

BOUNLESS SUSTAINABILITY

WE ARE SERVICE FOCUSED.

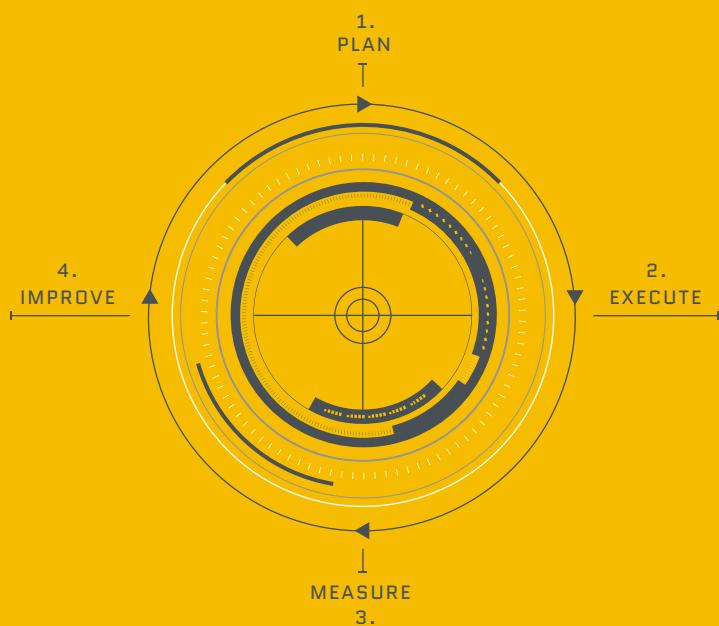
WE ARE DATA DRIVEN.

WE ARE PERFORMANCE ORIENTED.





ABOUT THIS REPORT



In keeping with our longstanding tradition of setting industry firsts, Transocean is pleased to present our inaugural Sustainability Report, which focuses on our 2016 performance, establishes the baselines for our Material Topics, and describes the journey to deliver our aspirational Vision 2022 Sustainability Goals.

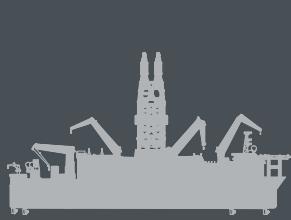
ONWARD



2016 QUICK FACTS

4.2 B 2016 REVENUE	17 COUNTRIES OF OPERATION	60+ YEARS IN SERVICE
4K+ WELLS DRILLED	50+ ACTIVE PATENTS	4900+ EMPLOYEES

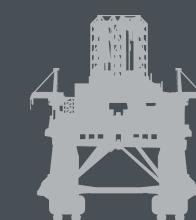
OUR FLEET



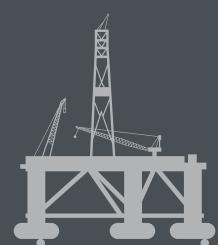
ULTRA-DEEPWATER



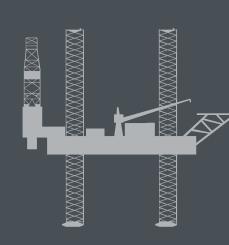
DEEPWATER



HARSH ENVIRONMENT



MID-WATER



HIGH-SPECIFICATION JACKUPS

OUR TECHNOLOGY
HYBRID POWER
DUAL ACTIVITY
HOOK LOAD
DUAL BOP

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MESSAGE FROM OUR CEO

Since our inception in 1926, Transocean and its predecessor companies have developed innovative technologies, industry knowledge, and in-depth policies to safely and efficiently operate in varied conditions the world over. Keenly focused on continuously improving our performance, we record, monitor and analyze a trove of data from each project, distilling the best practices to protect our people, deliver exceptional service to our customers, and minimize our impact on the environment and local communities.

The energy industry has faced a series of headwinds in recent years, spurring our company to delve deeper into our Shared Values, thoughtfully innovate, and purposefully consider how Transocean can be a better corporate citizen. We fully recognize that a variety of stakeholders depend on us; we take this responsibility very seriously and have high expectations of ourselves.

I am excited to share Transocean's ongoing programs, new initiatives and 2022 Sustainability Commitments, and to announce that Terry Bonno, Senior Vice President of Industry & Community Relations, will be leading this effort going forward. The inaugural issue of Boundless Sustainability provides an overview of our approach to sustainability and where we stood in 2016. We will regularly update you on a range of topics, including Transocean's:

- Innovations and applications of technology to improve the safety and performance of our operations and reduce our environmental footprint
- Performance App to monitor real time rig metrics – anywhere, any time
- Strategic initiatives to ensure we retain and recruit top talent in the industry
- Health and Wellness initiative to bolster the health and well-being of our workforce
- Talent Management program to ensure our people maintain best-in-class skill sets and are well-positioned for growth opportunities within the company
- Diversity and Inclusion initiative to provide leadership training and set goals to increase the number of qualified females across our organization
- Investments to improve communities where we live and operate

As we formally report our sustainability journey for 2016, we are excited about the future of our company, our industry and our communities. We are Service Focused, Data Driven and Performance Oriented. And we are committed to responsibly fulfilling our role in meeting the world's energy needs.

Sincerely,

Jeremy Thigpen



SUSTAINABILITY AT TRANSOCEAN

Our sustainability focus aligns Transocean's Guiding Principles for Sustainability with our Shared Values, which are built on the solid foundation of our Code of Integrity. As we integrate a sustainable future into our commitment to deliver long-term value to our stakeholders, we will protect the environment, positively impact communities and society at large, and help create a safe, reliable and efficient future. We will hold ourselves accountable and measure our success against our 2022 Sustainability Goals. Here's our roadmap:

VISION 2022

Transocean's vision is to be the premier, innovative global provider of rig-based offshore drilling well construction services designed to deliver safe, reliable energy in a sustainable way. We will protect and improve the environment and social well-being of the communities where we live and operate through motivated employees who will deliver on our Guiding Principles for Sustainability.

STRATEGY

- Enable sustainable economic growth through efficiencies gained in improving performance, safety, reliability and the value chain.
- Provide services and solutions that efficiently utilize resources and limit environmental impact.
- Innovate and develop technology that will provide a sustainable path for safe, reliable and efficient performance, while minimizing economic, social and environmental costs.

GUIDING PRINCIPLES FOR SUSTAINABILITY

Service-Focused: Positive Impact for Employees, Customers and Community. Exceed the expectations of stakeholders to become the Employer of Choice for our employees, the Universal First Choice for our customers, and a Community Leader where we live and operate.

Data-Driven: Sustainable Innovative Technology Solutions Impacting Customer, Performance and Environment. Digitalization and integration will greatly improve sustainable safe, efficient and reliable performance delivery to our customers. Innovative technology will lessen the impact on the environment, positively impacting our economic, social and environmental cost of ownership.

Performance Oriented: Improve Safety, Performance and Environmental Impact. Enhance safety, reliability and efficiency through comprehensive planning, execution, measurement and continuous improvement, while focusing on minimal use of resources (water, fuel and materials) and reducing impact on the environment and communities.

Respectfully,

Terry Bonno

Senior Vice President, Industry & Community Relations

CORPORATE VALUES

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

Transocean's Shared Values shape our behaviors and form the foundation for building and maintaining relationships with our employees, customers, suppliers, shareholders and other stakeholders, as well as the environments in which we work. We will be united by our commitment to our values of Transocean FIRST, which stands for:

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 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.

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 and renew the industry's most efficient fleet of offshore rigs.

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

Transocean will be Service Focused, Data Driven and Performance Oriented in our pursuit to be Boundless for both ourselves and our customers. We will push past perceived boundaries to redefine customer relationships and deliver outstanding customer care and service. We will constantly monitor and analyze our data to improve performance through safer, more reliable, more efficient operations. We will continually optimize our performance, lead the industry with our pioneering spirit, and help our customers go beyond any boundary, anywhere in the world.



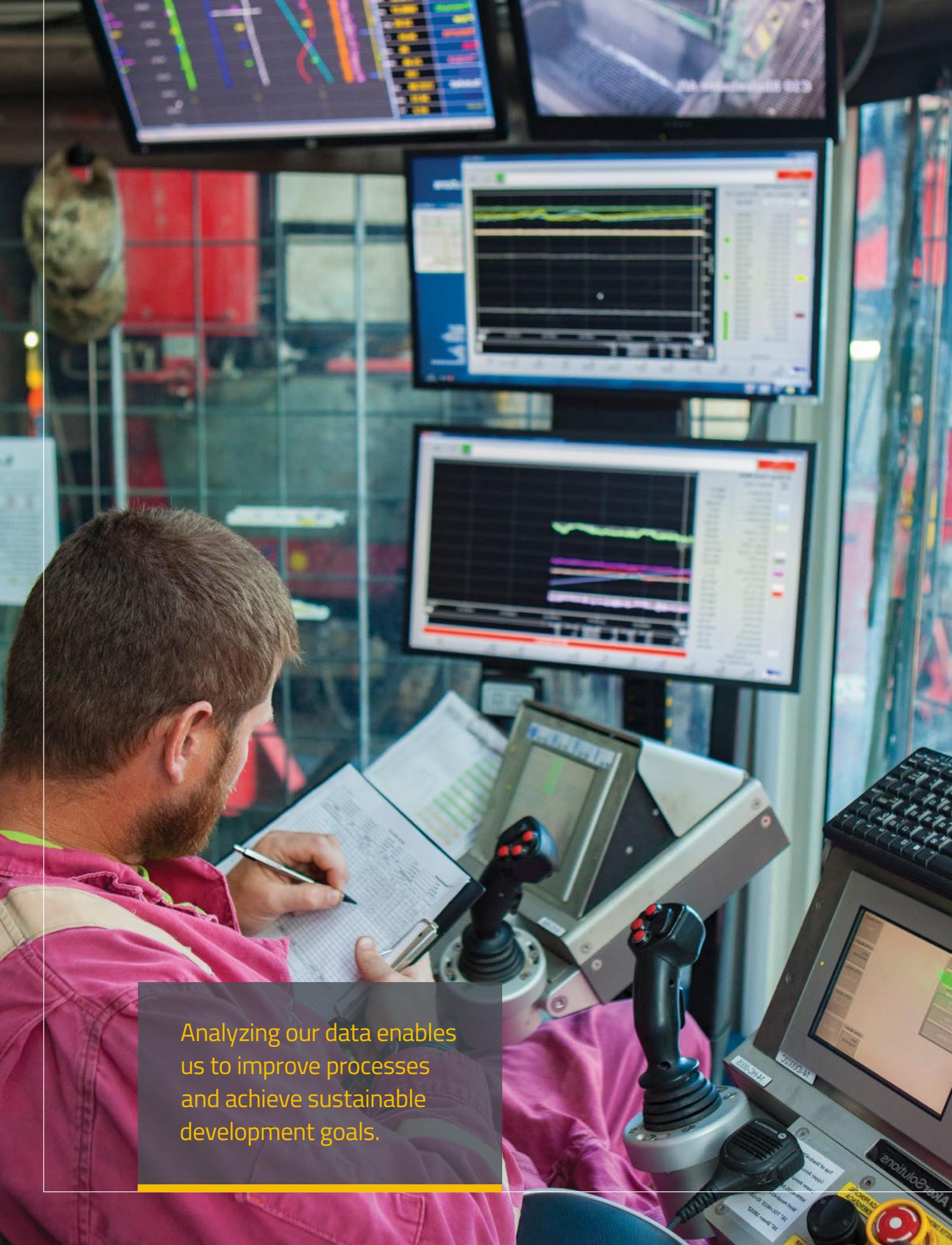
"At Transocean, we believe that our united and unwavering commitment to living our Shared Values and delivering our Strategic Initiatives will result in superior operational and financial performance, and positively impact our employees, valued stakeholders, and the environments and communities in which we operate."



WHERE WE WERE



No other drilling contractor has amassed more data, more knowledge or more insight than Transocean. We use this information to set the baseline for our sustainable development goals. Our efforts are focused on aligning with our stakeholders and their goals to make Transocean an integral part of a sustainable future.



2016 BASELINE / DATA



DRIVING SUSTAINABLE GOALS WITH DATA

We use our data to develop the foundation for a solid sustainability program. We collect and share this information across our fleet. This helps us not only perform at optimum levels, but also creates an accountability for our common future. We will continue to publish our data annually in our sustainability report.

Analyzing our data enables us to improve processes and achieve sustainable development goals. We are aligning with customers to measure what matters. We are sharing the results for accountability and to ensure the way we are operating will impact future generations in the best possible manner. We are investing in the future.

Our first report does not focus exclusively on how we performed in 2016. Instead, it presents a broader scope to describe our journey and set our 2022 sustainable goals. In a world that demands more than ever from companies, Transocean is raising the standard for what delivering to our stakeholders really means. On efficiency. On performance. On safety. On sustainability.

2016 BASELINE / SAFETY

CLEARLY DEFINING THE BOUNDARIES OF SAFETY

Our vision is to conduct our operations incident-free, all the time, everywhere. Our commitment is to our employees, customers and stakeholders, as well as to the communities and the environment where we live and operate. In order to deliver a safe, highly reliable, consistent and predictable global work environment, we must set priorities to the highest safety standard. Each task must be meticulously planned, risk assessed, and executed with detailed procedures that clearly define roles and responsibilities, guiding our teams to the safest and most efficient way of performing the work. Through leadership, a disciplined approach and the application of safety tools with a focus on continuous improvement, will continue to further our commitment to safety.

LIFE SAVING RULES AND TOOLS

Requirements built on years of operating experience designed to improve safety

CONTROL OF WORK PROCESS

Employees must demonstrate competency to execute assigned work. Daily meetings are held with the customer in attendance, and activities are approved and documented by the Offshore Installation Manager.

TASK PLANNING AND RISK ASSESSMENT

Tasks must be planned and risk-assessed, discussed, monitored and evaluated at their completion. Our task planning and risk assessment process facilitates assessment and discussion on-site.



Our commitment is to consistently deliver a safe, reliable and predictable global work environment.

SAFETY

CONTINUED

SAFETY IMPROVEMENTS

With our relentless pursuit of an incident-free workplace, we delivered improvements in all the categories we measure. During 2016, we achieved over 7.5 million lost time incident (LTI) free working hours for nine months and improved our LTI rate by 69% from 2015. We also reduced our total recordable incident rate by 19% compared to 2015. In 2016, we achieved another year of zero fatalities returning our teams, third parties and customers home safely to their loved ones.

PROCEDURAL DISCIPLINE

Step-by-step procedures developed under a NASA and NTSB approved frame-work provide checklist verification for each task, delivering the safest and most efficient way to perform work.

OPERATIONAL INTEGRITY AND BARRIER MANAGEMENT

To maintain Operational Integrity (OI), we utilize two physical barriers or one barrier and additional controls at all times. Our competent crews apply robust barrier management to prevent and mitigate the Big 5 major hazard accidents:

- Loss of Well Control
- Fire
- Loss of Station Keeping
- Major Drops
- Loss of Water Tight Integrity

VERIFICATION

Specific focus areas are identified through data analysis to ensure we are applying verification where it is required. Our main verification tools are:

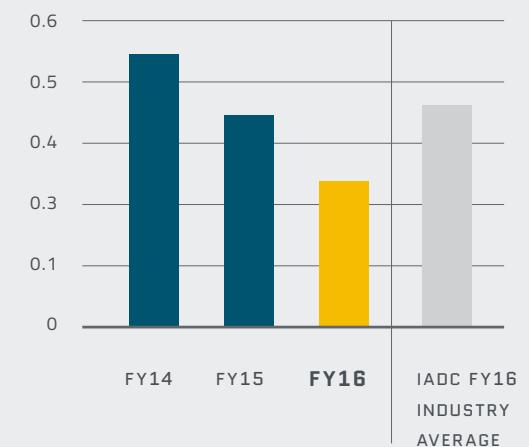
- Self-Verification/Division Verification – monthly assessment of compliance with the Company Management System by the rig leadership team and verified by shore-based management
- Rig Manager Verification – assessment of the competency and effectiveness of preventative and mitigating control measures against the Big 5 major hazard accidents
- Management System Audits – conducted by internal independent operational teams to verify compliance and the effectiveness of policies and standards. Corrective actions are applied and communicated within the company. Audit findings are reviewed monthly with executive leadership.

DROPPED OBJECT PREVENTION AND RESTRICTED ACCESS

Our comprehensive approach to eliminating dropped objects from our business includes preventative and mitigating controls, which include training, inspections, an anti-collision checklist and compliance with our restricted access protocols.

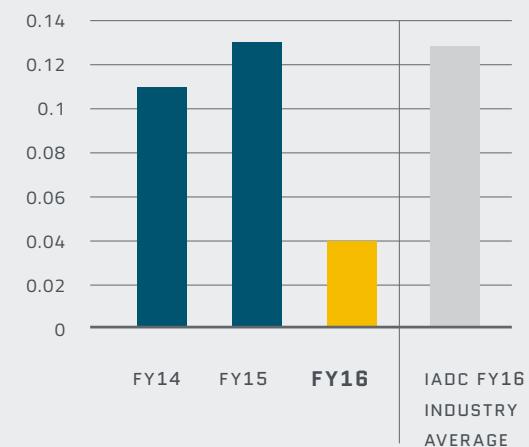
19% IMPROVED

TOTAL RECORDABLE INCIDENT RATE



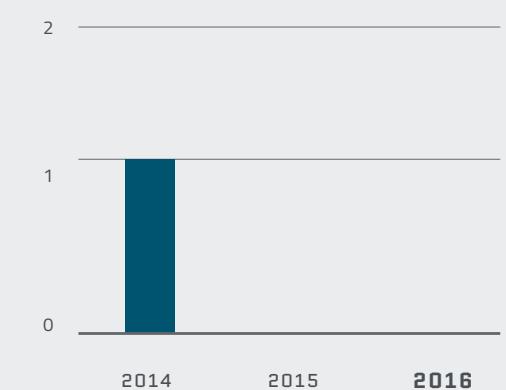
7.5 M HOURS

LOST TIME INCIDENT FREE RATE



0 FATALITIES

IN 2015 & 2016



SAFETY	2016	2015
Fatalities	0	0
Lost Time Incident Rate (LTIR)	0.04	0.13
Total Recordable Incident Rate (TRIR)	0.34	0.42

2016 BASELINE / ENVIRONMENT

ENVIRONMENTAL IMPACT

We are keenly aware of our critical role and responsibility in minimizing the impact and protecting our environment, not only for Transocean but also for our stake-holders. Our environmental management policies in the Operations Integrity HSE Manual that applicable to all rigs, offices and facilities, are globally compliant to ISO 14001. Our Health, Safety and Environmental teams ensure global compliance, support and guidance to embed the goal of zero incidents in our performance culture. The policies bring together tools designed to ensure all operations are managed in an environmentally responsible manner that drives continuous improvement. Through stringent reporting, we are preventing major spills and driving a culture that is self-reporting with increased awareness. Team members take responsibility for day-to-day stewardship and improving our environmental impact.

LOSS OF CONTAINMENT

The volumes associated with loss of containment incidents in 2016 improved from 2015, resulting in a 91% decrease in total spill volume, from 53K liters to 5K liters. While the total spill volumes were lower in 2016, the number of spills increased from 50 in 2015 to 58 in 2016. Greater awareness and continuous improvement has resulted in prevention of major spills for 2016. We remain focused on delivering on our commitment of zero incidents, all the time, everywhere.

ENERGY CONSUMPTION

Energy consumption is significant to Transocean and our customers, not only from a cost perspective, but also as the main driver of environmental impact including greenhouse gas (GHG) emissions. In the offshore drilling industry, the customer typically is responsible for fuel used by the drilling rig while on contract and related emissions reporting. Transocean-designed high-specification drillships and harsh-environment drilling units deliver efficient well construction and reduce our customers' overall fuel consumption.

We are keenly aware of our role in minimizing our impact and protecting our environment.



ENVIRONMENT

CONTINUED

→ 16% DECREASE IN WASTE

GREENHOUSE GASES (GHG)

Our primary source of GHG emissions is diesel fuel consumption on our offshore drilling rigs. As reflected in the following table, the reduction in fuel consumption and resulting 38% decline in GHG emissions are driven by both reduced year over year activity and the ability of our drilling rigs to drill faster and more efficient wells. From 2015 to 2016, the number of operating drilling rigs on contract decreased by 33%. The Energy Efficiency Operation Index (EEOI) of total GHG, however, reflects an increase of 5.8% in 2016. Our Energy Efficiency Operation Index measures CO₂e per vessel operating hour. Unlike power generation plants that run at near-constant speed and/or load nearly all the time, our power plants are subjected to highly variable loads depending on the operational activities. This variable power demand and the number of operating hours the plant runs at the corresponding load level, combined with redundancy requirements for our diesel generators, affect fuel consumption and resulting emissions, sometimes significantly. So while operating hours for 2016 are significantly lower than for the full year of 2015, the 2016 EEOI increased slightly as a result of this variable engine loading and the corresponding fuel consumption. During 2015, several jackups and one deepwater moored rig were idled, affecting fleet fuel consumption among our drilling units.

At the end of 2015 and early 2016, our Innovation and Technology team developed several ideas that enabled our customers to reduce the environmental footprint offshore, as well as improved safety and reliability of operations.

Examples of these 2016 sustainable technology ideas are discussed in the Innovation & Technology section.

WATER USAGE AND WASTE MANAGEMENT

Other important topics of environmental performance for Transocean are water usage and waste disposal. As with fuel, our customers typically supply and manage the water needed for operations and consumption on the rig, in addition to managing and disposing of all waste generated during the drilling operations. For offshore drilling operations, most of our drilling rigs can make potable water for consumption, using desalination units. Our customers typically ship water for drilling operations to the drilling rigs. In the past, we have not tracked water consumed by the drilling rig due to our capacity to make potable water. We will begin tracking our water-making capabilities and consumption in 2018 and establish goals to reduce consumption both onshore and offshore.

ENVIRONMENTAL	2016	2015
Loss of Containment (spills to sea) LITERS X 1000	5	53
Fuel Consumption MTON X 1000	260	418
CO ₂ e MTON X 1000	851	1367
Energy Efficiency Operational Index (CO ₂ e/Hr) MTON	3.45	3.26
GHG EMISSIONS MTON X 1000		
Direct GHG Emissions (Scope 1, Scope3)		
CO ₂	832	1337
CH ₄	0.05	0.08
N ₂ O	0.06	0.09
Other Air Emissions		
NO ₂	15	25
SO ₂	1.0	1.7
WASTE MTON X 1000		
Recyclables	4.43	5.05
Non-recyclables Non-hazardous	3.22	2.21
Non-recyclables Hazardous	4.12	6.73

Total waste generated offshore decreased by 16% from 2015 to 2016, largely due to reduction in offshore activity. Waste generation data includes Transocean and customer data. Transocean prepares recyclable materials in recycling bins for shipment to customer-approved recycling facilities onshore. For 2018, we will separate and report Transocean waste generation and plans to reduce waste generated for landfills onshore and offshore.



We are focused on key technology to make significant improvements and a sustainable future.

2016 BASELINE / TECH

→ 11 NEW PATENTS

INNOVATION & TECHNOLOGY

Our innovation efforts are focused on the key technology areas we can use to develop solutions that will deliver significant improvements and a sustainable future involving productivity, operational integrity and environmental impact. Specifically, these are designed to:

- Digitalize and integrate information to provide a wide variety of digital solutions
- Improve efficiency and safety
- Enhance reliability and operational integrity
- Reduce customers' operating costs and environmental impact
- Enable Transocean to maintain a competitive advantage

The company was granted 11 patents for new technology in 2016 and filed several provisionals that are in the process of being converted to final patents.

DATA DRIVEN

To facilitate more informed and better decision making, we are developing and utilizing tools that connect data sources from across the organization, eliminating time-consuming manual manipulation. For example, data sources range from supply chain information to our equipment's performance data, so when combined, we can see how the cost is related to equipment performance and develop ways to improve both simultaneously. This approach of combining data is happening across our organization and helping teams make better, data-informed decisions that will result in improvements in productivity, reliability, safety and efficient use of our company's capital resources.

INNOVATION & TECHNOLOGY

CONTINUED

THE HYBRID, MICRO-GRID SYSTEM [PER YEAR/PER RIG]
REDUCES OUR ENVIRONMENTAL FOOTPRINT UP TO

130 TONS
NO_x REDUCTION

5300 TONS
CO₂ REDUCTION

17%
FUEL REDUCTION

PERFORMANCE DASHBOARD

During 2016, we identified and benchmarked our key performance indicators for well construction, reliability and safety, which began the journey of developing our Performance Dashboard. The dashboard delivers standardized, real-time performance and feedback to Transocean to facilitate better decision making and focus on improving well construction efficiency and safety.

BOP ENHANCEMENTS

In a project begun in 2014, we continue to develop the world's first certifiable safety subsea blowout preventer (BOP) control system. This innovation will not only deliver a step change in BOP control system reliability, but it will also significantly improve operational integrity of the well construction process.

HYBRID POWER MICRO-GRID

With our focus on reducing our environmental impact, we have designed and are building our next generation hybrid power system that can be retrofitted to our existing ultra-deepwater fleet. The hybrid micro-grid is intended to reduce fuel consumption and emissions by making excess stored energy rapidly available on demand independent of the diesel generators. The system could reduce both NO_x and CO₂ emissions up to 100 tons and 5000 tons, respectively, per year/per rig, while improving power system reliability to provide uninterrupted power to the entire vessel.





2016 BASELINE / PERFORMANCE

PERFORMANCE CULTURE

At Transocean, we drive performance through safety, reliability and efficiency. Our performance objectives remain – 100% uptime and an incident-free workplace. The measure of our success is reflected in our performance.

We operate within a permanent cycle of continuous improvement, consistently finding new ways to help customers become more productive and more profitable. Our safety procedures exceed the strictest regulations. Our rigorous planning results in increasingly safe and efficient execution. Our comprehensive monitoring tools measure performance data and operations activities enabling us to focus on improving what we can measure.

Safety TRIR (Total Recordable Incident Rate) is driven by a relentless pursuit of an incident-free workplace through leadership, procedural discipline and application of our safety tools, resulting in a 42% reduction of TRIR from .59 in 2013 to .34 in 2016. Striving for 100% reliability (uptime) requires a systematic process to address all types of equipment failure and a means of correlating current failures and potential reliability issues. We have made significant improvement since 2013. Uptime reached 96.6% in 2016 with the majority of the improvement coming from subsea downtime. Efficiency (Key Performance Indicators) is being measured by our data monitoring tools for all rig activities that are within our control. The KPIs were established in 2016, and 85% efficiency was recorded at the end of 2016. In the first quarter of 2017, we have improved our KPI efficiency to 105%.

→ INJURIES VS. UPTIME VS.
KPI BENCHMARKS

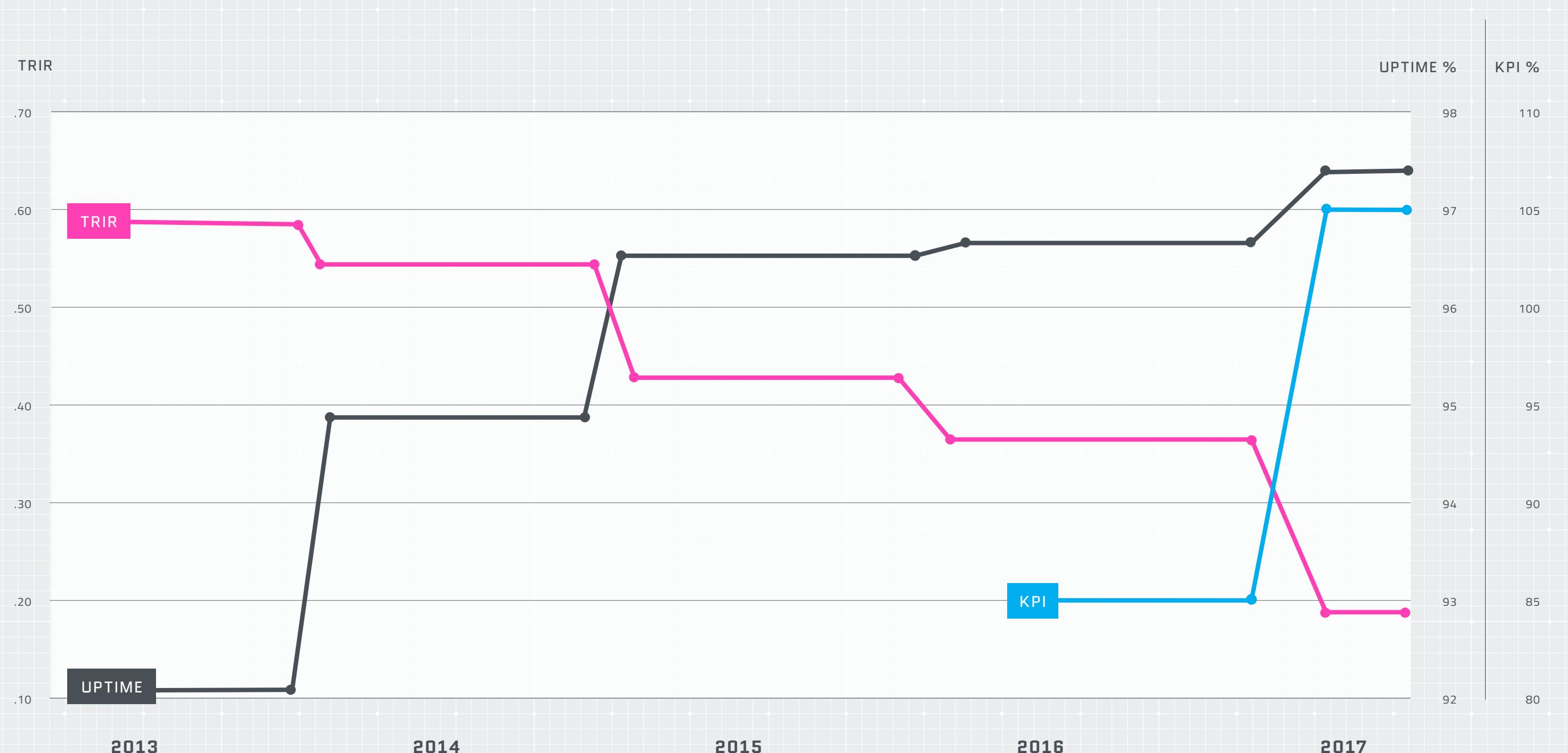
69%

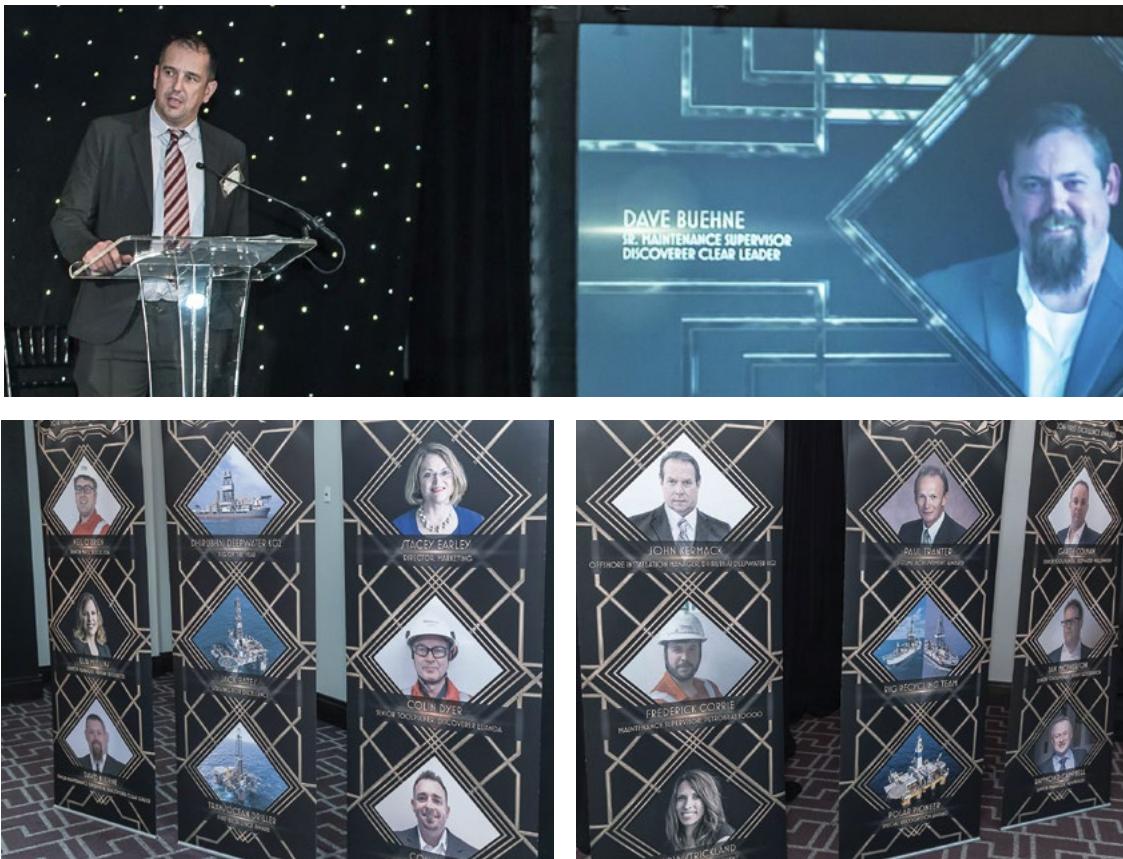
REDUCTION IN TRIR
2013 - Q1 2017

105%

TOTAL KPI
Q1 2017

97.4%

UPTIME IN
Q1 2017



We are committed to recognizing and celebrating the exemplary performance and leadership of our employees through our FIRST Excellence awards.

2016 BASELINE / PEOPLE

→ 43 NATIONALITIES
AROUND THE GLOBE

TRANSOCEAN PEOPLE

TRANSOCEAN PEOPLE

With a global footprint and a pioneering spirit in the offshore drilling industry, Transocean has led the way in innovation and technology, setting many deepwater drilling records while delivering world-class well construction efficiency to our customers. All of this would not be possible without the talented men and women of Transocean. Our people are our most valued asset, essential to the company's long-term growth and success. They deliver the innovative and diverse solutions our customers need. We are committed to providing a diverse, inclusive, safe environment where our employees can thrive and be successful.

EXCEPTIONAL WORKPLACE

At Transocean, we believe that creating a safe and rewarding workplace is fundamental to our success as a company. We value each employee and individual contribution while striving to ensure Transocean is a rewarding place to work. We encourage employees to seek training and education experiences that expand and enhance their skills while uncovering new and innovative ideas. Talent development takes many forms at Transocean: required training for job competencies, training sessions for key functional areas, enrollment in offsite executive programs, individual mentoring and professional certifications. In 2016, Transocean invested more than \$27 million in education and training opportunities for our employees. And we are committed to recognizing the outstanding performance of our employees through our FIRST Excellence awards, which began in 1998. Rooted in our First Shared Values, these awards are presented to an individual, team or installation exceeding expectations across the board. Now, 18 years later, the annual program is still going strong as our people continue to perform above and beyond every day.

TRANSOCEAN PEOPLE

CONTINUED

BUILDING TALENT

Our teams are developed through a rigorous training program that ensures each employee meets the company's acceptable standards of competency. The training and competency assessment is overseen by our Training Board, which is responsible for the effectiveness of our Competence Assurance Management System (CAMS) and Worldwide Training Matrices. Each Training Matrix identifies required training for offshore and onshore employees. Employees are aware of their responsibilities and how they contribute to the company's objectives. Training takes place in many forms such as on-the-job, e-learning, customer specific, certifications and/or licensing, leadership training and unique simulation training in association with Maersk Training. During 2016, our offshore teams received over 53,000 hours of training.

A ROADMAP TO ENHANCED WORKFORCE HEALTH

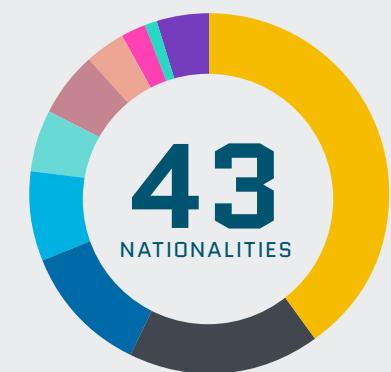
Workforce productivity is driven by healthy, engaged employees committed to the success of the company, which fosters employee engagement by providing an environment, culture and programs to create a holistic view of the individual. Further, we believe it is simply the right thing to do. This holistic approach to workforce health is framed by Health & Wellness as well as Financial Health.

PHYSICAL HEALTH & WELLNESS

Transocean is committed to supporting the health and well-being of our global workforce. The cornerstones of our commitment includes access to high quality, affordable healthcare for our employees and dependents, a strong focus on preventive care and early intervention for health conditions, and sustainable healthcare solutions to manage or reverse adverse health conditions when they surface.

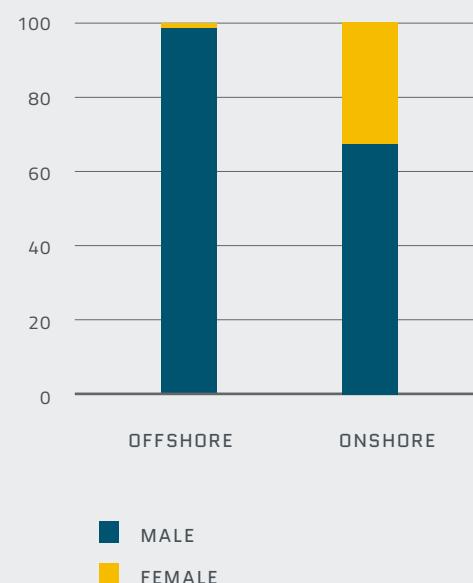
Working in concert with our healthcare partners and providers, current programs available to our workforce include real-time access to clinical expertise through both phone calls and newly implemented internet-based tele-medicine. Robust preventive care includes annual physicals, flu shots, maternity prenatal care, and other preventive care tools and techniques. Annual wellness campaigns, including annual health fairs and biometric screenings, are important for our employees to track their vital health numbers. In 2016, we also introduced tele-medicine and expanded access to regional Medical Centers of Excellence. Beyond physical health, the company is committed to a culture of positive emotional health and well-being through our Employee Assistance Programs (EAP) and related crisis intervention programs.

2016 GLOBAL EMPLOYEES



UNITED STATES	INDIA
UNITED KINGDOM	CANADA
BRAZIL	ANGOLA
NORWAY	AUSTRALIA
THAILAND	OTHER

2016 GENDER RATIOS



FINANCIAL HEALTH

In recognition that financial health also is critical to a vibrant workforce, Transocean has a strong focus on sustainable, long-term financial stability.

This focus includes retirement planning centered on market competitive retirement plans, including company matching funds, educational tools and techniques to support our employees in long-term planning, health care plans and savings through Health Savings Accounts.

While these programs are US centric, the core strategic framework is expanded to other geographic locations where feasible based on regional regulations, programs and prevailing best practices.

DIVERSITY AND INCLUSION

Transocean is an international company with a workforce of more than 4900 employees. Our global footprint is comprised of over 43 nationalities. We acknowledge and respect diversity, social customs and cultural traditions in the countries in which we live and operate. While we are proud of our global diversity, we recognize in many areas we, and our industry in general, are behind in the development of our gender diversity. We pledge to continue encouraging and creating a diverse and inclusive workforce. Diversity and inclusion are key to our future growth and success.



2016 BASELINE / PERFORMANCE

→ \$235,000
IN COMMUNITY CONTRIBUTIONS

COMMITTED TO SERVE OUR COMMUNITIES & STAKEHOLDERS

ENGAGEMENT

Engagement with our stakeholders is of utmost importance to Transocean; alignment is impossible without it. Without fully understanding the important issues of our stakeholders, we would not be in alignment to help achieve mutual objectives for a sustainable future. Through Transocean's continuous engagement with our stakeholders, we incorporate feedback and set the course to tackle material issues that are important to our complex industry and global community. Transocean is committed to serving our communities, supporting and participating in industry associations, and engaging with our investors.

COMMUNITY RELATIONS

Transocean and our employees support our global communities through various charitable organizations in multiple countries. We work with many charities and other organizations that tackle our communities' most pressing social issues such as hunger, protection for women and children, education and homelessness. We also help organizations that protect and rebuild wetlands and improve the health and lives of many.

EDUCATION

In India, our teams support the UDAAN India Foundation Education Center, which strives to educate and equip every child with equal opportunities to transform their lives. Current initiatives include a kindergarten pre-school program for children age 4–6 and after-school learning. In addition, Transocean provides a learning computer center in its offices that the Center uses for computer literacy classes.



[1] Brazilian Petroleum Engineering grads see how the Transocean team works together on the rig to deliver safe, efficient and reliable operations. **[2]** In India, we support the UDAAN Foundation Education Center, which strives to educate every child and transform their lives. **[3]** Transocean volunteers help Casa do Caminho plant 120 trees in Macae. **[4]** Our teams raised over \$100K during our United Way Campaign that concluded with field days competition and other fundraising events.

TRANSOCEAN IN THE COMMUNITY

CONTINUED

In Brazil, the Transocean team has organized GAST (Grupo de Acao Social Transocean). Our philanthropic and social investment group sponsors events that contribute to the health, education and environment of underprivileged children and adults. This includes the Young Apprentice Program, designed to give young students their first employment experience, and organized visits for Petroleum Engineering student graduates on Transocean rigs during out-of-service periods. The Brazil team promotes a family fun run and health/fitness activities in exchange for contributions to Transocean supported non-profit organizations.

STAKEHOLDERS

Transocean engages with many external stakeholders, including industry groups, investors, regulators and the general public. Our relationships are built through the participation of Transocean executives and employees in industry groups, business organizations, conferences, leadership, and technical publications in media and trade publications.

As an industry leader, Transocean is well represented on committees that set standards and guide best practices for our industry. Our subject matter experts are relied upon heavily for their leadership and professional advice on numerous industry group committees. In 2016, we participated in events sponsored by the:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ▪ American Petroleum Institute ▪ Center for Offshore Safety ▪ International Association of Drilling Contractors | <ul style="list-style-type: none"> ▪ National Ocean Industries Association ▪ Offshore Energy Center ▪ Society of Petroleum Engineers |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Transocean's management plays an active role in meeting with the investment community providing access and transparent discussions. In 2016, executives, senior management and our investor relations team met with investors, both individually and in groups at conferences, during roadshows, and in our offices.

Additionally, more than 40 research analysts covered Transocean, publishing regular equity research reports on the Company as well as on the oil services sector and interacted with the Investor Relations team on a regular basis.



WHERE WE'RE GOING



There has always been a pioneering spirit at Transocean – a personal drive inside every team member to rise above the greatest challenge and surpass the loftiest goal. Now, more than ever, we're pushing ourselves beyond all perceived limits to solve the unsolvable, achieve the impossible and make Transocean Boundless.



We lead the offshore drilling industry with the most innovative and sophisticated technology.

2022 GOALS / STANDARDS

SETTING NEW STANDARDS FOR THE FUTURE

For generations, Transocean and its legacy companies have led the offshore drilling industry with the most innovative and sophisticated technology, as well as the record-setting people who put it to good use. From the first mobile jackup rigs and drillships in the 1950s to the 2016 drillships with our patented Active Power Compensation® hybrid system, our leadership and legacy of achievement are significant. And we're still pushing the curve today, building a safer, more efficient, more sustainable offshore industry.

Transocean's sustainability journey began when our leadership set expectations for our future commitment to environmental and social sustainability. Our focused commitment to solidify our industry leadership position, establish Transocean as a pillar of the communities where we live and operate, and provide the governance to deliver on social and environmental goals led to our dedicated Industry & Community Relations department.

We created a cross-functional group of leaders from across Transocean with in-depth subject matter expertise who helped establish our Sustainability Steering Committee, which is chaired by our senior vice president of Industry & Community Relations. The committee's findings will help guide our ongoing work programs and will be discussed with our executive management team going forward.

As Transocean focuses on exceeding the expectation of our stakeholders – employees, customers and shareholders – our standards of safety, efficiency and sustainability will lead the way.



2022 GOALS / SAFETY

→ 0 SAFETY
INCIDENTS

2016 – JOURNEY TO IMPROVEMENT

Transocean's vision is to conduct our operations in an incident-free workplace, all the time, everywhere. Our commitment is zero safety incidents, zero environmental incidents and zero non-productive time throughout our global organization.

In 2015, we launched the Hold the Zero campaign as the safety message for the start of the year, a way of focusing on what needs to be done to prevent incidents on board our rigs. Now we refresh the campaign quarterly with the emphasis on finding quantifiable ways to identify challenges and improve the safety of our teams and operations.

We measure everything to constantly identify opportunities for improvement and make sure we are reducing incidents. Improved safety performance directly relates to increased uptime across our fleet. Here's proof that it's working: Since 2012, we've seen an 81% reduction in the lost time incident rate, a 27% reduction in all injuries, and an 83% reduction in the number of high-potential dropped objects.

2022 GOALS – ZERO HARM

CONTINUED

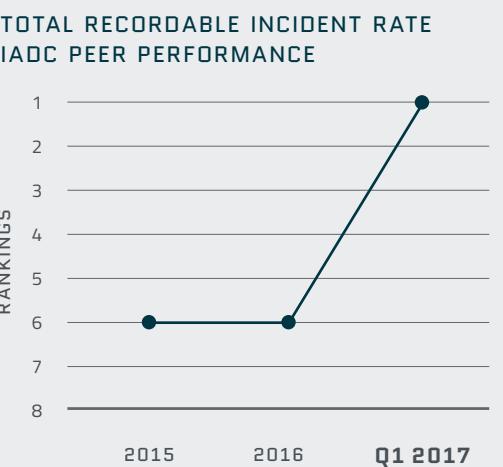
→ RANKED #1

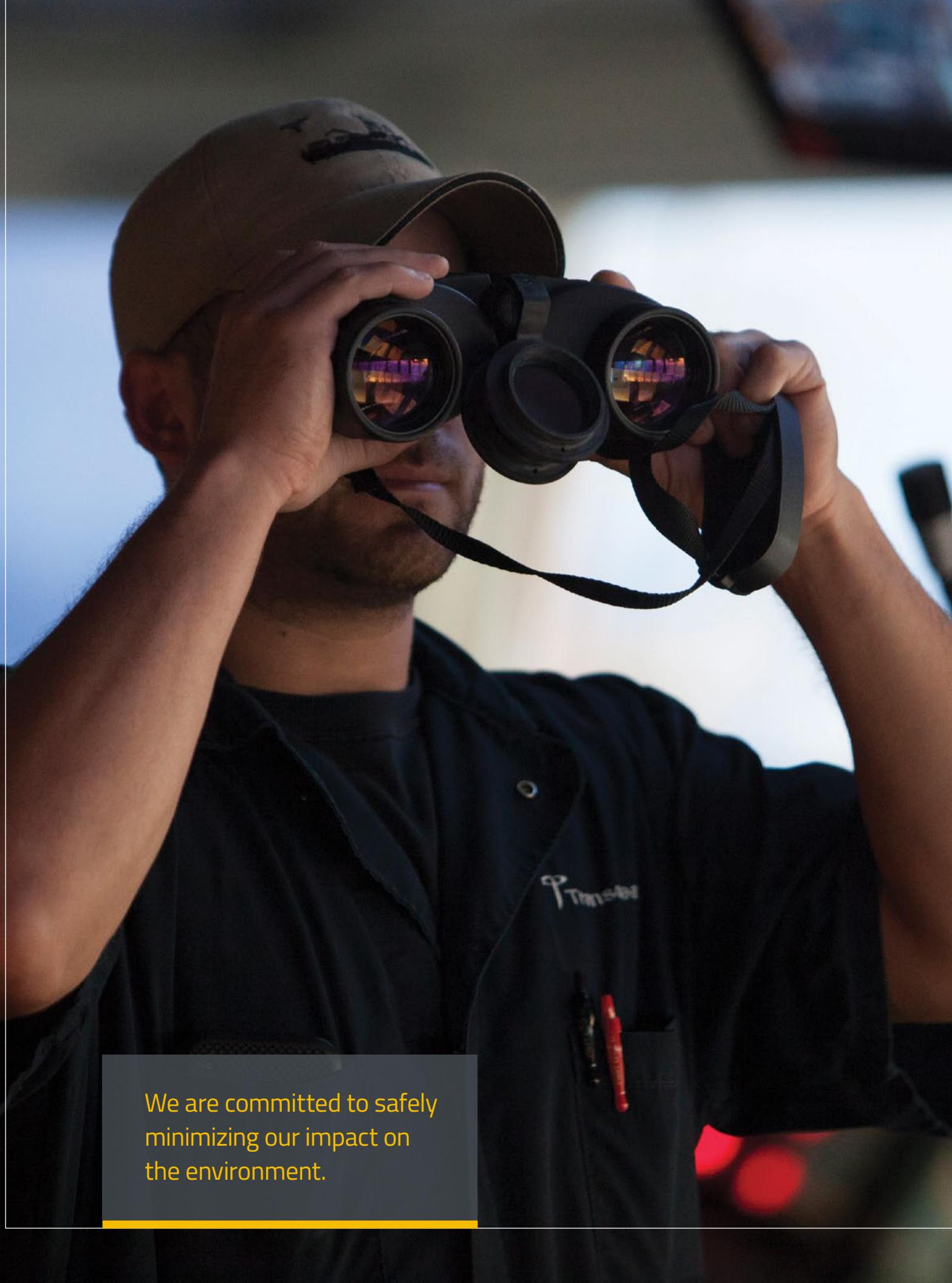
TOTAL RECORDABLE INCIDENT RATE

OUR JOURNEY TO ZERO HARM

Our global teams relentlessly pursue an incident-free workplace through leadership, procedural discipline and application of our safety tools. A testament to the effectiveness of our journey thus far can be found in the statistics publicly recorded by the IADC. The International Association of Drilling Contractors Incident Statistics Program (ISP) tracks safety and accident information for the industry through voluntary participation of the industry member companies. According to the compiled statistics from 2015 thru the first quarter of 2017, the comparative results per 200,000 hours worked are as follows:

RANKING VERSUS TOP 8 PEERS





2022 GOALS / ENVIRONMENT

JOURNEY TO ZERO IMPACT

Transocean is committed to safely performing our operations while reducing our environmental footprint. Since our industry is heavily reliant on the natural resources of our planet, we are keenly aware of our responsibility to minimize our impact on the environment. In addition to bringing together a host of tools designed to ensure that all of our operations are managed in an environmentally responsible manner, our Environmental Management System seeks to drive continuous improvement and remain globally compliant to ISO14001. Our environment incident plan is built upon the same relentless pursuit of an incident-free workplace, all the time, everywhere.

SPILLS TO SEA /LOSS OF CONTAINMENT – ZERO INCIDENTS

Our focus is clear – zero incidents or loss of containment to the sea. Our delivery on this commitment combines procedural discipline, process, containment, and a laser focus on prevention and mitigation with barrier management processes in place.

WATER USAGE – TOTAL REDUCTION 10% RELATIVE TO 2018 BASELINE

Our efforts to reduce water usage will begin in 2018, as we monitor, measure and analyze our water production capabilities and total consumption on each drilling rig. As we progress through the year, we will focus on opportunities and processes to reduce our water usage by 10%. Our focus will be on potable water usage in our drilling quarters and the amount of water shipped from land that is required to run operations offshore, striving to develop better and cleaner ways to perform our operations.

2022 GOALS / ENVIRONMENT

CONTINUED

2016 ACHIEVEMENTS

91% **37%** **8000 T**

VOLUME OF SPILLS
REDUCTION
2015 → 2016

ENERGY CONSUMPTION
REDUCTION
2015 → 2016

IMPACT TO
LANDFILLS

2022 GOALS

0 **20%** **20%**

SPILLS

REDUCTION
IN GHG

REDUCTION
IN IMPACT
TO LANDFILLS

FUEL CONSUMPTION & GHG – REDUCTION BY 20% FROM 2016

As we focus on our sustainability goals in partnership with our customers, great ideas and opportunities emerge. Our Hybrid Micro-Grid system is a significant innovative technology that increases fuel efficiency and emissions while improving safety and operations efficiency.

WASTE GENERATION – IMPROVE RECYCLING OF WASTE 20% BY 2022

While we have an effective measuring system to calculate all solids and liquids waste, the responsibility for proper disposal remains with our customer. In 2018, we will employ our continuous improvement model to identify opportunities to further reduce our solid/liquid waste impact to landfills by 20% in 2022.





Our Innovation & Technology team is changing the game on safety, efficiency and reliability in the industry. The new technology developments will also reduce the potential environmental impact for our global operation fleet.

2022 GOALS / INNOVATION & TECHNOLOGY

JOURNEY TO PEAK PERFORMANCE

Our 2022 innovation objectives are based on maturing key technology concepts currently in development within Transocean and its supplier base that are designed around these themes:

- Digitalization and automation
- Improving safety for an incident-free environment
- Redesigning equipment to deliver certifiable reliability and safety integrity, reduced rig operating costs and less environmental impact
- Improving drilling performance to reduce the customer's cost per well

DELIVERING MATERIAL DRILLING PERFORMANCE IMPROVEMENTS

In 2016, Transocean initiated targeted efforts to better measure performance of drilling equipment and rig crews. Enhancements in data capture, management and transmission have created opportunities for us to monitor and perform advanced analytics to drive performance improvements on our rigs from shore-based locations, and then use this information to compare performance across our fleet. By using detailed data to understand differences in equipment and crew performance, we have been able to meaningfully increase the performance of many drilling KPIs. As we continue driving continuous improvement with our data, we expect to see additional reductions in our customers' cost per well and our rig operating costs across the fleet.

2022 GOALS / INNOVATION & TECHNOLOGY

CONTINUED

BOP ENHANCEMENTS

In 2018, we will complete testing of an industry first – a backup safety control system for subsea BOPs. This system is retrofittable on existing BOPs and will be the first technology deliverable in a series of enhancements that Transocean is developing for subsea BOPs.

HYBRID POWER MICRO-GRID

Transocean has been an early adopter of hybrid power technologies, with industry-first applications installed on our ultra-deepwater drillships. Our recently constructed Transocean drillships use hybrid power technology to recapture energy previously lost during drill floor operations and provide buffering of peak loads and safety backup in the event of a power loss. We expect to enhance the hybrid power capabilities of our rigs even further through 2022 by deploying distributed hybrid micro-grid systems that will provide load smoothing and backup power to each of our prime equipment movers. These micro-grids will enable us to operate with fewer engines online, reducing fuel consumption and greenhouse gas emissions, while also improving the reliability of our power distribution system to the entire vessel. We expect our first trial deployment in 2018. If it proves to be commercially viable and delivers the expected reduction in fuel consumption and GHG emissions, we will deploy the micro-grids on additional drilling rigs.

DRILL FLOOR SAFETY AND AUTOMATION

We continue to work with our traditional suppliers and industry startups to improve safety and drilling performance by enhancing the control capabilities and automation of our drill floors. Focusing on drill floor automation helps us reduce the risk of human injury and leads to more consistent, reliable and predictable performance. Drill floor automation is a key enabler in our objective to reduce our customers' cost per well.

HEALTH PROGNOSTICS

In 2018, we will continue deploying health models across different systems and subsystems on our rigs. These models are designed to estimate the remaining useful life of equipment and help optimize operational maintenance processes, allowing us to perform the right level of maintenance for the right equipment at the proper time. This eliminates the ineffectiveness of calendar-based maintenance and allows a higher level of resource planning and operational expense optimization, while substantially increasing the safety integrity of our vessels.

Innovative

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





Our teams are committed to delivering the safest, most efficient and reliable operations to our customers.

2022 GOALS / PERFORMANCE

JOURNEY TO 100% UPTIME

To realize our Vision 2022 of helping our customers deliver reliable and sustainable energy, while following our Guiding Principles to become their Universal First Choice, our goal is simple: achieve 100% uptime in an incident-free environment.

Transocean's success is tied to the success of our customers now more than ever before. Helping reduce their cost per barrel and improve the overall economics of their programs will lead to more activity offshore and a sustainable future for our industry. Our teams are focused on delivering the safest, most efficient and most reliable operations to our customers.

To achieve this, we are committed to driving continuous improvement with data analysis. We measure everything and share the results across our fleet. Crews provide the feedback and tools they need to perform at optimal levels, including measuring their performance against other crews on different rigs in our global fleet. The new data allows for far greater understanding of deviations between specific operations, crews and drilling rigs. Transocean applies this intelligence across the fleet in order to deliver consistent performance for our customers in all regions of the world. In addition to crew performance, we are utilizing data to improve process operations and eliminate equipment failure.

Dashboard tools are currently under development to assist in our journey in pursuit of 100% uptime.

2022 GOALS / PERFORMANCE

CONTINUED

2016 ACHIEVEMENTS

97.8

REVENUE EFFICIENCY
INCREASE 200 BPS
2015 → 2016

46%

EBITDA MARGIN
INCREASE 200 BPS
2015 → 2016

30%

CAPTURED
CONTRACT FIXTURES

2022 GOALS

100%

REVENUE EFFICIENCY

60%

EBITDA MARGIN

40%

CAPTURED FLOATER
CONTRACT FIXTURES

The Efficiency Dashboard provides Transocean and our customers with near real-time in-depth analysis, including:

- Rig and crew performance compared to the global fleet and crews against established Key Performance Indices (activities that are within the control of the crew)
- Snapshot of current performance of rig and crews
- Activities for the next operation to facilitate crew planning
- Review of past operations
- Progress on the customer's well program against total days/budget to conclude the well

The Reliability Dashboard shows a near real-time look at the critical data of rig systems and equipment, such as:

- Dynamic Positioning System current availability
- Maintenance routines current and upcoming
- Power Management System status
- Blowout Preventer status

Critical Supplier Partners Collaboration enables our teams to work with the Original Equipment Manufacturer (OEM) to improve BOP equipment reliability. The partnership is focused on significantly reducing the out-of-service time required to identify, solve and implement corrective action on the failed equipment. We will be focused on implementing these collaborative arrangements and reporting on the outcomes for the 2017 Sustainability Report.

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.





Our success as a company depends on the success of our people.

2022 GOALS / PEOPLE

JOURNEY TO SUCCESS

Our success as a company depends upon Transocean's talented men and women who deliver the innovative solutions our customers need.

BUILDING SKILLS FOR SUCCESS

Ensuring that we have a healthy pipeline of talent with the potential to become future leaders in Transocean and the communities where we operate is a key component of our sustainability strategy. We use Talent Reviews to engage employees so we understand their career objectives and development goals. The information is reviewed during Talent Calibrations where managers assess the potential and performance of their employees. These sessions identify the areas where the company has a strong succession pipeline, as well as areas that require focus to further develop talent. Individuals are given specific development opportunities tailored to their needs, such as mentoring, personal coaching, leadership training or formalized educational course work. We remain committed to the global development of our people, our most valued asset. Our 2022 goals will be presented in the 2017 Sustainability Report.

NEXT GENERATION PIPELINE

Transocean understands the importance of developing talent to support future business needs and company growth, building our bench strength in critical positions. To do so, we have designed a recruiting and development program to specifically search for young, highly skilled talent with potential for growth. This program will enable Transocean to maintain a continuous transfer of the breadth of knowledge and experience from our successful, long-tenured employees to a pipeline of the next generation of talent, ensuring continuity, mentorship and infusion of new ideas. We see it as a must for a best-in-class company to develop best-in-class talent internally.

2022 GOALS / PEOPLE

CONTINUED

BUILDING TALENT

Our commitment to conducting operations in an incident-free workplace — all the time, everywhere is evident in our push to constantly improve our processes and procedures to keep everyone safe. We continue to improve our training processes, designing training modules in 2016 that were implemented in 2017.

INTEGRATED CREW OPERATIONS RESPONSE TRAINING

Transocean partnered with Maersk Training to deliver on our commitment to safe, reliable and efficient operations. This innovative simulation training is unique to the industry, as it incorporates an unparalleled level of advanced, high fidelity simulators, human-factor expertise, and technical developments to thoroughly prepare interconnected teams to work together seamlessly during critical high-stress operations. These critical operations simulations have been developed from the vast offshore experience of both Maersk Training and Transocean.

ENHANCED WELL CONTROL TRAINING

Well control certifications are standard courses with a fixed syllabus containing the minimum baseline of required competencies. In an effort to further increase our competencies beyond regulatory required certifications, we enhanced the standard well control curriculum to challenge and expand the problem-solving skills of our rig crews. This intensive five-day course uses the same simulations as our integrated crew operations response training in coordination with Maersk Training. All simulation scenarios are based on actual Transocean case studies. Students learn best practices, which deliver improved problem-solving, team skills and technical knowledge.

A ROADMAP TO ENHANCED WORKFORCE HEALTH AND FINANCIAL WELLNESS

The 2022 workforce health and finance wellness roadmap primarily focuses on our U.S. population, which represents our largest geographic workforce footprint. This core strategic framework is expanded to other geographic locations where feasible based on regional regulations, programs and prevailing best practices.

PHYSICAL HEALTH & WELLNESS

While the company has a solid foundation in supporting workforce health, opportunities exist to further enhance the holistic health experience of our employees as we pursue our aspirational 2022 goals. Our roadmap uses an inform-engage-act cultural change model to enhance our workforce health experience. The future plan design and programs will be developed through evaluation of the effectiveness of existing programs coupled with emerging health and wellness solutions. We will remain focused on health and fitness of our employees, driving improvement awareness and fitness campaigns.



INFORM → ENGAGE → ACT

2022 SUCCESS MEASURES

- As measured against 2017 claims, reduce by 75% the leading weight related medical claims categories (hypertension, diabetes and musculoskeletal)
- 90% of eligible Houston-based employees participate in the annual health screening/biometrics
- 100% of GOM rigs offer annual wellness/biometric screenings
- Increase maternity prenatal care to prevailing best practices

2022 GOALS / PEOPLE

DIVERSITY AND INCLUSION

While we have work to do achieving our aspirational 2022 goals, we are already focusing on the journey. We believe a diverse and inclusive environment where differing insights and knowledge are valued will achieve better business results. Our first step to drive diversity and inclusion will be a requirement for all global leadership to complete diversity and inclusion training designed to help leaders educate our teams globally. The next step will be to set aspirational 2022 goals to improve the gender gap of qualified and capable employees across our global organization. These goals recognize the value of improving gender balance at all levels of the organization.

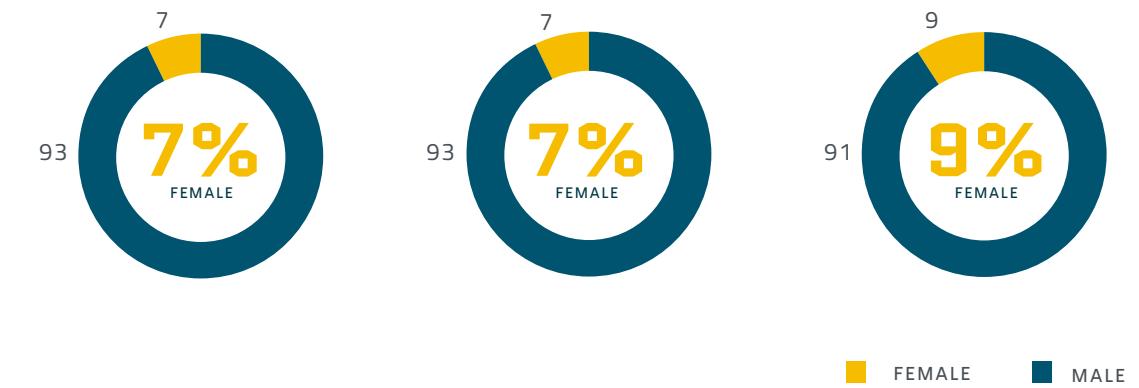
To encourage progress on diversity, our annual leadership goals will include a diversity and inclusiveness related metric. With strong support from leadership, we will improve awareness, enhance diverse talent recruiting efforts and provide additional development opportunities.

EMPLOYER OF CHOICE

One of the greatest achievements of any organization is to be recognized as the champion of employees and to provide opportunities that engage, develop, and retain talented and motivated people. As our world is changing very quickly, Transocean recognizes the future challenge of attracting and retaining our most valuable assets, as well as the value placed on being a good corporate citizen, and on creating solutions responsive to the challenges of our society, environment, customers and shareholders. With our focus on becoming the Employer of Choice, our future initiatives include:

- Greater transparency through improved communication
 - Creation of *The Pursuit*, a performance publication.
 - Employee Communication Application under development to provide a communication platform with up-to-date information for our employees
- Flexible workplace environment and virtual connectivity that improve work-life balance
- Improved family benefits
 - Increased maternity and paternity leave
 - Flexible child and elderly care assistance
- 5 days paid volunteer time off annually – and recognizing each employee with 40 hours+ per year with a \$500 grant to the employee's charity of choice
- Social investment with strategic partners that positively impact society and the environment
- Innovation/Technology investment that positively impacts the customer and environment

2016 BASELINE GENDER RATIOS



2022 GENDER GOALS



Our roadmap to financial health includes:

2022 SUCCESS MEASURES

- 95% of eligible employees participate in the Company's 401(k) Plan
- Achieve average employee savings rate of 10%
- 95% of participants receive the maximum 401(k) company match
- 75% of eligible employees participate in the HSA program
- Implement financial planning solution within the 401(k) Plan



We believe in giving back to the global communities where we live and operate with service, financial support and partnerships.

2022 COMMUNITY GOALS

\$4 M

CORPORATE
CONTRIBUTIONS

40 hrs

VOLUNTEER PER
EMPLOYEE

30%

INCREASE IN
EMPLOYEE CONTRIBUTIONS

2022 GOALS / COMMUNITY RELATIONS

JOURNEY TO GIVING BACK

While Transocean has supported our global communities through various charitable engagements in the past, we are refocusing our efforts on corporate service, charitable support and employee engagement. We are developing a focused strategy of giving that includes employee donations and volunteerism, corporate giving and social investment. Our initiatives include partnering with charities, educational institutions, organizations and strategic customers to deliver our commitment to the global communities and individuals where we live and operate.

PYRAMID OF SERVICE

Our building block focus areas for corporate and employee service include:

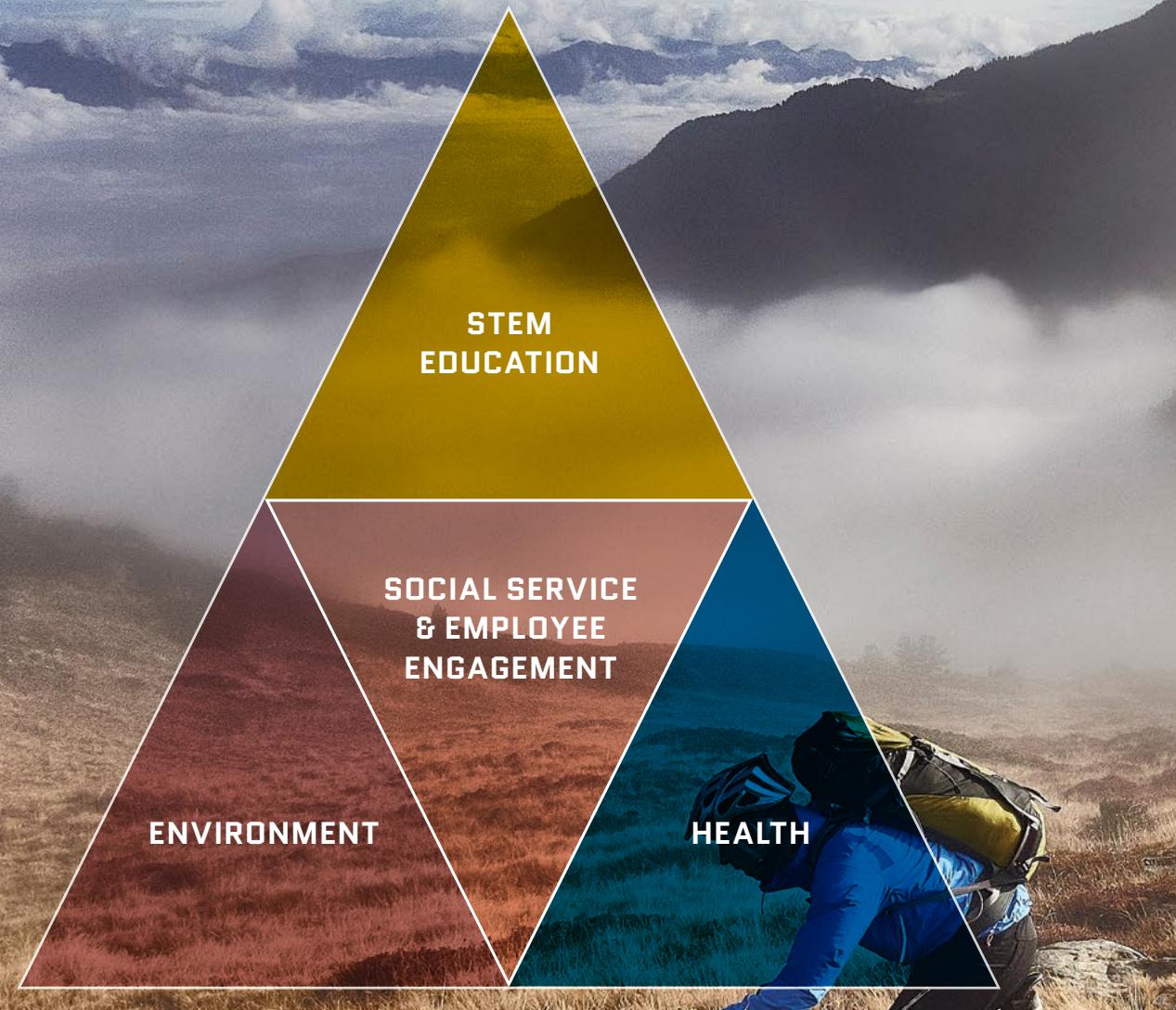
- Education concentrated on literacy and STEM curriculum that inspires pursuit of STEM careers
- Health and Safety promoting healthy living and eliminating disease related causes
- Environmental Conservation and Restoration
- Social Services providing the basic needs of food, shelter, education, water and well-being

COMMUNITY RELATIONS – JOURNEY TO 2022 GOALS

- Corporate contributions of 1% of profits with a minimum contribution of \$4 million
- An average of 40 volunteer hours annually from employee population
- 30% increase in employee giving through payroll deduction as measured against 2017 contribution
- Contributions and engagement must have positive measurable impact year-on-year

2022 GOALS / COMMUNITY RELATIONS

CONTINUED



Transocean's community service focus areas include education concentrated on literacy and STEM courses, Health and Safety promoting 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.

Focused

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

Transocean's commitment to safety and environmental responsibility is unwavering. We are committed to the highest standards of safety, environmental protection, and social responsibility. Our focus is on safety, environmental protection, and social responsibility.

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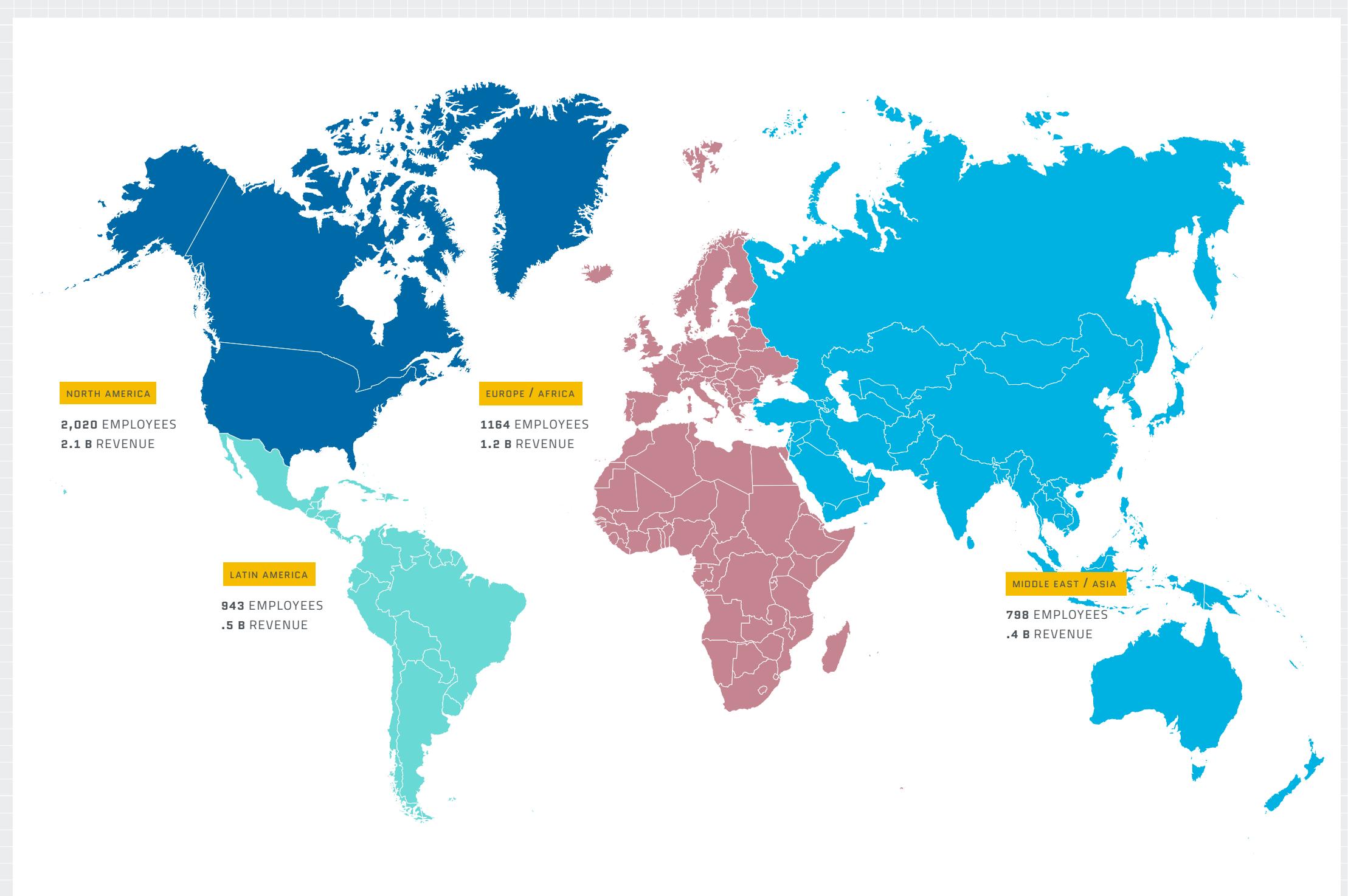
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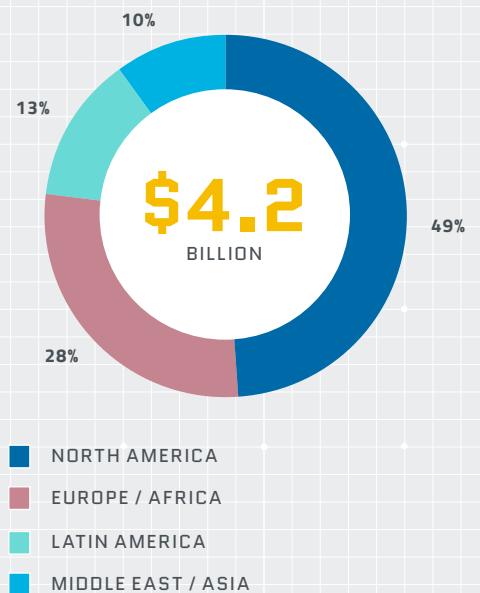
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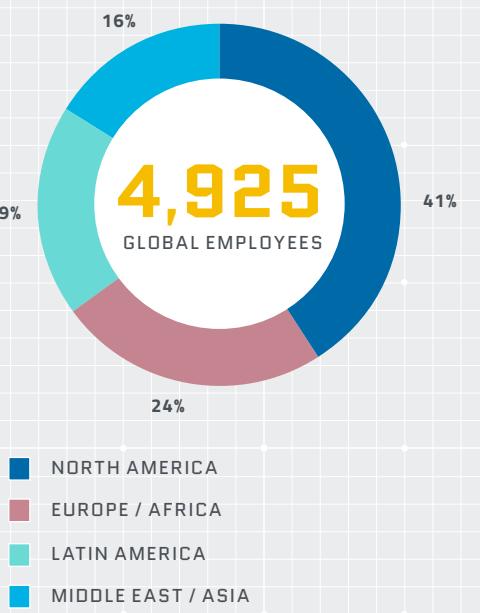
TRANSOCEAN AROUND THE WORLD



2016 REVENUE BY CUSTOMER LOCATION [MILLIONS]



2016 EMPLOYEES* BY LOCATION [%]



*This does not include approximately 400 contract labor.

We continue to improve the specifications of our newbuilds as demonstrated by our energy efficient engines that reduce critical air emissions thus qualifying our drilling rigs to operate in low emission regulated environments.





We keep pushing ourselves to do better and be better than before because we are Boundless.

THE FUTURE AT TRANSOCEAN

SETTING BOUNLESS GOALS

Transocean is a company with deep values driven by our culture of continuous improvement. We are committed to conducting business responsibly, aligning our long-term business strategy to meet the needs of our world by reducing our environmental impact.

Our sustainability focus areas were developed through the Materiality Assessment and Validation of the Material Topics, which are of utmost importance to our stakeholders and to our business. Our Strategy and Guiding Principles of Sustainability drive the execution of our commitments to deliver our Vision 2022 Sustainability Goals.

At Transocean, we keep pushing ourselves to do better than before. That's why we are setting the bar even higher with our 2022 Sustainability Goals. These bold long-term targets focus on system-wide improvements within our company.

We will remain Service Focused, Data Driven and Performance Oriented in the future to help our customers push past any boundary anywhere.

→ TOGETHER, WE ARE BOUNLESS

THE FUTURE AT TRANSOCEAN

CONTINUED

MATERIALITY ASSESSMENT

We conducted our first Materiality Assessment to identify the issues that have the greatest impact on our business and our stakeholders from an environmental, social and governance standpoint. This process, which helped us align our sustainability goals with these issues, included:

IDENTIFICATION OF SUSTAINABLE TOPICS

Over 50 sustainability topics initially were identified as important issues to consider based on our strategic goals, peer reviews, internal subject matter experts, and criteria of external sustainability indices and framework, such as the Dow Jones Sustainability Index and Global Reporting Initiative.

EVALUATION

A committee comprised of cross-functional leaders and subject matter experts, plus selected Transocean vice presidents, reviewed and debated the importance of the initial topics and their impact on our business, as well as considering the importance to our stakeholders. The discussions resulted in further refinement and prioritization of the material topics.

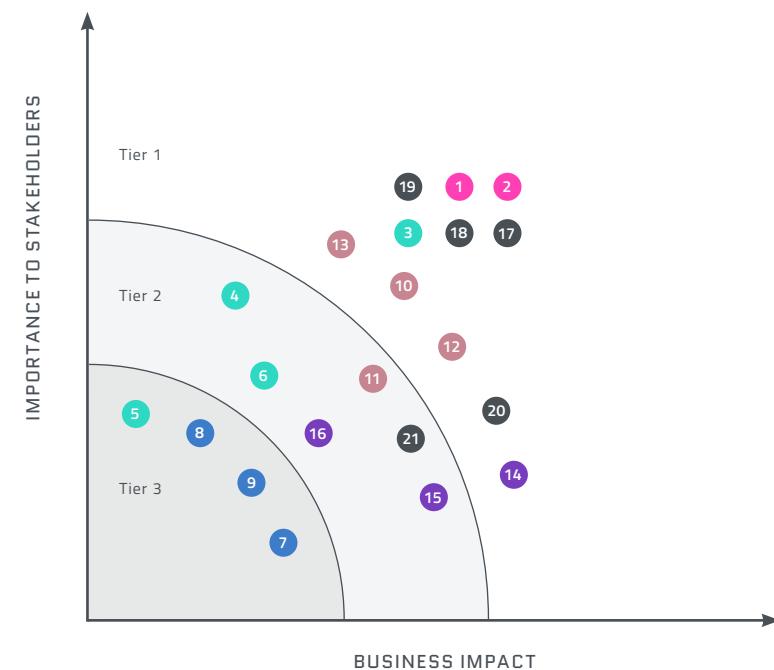
ASSESSMENT

In our first assessment, we did not engage our external stakeholders with a formal survey. This will be included in our assessment for the 2018 Sustainability Report. We engaged via verbal communications with external customers, trade organizations and peer groups. We consulted with numerous industry sustainability leaders in our customer base and oilfield services sector on sustainability materiality topics and importance to stakeholders. Internally, we formally surveyed our employees on issues that matter to them. We made presentations on our prioritization and validation of the Materiality Assessment to the executive management team, CEO and Board of Directors.

PRIORITIZATION AND VALIDATION

Our initial Materiality Assessment resulted in 21 important sustainability topics that are material to our business and to our stakeholders. The prioritization and validation process resulted in further refinement to identify those topics in Tier 1 that are the most important and require our constant focus on a continuing basis. Tier 2 material topics require subject matter expertise and stewardship. Tier 3 material topics require a focused approach on a long-term horizon to embed into the organization.

MATERIALITY ASSESSMENT: PRIORITIZATION & VALIDATION



SAFETY

- 1 PERSONAL SAFETY
- 2 OPERATIONAL INTEGRITY

ENVIRONMENT

- 3 LOSS OF CONTAINMENT
- 4 EMISSIONS
- 5 SENSITIVE AREAS
- 6 FUEL CONSUMPTION

COMMUNITY DEVELOPMENT

- 7 COMMUNITY ENGAGEMENT
- 8 SOCIAL INVESTMENT
- 9 VOLUNTEERISM

PEOPLE

- 10 DEVELOP PEOPLE
- 11 DIVERSITY AND INCLUSION
- 12 HEALTH + FINANCIAL / WELLNESS
- 13 HUMAN RIGHTS

INNOVATION & TECHNOLOGY

- 14 SUSTAINABLE EFFICIENCY
- 15 DATA DEVELOPMENT
- 16 ENERGY EFFICIENCY

CORPORATE RESPONSIBILITY

- 17 COMPLIANCE / ETHICS
- 18 GOVERNANCE
- 19 ANTI-CORRUPTION
- 20 CYBER SECURITY
- 21 RESPONSIBLE PROCUREMENT

THE FUTURE AT TRANSOCEAN

U.N. GOALS →



ALIGNING WITH U.N. GOALS FOR POSITIVE GLOBAL CHANGE

As Transocean continues its journey of sustainability, we will work toward the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 that include the areas of People, Planet, Prosperity, Peace and Partnership. These goals establish a common sustainability purpose for governments, private enterprise, non-governmental organizations and academia. As the leading international provider of offshore drilling services, Transocean supports sustainable development around the world.

CONTINUED

↑ OUR INITIATIVES

1	Work toward elimination of poverty through our global community development and community partners.
2	Champion community partners devoted to providing basic human needs.
3	Develop plan for disaster response efforts. Promote health and wellness in global organization.
4	Promote STEM education programs with community partners. Encourage employees to volunteer and/or mentor participating students.
5	Develop women in leadership programs. Support community partner programs that empower and educate women and girls in order to alleviate poverty.
6	Champion community partners devoted to providing basic human needs.
7	Create efficient energy source through innovation of the Hybrid power micro-grid system on the rig that reduces energy consumption and emissions.
8	Focus on Human Rights throughout our business. Foster economic development through infrastructure in our global business.
9	Engage in innovative partnerships such as: Invest in innovation & technology. Maintain our core business of contract drilling services. Support community partners that restore natural infrastructure.
10	Develop local employees globally. Promote global trade agreements.
11	Support community partners devoted to restoration of natural infrastructure.
12	Reduce the use of hazardous materials in supply chain. Reduce waste to landfills through efficient recycling. Maximize water maker volumes on rigs to reduce impact to water supply.
13	Deliver efficient, safe and reliable offshore operations to our customers.
14	Through innovation, reduce fuel consumption and GHG emissions on our rigs.
15	Champion community partners devoted to restoring natural infrastructure.
16	Support community programs devoted to restoration of wetlands.
17	Uphold our Code of Integrity across global locations. Engage with strategic partners globally to develop partnerships for sustainable development.

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. In 2016, our Board was comprised of 11 members and held four meetings. The board is also comprised of five nationalities and one female member. The average age of our directors was 59, and their ages ranged from 36 to 69 as of March 16, 2017. The average tenure of our Board is approximately 6 years as of December 31, 2016.

Except for the Company's Chief Executive Officer ("CEO"), all directors are independent as defined by the New York Stock Exchange and our Corporate Governance Guidelines. 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. In 2016, 91% of the directors were independent.

Committees

The Board and the committees of the Board met at least once a quarter during 2016 and the quarterly meetings occurred over a period of two days. Each of our directors attended at least 80% of the meetings following their election, 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 assessment of the Board, committees and directors; considers recommendations from shareholders and directors; and reviews trends. Further, the committee recommends to the Board director nominees for election to the Board by the shareholders of the Company. The Corporate Governance Committee met four times during 2016.

The Board's 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. The HSE Committee met four times during 2016. [Any significant HSE incidents are examined by the committee, including, if any, violations of laws or regulations, that pertain 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

In 2016, we delivered a Total Recordable Incident Rate of 0.34, the lowest annual rate in the company's history. Our Lost Time Incident Rate was 0.04 in 2016. We also delivered Transocean's highest annual average revenue efficiency performance of 98%, demonstrating the direct correlation between safety, efficiency and shareholder value.

We identified best practices to maximize efficiencies across crews and rigs to minimize the time spent drilling each well. Additionally, we worked both independently and with suppliers to reengineer practices that reduce costs, downtime and shipyard stays. We simplified and streamlined our organization and our processes, resulting in year-over-year margin enhancement despite a decline in revenue. Our Adjusted Normalized EBITDA margin in 2016 was 46%, compared with a 2015 margin of 44%. Our revenues in 2016 were \$4.2 billion, a 44% decline from 2015; and we reported net income attributable to controlling interest of \$778 million, compared with \$865 million in 2015.

Financial Position

In 2016, we executed several financing transactions that strengthened our liquidity and balance sheet. Because of these transactions and our outstanding operational performance, along with \$3.1 billion of cash as of December 31, 2016 and a \$3 billion undrawn unsecured revolving credit facility, we exited 2016 with substantial liquidity to both operate through the downturn and pursue value-enhancing opportunities.

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 high-grading 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") contains ethical guidelines for the way we expect our business to be conducted. The entire Code is available on the Company's website at www.deepwater.com.

In November 2016, the Board adopted a Code that updated and replaced our previous Code. 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.

CORPORATE GOVERNANCE

CONTINUED

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 anti-corruption 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 US and UK governments. Transocean maintains certifications in Customs Trade Partnership Against Terrorism (C-TPAT) and qualified in 2016 for Importer Self-Assessment (USA). Transocean is the only driller to hold both certifications with US Customs. 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.

CORPORATE GOVERNANCE

CONTINUED

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, 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.

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 2016.

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 first baseline report reflects the journey from where we are in 2016 to our aspirational 2022 goals. Where possible, we assessed our performance trends from 2014 to 2016, which highlights the trends over time. The boundaries of this report correspond to those of the 2016 Annual Report.

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 baseline report.

Transocean consulted the Global Reporting Initiative G4 framework to serve as an internal guideline for the 2016 baseline Corporate Sustainability Report.

We look forward to presenting in our 2017 Sustainability Report the exciting initiatives planned for 2017, including STEM learning curriculum with local schools, partnership with foundations, fitness challenges for our employees and numerous community projects to inspire volunteering of our employees.

Forward-Looking Statements

Any statements included in this 2016 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

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Reporting period: Calendar Year 2016

Reporting cycle: Annual

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