and discusses with management the status of key environmental, health and safety issues. The Committee also regularly evaluates Company policies, practices and performance related to HSE issues. Any significant HSE incidents

are examined by the committee, including, if any, alleged violations of laws or regulations, pertaining to offshore operations. Additionally, the Board has standing Audit, Compensation, and Finance Committees. Each committee charter is available on the Company's website: www.deepwater.com.

Executive Compensation

Our executive compensation program is designed to provide our executives with a competitive compensation package that rewards performance against specific, identified financial, strategic and operational goals that the Compensation Committee believes are critical to the Company's long-term success and the achievement of sustainable long-term total returns to our shareholders. Additional information is published in our proxy statement.

OPERATIONAL AND FINANCIAL PERFORMANCE

Operational Excellence, Organizational and Operational Efficiency

Throughout 2018, we maintained our financial discipline and efficient operations with a constant focus on the safety of our workforce and the protection of the environments in which we operate. In 2018, we delivered a Total Recordable Incident Rate (TRIR) of 0.37, and half of our rigs did not experience any incidents included in TRIR during the year. Further, the Company experienced no Lost Time Incidents in 2018, a standard never previously achieved by the Company for a full calendar year. Transocean delivered strong EBITDA results for 2018, despite limited demand for rigs and declining or flat contract dayrates. Outstanding operating performance and revenue efficiency for deployed rigs, combined with a strong focus on cost management, resulted in strong EBITDA results, relative to target performance and to peers. We generated revenue of approximately \$3.0 billion and Adjusted Normalized EBITDA of approximately \$1.0 billion and an Adjusted Normalized EBITDA margin of approximately 36%.

Financial Position

We remain committed to maintaining our balance sheet flexibility. In 2018, we issued approximately \$3.0 billion of debt with maturities between 2023 and 2025, while retiring \$2.1 billion of debt with maturities primarily between 2018 and 2022. Additionally, we successfully entered into a new \$1 billion five-year undrawn revolving credit facility, including a \$500 million accordion feature. As a direct result of these transactions and outstanding operational performance, we exited 2018 with \$2.2 billion in cash and short-term investments and a \$1 billion undrawn revolving credit facility. Therefore, we entered 2019 with sufficient liquidity to continue to navigate the current market environment, while also continuing to invest in our fleet, people and strategy.



Looking to the Future

During these challenging times, we continue to take the necessary actions to maintain our market leadership position as well as strategically position the company to emerge from the downturn leaner and stronger. To mitigate this ongoing challenge, we at Transocean will continue with the approach of managing those things within our control. These include continuing to improve upon our safety and operational performance, keeping the company lean but responsive, and highgrading our fleet and crews.

BUSINESS ETHICS

Transocean is committed to conducting business with the highest level of integrity in all aspects of our operations. Transocean's Code of Integrity (our "Code") was adopted by the Board and contains ethical guidelines for the way we require our business to be conducted. The entire Code is available on the Company's website at www.deepwater.com. We regularly review and, as necessary, update our Code. We conduct online mandatory training for our employees and officers on our Code and other relevant compliance topics. In 2016, employees and officers were 100% compliant with the Company's Legal, Compliance & Ethics training.

OUR CODE

Our Code applies to all employees, directors and officers of Transocean. Third parties who work on behalf of Transocean (e.g., contractors) are also expected to act consistently with our Code. Any illegal or unethical action, or the appearance of such actions, by anyone acting on Transocean's behalf, is unacceptable. It is important to understand that we are each responsible for our own compliance with the Code, which includes recognizing that our decisions at Transocean affect others. Everyone at Transocean has the responsibility to comply with all applicable laws and regulations. It is a condition of employment that all employees report potential or actual Code violations timely and completely. Transocean will not tolerate any form of retaliation against any individual who, in good faith, makes a report or participates in any investigation regarding an actual or potential Code violation.

OUR PEOPLE AND COMMUNITIES

Transocean maintains various important policies and procedures that all employees and visitors, must follow. These policies relate to workplace discrimination and harassment, drugs, alcohol, weapons and social media; and include the following:

Equal Employment, Anti-Discrimination, Harassment

Transocean provides equal opportunity in employment decisions including, but not limited to recruiting, hiring, developing, promoting and compensating. Transocean also observes the fair employment laws in the jurisdictions in which it operates. Transocean prohibits discrimination and harassment based on race, color, sex, religion, national origin, age, marital status, sexual orientation, gender identity, veteran status, disability or any other characteristic protected by federal, state or local law.

Data Privacy

Transocean is committed to maintaining the security and integrity of personal information disclosed to Transocean by employees, their families and other sources at any time before, during and after employment. Transocean is also committed to maintaining the privacy of personal data regarding contractors, directors, shareholders, customers and others.

Conflicts of Interest

The way we conduct ourselves in our business dealings affects Transocean's reputation and the trust we maintain with our employees, customers, suppliers, shareholders and other stakeholders. By avoiding conflicts of interest, we send a clear message about our integrity and our determination to do what's right.

Human Rights

Our commitment to our people includes respecting the human rights of our employees by maintaining a healthy and safe work environment, ensuring fair employment practices and competitive terms and conditions of employment. Transocean is a supporter of local employment and labor laws, human rights and is a strong opponent of any form of forced, indentured, involuntary or child labor, slavery or human trafficking.



OUR WORKPLACE – OUR COMMITMENT TO QUALITY, HEALTH, SAFETY AND ENVIRONMENT

Safety is our highest priority – to protect each other, the environment and our assets. All employees must, regardless of position, use “Time Out for Safety” to interrupt any operation to prevent potentially unsafe acts or rectify actual or potentially unsafe conditions. This program gives all employees the authority and obligation to intervene and stop a task, without fear of reprisal.

Transocean is committed to protecting the environment in all of our worldwide operations. This includes conducting our business in a manner that respects the environment, prevents incidents, identifies areas for improvement, strives to reduce emissions on all our installations, and, in the event that an environmental incident does occur, takes necessary actions to reduce the impact of its occurrence. At Transocean, we require that environmental impacts be identified, controlled, recorded and reduced.

The health and medical fitness of our workforce is imperative to Transocean. Medical treatment is available 24/7 on our rigs and is provided with particular regard for responding to medical incidents and trauma. We are committed to identifying and evaluating health risks related to our operations and implementing programs and appropriate protective measures to control risk. We also have established personal and occupational health and wellness programs. These programs cover a range of issues from noise and vibration to exposure and air quality. Transocean is a socially responsible company, and anticipates and accounts for the impact of its activities on our employees, customers, stakeholders, suppliers and the environment. Transocean is committed to delivering safe and efficient offshore well solutions. We work to consistently exceed our customers' expectations and comply with all applicable requirements. This is accomplished through a trained, competent and motivated workforce where the highest standards of asset integrity are maintained.

SUPPLY CHAIN SUSTAINABILITY

Several key sustainability efforts are driven within our Supply Chain organization starting with the selection of both local and preferred vendors for materials and supplies based on our philosophy of managing costs around a complete life cycle for our equipment and operations.

Transocean's vendors undergo a comprehensive evaluation process to ensure compliance with high safety and quality standards, as well as a demonstrated commitment to anti-bribery and anticorruption requirements in all countries of operation. When evaluating vendor commercial offerings, Transocean makes contract awards on the basis of total life cycle cost, with the understanding that quality products and equipment last longer and require less intervention and maintenance, ultimately reducing waste and environmental impact from inefficient design. The process of awarding vendors with the best total life cycle cost ensures that long-term shareholders benefit from more sustainable and value-creating sourcing decisions than they would realize from companies with a short-term focus.

In many of our operating countries, sourcing goods, materials and services from local suppliers, or generating high “local content”, is an integral component in our offering to our customers. Effective local sourcing maintains the same commitments to optimal life cycle cost and standards of safety and quality as all our sourcing activities. In many cases, we complement this with a commitment to vendor development. Transocean maintains a quality assurance function in-house that inspects and evaluates vendor manufacturing locations to ensure high safety and quality standards are achieved. This team of quality experts provides feedback, guidance and coaching to many of our vendors to help them improve their capability. Many vendors find that working with Transocean directly leads to business improvements that make them more competitive locally and globally, and that they benefit greatly from the backing and support of the world's largest drilling contractor. Additionally, to ensure local suppliers succeed, Transocean's processes drive spend to local sources first and then to regional and global suppliers as needed to fill its procurement requirements.

With operations in multiple countries, Transocean's supply chain, in conjunction with our freight forwarders, moves goods, material and equipment across many jurisdictions. Our logistics teams work diligently to select and optimize logistical transportation routes, while following effective processes for a seamless customs and compliance clearance process on the receiving end. These efforts minimize both logistics costs and environmental impact, while ensuring compliance with all applicable customs regulations. Transocean maintains a well-developed global trade compliance program involving standards that enable certain levels of self-assessment with both the U.S. and UK governments. Transocean maintains certifications in Customs Trade Partnership Against Terrorism (C-TPAT) and qualified in 2016 for Importer Self-Assessment (USA). In the UK, we have gained acceptance into the Automated Economic Operator (UK) program which mirrors that of C-TPAT. Adhering to high compliance standards reduces our risk of customs penalties and ultimately leads to a more sustainable business.



OUR GLOBAL BUSINESS

Anti-Bribery / Anti-Money Laundering / Anti-Terrorism

In accordance with the expansive scope of global anti-corruption laws, including the Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act, Transocean does not permit its funds, assets or property to be used in an illegal manner, and therefore, does not permit bribery, facilitating payments, any form of money laundering or the support of terrorism. Transocean's personnel, and those acting on behalf of Transocean, are prohibited from accepting or agreeing to accept any improper benefits or bribes.

Antitrust / Competition

Transocean will conduct its business in accordance with all applicable antitrust, competition and trade practice laws. These laws prohibit agreements or understandings between competitors that may unlawfully limit trade or restrict full and fair competition (such as agreements on prices, reimbursables from customers, markets or customers agreements, monopolization, certain mergers and acquisitions, price discrimination, and improper bidding practices).

Export Controls, Trade Restrictions and Anti-Boycott

Transocean abides by all export control and trade restriction laws applicable to its business and equipment. Many countries have laws that restrict, or otherwise require licensing for the import, temporary import, export or re-export of certain goods, technology, software and services. A specific area of importance to Transocean is the movement of rigs from country to country. There are legal and process requirements, both internal and external, which must be understood and followed in each jurisdiction in which Transocean operates.

Accuracy of Records and Internal Controls

Transocean's books and records must be accurate and prepared in accordance with our internal control framework, as well as the laws and regulations in each jurisdiction where we do business. All financial and other records, such as expense reports, cost estimates and accounting entries, must be in sufficient detail to accurately and fairly reflect the information being documented. Undisclosed or unrecorded funds or assets, regardless of purpose, are prohibited by Transocean. Placing integrity at the forefront of our books and records demonstrates our commitment and professionalism to the public and our investors, while enhancing our reputation as a fiscally responsible company.

Insider Trading

All Transocean employees, officers and directors must comply with the company's Insider Trading Policy. Under the Insider Trading Policy, employees, officers and directors of Transocean are prohibited from trading in any securities while aware of inside information.

Anti-Corruption and Business Conduct

Transocean proactively manages its anti-corruption risk through its comprehensive Legal Compliance & Ethics ("LCE") program to which all members of the Transocean Ltd. corporate family are required to adhere. This program supports compliance initiatives through our Code of Integrity and related policies, including the Anti-Corruption and Business Conduct Policy, the Third Party Due Diligence Policy and the Gift, Meals, Entertainment, and Travel Guidelines. The aforementioned policies reinforce Transocean's strict prohibition on the paying or accepting of bribes of any kind. To help support the execution of defined policies and procedures, Transocean regularly trains and communicates compliance expectations outlined in its Anti-Corruption and Business Conduct Policy to all of its employees and third-party intermediaries. Furthermore, and in an effort to continuously improve upon its program, Transocean proactively conducts in-country compliance reviews, which function as a monitoring mechanism to ensure policies and procedures are adhered to by employees and third-parties alike. In the event there are compliance or ethics related questions or concerns, Transocean provides its employees and third-parties with access to its twenty-four hour helpline. The helpline gives employees and third-parties a confidential avenue to raise concerns and allows Transocean to immediately investigate and remediate any allegations of wrong-doing.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Transocean is committed to aligning our sustainability efforts with the UN Sustainable Development Goals. We are actively working to progress the UN goals most correlated to our shared values and business strategy – the areas where we can have the biggest impact.



Transocean holds an annual event-driven contribution campaign for United Way, a local non-profit organization dedicated to providing basic needs such as food and shelter. In 2018, Transocean and its employees contributed \$500,000, and in 2017 they contributed \$317,000.

Transocean has established strict standards and processes that enable safe operations at all rigs and offices worldwide. All employees are empowered to halt work at any time for any safety reason. We continuously evaluate the effectiveness of our workplace safety practices, procedures, and policies to ensure that all employees can work in the safest possible environment.

Transocean co-hosts the annual Texas Angler's Charity Classic Tournament. Transocean's beneficiary for the event in 2018 was OATH, Inc., a local non-profit organization dedicated to improving the quality of life and mental health of veterans. The tournament and Transocean match raised \$28,000 for OATH, Inc.

Transocean is committed to supporting the health and well-being of our global workforce. The cornerstones of our commitment include access to high quality, affordable healthcare for our employees and dependents and a focus on preventative care and early intervention. This core strategic framework is primarily focused on our U.S. population, which represents our largest geographic workplace footprint. It is expanded to other geographic locations where feasible based on regional regulations, programs and prevailing best practices.

JASON Learning is a unique K-12 STEM curriculum that also provides supplemental field expeditions and professional development programs to teachers. Transocean partnered with JASON Learning to donate 215,000 licenses for student access to the Houston Independent School District.

The Udaan India Foundation is a registered non-profit organization that is committed to the cause of educating underprivileged children. Transocean is a contributor to the Foundation, helping to ensure that children from low-income communities in Mumbai receive formal education and job skills.

In our U.S. market, Transocean offers four-year scholarships for which highly qualified children of employees can apply. Transocean also has a matching gifts program in the U.S. which will match employee donations to educational institutions, up to \$5,000 per year. In addition, the company provides tuition reimbursement for U.S. employees seeking professional development, advanced education, certifications, and professional licenses.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

16 PEACE, JUSTICE AND STRONG INSTITUTIONS


Transocean's Code of Integrity outlines company labor standards, as well as the expectation that its officers, employees, and suppliers will conduct business with the highest level of integrity in all aspects of operations. The Code of Integrity specifically identifies Transocean's opposition to forced, indentured, involuntary or child labor, slavery, and human trafficking.

In many of our operating countries, we source goods, materials, and services from local suppliers. To ensure local suppliers succeed, Transocean's processes drive spend to local sources first and then to regional and global suppliers as needed. In many cases, we complement this with a commitment to vendor development. Many vendors find that working with Transocean directly leads to business improvements that make them more competitive locally and globally.

Transocean employs environmentally responsible shipyards when our offshore drilling rigs are retired from the global fleet; we contract with a third-party organization with expertise in responsible asset recycling and disposal to steward and monitor the entire process.

Beginning in 2016, Transocean has supplemented its financial reporting with a separate sustainability report focused on environmental, social, and governance topics.

Transocean is currently exploring the potential of hybrid power systems to reduce the fuel consumption and GHG emissions of our rigs.

Transocean has an ongoing goal of zero spills to sea. This goal is supported by our adherence to our shared values of safety and reliability. By improving our workplace safety practices and equipment reliability, we can reduce the rate of incidents, including loss of containment.

Transocean partners with the Galveston Bay Foundation to preserve and restore the unique habitats and ecosystems in and around the Galveston Bay area. In 2018, Transocean employees participated in multiple volunteer events with the foundation, including their flagship Marsh Mania program, which involves planting marsh grass to restore wetland areas. We also provided additional financial support to the organization.

Transocean has strict anti-corruption and business conduct policies and a robust Code of Integrity. These policies outline anti-bribery practices and business ethics, and they apply to officers, employees, contractors, and suppliers.

As a global company, Transocean frequently works with local suppliers. All of Transocean's vendors undergo a screening process to evaluate potential compliance and ethics issues and are required to adhere to all company policies and local laws. This process helps to ensure that Transocean's business relationships strengthen local institutions.



GRI INDEX

GRI 102: GENERAL DISCLOSURES

Disclosure Number	Disclosure Title	Response
102-1	Name of the organization	Transocean Ltd.
102-2	Activities, brands, products, services	2018 10-K pg. 2-8
102-3	Location of headquarters	2018 10-K pg. 21
102-4	Location of operations	2017/18 SR pg. 6; 2018 10-K pg. 3-5
102-5	Ownership and legal form	2018 10-K pg. 2
102-6	Markets served	2017/18 SR pg. 6; 2018 10-K pg. 3-5
102-7	Scale of the organization	2017/18 SR pg. 6
102-8	Information on employees and other workers	2017/18 SR pg. 44-47; 2018 10-K pg. 6
102-9	Supply chain	2017/18 SR pg. 60; 2018 10-K pg. 12
102-10	Significant changes to the organization and its supply chain	2018 10-K pg. 2-3
102-12	External initiatives	2017/18 SR pg. 62
102-13	Membership of associations	2017/18 SR pg. 53
102-14	Statement from senior decision-maker	2017/18 SR pg. 4
102-16	Values, principles, standards, and norms of behavior	2017/18 SR pg. 2; Code of Integrity
102-17	Mechanisms for advice and concerns about ethics	Code of Integrity pg. 14
102-18	Governance structure	2017/18 SR pg. 60; Corporate Governance Website
102-40	List of stakeholder groups	2017/18 SR pg. 53
102-41	Collective bargaining agreements	2018 10-K pg. 6-7
102-45	Entities included in the consolidated financial statements	2018 10-K pg. 56-57; 2018 10-K Exhibit 21
102-46	Defining report content and boundaries	2017/18 SR pg. 56
102-47	List of material topics	2017/18 SR pg. 56
102-48	Restatements of information	In the 2016 Sustainability Report, we underreported offshore employee training hours. This data has since been corrected and can be viewed on page 41 of this report. Our 2016 emissions and fuel data have been restated in this report due to a change in our measurement method, explained in GRI: 102-49.
102-49	Changes in reporting	For the 2016 Sustainability Report, we calculated fuel use by counting only on-contract fuel consumption. This measurement method has been changed for the 2017/2018 Sustainability Report to include on-contract and off-contract fuel consumption.
102-50	Reporting period	2017/18 SR pg. 67
102-51	Date of most recent report	Our 2016 Sustainability Report, covering a Calendar Year 2016 reporting period, was published in Q2 of 2018.
102-52	Reporting cycle	Starting with our 2017/2018 report, we will report annually.
102-53	Contact point for questions regarding the report	2017/18 SR pg. 67
102-54	Claims of reporting in accordance with the GRI Standards	This material references the Disclosures and Standards listed in the GRI Content Index.
102-55	GRI content index	2017/18 SR pg. 64
102-56	External assurance	2017/18 SR pg. 67



TOPIC-SPECIFIC DISCLOSURES

Disclosure Number	Disclosure Title	Response
GRI 205: Anti-Corruption		
103	Management Approach	Transocean Anti-Corruption and Business Conduct Policy
205-2	Communication and training about anti-corruption policies and procedures	2017/18 SR pg. 61
GRI 305: Emissions		
103	Management Approach	2017/18 SR pg. 22
305-1	Direct (Scope 1) GHG emissions	2017/18 SR pg. 23
GRI 306: Effluents and Waste		
103	Management Approach	2017/18 SR pg. 22
306-3	Significant spills	2017/18 SR pg. 23
GRI 403: Occupational Health and Safety		
103	Management Approach	HSE Website, HSE Policy Statement, Quality Policy Statement, Code of Integrity pg. 8, 2017/18 SR pg. 12
403-8	Workers covered by an occupational health and safety management system	Code of Integrity pg. 6; 2017/18 SR pg. 12
403-10	Work-related ill health	2017/18 SR pg. 15
GRI 404: Training and Education		
103	Management Approach	2017/18 SR pg. 40
404-1	Average hours of training per year per employee	2017/18 SR pg. 41
GRI 405: Diversity and Equal Opportunity		
103	Management Approach	2017/18 SR pg. 44; Gender Pay Gap Regulations UK 2018
405-1	Diversity of governance bodies and employees	2017/18 SR pg. 45, 58



TOPIC-SPECIFIC DISCLOSURES (continued)

Disclosure Number	Disclosure Title	Response
GRI 408: Child Labor		
103	Management Approach	Modern Slavery Act Statement
408-1	Operations and suppliers at risk for incidents of child labor	Modern Slavery Act Statement
GRI 409: Forced or Compulsory Labor		
103	Management Approach	Modern Slavery Act Statement
409-1	Operations and suppliers at risk for incidents of forced or compulsory labor	Modern Slavery Act Statement
GRI 412: Human Rights Assessment		
103	Management Approach	Modern Slavery Act Statement
412-1	Operations that have been subject to human rights reviews or impact assessments	Modern Slavery Act Statement
GRI 414: Supplier Social Assessment		
103	Management Approach	2017/18 SR pg. 60; Modern Slavery Act Statement
414-1	New suppliers that were screened using social criteria	2017/18 SR pg. 60; Modern Slavery Act Statement
GRI 415: Public Policy		
103	Management Approach	Code of Integrity pg. 13
415-1	Political contributions	Code of Integrity pg. 13



Transocean Ltd. is a publicly traded corporation registered and headquartered in Switzerland. There were no significant changes to the ownership or structure of the Company in 2018.

At Transocean, our sustainability practices focus on minimizing the economic, social and environmental costs of ownership for our customers while protecting our people, environment and communities where we live and operate.

Our data is generated from the Global Management System and other reporting systems for various functions articulated in the report. No external assurance was sought for the contents of this report.

Transocean consulted the Global Reporting Initiative (GRI) Standards to serve as an internal guideline for the 2017/2018 Corporate Sustainability Report.

FORWARD-LOOKING STATEMENTS

Any statements included in this Sustainability Report that are not historical facts, including, without limitation, statements regarding future market trends and results of operations are forward-looking statements within the meaning of applicable securities law. Such statements are subject to numerous risks and uncertainties beyond our control, and our actual results may differ materially from our forward-looking statements.

CORPORATE INFORMATION

Registered Address
Transocean Ltd.
Turmstrasse 30
6312 Steinhausen Switzerland
Phone: +41 (22) 930 9000

Reporting period: Calendar Years 2017-18

For More Information:
Vice President, Human Resources, Community Relations and Sustainability
sustainability@deepwater.com
Transocean
4 Greenway Plaza
Houston, Texas 77046 USA

Company's website at:
www.deepwater.com,
or call +1 713 232 7500



4 Greenway Plaza
Houston, Texas 77046 USA

713 232 7500
www.deepwater.com

