



Modern Slavery and Human Trafficking Statement 2017

Introduction

This Modern Slavery and Human Trafficking statement is prepared in consideration of section 54(1) of the Modern Slavery Act 2015 (the 'Act') and relates to the financial year ending 31 December 2017. It outlines the steps taken by Paragon Offshore to assess our operations and supply chain on the risks of modern slavery and human trafficking.

At Paragon, we place the greatest importance upon our reputation for honesty, integrity and high ethical standards. We also have a fundamental commitment to comply with all applicable laws governing the conduct and safety of our operations worldwide.

About Paragon

Paragon Offshore is a leading provider of standard specification offshore drilling units serving the oil and gas industry. Our fleet consisted of 22 jack-ups and one semi-submersible at the end of 2017. We operate in significant hydrocarbon-producing geographies throughout the world, including the North Sea, West Africa, the Middle East and India.

Modern Slavery Act Assessment and Activity

Operations

Paragon Offshore's workforce consists of directly employed personnel and contract personnel. The majority of our employees work on our offshore installations. Due to nature of the business, it is considered that there is a very low risk of Paragon's personnel falling victim to modern slavery or human trafficking practices. For example, working offshore in many jurisdictions requires government-level security clearance.

Supply Chain

A strong and robust supply chain is an integral part of Paragon Offshore's operations. Over the years, our Corporate and Division supply chain management teams have built strong relationships with suppliers and business partners.

In 2017, Paragon Offshore initiated a strategic review of the supplier selection and approval process. It was noted that while there was high level of fiduciary due diligence for supplier setup, there was less focus on supplier's Corporate Social Responsibility and in relation to modern slavery or human trafficking. To address this gap, the supplier selection process was modified, and a 'Supplier Sustainability Assessment' tool was put in place. The information provided by the supplier is used by Paragon to assess the potential for modern slavery within a supply chain, and to create awareness and dialogue between Paragon and its suppliers.

Starting in late 2017, new suppliers are asked to complete the Supplier Sustainability Assessment prior to selection. In 2018, all existing suppliers will be assessed, initially using a risk-based screening approach, and as required, asked to complete the 'Supplier Sustainability Assessment'.

Conclusion

Paragon is committed to remaining vigilant in the prevention of modern slavery and human trafficking in its operation and supply chain, by maintaining the highest industry standards of governance and oversight.

James Swent
President and CEO
23 March 2018