GlobalSantaFe North Sea Final Salary Plan (the "Plan")
Statement of Investment Principles (the "Statement")

Scope of Statement

This Statement has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005).

The Statement is intended to affirm the investment principles that govern decisions about the Plan's investments. A separate document, the Investment Policy Implementation Document ("IPID"), detailing the specifics of the Plan's investment arrangements is available upon request.

The effective date of this Statement is October 2023. The Trustees will review this Statement and the Plan's investment strategy no later than three years after the effective date of this statement and without delay after any significant change in investment policy.

Consultations Made

The Trustees have consulted with the employer, Transocean Onshore Support Services Limited (the "Company"), prior to writing this Statement and will take the Company's comments into account when they believe it is appropriate to do so.

The Trustees are responsible for the investment strategy of the Plan. They have obtained written advice on the investment strategy appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Investments Limited, who are authorised and regulated by the Financial Conduct Authority.

The day to day management of the Plan's assets has been delegated to investment managers, which are authorised and regulated by the Financial Conduct Authority. A copy of this Statement has been provided to the investment managers appointed, is available to the members of the Plan and will be published on a publicly accessible website.

Objectives and Policy for Securing Objectives

The Trustees' primary objectives for setting the investment strategy of the Plan are set out below:

- "Funding objective" - to ensure that the Plan has sufficient assets available to pay members' benefits as and when they arise using assumptions set out in the Statement of Funding Principles. The Trustees' have a secondary objective of improving the Plan's solvency position.
- "Security objective" – to ensure that the solvency position of the Plan is expected to improve. The Trustees will also take into account the strength of the Company's covenant when setting the investment strategy.
- "Stability objective" – to have due regard to the Company's ability in meeting its contribution payments given their size and incidence.

The investment strategy chosen by the Trustees aims to maximise the likelihood of achieving these objectives. The Trustees recognise that these objectives may conflict. For example, a greater allocation to more defensive assets may give greater security but may result in a level of contributions which the employer may find too difficult to support. The Trustees also recognise that in resolving this conflict, it is necessary to accept some risk.

Choosing Investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Plan, its cash flow requirements, the funding level of the Plan and the Trustees' objectives.

The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustees exercise their powers of investment in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk, a spread of assets is held. The diversification is both within, and across, the major asset classes. Day to day selection of stocks is delegated to investment managers appointed by the Trustees. The Trustees take expert advice when selecting and reviewing the Plan's investment managers.

Assets held to cover the Plan's liabilities are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Plan.

The assets of the Plan are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level).

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counter party or other derivative operations.

The Balance Between Different Kinds of Investments

The Trustees recognise that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation.

They have responsibility for setting asset allocation, and take expert advice as required from their professional advisers.

The Trustees review the investment strategy following each formal actuarial valuation of the Plan (or more frequently should the circumstances of the Plan change in a material way). The Trustees take written advice from their professional advisers regarding an appropriate investment strategy for the Plan.

The asset allocation set out in the IPID was implemented after considering the result of an asset and liability modelling exercise undertaken following the 2018 triennial actuarial valuation. Since then, further steps have been taken to de-risk the Plan and there have been changes to the Plan's matching portfolio. These are outlined in the IPID.

A range of available asset classes has been considered. This includes consideration of "alternative" asset classes (namely multi asset credit).

Investment Risk Measurement and Management

The Trustees aim to prospectively assess asset allocation risks triennially using asset liability modelling techniques in conjunction with the actuarial valuation of the Plan, following which the Trustees take advice on the continued appropriateness of the existing investment strategy. The retrospective impact of investment risk on the Plan's funding position is monitored on a quarterly basis via investment reports prepared by their professional advisers.

Risks associated with changes in the Company covenant are assessed by monitoring insolvency risk (as defined for the purposes of calculating the risk-based element of the Pension Protection Fund levy) and through regular financial reports from the Company.

Expected deviation from the benchmark (for a passive manager) or from the out-performance target (for an active manager) is detailed in the IPID. The Trustees have also appointed Aon Investments Limited to alert them on any matters of material significance that might affect the ability of each fund manager to achieve its objectives.

The Trustees acknowledge that investment returns achieved out with the expected deviation (positive or negative) may be an indication that the investment manager is taking a higher level of risk than indicated.

Cash flow risk arises from the need to realise assets in the short term. If realisations of investments in order to meet the benefit outgo were to be made at a time when prices are depressed, this could reduce the likelihood of meeting the primary objectives. To avoid this, the Trustees and its advisers manage the Plan's cash flow requirements carefully over the short-term.

Custody

Investment in pooled funds gives the Trustees a right to the cash value of the units rather than to the underlying assets. The managers of the pooled fund are responsible for the appointment and monitoring of the custodian of the fund's assets.

The custodians are independent of the Company.

Expected Returns on Assets

To achieve the primary funding objective, the Trustees' prudent expectations are that the Plan's assets overall will achieve a return which is at least in line with Gilts +1.0% p.a.

Within the Plan's assets, the Trustees are willing to incur short-term volatility in asset price behaviour with the expectation that over the long term the assets will achieve the target return. In addition, the Trustees have implemented a liability matching portfolio which is designed to hedge 95% of the Plan's interest rate and inflation risk on the liabilities measured on the Solvency basis.

Returns achieved by the fund managers are assessed against performance benchmarks set by the Trustees in consultation with their advisers and the fund managers.

Realisation of Investments/Liquidity

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise.

The majority of the assets held are realisable at short notice (either through the sale of direct holdings of stocks, bonds etc. or the sale of units in pooled funds).

Arrangements with Investment Managers

The Trustees regularly monitor the Plan's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustees' policies, including those on non-financial matters. This includes monitoring the extent to which investment managers:

- Make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and
- Engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustees are supported in this monitoring activity by their investment adviser.

The Trustees receive quarterly reports and verbal updates from their investment adviser on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives and assess the investment managers over 3-year periods.

Before appointment of a new investment manager, the Trustees review the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustees' policies. Where possible, the Trustees will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example if the Plan invests in a collective vehicle, then the Trustees will express their expectations to the investment managers in by other means (such as through a side letter, in writing, or verbally at Trustee meetings).

The Trustees believe that having appropriate governing documentation, setting clear expectations to the investment managers by other means (where necessary), and regular monitoring of investment managers' performance and investment strategy, is in most cases sufficient to incentivise the investment managers to make decisions that align with the Trustees' policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where investment managers are considered to make decisions that are not in line with the Trustees' policies, expectations, or the other considerations set out above, the Trustees will typically first engage with the investment manager but could ultimately replace the investment manager where this is deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment of all of the Plan's investment managers will be reviewed periodically, and at least every three years.

Monitoring of Investment Manager Costs

Understanding Costs

The Trustees are aware of the importance of monitoring their investment managers' total costs and the impact these costs can have on the overall value of the Plan's assets. The Trustees recognise that in addition to annual management charges, there are a number of other costs incurred by their investment managers that can increase the overall cost incurred by their investments.

The Trustees have agreed to engage ClearGlass to collect annual cost transparency reports covering all of their investments and ask that the investment managers provide this data in line with the appropriate Cost Transparency Initiative ("CTI") template for each asset class. This allows the Trustees to understand exactly what they're paying their investment managers. The Trustees work with their investment consultant and investment managers to understand these costs in more detail where required.

Evaluation of performance and remuneration

The Trustees assess the performance of their investment managers on a quarterly basis and the remuneration of their investment managers on at least an annual basis via collecting cost data in line with the CTI templates.

Portfolio turnover costs

The Trustees are aware of the portfolio turnover costs (portfolio turnover costs are defined as the costs incurred as a result of the buying, selling, lending or borrowing of investments) associated to their underlying investments through the information provided by their investment managers. The monitoring of the target portfolio turnover and turnover range is monitored annually with the assistance of the Plan's investment consultant.

The Trustees accept that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes and by manager style within an asset class. In both cases, a high level of transaction costs is acceptable as long as it is consistent with the asset class characteristics and manager's style and historic trends. Where the Trustees' monitoring identifies a lack of consistency the mandate will be reviewed.

The Trustees are supported in their cost transparency monitoring activity by their investment consultant.

Environmental, Social, and Governance considerations

The Trustees acknowledge that an understanding of financially material considerations including environmental, social and corporate governance (ESG) factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

As part of their delegated responsibilities, the Trustees expect the Plan's investment managers to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision should not apply personal ethical or moral judgments to these issues but should consider the sustainability of business models that are influenced by them.

The Trustees are taking the following steps to monitor and assess ESG related risks and opportunities:

- The Trustees will have periodic training on Responsible Investment to understand how ESG factors, including climate change, could impact the Plan's assets and liabilities.
- As part of ongoing monitoring of the Plan's investment managers, the Trustees will use ESG ratings information provided by Aon, where relevant and available, to monitor the level of the Plan's investment managers' integration of ESG on a quarterly basis.
- The Trustees will request all of the Plan's investment managers to provide their Responsible Investment policy and details of how they integrate ESG into their investment decision making process on an annual basis. Should the Plan look to appoint a new manager, where relevant and appropriate, the Trustees will request this information as part of the selection process. All responses will be reviewed and monitored with input from the Plan's investment consultant.

Stewardship - Voting and Engagement

The Trustees recognises the importance of their role as a steward of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its investments reside. The Trustees recognise that ultimately this protects the financial interests of the Plan and its beneficiaries.

The Trustees regularly review the suitability of the Plan's appointed investment managers and take advice from their investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling materially short of the standards the Trustees have set out in this policy, the Trustees undertake to engage with the manager and seek advice from the investment adviser as to what the most appropriate next steps should be.

The Trustees delegate all stewardship activities, including voting and engagement, to their appointed investment managers. The Trustees accept responsibility for how the Plan's investment managers steward assets on their behalf, including the casting of votes in line with each manager's individual voting policies.

That said, the Trustees review the stewardship activities of their investment managers on an annual basis, covering both engagement and voting actions. The Trustees will review this, with the support of their investment adviser, and ensure their managers, or other third parties, use their influence as major institutional investors to carry out the Trustees' rights and duties as a shareholder including voting, along with – where relevant and appropriate – engaging with underlying investee companies to promote good corporate governance, accountability, and positive change.

The Trustees will engage with their investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, as noted below, are being actioned. This will take the form of annual reporting which will be made available to Plan members on request.

If the Trustees' monitoring reveals that an investment manager's voting or engagement policies, or its stewardship actions are not aligned with the Trustees' expectations, the Trustees will engage with the manager, via different medium such as emails and meetings, to seek a more sustainable position, but it may look to replace the manager.

The transparency for voting should include voting actions and rationale with relevance to the Plan, in particular, where: votes were cast against management; votes against management generally were significant, votes were abstained; voting differed from the voting policy of either the Trustees or the investment manager.

Where voting is concerned the Trustees expect their investment managers to recall stock lending as necessary, in order to carry out voting actions.

From time to time, the Trustees will consider the methods by which, and the circumstances under which, they would monitor and engage with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustees may engage (either with the investment managers or with underling investee companies) on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Members' Views and Non-Financial Factors

The Trustees do not specifically take into account the views of Plan members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future quality of life of the members and beneficiaries of the Plan (defined as 'non-financial factors' in the 2018 Regulations[1]). The Trustees will review its policy towards this on an annual basis.

Additional Voluntary Contributions ("AVCs") Arrangements

Some members have obtained further benefits by paying AVCs to the Plan. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. Details of AVC providers and fund options are included in the IPID.

From time to time the Trustees review the choice of investments available to members to ensure that they remain appropriate to the members' needs.

Effective Decision Making

The Trustees recognise that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. They also recognise that where they take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.

The Trustees and the Company have established a Joint Working Group ("JWG") to consider all matters relating to the investment of the Plan's assets with assistance from the Plan's investment advisors. Any decisions taken by the JWG are ratified by the full Trustee board in advance of implementation.

This document has been agreed and approved by the Trustees of the GlobalSantaFe North Sea Final Salary Pension Plan

[1] The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018