SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM (SEMS) COMPLIANCE MANUAL

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NONCONTROLLED
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1 OUR VISION

In order to achieve our vision of an incident-free workplace all the time everywhere, Transocean needs to ensure consistent implementation of its Company tools and processes. The health and safety of our workforce is paramount, followed by the protection of the environment in which we work and the integrity of assets. To support the achievement of this vision, Transocean has developed a series of management system manuals, tools and processes to ensure our people live and work in a safe environment.

The Transocean Company Management System (CMS) lays the foundation and expectations of how the Company manages its business functions. Within the CMS, we have a core of management system manuals and supporting materials that lay out the policies and requirements as they relate to Health, Safety and Environment.

2 SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEMS (SEMS) COMPLIANCE MANUAL (GOM-HSE-PP-03)

This Level 2A manual details how the Company establishes, implements, maintains and improves its Safety and Environmental Management System Program on installations in the United States Outer Continental Shelf (OCS).

This manual is a living document and depends on input from the end user to ensure it is modified or updated as necessary. Please do not hesitate to provide feedback using the Management System Feedback Process.

DISCLAIMER

Where a masculine or neutral pronoun is used in this manual, it includes both males and females.

Where the term “Company” is used, it refers to Transocean Ltd. and its subsidiaries.

These policies and requirements are subject to change by the Company at any time for any reason. Past policies and procedures and the Company’s interpretation of such shall have no bearing on the Company’s current policies and requirements contained herein. Any deviation from current policies is not tolerated and the failure to comply with such policies may be grounds for disciplinary action. Finally, these policies and requirements are not intended to, and do not, create an employment contract between the Company and any employee.
1 POLICY

A system must be in place to ensure all employees have access to applicable external codes, practices and standards.

2 PURPOSE

The purpose of this policy is to ensure employees who, in the course of performing their job functions, are provided access to applicable industry codes, practices and standards.

3 SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for determining who may require access to external codes, practices and standards to perform their job functions. This section also describes the requirements for providing access to required external codes, practices and standards and the methods for accessing external codes, practices and standards as required.

5 RESPONSIBILITY

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.

6 REFERENCES

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY

A system must be in place to recognize change and manage the associated risks.

2 PURPOSE

The purpose of this policy is to ensure that personnel understand the process to manage change.

3 SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirement for all installations requesting engineering assistance for modifications to rig equipment or systems. This section also describes human factors be considered in the development of the engineering design solution. This requirement is an addition to other Management of Change Requirements specified elsewhere in the management system.

5 RESPONSIBILITY

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.

6 REFERENCES

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY

All installations must develop and implement equipment operating procedures that provide instructions for conducting safe and environmentally sound activities during well construction operations.

2 PURPOSE

The purpose of this policy is to ensure that procedures are developed and implemented such that personnel required to perform activities may do so in a safe and efficient manner.

3 SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS

In addition to Company requirements specified in [other] management system documents, the following requirements are intended to enhance the Safety and Environmental Management System (SEMS) program.

Systems and equipment that are required to have documented operating procedures as a condition of the Classification Society, Flag State or Costal State must be operated in accordance with those procedures. Procedures must be reviewed to ensure they are relevant and accurate.

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for operating equipment within defined safe operating limits, the requirements for revising or replacing missing or inaccurate documentation regarding systems and equipment, and the requirements for periodic review of operating procedures.

5 RESPONSIBILITY

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.
6 REFERENCES

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1  POLICY

All employees will successfully complete the training required for their current position. This includes training required as per the Transocean Worldwide Training Matrix, Unit, regulatory and Customer requirements.

2  PURPOSE

The purpose of this policy is to ensure that Company personnel meet the Company’s acceptable standards of competency. Competency is a combination of knowledge, skills, abilities and behavior necessary to perform a task or function in a work setting to achieve a defined performance standard.

3  SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4  REQUIREMENTS

In addition to Company requirements specified in [other] management system documents, all Company personnel who lead, facilitate or instruct training classes on behalf of the Company, must meet the qualification criteria defined in this policy.

5  RESPONSIBILITY

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for ensuring the training and competency of the instructors and the requirements for verifying the qualifications of the instructors.

6  REFERENCES

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY

Maintenance activities must be conducted in a standardized manner and must meet the requirements of the Transocean Computerized Maintenance Management System (CMMS).

2 PURPOSE

The purpose of using a standardized CMMS is to:

- Ensure that our equipment meets the performance and safety standards required by Transocean and by the applicable flag, state and other regulatory authorities
- Ensure that our equipment is maintained in a consistent manner across the fleet
- Maintain and ensure the long-term preservation of our Installations and equipment in the most cost-effective manner
- Facilitate the training and work of our maintenance staff on the Installations by providing standard processes and procedures and facilitate their mobility across different Installations.
- Provide a path for lateral learning and continuous improvement.

3 SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS

In addition to Company requirements specified in [other] management system documents, the following requirements are intended to enhance the Safety and Environmental Management System (SEMS) program.

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for frequency of inspection and testing of specified systems and equipment and the requirements for correction of system and equipment deficiencies. This section also describes the material required to be referenced when developing maintenance plans.
5 RESPONSIBILITY

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.

6 REFERENCES

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY
A system must be in place to verify compliance with, and measure the effectiveness of, the Company Management System through audits and assessments.

2 PURPOSE
The purpose of this policy is to define the requirements for verifying compliance with, and measuring the effectiveness of, the Company Management System (CMS).

3 SCOPE
This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS
In addition to Company requirements specified in [other] management system documents; the following requirements are intended to enhance the Safety and Environmental Management System (SEMS) program.

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for Management System Audits to ensure all of the elements of 30 CFR 250 Subpart S – Safety and Environmental Management Systems (SEMS) and API RP75 are implemented and maintained, the requirements for contents of audit plans, and the requirements for content of audit reports.

5 RESPONSIBILITY

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.

6 REFERENCES

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY
A system must be in place to identify and manage Major Hazards.

2 PURPOSE
The purpose of this policy is to ensure that all Major Hazards are identified, and the associated risks are effectively managed.

3 SCOPE
This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS
In addition to Company requirements specified in [other] management system documents, the following requirements are intended to enhance the Safety and Environmental Management System (SEMS) program.

5 RESPONSIBILITY

6 REFERENCES
1 POLICY
Change to the Company Management System is formally captured, reviewed, communicated and executed through the System Management and Review Team (SMART) process.

2 PURPOSE
The purpose of this policy is to ensure changes to the Company Management System are clearly understood by people at each level by:
- developing people's ownership and commitment to the change
- giving people the opportunity to understand what expectations are required
- sharing and capturing lessons learned to develop and execute change effectively
- enabling change to be efficiently managed and implemented utilizing available resources

3 SCOPE
This policy covers all Company personnel that work at any Company Installation, Office or Facility in the United States and the US Outer Continental Shelf (OCS).

4 REQUIREMENTS
In addition to Company requirements specified in [other] management system documents; all employees, on and offshore, must participate in the implementation and improvement of the Safety and Environmental Management System (SEMS).

SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the requirements for all employees to actively participate in the implementation of the SEMS program. This section also describes the requirements for providing feedback on any management system requirement, including elements specific to the development, implementation and improvement of the SEMS program.

5 RESPONSIBILITY
SECTION REDACTED
NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the specific responsibilities by position and/or role to meet the requirements of this subsection.
6 REFERENCES

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
1 POLICY

The Company requires that its employees comply with its Code of Integrity.

2 PURPOSE

The purpose of this policy is to educate and inform employees what the Company requires as minimum standards for ethics business conduct.

3 SCOPE

This policy covers all Company personnel that work at any Company Installation in the United States Outer Continental Shelf (OCS).

4 REQUIREMENTS

In addition to Company requirements specified in the management system documents referenced in heading 6 of this subsection, all employees covered by this policy have the right to report to the Bureau of Safety and Environmental Enforcement (BSEE) unsafe working conditions or actual or possible violations of Safety and Environmental Management System (SEMS) requirements as detailed in 30 CFR 250.1933 and 250.193:

Any person may report to BSEE any hazardous or unsafe working condition on any facility engaged in OCS activities, and any possible violation or failure to comply with:

• Any provision of the Act¹,
• Any provision of a lease, approved plan, or permit issued under the Act,
• Any provision of any regulation or order issued under the Act, or
• Any other Federal law relating to safety of offshore oil and gas operations.

To make a report, a person is not required to know whether any legal requirement listed above has been violated.

Reports should contain sufficient credible information to establish a reasonable basis for BSEE to investigate whether a violation or other hazardous or unsafe working condition exists.

To report hazardous or unsafe working conditions or a possible violation, contact BSEE by:

• Phone – 1-877-440-0173 (BSEE toll-free Safety Hotline)
• Internet – www.bsee.gov
• Mail – U.S. DOI/DSEE, 1849 C Street NW., Mail Stop 5438, Herdon, VA 20240 Attention: IRU Hotline Operations

¹5.a.1(CD) Safety and Environmental Management Systems (SEMS) Compliance Manual Rev.00-12.10.13 (redacted)
• Include the following items in the report:
  • Name, address, and telephone number should be provided if you do not want to remain anonymous;
  • The specific concern, provision or Federal law, if known, that a person violated or failed to comply with; and
  • Any other facts, data, and applicable information.

When a possible violation is reported, BSEE will protect a person’s identity to the extent authorized by law.

5 RESPONSIBILITY

5.1 All Personnel

• Understand your rights under 30 CFR 250.1933 and 250.193 to report any violation or perceived violation of a SEMS requirement to BSSE in accordance with this policy.

5.2 OIM

• Ensure the information in this policy is adequately communicated to all personnel and posted in a visible location accessible by all personnel.

6 REFERENCES

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes any required and/or informational references to other management system documents.
SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes a table of Courses and the associated Instructor Training Requirements and supports the requirements in Section 2 Subsection 4: Training and Compliance.
1 SEMS / API RP 75 REQUIREMENT MAPPING TABLE

**SECTION REDACTED**

**NON-CONFIDENTIAL SUMMARY OF INFORMATION:** This section describes a table of SEMS (30 CFR 250 Subpart S) Requirements, API RP 75 Requirements, and Document References to the company-specific requirements for meeting the SEMS and API RP 75 requirements.
1 CRITICAL SYSTEMS

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes a table of specified Systems and Components that are required to meet the Section 2 Subsection 5: Maintenance, Inspection and Testing.
APPROVALS

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the
documentation approval.

TABLE OF REVISIONS

SECTION REDACTED

NON-CONFIDENTIAL SUMMARY OF INFORMATION: This section describes the
revisions made to the document.